



**MINISTRY OF PHYSICAL PLANNING,
CONSTRUCTION AND STATE ASSETS**



ANNUAL REPORT 2019

**FOR LEGAL ENTITIES OF SPECIAL INTEREST
TO THE REPUBLIC OF CROATIA**

Zagreb, December 2020.

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Foreword



Dear readers

Our Ministry, along with the sector ministries, is responsible for undertaking the role of owner authority for legal entities of special interest to the Republic of Croatia.

Given that it involves assets belonging to all citizens, our task is that enterprises operate rationally, efficiently, transparently and publicly. Therefore, for the purpose of informing and public reporting, we are continuing with the initiated process of publishing annual reports on business activities of legal entities of special interest, conscious that there is significant interest from the general public and professionals in monitoring the business results of legal entities. The report presents basic information on the business of legal entities of special interest that manage their accounts according to the Accounting Act (33 legal entities).

In 2019, legal entities generated a total revenue of HRK 51 billion, managed assets valued at HRK 218 billion, carried out more than HRK 7.5 billion of investments, paid more than a HRK 1 billion of corporate tax into the national budget of the Republic of Croatia, employed over 46 thousand people, thus contributing a significant share to gross domestic product, and having a significant impact on the Croatian economy, while achieving public goals, generating revenue for the national budget and employing people.

In view of the presented business results, we must take into account that the mentioned legal entities of special interest, besides their business activities, also achieve various goals of public policy, where profit is not the primary focus, and for which various state regulators determine prices. This has a certain impact on final business results.

Moreover, we should be aware of the fact that these presented results are based on business activities which have not as yet been impacted by the COVID-19 pandemic, but its consequences will undoubtedly be reflected in business results for 2020. Accordingly, due to these extraordinary circumstances, the state, as a proactive owner, has responded decidedly to the crisis by adopting Guidelines for Rationalising Business, resulting in crisis management plans for state-owned enterprises with the aim of minimising negative impacts and tracking the mentioned plans on a monthly basis.

For this reason, as the minister responsible for managing state assets, I would like to point out that, when referring to legal entities of special interest, the further strengthening and improving of corporate governance, as well as a more active role by the state as the owner, is a prioritised goal in the coming period.

In line with good practice in the area of corporate governance and OECD guidelines, after successfully implementing a unified planning and reporting system put in place by all legal entities of special interest, where the state has the role of an informed owner, and the creation of a centralised database on state-owned enterprises, additional reform processes have been initiated aimed at assisting the state as owner to assume a more active role in line

with its mandated powers, thus creating a clear framework and system for improving corporate governance and resulting in more efficient businesses run by state-owned enterprises.

Accordingly, the Ministry has initiated a series of projects financed from EU funds, where new corporate standards will be set to manage exceptionally valuable assets in owned by state-owned enterprises, and which includes not only to tangible assets, but also to human capital. This modern form of management to which we aspire, complying with generally recognised international standards, will modernise the businesses of state-owned enterprises and provide better quality services to citizens as well as other stakeholders.

In addition to projects for introducing early warning systems for business risks, analysis of the legal framework in selecting members and defining the work of supervisory boards and audit committees, including activation of inactive assets in state-owned enterprises, I would like to highlight a project for aligning the current system for managing state-owned enterprises with OECD Guidelines, which are considered the best internationally recognised corporate governance practices.

Achieving this is one of the most demanding and exceptionally important preconditions for the Republic of Croatia to gain full membership in the OECD, which will be a reflection of the reputation of the Republic of Croatia as well as its state-owned enterprises at an international level. The importance of this project, besides improving corporate governance in state-owned enterprises, is also reflected in the fact that its outcomes have been incorporated into the Republic of Croatia's Action Plan for Participation in the Exchange Rate Mechanism II (ERM II), the so-called Post Entry Commitments.

I would like to remind our readers of the long path from having a large concentration of state ownership to the present situation, when we plan to retain only those enterprises in full or partial state ownership in which public interest has been identified, with the aim of protecting all groups of citizens and as a country respecting the Rule of Law to ensure a framework for its proper functioning, while also sending a clear message to capital markets of our openness to cooperation and investments. Therefore, importantly, criteria for identifying legal entities of special interest to the Republic of Croatia have been clearly defined. The criteria will be regularly re-examined given that the interests of the state and public are continually changing, and by the end of the year, a new list of enterprises of special interest will be proposed.

We are all aware that the state as an owner has not always proven to be efficient, that changes introduced were not long-term nor adequately effective; however, all this should be seen as a process of building and moving into a phase, where conscious that there is no other alternative but to introduce modern and generally accepted high standards of corporate governance in those enterprises in which the state intends to remain the owner.

Finally, I would like to extend my appreciation to all stakeholders included in the corporate governance of legal entities of special interest for their combined results, and invite them to undertake all activities which will, in the these challenging times, contribute to more efficient state-owned enterprises that provide better quality services to citizens and achieve a greater return on investment, while our Ministry, as an informed and active owner, will continue to transparently present its work and results, while improving corporate governance, in order to become more competitive and achieve standards from the best international practices.

Yours faithfully,

MINISTER

Darko Horvat

1. Introduction

The Ministry of Physical Planning, Construction and State Assets, as the body entrusted with executing ownership powers over legal entities of special interest to the Republic of Croatia, works continually to improve corporate governance. Each country should act as an informed and active owner utilising its allocated ownership rights. One of the fundamental ownership rights belonging to the state is to establish a business reporting and monitoring system for state-owned enterprises.

The vision of the Ministry of Physical Planning, Construction and State Assets is systematic, clear, optimal and long-term sustainable management of assets in the ownership of the Republic of Croatia, founded on the principles of accountability, publicity, economic feasibility and foreseeability, all serving to achieve economic, infrastructural and other strategic development goals and protect national interests, with the aim of preserving assets and their importance for the life and work of current and future generations.

2. Legal entities of special interest

Pursuant to Article 12. Paragraph 1 of the State Assets Management Act (Official Gazette number 52/18), the Government of the Republic of Croatia at its session held on 2 August 2018 adopted the Decision on Legal entities of special interest to the Republic of Croatia (Official Gazette no. 71/18) which defines 39 legal entities of special interest for the Republic of Croatia, of which their nominal value of total share capital amounts to HRK 43 billion, and includes the following entities:

- 23 limited liability companies
- 10 joint-stock companies (five of which are listed on the Zagreb Stock Exchange), and
- 6 other legal entities

The graph below shows the trend of reducing the number of legal entities of special interest over the last six years.

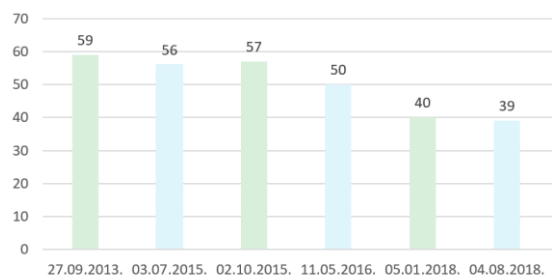


Chart 1. Number of legal entities of special interest from 2013 to 2019

Due to the inability to consolidate data from various types of reports, legal entities maintaining their accounts in accordance with rules for budgetary, non-profit accounting or apply the chart of accounts for credit institutions, are not the subject of this report, such as the State Agency for Deposit Insurance and Bank Resolution, Hrvatske vode (Croatian Waters), Centar za restrukturiranje i prodaju (Restructuring and Sale Center), Croatian Bank for Reconstruction and Development (HBOR) and Hrvatska poštanska banka d.d. (Croatian Postal Bank). Also, due to the unavailability of data, an overview of business operations of the company Imunološki zavod d.d. (Institute of Immunology, Inc.) are not shown, hence the portfolio of companies and their businesses shown in the report covers 33 legal entities of special interest for the Republic of Croatia (without subsidiary companies).

3. Portfolio by type of business

Based on the presentation of types of businesses undertaken by legal entities of special interest, it becomes evident that a larger number of companies come from the transport and communications industry, i.e., 21 in all. The exceptionally important energy sector comprises four legal entities, whereas the manufacturing, services and commercial trade industries include eight legal entities.

Table 1. Overview of legal entities of special interest

Company	Sectors
HEP d.d.	Energy
HR OTE d.o.o.	
INA - INDUSTRIJA NAFTE d.d.	
JADRANSKI NAFTOVOD d.d.	
AGENCIJA ALAN d.o.o.	Production, services and trade
AKD d.o.o.	
DRŽAVNE NEKRETNINE d.o.o.	
FINANCIJSKA AGENCIJA	

HP - HRVATSKA POŠTA d.d.		
HRVATSKA LUTRIJA d.o.o.		
HRVATSKE ŠUME d.o.o.		
NARODNE NOVINE d.d.		
APIS IT d.o.o.		
AUTOCESTA RIJEKA - ZAGREB d.d.		
CROATIA AIRLINES d.d.		
HKZP d.o.o.		
HRVATSKE AUTOCESTE d.o.o.		
HRVATSKE CESTE d.o.o.		
HŽ CARGO d.o.o.		
HŽ INFRASTRUKTURA d.o.o.		
HŽ PUTNIČKI PRIJEVOZ d.o.o.		
JADROLINIJA	Transport and communications	
ODAŠILJAČI I VEZE d.o.o.		
PLOVPUT d.o.o.		
PCE d.o.o.		
ZRAČNA LUKA DUBROVNIK d.o.o.		
ZRAČNA LUKA OSIJEK d.o.o.		
ZRAČNA LUKA PULA d.o.o.		
ZRAČNA LUKA RIJEKA d.o.o.		
ZRAČNA LUKA SPLIT d.o.o.		
ZRAČNA LUKA ZADAR d.o.o.		
ZRAČNA LUKA ZAGREB d.o.o.		
ACI d.d.		Tourism

4. Revenue, expenditure and business results

Legal entities of special interest in the presented portfolio for 2019 achieved total revenue of HRK 51 billion. An overview of the entire revenue for the companies is given in Table 2.

Table 2. Total revenue

Company	HRK
INA - INDUSTRIJA NAFTE d.d.	21.613.303.352
HEP d.d.	10.519.884.837
HRVATSKE AUTOCESTE d.o.o.	2.296.106.052
HRVATSKE ŠUME d.o.o.	2.283.502.060
HP - HRVATSKA POŠTA d.d.	1.903.205.121
CROATIA AIRLINES d.d.	1.751.214.085
HŽ INFRASTRUKTURA d.o.o.	1.322.322.216
JADROLINIJA	977.748.657
FINA	941.000.476
HKZP d.o.o.	845.457.885
HŽ PUTNIČKI PRIJEVOZ d.o.o.	835.908.589
AUTOCESTA RIJEKA ZAGREB	772.937.767
JADRANSKI NAFTOVOD d.d.	714.324.672
HRVATSKA LUTRIJA d.o.o.	636.765.316
HŽ CARGO d.o.o.	523.936.004

ZL DUBROVNIK d.o.o.	484.701.163
ZL SPLIT d.o.o.	450.529.375
NARODNE NOVINE d.d.	301.338.250
APIS IT d.o.o.	279.808.508
AKD d.o.o.	278.790.366
ODAŠILJAČI I VEZE d.o.o.	251.790.518
ACI d.d.	237.439.178
HRVATSKE CESTE d.o.o.	202.699.332
DRŽAVNE NEKRETNINE d.o.o.	103.195.704
AGENCIJA ALAN d.o.o.	100.225.567
ZL PULA d.o.o.	88.199.556
ZL ZADAR d.o.o.	85.266.121
PLOVPUT d.o.o.	73.914.834
ZL RIJEKA d.o.o.	25.706.938
HROTE d.o.o.	24.062.824
ZL OSIJEK D.O.O	15.934.071
ZL ZAGREB d.o.o.	10.447.792
PCE d.o.o.	9.457.410
Total:	50.961.124.596

The structure of revenue for the particular companies with respect to total revenue is shown in Graph 2. Of the total revenue, 63% is attributed to INA-Industrija nafte d.d. (state petroleum company) and Hrvatska elektroprivreda d.d. (national Croatian electricity utility company), whereas total revenue of the last 20 companies comprises only 8% of revenue from the respective portfolio.

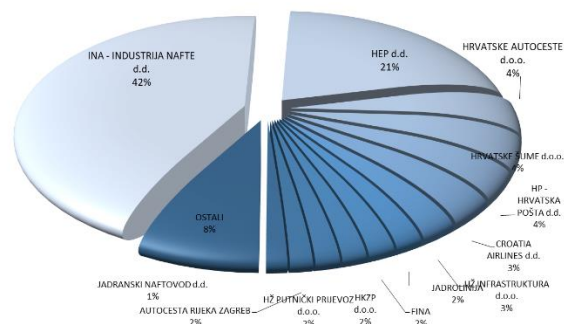


Chart 2. Revenue structure by company in 2019

Revenue by portfolio increased with respect to 2018 by HRK 762 million or 1.5%. The biggest growth in revenue (HRK 1.1 billion) was generated by the company HEP d.d. After HEP d.d., the largest increase in revenue in absolute terms was achieved by the companies HP – Hrvatska pošta d.d. (HRK 188 million), FINA (HRK 128 million), HŽ Infrastruktura d.o.o. (HRK 96 million), etc. In relative terms, the largest increase in revenue was achieved by the company Zračna

luka Osijek d.o.o. (Osijek Airport) (33%), APIS IT d.o.o. (Information system and Information Technologies Support. Agency) (24%) followed by Državne nekretnine d.o.o. (State Properties) (17%), Zračna Luka Zadar d.o.o. (Zadar Airport) (17%), as shown in Table 3 and the associated graph showing only companies with the greatest relative increase in revenue.

Table 3. Increase in revenue in 2019 compared to 2018

Company	Δ%
ZL OSIJEK D.O.O	32,82%
APIS IT d.o.o.	23,81%
DRŽAVNE NEKRETNINE d.o.o.	17,07%
ZL ZADAR d.o.o.	16,91%
FINA	15,77%
ZL DUBROVNIK d.o.o.	15,08%
HEP d.d.	11,75%
ZL SPLIT d.o.o.	11,41%
HP - HRVATSKA POŠTA d.d.	10,97%
HRVATSKE CESTE d.o.o.	10,25%
ACI d.d.	9,87%
AKD d.o.o.	9,48%
ZL PULA d.o.o.	8,69%
HŽ INFRASTRUKTURA d.o.o.	7,79%
HRVATSKA LUTRIJA d.o.o.	5,95%
HROTE d.o.o.	5,03%
ODAŠILJAČI I VEZE d.o.o.	4,24%
NARODNE NOVINE d.d.	3,76%
JADROLINIJA	2,79%
HRVATSKE ŠUME d.o.o.	2,41%
HŽ CARGO d.o.o.	1,40%

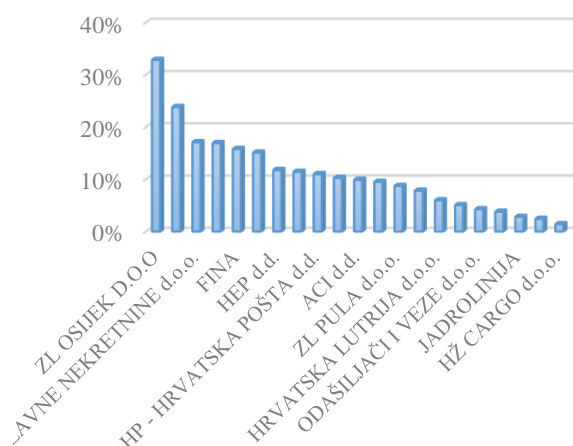


Chart 3. Increase in revenue compared to 2018

On the other hand, companies with the largest relative decrease in revenue were the Agencija Alan d.o.o. (Alan Agency), Zračna Luka Zagreb d.o.o. (Zagreb

Airport Ltd.), Autocesta Rijeka Zagreb d.d. (Rijeka-Zagreb Motorway) etc., as shown in the table below and associated graph.

Table 4. Decrease in revenue compared to 2018

Company	Δ%
AGENCIJA ALAN d.o.o.	-57,59%
ZL ZAGREB d.o.o.	-55,17%
AUTOCESTA RIJEKA ZAGREB	-38,05%
PCE d.o.o.	-23,74%
ZL RIJEKA d.o.o.	-9,63%
JADRANSKI NAFTOVOD d.d.	-8,64%
HRVATSKE AUTOCESTE d.o.o.	-5,20%
PLOVPUT d.o.o.	-2,96%
HŽ PUTNIČKI PRIJEVOZ d.o.o.	-2,44%
INA - INDUSTRIJA NAFTE d.d.	-1,42%
HKZP d.o.o.	-0,43%
CROATIA AIRLINES d.d.	-0,36%

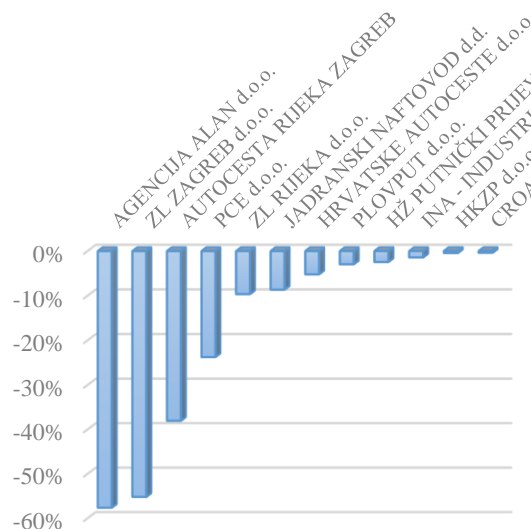


Chart 4. Decrease in revenue compared to 2018

An overview of total expenditure by legal entities indicates HRK 47.2 billion and is shown in Table 5.

Table 5. Total Expenditure in 2019

Company	HRK
INA - INDUSTRIJA NAFTE d.d.	20.811.344.807
HEP d.d.	9.291.600.639
HRVATSKE ŠUME d.o.o.	2.219.274.113
CROATIA AIRLINES d.d.	1.830.572.604
HRVATSKE AUTOCESTE d.o.o.	1.808.208.834
HP - HRVATSKA POŠTA d.d.	1.742.654.767
HŽ INFRASTRUKTURA d.o.o.	1.321.855.642
JADROLINIJA	963.658.394
FINA	834.991.495

HŽ PUTNIČKI PRIJEVOZ d.o.o.	830.823.560
HKZP d.o.o.	812.804.146
HŽ CARGO d.o.o.	664.777.011
AUTOCESTA RIJEKA ZAGREB	639.984.396
HRVATSKA LUTRIJA d.o.o.	569.532.369
JADRANSKI NAFTAOVOD d.d.	394.506.086
ZL DUBROVNIK d.o.o.	346.262.117
NARODNE NOVINE d.d.	295.499.054
ZL SPLIT d.o.o.	289.119.026
APIS IT d.o.o.	264.164.339
HRVATSKE CESTE d.o.o.	202.699.332
ACI d.d.	198.262.828
AKD d.o.o.	193.413.325
ODAŠILJAČI I VEZE d.o.o.	187.706.060
AGENCIJA ALAN d.o.o.	91.872.394
ZL ZADAR d.o.o.	76.677.990
ZL PULA d.o.o.	75.080.243
PLOVPUT d.o.o.	73.899.701
DRŽAVNE NEKRETNINE d.o.o.	52.355.775
ZL RIJEKA d.o.o.	25.628.927
HROTE d.o.o.	21.551.320
ZL OSIJEK D.O.O	15.364.690
ZL ZAGREB d.o.o.	10.357.649
PCE d.o.o.	9.427.613
Total:	47.165.931.246

Table 6 provides a comparison of the increase/decrease in revenue from the increase/decrease in expenditure in 2019 compared to 2018 for each particular company.

Table 6. Increase / decrease in revenue and expenses in 2019 vs. 2018

Company	↑ ili ↓ revenue	↑ ili ↓ expenses
ZL OSIJEK D.O.O	33%	6%
APIS IT d.o.o.	24%	22%
DRŽAVNE NEKRETNINE d.o.o.	17%	-14%
ZL ZADAR d.o.o.	17%	20%
FINA	16%	8%
ZL DUBROVNIK d.o.o.	15%	5%
HEP d.d.	12%	3%
ZL SPLIT d.o.o.	11%	15%
HP - HRVATSKA POŠTA d.d.	11%	5%
HRVATSKE CESTE d.o.o.	10%	10%
ACI d.d.	10%	12%
AKD d.o.o.	9%	8%
ZL PULA d.o.o.	9%	2%
HŽ INFRASTRUKTURA d.o.o.	8%	0%
HRVATSKA LUTRIJA d.o.o.	6%	6%
HROTE d.o.o.	5%	7%
ODAŠILJAČI I VEZE d.o.o.	4%	0%
NARODNE NOVINE d.d.	4%	5%
JADROLINIJA	3%	11%
HRVATSKE ŠUME d.o.o.	2%	3%
HŽ CARGO d.o.o.	1%	8%

CROATIA AIRLINES d.d.	0%	-1%
HKZP d.o.o.	0%	3%
INA - INDUSTRIJA NAFTE d.d.	-1%	3%
HŽ PUTNIČKI PRIJEVOZ d.o.o.	-2%	-3%
PLOVPUT d.o.o.	-3%	-2%
HRVATSKE AUTOCESTE d.o.o.	-5%	-1%
JADRANSKI NAFTAOVOD d.d.	-9%	-4%
ZL RIJEKA d.o.o.	-10%	-1%
PCE d.o.o.	-24%	-33%
AUTOCESTA RIJEKA ZAGREB	-38%	5%
ZL ZAGREB d.o.o.	-55%	-52%
AGENCIJA ALAN d.o.o.	-58%	-54%

Net profit in 2019 amounted to HRK 3.16 billion or 11% more than in the previous year. In all, 81% of the profit in the portfolio is attributed to only 5 companies: HEP d.d., INA – Industrija nafte d.d., Hrvatske autoceste d.o.o., Jadranski naftovod d.d. and Zračna luka Split d.o.o. Data on absolute amounts of net profit and a presentation of the relative proportion which each company has in the structure of profit from the presented portfolio is given in the table below and associated graph.

Table 7. Net profit / loss

Company	HRK
HEP d.d.	1.107.307.661
INA - INDUSTRIJA NAFTE d.d.	655.571.158
HRVATSKE AUTOCESTE d.o.o.	398.543.792
JADRANSKI NAFTAOVOD d.d.	261.909.631
ZL SPLIT d.o.o.	131.508.025
HP - HRVATSKA POŠTA d.d.	130.675.028
AUTOCESTA RIJEKA ZAGREB	123.109.401
ZL DUBROVNIK d.o.o.	113.995.402
FINA	80.073.891
AKD d.o.o.	69.614.195
HRVATSKA LUTRIJA d.o.o.	54.518.559
ODAŠILJAČI I VEZE d.o.o.	52.212.405
HRVATSKE ŠUME d.o.o.	47.097.278
DRŽAVNE NEKRETNINE d.o.o.	38.796.506
ACI d.d.	31.842.004
HKZP d.o.o.	27.113.790
APIS IT d.o.o.	12.016.380
ZL PULA d.o.o.	10.518.747
JADROLINIJA	8.508.157
ZL ZADAR d.o.o.	6.757.058
AGENCIJA ALAN d.o.o.	6.605.174
NARODNE NOVINE d.d.	5.819.336
HŽ PUTNIČKI PRIJEVOZ d.o.o.	2.641.098
HROTE d.o.o.	2.007.869
ZL OSIJEK D.O.O	569.381
HŽ INFRASTRUKTURA d.o.o.	466.574
ZL ZAGREB d.o.o.	41.807
ZL RIJEKA d.o.o.	40.405

PLOVPUT d.o.o.	40.350
PCE d.o.o.	29.797
HRVATSKE CESTE d.o.o.	-355.858
CROATIA AIRLINES d.d.	-79.358.519
HŽ CARGO d.o.o.	-140.841.007
Total:	3.159.395.475

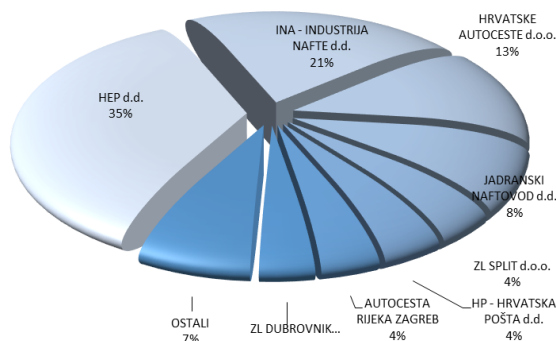


Chart 5. Proportion of profits of companies in the portfolio

Largest profits were achieved by the companies HEP d.d. (HRK 1.1 billion), INA – Industrija nafte d.d. (HRK 655 million), Hrvatske autoceste d.o.o. (HRK 399 million), Jadranski naftovod d.d. (Adriatic Petroleum Pipeline) (HRK 262 million). The companies in 2019 which failed to achieve a profit were HŽ Cargo d.o.o., Croatia Airlines d.d. and Hrvatske ceste d.o.o.

Below is an overview of assets employed and equity under the management of legal entities from the portfolio. As is evident, the largest proportion of assets in the portfolio relates to assets belonging to the companies Hrvatske ceste d.o.o., Hrvatske autoceste d.o.o., Hrvatska elektroprivreda d.d., INA – Industrija nafte d.d. i HŽ Infrastruktura d.o.o., comprising in all 85.2%.

Table 8. Review of assets and equity (in million HRK)

Company	Assets	Equity
HRVATSKE CESTE d.o.o.	76.745	65.791
HRVATSKE AUTOCESTE d.o.o.	38.858	17.766
HEP d.d.	35.107	26.159
INA - INDUSTRIJA NAFTE d.d.	22.086	11.894
HŽ INFRASTRUKTURA d.o.o.	13.372	8.129
JADRANSKI NAFTAOVOD d.d.	4.624	4.353
AUTOCESTA RIJEKA ZAGREB	4.031	- 1.689
HRVATSKE ŠUME d.o.o.	2.545	1.598
ZL DUBROVNIK d.o.o.	2.352	1.041
HŽ PUTNIČKI PRIJEVOZ d.o.o.	2.053	771
HP - HRVATSKA POŠTA d.d.	1.909	1.098

FINA	1.887	1.555
JADROLINIJA	1.652	1.071
ZL SPLIT d.o.o.	1.367	1.017
HKZP d.o.o.	1.361	761
HŽ CARGO d.o.o.	1.288	299
CROATIA AIRLINES d.d.	1.258	225
HROTE d.o.o.	986	21
ZL ZAGREB d.o.o.	924	923
ACI d.d.	708	505
AKD d.o.o.	506	472
ODAŠILJAČI I VEZE d.o.o.	506	423
APIS IT d.o.o.	411	337
NARODNE NOVINE d.d.	353	293
HRVATSKA LUTRIJA d.o.o.	339	110
ZL PULA d.o.o.	209	155
ZL RIJEKA d.o.o.	180	134
PLOVPUT d.o.o.	160	134
ZL ZADAR d.o.o.	145	118
AGENCIJA ALAN d.o.o.	124	78
DRŽAVNE NEKRETNINE d.o.o.	116	88
ZL OSIJEK D.O.O	100	15
PCE d.o.o.	25	22
Total:	218.286	145.669

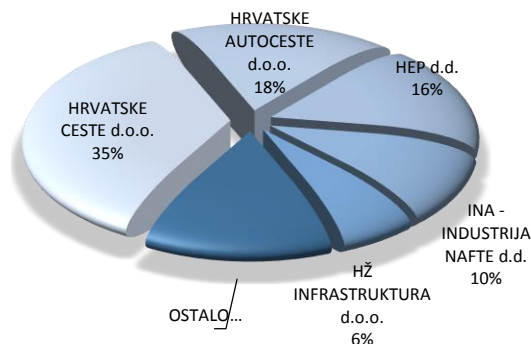


Chart 6. Portfolio assets by company

As has already been shown, net profit for the respective portfolio amounted to HRK 3.16 billion. When taking into account that the profit was achieved through employed assets with a value of HRK 218.3 billion or HRK 146 billion of equity, we arrive at return on assets (RoA) equalling 1.45% and return on equity (RoE) equivalent to 2.17%. Accordingly, special emphasis should be placed on the fact that the companies in the respective portfolio are involved in business activities and also activities aimed at achieving public policy goals where achieving profit is not the primary goal and

different state regulators determine prices, as also reflected in revenue and overall results.

An overview of indicators for return on assets and return on equity by company from the respective portfolio is shown in the following table.

Table 9. RoA and RoE indicators

Company	RoA	RoE
DRŽAVNE NEKRETNINE d.o.o.	34%	44%
HRVATSKA LUTRIJA d.o.o.	16%	49%
AKD d.o.o.	14%	15%
ODAŠILJAČI I VEZE d.o.o.	10%	12%
ZL SPLIT d.o.o.	10%	13%
HP - HRVATSKA POŠTA d.d.	7%	12%
JADRANSKI NAFTOVOD d.d.	6%	6%
AGENCIJA ALAN d.o.o.	5%	8%
ZL PULA d.o.o.	5%	7%
ZL DUBROVNIK d.o.o.	5%	11%
ZL ZADAR d.o.o.	5%	6%
ACI d.d.	5%	6%
FINA	4%	5%
HEP d.d.	3%	4%
AUTOCESTA RIJEKA ZAGREB	3%	-7%
INA - INDUSTRIJA NAFTE d.d.	3%	6%
APIS IT d.o.o.	3%	4%
HKZP d.o.o.	2%	4%
HRVATSKE ŠUME d.o.o.	2%	3%
NARODNE NOVINE d.d.	2%	2%
HRVATSKE AUTOCESTE d.o.o.	1%	2%
ZL OSIJEK D.O.O	1%	4%
JADROLINIJA	1%	1%
HROTE d.o.o.	0%	9%
HŽ PUTNIČKI PRIJEVOZ d.o.o.	0%	0%
PCE d.o.o.	0%	0%
PLOVPUT d.o.o.	0%	0%
ZL RIJEKA d.o.o.	0%	0%
ZL ZAGREB d.o.o.	0%	0%
HŽ INFRASTRUKTURA d.o.o.	0%	0%
HRVATSKE CESTE d.o.o.	0%	0%
CROATIA AIRLINES d.d.	-6%	-35%
HŽ CARGO d.o.o.	-11%	-47%
Total:	1,45%	2,17%

The greatest return on assets was achieved by the companies: Državne nekretnine d.o.o. (State Properties), Hrvatska lutrija d.o.o., AKD d.o.o., whereas the smallest return on assets was achieved by the companies HŽ Cargo d.o.o., Croatia Airlines d.d., Hrvatske ceste d.o.o. The greatest return on equity was achieved by the companies Hrvatska lutrija d.o.o. (Croatia Lottery), Državne nekretnine d.o.o., AKD d.o.o., whereas the smallest return on equity was

achieved by the companies HŽ Cargo d.o.o., Croatia Airlines d.d., Autocesta Rijeka Zagreb d.d., Hrvatske ceste d.o.o. Interpreting these indicators should consider the fact that certain types of businesses have, by their very nature, a low assets/equity requirement in their balance sheets (for instance, Državne nekretnine d.o.o., Agencija Alan d.o.o.).

A few companies achieved a negative return on assets or return on equity, such as the companies Croatia Airlines d.d., HŽ Cargo d.o.o. (Croatian Railways Cargo), Zračna luka Osijek d.o.o., and others.

5. Number of employees

The number of employees by company is shown in the table below. The largest number of employees was in the companies Hrvatska pošta d.d. (Croatia Post) (10,019), Hrvatske šume d.o.o. (Croatian Forests) (8,163), HŽ Infrastruktura d.o.o. (Croatian Railways Infrastructure) (4,898), INA – Industrija nafte d.d. (3,863) etc.

Table 10. Number of employees

Company	Number of employees
HP - HRVATSKA POŠTA d.d.	10.019
HRVATSKE ŠUME d.o.o.	8.163
HŽ INFRASTRUKTURA d.o.o.	4.898
INA - INDUSTRIJA NAFTE d.d.	3.863
FINA	2.835
HRVATSKE AUTOCESTE d.o.o.	2.798
HŽ PUTNIČKI PRIJEVOZ d.o.o.	1.861
JADROLINIJA	1.788
HŽ CARGO d.o.o.	1.485
HRVATSKA LUTRIJA d.o.o.	1.426
CROATIA AIRLINES d.d.	995
HKZP d.o.o.	753
ZL DUBROVNIK d.o.o.	521
HEP d.d.	495
HRVATSKE CESTE d.o.o.	458
ZL SPLIT d.o.o.	456
NARODNE NOVINE d.d.	455
APIS IT d.o.o.	453
JADRANSKI NAFTOVOD d.d.	381
ACI d.d.	370
AKD d.o.o.	345
ODAŠILJAČI I VEZE d.o.o.	302
PLOVPUT d.o.o.	274
ZL ZADAR d.o.o.	180
ZL PULA d.o.o.	170
DRŽAVNE NEKRETNINE d.o.o.	112
ZL RIJEKA d.o.o.	70
ZL OSIJEK D.O.O	63

AUTOCESTA RIJEKA ZAGREB	39
HROTE d.o.o.	39
PCE d.o.o.	32
AGENCIJA ALAN d.o.o.	21
ZL ZAGREB d.o.o.	5
Total:	46.125

The number of employees in the observed companies for 2019 increased by 7 compared to the previous year. The increase or decrease in the number of employees by company is shown in the following table.

Table 11. Increase / decrease in number of employees

Company	Number of employees
HRVATSKE ŠUME d.o.o.	100
HRVATSKA LUTRIJA d.o.o.	70
FINA	65
HŽ INFRASTRUKTURA d.o.o.	58
JADROLINIJA	56
ZL SPLIT d.o.o.	43
HP - HRVATSKA POŠTA d.d.	42
ZL DUBROVNIK d.o.o.	32
APIS IT d.o.o.	24
HEP d.d.	22
DRŽAVNE NEKRETNINE d.o.o.	20
CROATIA AIRLINES d.d.	14
ZL ZADAR d.o.o.	13
AKD d.o.o.	12
ZL PULA d.o.o.	11
ODAŠILJAČI I VEZE d.o.o.	3
HRVATSKE CESTE d.o.o.	2
ZL RIJEKA d.o.o.	2
ACI d.d.	1
AGENCIJA ALAN d.o.o.	1
AUTOCESTA RIJEKA ZAGREB	1
HKZP d.o.o.	-
HROTE d.o.o.	- 1
JADRANSKI NAFTAVOD d.d.	- 1
ZL ZAGREB d.o.o.	- 1
ZL OSIJEK D.O.O	- 2
PLOVPUT d.o.o.	- 3
PCE d.o.o.	- 7
NARODNE NOVINE d.d.	- 19
HŽ PUTNIČKI PRIJEVOZ d.o.o.	- 32
HRVATSKE AUTOCESTE d.o.o.	- 33
HŽ CARGO d.o.o.	- 146
INA - INDUSTRIJA NAFTE d.d.	- 340
Total:	7

The largest increase in the number of employees was noted to have taken place in the companies: Hrvatske šume d.o.o. (100), Hrvatska lutrija d.o.o. (70), FINA (65), HŽ Infrastruktura (58), whereas the largest decrease occurred in the companies INA – Industrija nafte d.d. (-340), HŽ Cargo (-146), etc.

6. Investments

Total investments amounted to HRK 7,662 million, an increase of 11% compared to 2018 when investments totalled HRK 6,905 million. The companies Društva INA - Industrija nafte d.d., Hrvatske ceste d.o.o., HŽ Infrastruktura d.o.o., Zračna luka Dubrovnik d.o.o., Jadranski naftovod d.d., Hrvatske autoceste d.o.o. i HP - Hrvatska pošta d.d. had the largest investments comprising 79.2% of the total amount. The largest increase in investments is attributed to the companies Zračna luka Zadar d.o.o. (+411%), HEP d.d. (+117%), HŽ putnički prijevoz d.o.o. (+112%) i Hrvatska lutrija d.o.o. (+99.27%). The largest increases in investments compared to 2018 in absolute terms were achieved by the companies INA - Industrija nafte d.d. (HRK +274 million), Hrvatske ceste d.o.o. (HRK +220 million) and Zračna luka Dubrovnik d.o.o. (HRK +196 million)

Table 12. Investments in 2019.

Company	Investments
INA - INDUSTRIJA NAFTE d.d.	1.949.571
HRVATSKE CESTE d.o.o.	1.555.040
HŽ INFRASTRUKTURA d.o.o.	950.900
ZL DUBROVNIK d.o.o.	562.358
JADRANSKI NAFTAVOD d.d.	408.603
HRVATSKE AUTOCESTE d.o.o.	338.371
HP - HRVATSKA POŠTA d.d.	302.415
HŽ PUTNIČKI PRIJEVOZ d.o.o.	200.288
HRVATSKE ŠUME d.o.o.	198.739
HEP d.d.	176.908
ZL SPLIT d.o.o.	161.662
FINA	128.699
HKZP d.o.o.	101.414
ODAŠILJAČI I VEZE d.o.o.	84.665
JADROLINIJA	81.676
HŽ CARGO d.o.o.	78.900
AUTOCESTA RIJEKA ZAGREB	70.803
APIS IT d.o.o.	65.385
CROATIA AIRLINES d.d.	64.156
HRVATSKA LUTRIJA d.o.o.	51.118
ACI d.d.	49.416
ZL ZADAR d.o.o.	26.087
AKD d.o.o.	17.237
DRŽAVNE NEKRETNINE d.o.o.	10.277
ZL PULA d.o.o.	8.460
PLOVPUT d.o.o.	6.335
ZL RIJEKA d.o.o.	5.611
ZL OSIJEK D.O.O	3.500
NARODNE NOVINE d.d.	2.901

HROTE d.o.o.	600
AGENCIJA ALAN d.o.o.	250
ZL ZAGREB d.o.o.	153
PCE d.o.o.	-
Total:	7.662.498

7. Joint-stock companies listed on the regulated capital market

The portfolio comprising legal entities of special interest for the Republic of Croatia contains shares from 5 companies listed on the regulated capital market at the Zagreb Stock Exchange as follows:

- Adriatic Croatia International Club d.d. Rijeka,
- Croatia Airlines d.d. Zagreb,
- Hrvatska poštanska banka d.d. Zagreb,
- INA – Industrija nafte d.d. Zagreb and
- Jadranski naftovod d.d. Zagreb

The graph below shows the trend for share prices in the mentioned companies on the regulated capital market during 2019, while noting that calculations took into consideration average share prices on a monthly basis. Amounts for paid dividends for the respective period (for companies that paid out dividends) are also shown:

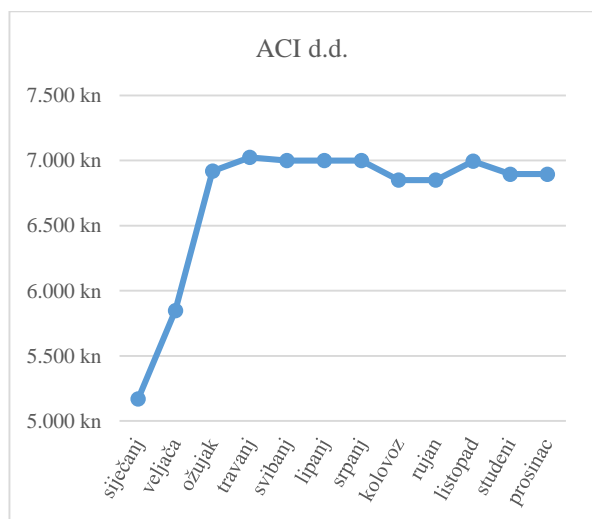


Chart 7. ACI d.d. - the average trading price of the stock in 2019

The achieved average traded price for shares designated as ACI during 2019 amounted to HRK 6,692. A total of 2,244 shares were traded, representing 2.02% of total

issued shares, with a total turnover of HRK 15,017,300.00. The dividend paid out for the mentioned period was HRK 172.03 per share.

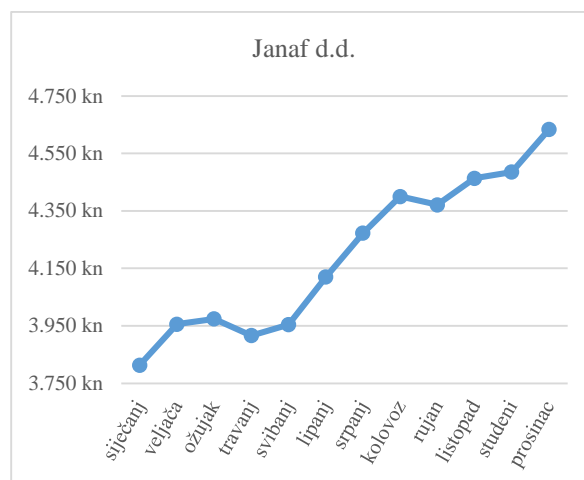


Chart 8. JANAF d.d. - the average trading price of the stock in 2019

The average achieved trading price for shares designated as JNAF during 2019 amounted to HRK 4,219.76. A total of 580 shares were traded, representing 0.06% of total issued shares, with a total turnover of HRK 2,447,460.00. The dividend paid out for the mentioned period was HRK 74.08 per share.



Chart 9. Croatia Airlines d.d. - the average trading price of the stock in 2019

The average achieved trading price for shares designated as CRAL during 2019 amounted to HRK 35.24. This share was rarely traded, with only 610 shares traded,

representing 0.01% of total issued shares, and a total turnover of HRK 21,497.20.

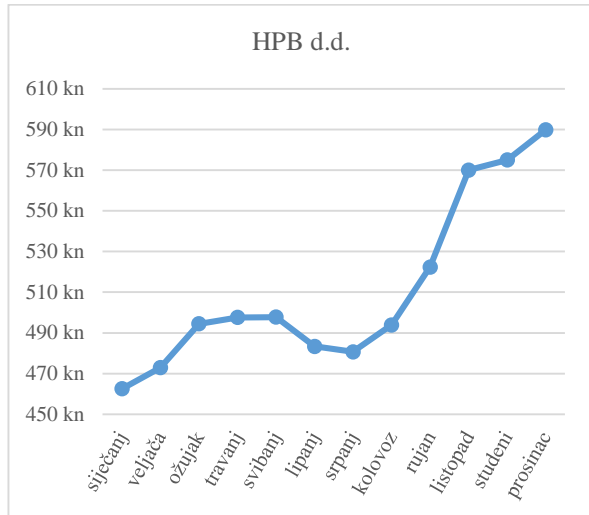


Chart 10. HPB d.d. - the average trading price of the stock in 2019

The average achieved trading price for shares designated as HPB during 2019 amounted to HRK 545.57. A total of 21,395 shares were traded, representing 1.06% of total issued shares, with a total turnover of HRK 11,672,461.00.

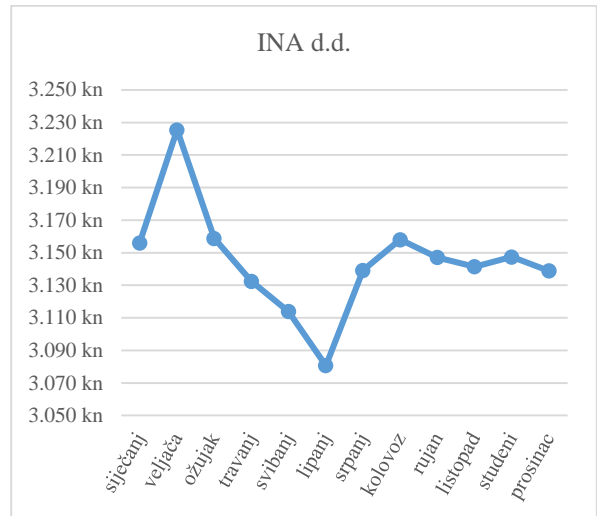


Chart 11. INA d.d. - the average trading price of the stock in 2019

The average achieved trading price for shares designated as INA during 2019 amounted to HRK 3,160.38. A total of 3,847 shares were traded, representing 0.04% of total issued shares, with a total turnover of HRK 12,158,000.00. The dividend paid out for the mentioned period was HRK 62.27 per share.



8. Portofolio overview – 33 legal entities



ADRIATIC
CROATIA
INTERNATIONAL
CLUB
Since 1983

Adriatic Croatia International Club, za djelatnost marina d.d.

Ulica Rudolfa Strohala 2, Rijeka
www.aci-marinas.com

Management Board:

Kristijan Pavić (president),
Juraj Bukša, (member)

Supervisory Board:

Dražen Ivanušec (president),
Dobrica Rončević (deputy),
Marijeta Hladilo (member),
Tomislav Ninić (member),
Edo Karuza (member)

Government representative in the

Gen. Assembly:

Oleg Butković,
Gari Cappelli

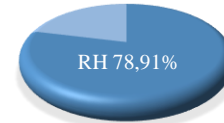
Audit committee:

Marijeta Hladilo (president),
Davor Vašiček (member),
Denis Buterin (member)

Auditor:

BDO Croatia d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

Adriatic Croatia International Club, za djelatnost marina d.d., is a unique chain of marinas on the Mediterranean which contains 22 marinas and anchorages in its portfolio, stretching from Umag to Dubrovnik. The company's core business is providing services for yearly, monthly and daily moorings at nautical tourism ports as well as the monetising of other business activities and providing ancillary services to boating enthusiasts.

PERFORMANCE IN 2019

Key business events

In 2019, the company had 5,913 moorings at its disposal, of which 5,327 are water moorings and 586 land moorings. The marinas operate in concession zones, for which the company pays a concession fee.

For the respective period, the company achieved a net profit of HRK 32 million, which was HRK 0.8 million more than the profit achieved in the previous year. In all, total revenue was HRK 237 million, an increase of HRK 21 million or 10% compared to the previous year, whereas total expenditure for the company amounted to HRK 198 million, an increase of HRK 21 million. EBITDA for 2019 was HRK 104 million, noting an increase of HRK 10 million or 11% compared to the previous year.

The most significant impact on achieved results was the opening of the Rovinj marina after its completed reconstruction covering the period from the end of 2016 to April 2019.

In 2019, a total of 1.4 million boat days were achieved based on services covering annual, monthly and daily moorings, and revenue from sales increased by HRK 9.8 million or 5% compared to 2018. Revenue from leasing services increased by HRK 2.1 million, while revenue from other business earnings increased by HRK 12 million, mostly due to receiving compensation for damages from contractual rights.

In 2019, the company continued the practice of supporting the local community, humanitarian campaigns and various events relating to sports and science, donating a total of HRK 2.3 million which is HRK 1.7 million more than the previous year.

Investments

The company marked the 2019 financial year with capital expenditures in the complete reconstruction of the Rovinj marina, equipped with the latest modern technologies and awarded the highest 5 anchor category. The reconstruction project was awarded the REXPO 2019 Best New Investment Award at the Eight International Exhibition of Investment Projects REXPO 2019. The marina has 192 water moorings, and

the yearly moorings can receive vessels up 35 metres in length.

At the Cres ACI marina, one of two ACI marinas with the highest 5 anchor category, investments in nine apartments were completed providing additional accommodation capacity for guests. A new fitness centre providing additional services was also constructed and completed, meaning that the Cres marina is the first ACI marina offering these services.

In 2019, the company began the ACI SAIL project. Once complete, the project will offer a unique world-class training centre for ClubSwan36 with the aim of creating a recognisable brand, organising regattas, mutual promotional activities and tourist products for improving the quality of ACI services and strengthening the image of the Republic of Croatia as a leading world-class nautical destination. The ACI SAIL project, was also presented at the International Charter Expo, the largest world exhibition in the charter industry, where the yacht Nautor's ClubSwan36 competing for the European Boat of the Year, won a special prize for innovation.

At the end of 2019, the company completed design document for the SKALA project, a new cultural tourist destination in Komolac, Dubrovnik, with the aim of reconstructing the summer villa and landscaping, as well as creating a new cultural and tourist destination in the City of Dubrovnik, offering unique services at the Dubrovnik ACI marina.

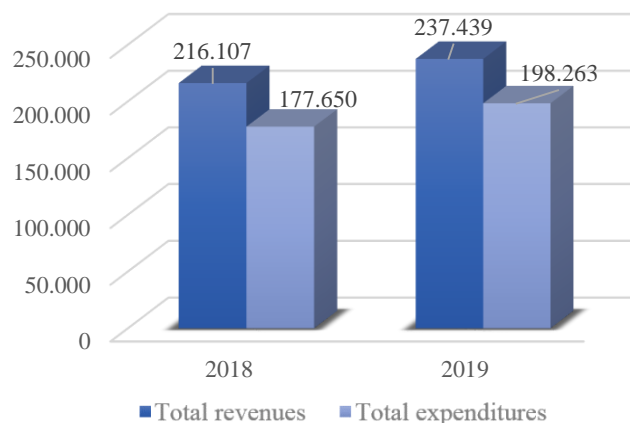
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	521.566	514.604
Short-term assets	175.835	190.761
Future period prepaid expenses...	748	2.212
Total Assets	698.150	707.577
Equity	492.150	505.417
Provisions	2.982	2.860
Long-term liabilities	107.558	100.156
Short-term liabilities	43.479	48.955
Deferred payment for expenses...	51.981	50.190
Total Equity & Liabilities	698.150	707.577

INCOME STATEMENT (HRK 000)		
Operating revenues	210.913	232.782
Operating expenditures	172.166	193.131
Financial revenues	5.194	4.657
Financial expenditures	5.484	5.132
Total revenues	216.107	237.439
Total expenditures	177.650	198.263
Profit/Loss before tax	38.457	39.176
Corporate tax	7.500	7.334
Net profit/loss	30.957	31.842

KEY INDICATORS		
EBITDA (HRK 000)	91.607	103.640
EBITDA margin	43,4%	44,5%
Net profit margin	14,3%	13,4%
ROA	4,4%	4,5%
ROE	6,3%	6,3%
Current ratio	4,0	3,9
Financial stability ratio	0,9	0,8
Debt ratio	29,5%	28,6%
Total asset turnover ratio	0,3	0,3
Investments (HRK 000)	134.900	49.416
Number of employees	369	370

Total revenues and expenditures



**AKD d.o.o.**

Savska cesta 31, Zagreb

www.akd.hr**Management Board:**
Jure Sertić (director)**Supervisory Board:**Zdravko Janić (president),
Sanda Šimić Petrinjak (deputy),
Duje Perđijić (member),
Miljenko Radnić (member),
Ante Gudelj (member)**Government representative in the
Gen. Assembly:**
Davor Božinović**Audit committee:**Andreja Benić (president), Zdravko
Janić (member),
Sanda Šimić-Petrinjak (member)**Auditor:**

GRANT THORTON Revizija d.o.o.

OWNERSHIP**GENERAL INFORMATION ON THE COMPANY**

The company Agencija za komercijalnu djelatnost proizvodno, uslužno i trgovačko d.o.o. (AKD d.o.o.) develops advanced IT solutions in the area of identification and security, advanced traceability systems, banking sector services, and is specialised in producing identity cards, passports, visas and driver's licenses.

As part of the state infrastructure, the company participates in strategic projects involving the state administration digitalising business processes.

AKD also provides services in issuing qualified certificates, and is a legal entity authorised for performing tasks in issuing qualified certificates on electronic personal identity cards to citizens of the Republic of Croatia.

The most important project in AKD's portfolio of projects is developing IT solutions and services based on the use of qualified certificates and electronic person identity cards as well as projects based on other electronic identification of citizens.

PERFORMANCE IN 2019**Key business events**

In 2019, the company was focused on further developing the production and upgrading of identification document systems, increasing its share of IT solutions and focusing on a market presence in its ability to adopt cutting edge solutions in the field of identification and security. Provided below are some of its more important activities and commenced tasks on the market.

A system for issuing cards for second-generation Smart Tachographs (Gen 2) was contracted and successfully implemented. Another contracted and implemented project was the issuing of kID corporate cards with qualified electronic certificates, electronic document signatures and the issuing of electronic timestamps. Additional projects included the contracting and implementation of services for assisting the Croatian Ministry of Agriculture to adapt and use electronic agricultural ID cards, including the contracting and implementation of upgrading the IT system at e-Pošta (ePost) for exchanging electronic documents, contracting and commencing the development and issuing of kID cards with business qualified certificates for authorised members of chambers of professions,

and the contracting and implementation of AKD QTSA qualified timestamps.

AKD has established a traceability system for tobacco products and has been given the task of generating and issuing unique identification codes for tobacco products sold on the Croatian market, and in terms of these process issues relevant codes for a further 17 countries. Importantly, Croatia was the first member state to roll out such a system.

In addition, another contracted and implemented project is the individualisation of bank cards for the new bank Hrvatska, and the printing of associated PIN envelopes. Other contracted and implemented projects include delivery of second-generation tachograph cards to Hungary and the Netherlands under the EU initiative supporting member states which have not promptly established a national system of second-generation smart tachographs; delivery of first-generation tachograph cards for use in Bosnia-Herzegovina; delivery of the system for processing SOTAH tachograph data and which will be a precondition for fulfilling requirements from the EU Mobility Package.

Investments

Investments totalling HRK 17.24 million were made in 2019.

AKD continues to invest in infrastructure, IT, development, production capacities and personnel training in order to ensure promptness and flexibility in responding to new security, technological and market challenges, where investments have a strategic role.

Total investments in 2019 cover the procurement of new machines (HRK 7 million), IT equipment and software (HRK 6 million), investments in buildings (HRK 1.4 million), surveillance equipment (HRK 1.1 million), and transportation vehicles, devices, equipment including other assets (HRK 1.5 million).

FINANCIAL DATA AND INDICATORS

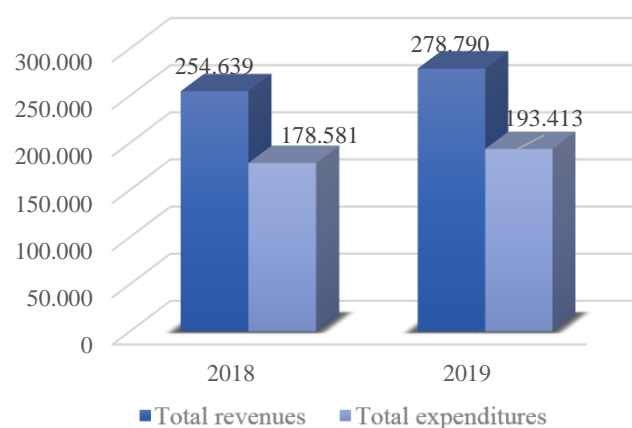
BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	132.245	139.095
Short-term assets	341.169	365.434
Future period prepaid expenses...	971	1.302
Total Assets	474.385	505.831
Equity	440.247	472.412
Provisions	3.227	2.184
Long-term liabilities	0	766
Short-term liabilities	28.332	27.937
Deferred payment for expenses...	2.579	2.533
Total Equity & Liabilities	474.385	505.831

INCOME STATEMENT (HRK 000)		
Operating revenues	250.779	277.646
Operating expenditures	178.012	192.788
Financial revenues	3.860	1.145
Financial expenditures	569	626
Total revenues	254.639	278.790
Total expenditures	178.581	193.413
Profit/Loss before tax	76.057	85.377
Corporate tax	13.643	15.763
Net profit/loss	62.415	69.614

KEY INDICATORS

EBITDA (HRK 000)	85.894	98.358
EBITDA margin	34,3%	35,4%
Net profit margin	24,5%	25,0%
ROA	13,2%	13,8%
ROE	14,2%	14,7%
Current ratio	4,7	5,0
Financial stability ratio	0,3	0,3
Debt ratio	7,2%	6,6%
Total asset turnover ratio	0,5	0,6
Investments (HRK 000)	46.103	17.237
Number of employees	333	334

Total revenues and expenditures





Agencija Alan d.o.o.

Grškovićeva 15, Zagreb

www.aalan.hr

Management Board:

Ivica Nekić (president),
Milan Knežević (member)

Supervisory Board:

Krešimir Čosić (president),
Miljenko Filipović (member),
Sanda Šimić Petrnjak (member),
Jasna Čunko (member),
Ivana Kunić (member)

Government representative in the Gen. Assembly:

Damir Krstičević (president),
Darko Horvat (member),
Zdravko Marić (member),
Davor Božinović (member),
Gordan Grlić Radman (member)

Audit committee:

Tanja Major (president),
Milan Knežević (member),
Marina Klarica (member)

Auditor:

RSM Croatia d.o.o., Zagreb

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

The company Agencija Alan d.o.o. was founded in 1993, and its core business is importing and exporting weapons and military equipment for the needs of the Armed Forces of the Republic of Croatia and Ministry of the Interior. The company's other activities include: sale of non-perspective weapons and military equipment for the needs of the Armed Forces of the Republic of Croatia and the Ministry of Interior, the issuing of preliminary consent for production of weapons and military equipment for export, in consultation with the Ministry of Defence, Ministry of Foreign and European Affairs and Ministry of Economy, concluding contracts for the production of weapons and military equipment for export purposes, the importing and exporting of weapons and military equipment for commercial purposes, marketing and research of foreign markets for the export of weapons and military equipment, consulting and an intermediary role in the production and commercial trade of weapons and military equipment, logistics services, supply, maintenance, transport, intermediary role and customs forwarding, as well as representation and promotion of the Croatian defence industry in order to increase activities and exports in this sector of the Croatian economy.

PERFORMANCE IN 2019

Key business events

The company succeeded in 2019 in an exceptionally strong competitive global market fulfilling contracts for weapons and military equipment relating to:

- Exports and deliveries of Croatian manufactured weapons and military equipment to the EU totalling HRK 86.2 million in value,
- Buying and selling on the domestic market totalling in value HRK 10.5 million,
- Imports and receiving from the EU, as well as procurement on the domestic market for goods and services necessary for commercial transactions and production for export requirements totalling HRK 79 million,
- Fees based on commission transactions for shipping abroad material-technical assets, various types of parts, materials, equipment and documentation for repair, overhauling, servicing and returning them back into the country, totalling HRK 1.7 million.

In 2019, the company generated significantly less total revenue, but also significantly less total expenditure in its business compared to the previous year. Hence, in 2019, total revenue was HRK 100 million, which is

HRK 136 million less total revenue than that generated in 2018, when total revenue was HRK 236 million. Total business expenditures in 2019 amounted to HRK 92 million, which is HRK 202 million or 54% less total expenditure than in the previous year.

The company achieved net profit from business proceeds in 2019 amounting to HRK 6.6 million, whereas in 2018 net profit amounted to HRK 28 million.

Presentation and promotional activities in 2019 included participation in international weapons and military equipment exhibitions, as well as contacts with a large number of economic entities (companies or representatives from different countries).

Interviews and business correspondence were also conducted with companies or representatives from the following countries: Argentina, Portugal, Israel, Egypt, Russia, Albania, Australia, Austria, Belgium, Bosnia and Herzegovina, Montenegro, Czech Republic, Estonia, Philippines, France, Greece, Indonesia, Iraq, Italy, Jordan, Canada, Kenya, Colombia, Lithuania, Macedonia, Vietnam, Netherlands, Germany, Pakistan, Peru, Poland, Romania, USA, Saudi Arabia, Singapore, Slovenia, Serbia, Thailand, Togo, Turkey, UAE, Taiwan, Tunisia, Morocco and Ukraine.

In accordance with the Act on the Production, Overhauling and Transacting of Weapons and Military Equipment, the company is also responsible for issuing preliminary consent for the production of weapons and military equipment for export purposes. In 2019, the company received 160 requests from manufacturers of weapons and military equipment, and issued a total of 151 preliminary consents for the production of weapons and military equipment for export purposes.

Investments

In 2019, the company invested HRK 250 thousand into purchasing resources for equipment, which is direct investment in increasing fixed tangible assets.

The company finances all investments from its own earnings achieved through regular business proceeds.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	7.451	7.133
Short-term assets	158.196	117.202
Future period prepaid expenses...	921	23
Total Assets	166.569	124.358
Equity	99.568	78.037
Provisions	0	0
Long-term liabilities	0	0
Short-term liabilities	62.689	46.321
Deferred payment for expenses...	4.312	0
Total Equity & Liabilities	166.569	124.358

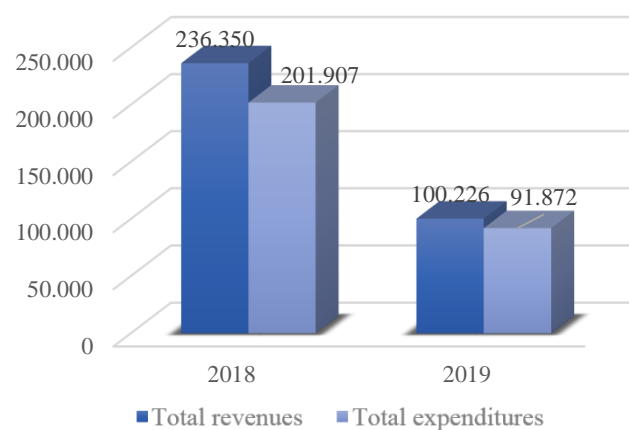
INCOME STATEMENT (HRK 000)

Operating revenues	232.857	98.448
Operating expenditures	197.259	91.646
Financial revenues	3.493	1.778
Financial expenditures	4.648	227
Total revenues	236.350	100.226
Total expenditures	201.907	91.872
Profit/Loss before tax	34.443	8.353
Corporate tax	6.307	1.748
Net profit/loss	28.137	6.605

KEY INDICATORS

EBITDA (HRK 000)	36.071	7.241
EBITDA margin	15,5%	7,4%
Net profit margin	11,9%	6,6%
ROA	16,9%	5,3%
ROE	28,3%	8,5%
Current ratio	2,5	2,5
Financial stability ratio	0,1	0,1
Debt ratio	40,2%	37,2%
Total asset turnover ratio	1,4	0,8
Investments (HRK 000)	352	250
Number of employees	20	21

Total revenues and expenditures



**APIS IT d.o.o.**

Paljetkova ulica 18, Zagreb

www.apis-it.hr**Management Board:**

Saša Bilić (president),
Vlado Rendulić (member) i
Ivana Gudelj Tičak (member)

Supervisory Board:

Slavica Pezer Blečić (president),
Gordana Marić (member),
Mirka Jozić, (member),
Ana Stavljenić-Rukavina (member),
Tatjana Gruber (member)

Government representative in the

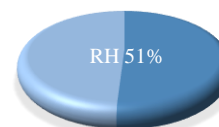
Gen. Assembly:
Zdravko Zrинуšić

Audit committee:

Mladen Štahn (president),
Damir Paladin (deputy),
Nikola Vlahović (member),
Slavica Pezer Blečić (member),
Mirka Jozić (member)

Auditor:

Grant Thornton revizija d.o.o.

OWNERSHIP**GENERAL INFORMATION ON THE COMPANY**

The Information Systems and Information Technologies Support Agency (APIS IT d.o.o.) for the past 55 years has been providing strategic, expert and implementation services to the public sector in Croatia in terms of planning, development, support and maintenance of business information systems based on the principles of a networked and user-orientated administration.

PERFORMANCE IN 2019**Key business events**

The company mostly works for the needs of administration bodies in the Republic of Croatia and the City of Zagreb, and their related business entities. In terms of total revenue in 2019, receivables from buyers belonging to the group of entities under the control of the Republic of Croatia (Croatian Group) accounted for 91.8% of such revenue, whereas those under the control of Zagreb City (Zagreb Group) account for 7.6% of total revenue. The average proportion of total revenue for the company was 89.8% from the Croatian Group of buyers in the period from 2017-2019, and 9.0% for the Zagreb Group. Revenue from other buyers is negligible.

Given that in May 2019, a grant agreement was signed for the project Establishment of the Shared Services

Centre in which the company is a main partner to the Ministry of Public Administration, earnings began to be generated in the form of reimbursement of costs from EU funds. Investments in modern ICT equipment and building-energy infrastructure will enable the company to generate revenue from the provision of data centre services for public authorities and other interested entities.

In addition to improving services for all users, and in terms of the program for reengineering the Tax Administration Information System, in 2019 APIS IT implemented a series of pilot projects focusing on new innovative models resulting in implementation of the pilot project for virtual assistants and other solutions based on advanced analytics, and the concept for fiscalisation (taxation processing) of cashless invoices, and active tax accounting using the eInvoice platform was also devised. The 2019-2020 Action Plan for Implementing the APIS IT Development Strategy in establishing research and development (R&D) is one of the strategic initiatives for achieving the strategic goal of Expanding the Portfolio of Products and Services in terms of which new technological platforms (Kubernetes, MongoDB, Cloud Object Storage, Keycloak) and are the basis of new products and services (TF, e-Bebe, e-Roditelj odgojitelj, Interna sabirnica).

Generated income amounted to HRK 279.8 million, which is an increase of 23.8% compared to the same period of the previous year. Expenditure amounted to HRK 264.2 million, an increase of 21.7% compared to the same period of the previous year. Profit before tax amounted to HRK 15.6 million an increase of 75.6% compared to the same period of the previous year.

Investments

Investments in fixed assets in 2019 amounted to HRK 65.4 million. In addition to the HRK 93.7 million invested in 2018, over the last two years total investments were HRK 159.1 million.

The mentioned investments were carried out in line with the strategy for technological restructuring and solutions for the so called 'technological debt'. The goals and purpose of the investments were to establish fully functional primary and secondary locations, expand capacities for the purpose of setting up a data centre in line with high security and accessibility standards adequate for the entire public administration and interested local self-government units, as well as creating business conditions at the highest standards for secure and quality data centres.

In addition to ICT equipment, the company also invested in building infrastructure to create optimal conditions for its functioning. All current investments were financed from the company's own sources.

In 2019, the company undertook important activities for the purpose of:

- Buying out the commercial building (its headquarters) from the City of Zagreb,
- Buying out the data centre – conditions for executing the purchase was that the seller obtain a certificate complying with the international standard ANSI TIA/942 TIER 3 for data centre requirements.

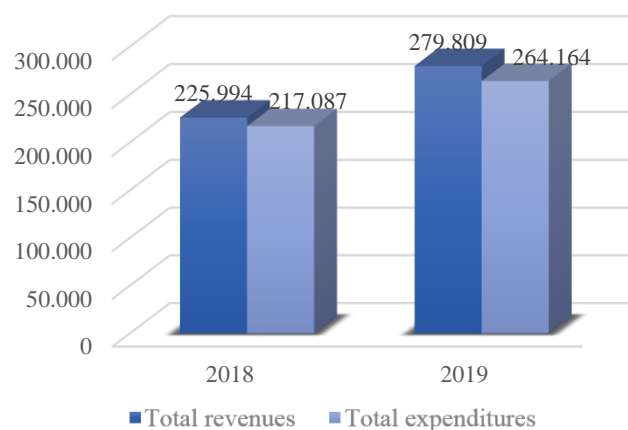
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	136.943	149.858
Short-term assets	238.505	260.909
Future period prepaid expenses...	0	0
Total Assets	375.448	410.767
Equity	329.711	337.285
Provisions	8.894	9.693
Long-term liabilities	0	4.843
Short-term liabilities	36.843	58.945
Deferred payment for expenses...	0	0
Total Equity & Liabilities	375.448	410.767

INCOME STATEMENT (HRK 000)		
Operating revenues	218.953	278.336
Operating expenditures	214.021	263.680
Financial revenues	7.041	1.473
Financial expenditures	3.066	485
Total revenues	225.994	279.809
Total expenditures	217.087	264.164
Profit/Loss before tax	8.907	15.644
Corporate tax	1.504	3.628
Net profit/loss	7.403	12.016

KEY INDICATORS		
EBITDA (HRK 000)	40.351	58.311
EBITDA margin	18,4%	20,9%
Net profit margin	3,3%	4,3%
ROA	2,0%	2,9%
ROE	2,2%	3,6%
Current ratio	6,5	4,4
Financial stability ratio	0,4	0,4
Debt ratio	12,2%	17,9%
Total asset turnover ratio	0,6	0,7
Investments (HRK 000)	93.742	65.385
Number of employees	429	453

Total revenues and expenditures





Autocesta Rijeka - Zagreb d.d.

Širolina ulica 4, Zagreb

<https://www.arz.hr>

Management Board:

Miro Škrković (president), Tomislav Tkalčić (member)

Government representative in the

Gen. Assembly:
Oleg Butković

OWNERSHIP

Supervisory Board:

Josip Ostrogović (president),
Marko Šoštarić (deputy),
Boško Jolić, (member)

Audit committee:

Marko Šoštarić (president),
Lajoš Žager (member),
Vedrana Wagner (member)



Auditor: Audit d.o.o.

GENERAL INFORMATION ON THE COMPANY

The Croatian Government, in order to restructure the road network in the Republic of Croatia, passed in 1997 the Decision on Establishing the Rijeka-Zagreb Motorway Joint Stock Company, a company for the construction and management of roads.

The economic purpose of the company is the closing of financial arrangements, including the construction, management and maintenance of the Rijeka-Zagreb Motorway and its associated road facilities on road parcels for the purpose of gaining rights from the Concession Agreement. The concession was awarded for a period of 32 years and 11 months.

PERFORMANCE IN 2019

Key business events

The company achieved profit in 2019 amounting to HRK 133 million along with increased investment activity and regular loan repayments. The largest share of generated income came from motorway toll fees amounting to HRK 670 million, an increase of 2% compared to the previous year, and which is record income from motorway toll fees since the founding of the company. Total revenue in 2019 was less than in the previous year, i.e., in 2018, where accrued from impairments of concession assets amounting to HRK 425 million and positive exchange rate differences amounting to HRK 74.5 million had an impact on generated income.

Traffic recorded on the concession area in 2019 amounted to 24.46 million vehicles, a year-over-year increase of 3.78%. The excellent results in 2019 regarding revenue from motorway toll fees and recorded vehicle traffic on the concession area, along with a decrease of 31.74% in the number of road fatalities and decrease of 22.72% for road closures, is evidently the most successfully business year for Autocesta Rijeka-Zagreb since its founding.

Based on the Croatian Government's Decision on Accepting the Business and Financial Restructuring of the Road Sector of March 2017, activities defined in the Sectoral Policy Letter were performed with the aim of optimising business processes to increase business efficiency, while also retaining high maintenance and safety standards.

In 2019, Autocesta Rijeka-Zagreb d.d. was included among the extrabudgetary beneficiaries of the state budget as a company which, in line with the EU Statistical Methodology Rules (ESAS 2010), was classified into the general budget sector and is one of the more important companies by degree of impact on the fiscal balance of the general budget and public debt.

The concession area of Autocesta Rijeka-Zagreb is part of the TEN-T Mediterranean corridor, i.e., Rijeka-Zagreb-Budapest which has been fully built.

Investments

Investment activities include investments in repairing and maintenance of existing motorway facilities and the motorway itself, equipment maintenance and investments in information systems. Total investments in 2019 amounted to HRK 70.8 million, an increase of 23.54% compared to the previous year.

Unplanned intervention maintenance works include maintenance of roadway sections covering a total length of 187.03 kms. In 2019, the total value of works on unplanned intervention maintenance of roads and road facilities amounted to HRK 60.86 million, a 10.33% increase compared to the previous year.

The majority of undertaken works involved repairs to asphalt carriageways, waterproofing and concrete areas in facilities, renewal of carriageway facilities, repairs to hydrant networks, repairs to manholes and installation of new lids on the drainage system, landslide remediation, cavern remediation, remediation of overpass structures and the drafting of detailed technical documentation for repairs to facilities.

Implementing these investment activities relied on utilising the company's own funds, EU grants and financial support from the state budget such as reimbursement of costs in maintaining the Rijeka bypass and Krk Bridge in accordance with the provisions of the Concession Agreement, and refunding of motorway toll fees in accordance with the Roads Act and Islands Act.

For projects in progress, the implementation of which has been extended into the next financial year, relate to increasing the usability and level of safety for motorway users such as improvements in traffic flow, reducing bottlenecks, modernising the traffic management and accident prevent system, investments in safety barriers, ensuring environmental safety by constructing noise protection walls and reconstructing existing lighting systems with the aim of transitioning to energy efficient lighting.

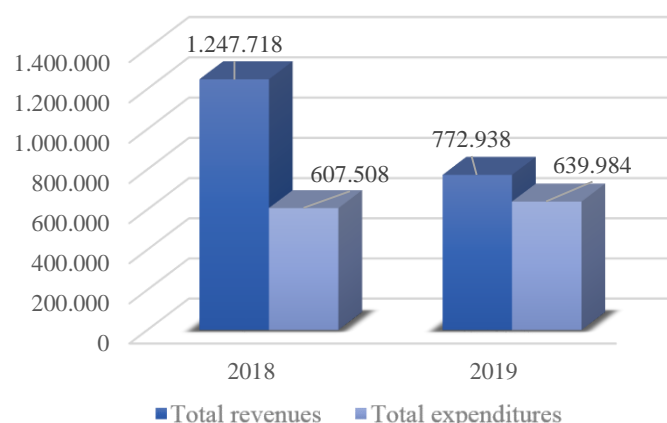
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	4.052.129	3.726.704
Short-term assets	399.843	303.872
Future period prepaid expenses...	314	266
Total Assets	4.452.286	4.030.842
Equity	-1.793.994	-1.689.248
Provisions	12.315	12.725
Long-term liabilities	5.614.525	5.094.197
Short-term liabilities	588.171	580.842
Deferred payment for expenses...	31.269	32.326
Total Equity & Liabilities	4.452.286	4.030.842

INCOME STATEMENT (HRK 000)		
Operating revenues	1.173.005	772.786
Operating expenditures	545.818	570.428
Financial revenues	74.713	152
Financial expenditures	61.690	69.557
Total revenues	1.247.718	772.938
Total expenditures	607.508	639.984
Profit/Loss before tax	640.210	132.953
Corporate tax	18.364	9.844
Net profit/loss	621.846	123.109

KEY INDICATORS		
EBITDA (HRK 000)	907.722	517.552
EBITDA margin	77,4%	67,0%
Net profit margin	49,8%	15,9%
ROA	14,0%	3,1%
ROE	-34,7%	-7,3%
Current ratio	0,7	0,5
Financial stability ratio	1,1	1,1
Debt ratio	140,3%	141,9%
Total asset turnover ratio	0,3	0,2
Investments (HRK 000)	57.314	70.803
Number of employees	38	39

Total revenues and expenditures





Croatia Airlines d.d.
 Bani 76b, 10010, Buzin – Zagreb
www.croatiaairlines.com

Management Board:
 Jasmin Bajić (director)

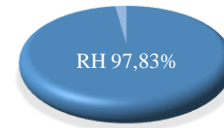
Supervisory Board:
 Zlatko Mateša (president),
 Nataša Munitić (deputy),
 Zoran Barac (member),
 Zoran Viljac (member)

**Government representative in the
 Gen. Assembly:** Oleg Butković

Audit committee:
 Nataša Munitić (president),
 Jasnica Lozo (member)

Auditor:
 KPMG Croatia d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

The company Croatia Airlines d.d. was founded in 1989 under the name of Zagal. In 1990, the company changed its name to Croatia Airlines. It is a joint-stock corporation in majority state ownership, with its headquarters in Zagreb.

The company's mission is to generate profit by providing air transport services, ensuring optimal airlinks between the Republic of Croatia and the world, and contributing to the development of tourism in the Republic of Croatia.

PERFORMANCE IN 2019

Key business events

The airline company offered in 2019 direct flights to 30 international destinations in 24 countries and at 8 Croatian airports. A total of 2,179,355 passengers were flown, a record number of passengers in the company's history. In all, 77% of the passengers flew internationally, while 23% flew domestically. The passenger load factor (PLF) was 73.6%, which is a PLF increase of 0.1% compared to 2018.

In 2019, the company had an operating loss of HRK 55 million, whereas the net result in financing total loss amounted to HRK 79 million. The general pattern was that Croatia Airlines suffered losses during winter flight schedules with low demand and minimal competition. In the summer season, when all the large traditional

European and low-cost carriers are present on the market, the achieved profit in 2019 failed to cover losses from the winter period. The negative impact in achieving the business result in 2019 was also attributed to applying the IFRS resulting in increased amortisation costs which, together with amortisation based on large mandatory works on the fleet undertaken in the previous period, increased by HRK 107.8 million. The implementation of this standard also led to changes in the structure of costs, which in turn resulted in increasing the EBITDA performance indicator by HRK 128.9 million compared to 2018. The net effect on the result, which occurred due to changes in the manner of presenting costs of operating leases, amounted to HRK 19.9 million which is the amount of increase in total costs in relation to the previous accounting process.

The Government of the Republic of Croatia, passed the Decision on Initiating the Procedure for Seeking a Strategic Partner and establishing the Committee for Implementing the Procedure and Proposed Selection of a Strategic Partner for the Company Croatia Airlines d.d. The following is expected of the strategic partner:

- Expanding the transport network and increasing market share in the company Croatia Airlines d.d., while keeping in mind the importance of regular and year-long flights in domestic and international air traffic and the need for strong assistance in ongoing development of tourism potential in the Republic of Croatia;

- Recapitalisation for the purpose of assisting ongoing development of the company Croatia Airlines d.d.;
- Participating in renewal of the Croatia Airlines fleet of airplanes in accordance with expansion plans;
- Ongoing development of technical services in the company Croatia Airlines d.d. for external clients;

The value of assets and liabilities at the end of 2019 amounted to HRK 1.3 billion. The most significant increase in assets stems from the fixed assets category due to changes in accounting procedures for operating leases, the value of which almost doubled upon accounting recognition of the right to use assets. Application of IFRS 16 led to a manifold increase in fixed and current liabilities. In 2019, the first part of the shareholder loan from the Republic of Croatia was paid amounting to HRK 100 million for stabilisation of business operations prior to recapitalisation. The total value of the shareholder loan amounted to HRK 250 million and was utilised in September 2019 and January 2020.

In 2019, investments were made to the value of HRK 64.2 million. The prioritised and most significant investment was usual investments in aircraft and spare parts amounting to HRK 57.6 million, accounting for 89% of total investments in the previous year. Of that amount, HRK 14 million was invested into the company's fleet, HRK 35.3 million into leased aircraft and engines, and HRK 8.4 million into spare parts, tools and equipment. Other investments relate to expenditures for software, various equipment, expenditures into facilities and infrastructure.

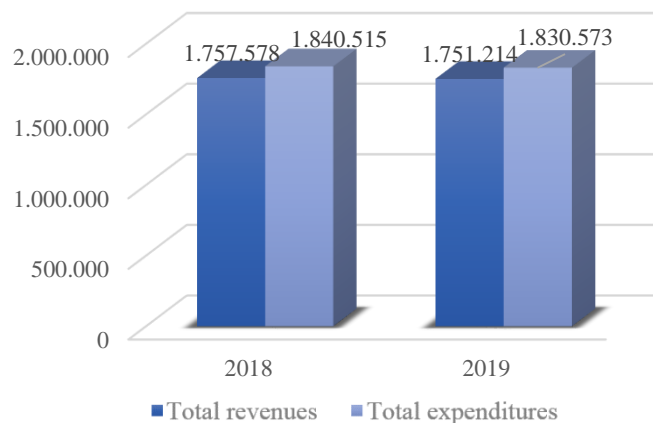
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	660.283	1.059.935
Short-term assets	183.015	181.531
Future period prepaid expenses...	18.836	16.046
Total Assets	862.134	1.257.512
Equity	304.118	224.890
Provisions	33.279	5.832
Long-term liabilities	56.680	524.521
Short-term liabilities	433.833	471.746
Deferred payment for expenses...	34.223	30.524
Total Equity & Liabilities	862.134	1.257.512

INCOME STATEMENT (HRK 000)		
Operating revenues	1.701.343	1.728.289
Operating expenditures	1.777.846	1.783.673
Financial revenues	56.236	22.925
Financial expenditures	62.670	46.900
Total revenues	1.757.578	1.751.214
Total expenditures	1.840.515	1.830.573
Profit/Loss before tax	-82.937	-79.359
Corporate tax	0	0
Net profit/loss	-82.937	-79.359

KEY INDICATORS		
EBITDA (HRK 000)	24.365	153.263
EBITDA margin	1,4%	8,9%
Net profit margin	-4,7%	-4,5%
ROA	-9,6%	-6,3%
ROE	-27,3%	-35,3%
Current ratio	0,4	0,4
Financial stability ratio	1,8	1,4
Debt ratio	64,7%	82,1%
Total asset turnover ratio	2,0	1,4
Investments (HRK 000)	156.301	64.156
Number of employees	981	995

Total revenues and expenditures



**Državne nekretnine d.o.o.**

Adresa: Planinska ulica 1, Zagreb

www.hr-nekretnine.hr

Management Board:
Renata Sabo (director)

Supervisory Board:
Hrvoje Ćosić (president),
Ivana Leko (member),
Ilijana Krešić Rajič (member)

**Government representative in the
Gen. Assembly:**
Mario Banožić

Audit committee:
Mihovil Anđelinović (president),
Hrvoje Ćosić (deputy),
Milkica Gudeljević (member)

Auditor: BDO Croatia d.o.o.

OWNERSHIP**GENERAL INFORMATION ON THE COMPANY**

The company manages and has at its disposal property in the ownership of the Republic of Croatia and which includes apartments, commercial premises, residential premises including other properties transferred so as to be managed. The company's business is the transparent, effective and professional management of properties, preserving their value, and protecting the interests of the Republic of Croatia.

PERFORMANCE IN 2019**Key business events**

The company's business transformation along with its clear mission and vision is the operational improvement of business processes in managing more than 6,000 properties and the quality of operations, focusing on partnerships with all stakeholders in managing properties entrusted to it.

In 2019 in the second consecutive year, the company achieved record business results along and improved all key indicators from its most successful year to date in 2018, primarily in terms of a 73% increase in net profit and assets which increased in value by 50%. Company revenue increased by 17% compared to the previous year, whereas expenditure decreased by 14%. Of the total net profit in 2018, the company in 2019 paid into the state budget HRK 13.4 million and an additional HRK 22.3 million of corporate tax and VAT.

Financial indicators reflect consistent corporate policies of placing commercial premises to use and publishing

tenders for leasing out commercial premises, in line with the new legislative framework which allows for quicker and increased activities when regulating legal relations with users, as well as initiating procedures aimed at protecting assets belonging to the Republic of Croatia. Effective tracking of contractual relations subject to additional endeavours invested in managing receivables, has finally led to conditions that have continued positive trends.

The company generated its greatest revenue, i.e., 75% of total revenue, by leasing out commercial premises, where the total value of executed lease agreements increased by almost HRK 170 million compared to the previous year. In utilising public tenders for leasing, the company offered on the market in 2019 a total of 156 commercial premises in all of the larger cities of Croatia.

Regarding residential apartments, where their respective proportion of all properties is almost 75%, the company utilises a large part of its resources in a socially responsible and efficient manner to manage residential apartments given the larger number of categories to which they belong and the inadequate legal basis as well as the specific status of beneficiaries.

Internal changes were initiated in the company at the end of 2018 and priorities determined, focusing on operational planning and intensifying digitalisation of the business, thus historically leading to the best business results given that in 2019 most of the potential

within the company was activated with an emphasis on quality relationships towards employees and users.

In the coming period, the company will continue to offer properties on the market, achieving its planned investments and initiating changes in the legal framework with the aim of improving modalities of utilising its property portfolio.

Investments in 2019 increased two-fold compared to the previous year, and had the aim of placing properties to use, extending their lifecycle and increasing their value.

The company invested in 2019 more than a million kuna on the drafting of technical design documentation. Key works in the investment cycle included works on repairs and replacements as well as furnishing properties to a total value of HRK 8.5 million.

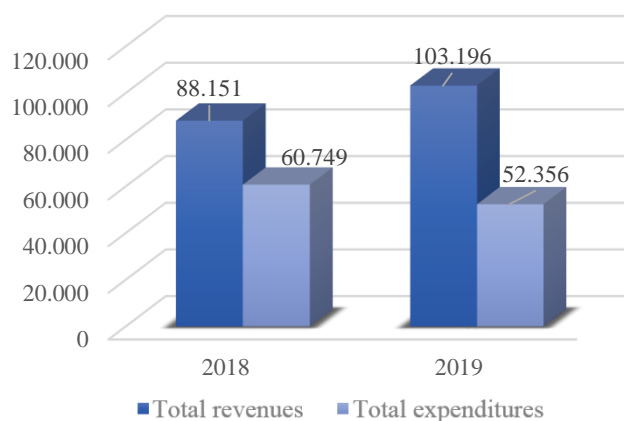
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	9.072	17.016
Short-term assets	67.040	96.915
Future period prepaid expenses...	920	1.642
Total Assets	77.032	115.573
Equity	62.191	87.588
Provisions	296	732
Long-term liabilities	0	0
Short-term liabilities	14.263	26.865
Deferred payment for expenses...	281	387
Total Equity & Liabilities	77.032	115.573

INCOME STATEMENT (HRK 000)		
Operating revenues	83.510	99.498
Operating expenditures	60.728	52.334
Financial revenues	4.641	3.698
Financial expenditures	21	22
Total revenues	88.151	103.196
Total expenditures	60.749	52.356
Profit/Loss before tax	27.402	50.840
Corporate tax	5.069	12.043
Net profit/loss	22.333	38.797

KEY INDICATORS		
EBITDA (HRK 000)	23.584	49.414
EBITDA margin	28,2%	49,7%
Net profit margin	25,3%	37,6%
ROA	29,0%	33,6%
ROE	35,9%	44,3%
Current ratio	4,7	3,6
Financial stability ratio	0,1	0,2
Debt ratio	19,3%	24,2%
Total asset turnover ratio	1,1	0,9
Investments (HRK 000)	4.605	10.277
Number of employees	92	112

Total revenues and expenditures





Financijska agencija
 Ulica grada Vukovara 70, Zagreb
www.fina.hr

Management Board:
 Dražen Čović, (president)

**Government representative in the
 Gen. Assembly:** -

Supervisory Board:
 Ivana Radeljak Novaković,
 (president),
 Milan Kovač, (deputy),
 Davor Kalinić, (member),
 Davor Mikulić, (member),
 Dragica Vranješ, (member)

Audit committee: -

Auditor:
 KPMG Croatia d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

Financijska agencija (FINA) is the leading Croatian provider of electronic financial services in the Republic of Croatia. Its national coverage, information system, that has been tried and tested on the most demanding tasks of national importance as well as the professionalism of its team of experts, has enabled the preparation and implementation of various projects, from the simplest financial transactions to the most sophisticated tasks in commercial electronic operations. Even though in state ownership, FINA does business primarily in line with market principles. It successfully collaborates with banks, the Croatian National Bank, numerous business systems and other entities in the business community.

active users of digital certificates by as much as 10% compared to the previous financial year.

The Act on Electronic Issuing of Invoices in Public Procurement places FINA as the central platform for exchanging eInvoices and the central information intermediary performing electronic exchanges of invoices between eInvoice issuers and public contracting authorities, and it is on this platform which other information intermediaries are obliged to exchange eInvoices. The mentioned law determines that public contracting authorities from 1 July 2019 only receive electronic invoices. Approx. 85% of those bound by public procurement procedures chose FINA as the information intermediary with more than 2 million invoices passing through the system.

PERFORMANCE IN 2019

Key business events

The reporting year was very financially successful for FINA. It generated revenue in 2019 in the amount of HRK 941 million, a 16% increase compared to the previous year, with net profit at HRK 80 million or three times that of 2018.

The most significant sectoral indicators for FINA are the accelerated digitalisation of society – while traditional operations in processing payment orders recorded a fall of 4% compared to 2018, and the processing of cash payments fell by 1% compared to the previous period. FINA in 2019 increased the number of

In the middle of the reporting year, an advanced product called info.BIZ was launched to offer insight into information on the business performance and financial condition of all economic operators as well as the business environment in which the economic operators do business. It is the largest and most up-to-date database with information on more than 800,00 economic operators from more than 30 internal and external sources.

During the year, a Register of Beneficial Owners, a central electronic database containing information on real owners of legal entities and trusts was developed and implemented for the Anti-Money Laundering Office, Ministry of Finance. Information from the

Register of Beneficial Owners is provided free of charge via the eCitizen/e-Građani system.

Once the Act of Amendments to the Consumer Bankruptcy Act came into force, an institutionalised simple procedure for consumer bankruptcies was introduced into the Croatian legal system. The purpose and aim are to enable some insolvent citizens, those in long-term distraint due to relative small amounts of debt, to enter a quick and simple process of settling creditors from suitable assets and be liberated from their remaining debts. In 2019, FINA sent 134,099 notices to citizens for implementation of the simple consumer bankruptcy procedure of which 29,524 consumers refrained from providing consent to implementation of the procedure, whereas 104,575 consumers continued with initiated bankruptcy procedures.

At the end of the reporting year, FINA launched the Croatian Government's START – information system enabling citizens to electronically establish their businesses as a d.o.o., j.d.o.o. or obrt (for of craft and trade business) from one's own home, 24 hours a day, in a single electronic procedure and finalising it within only a few working days.

In 2019, FINA employed on average 2,836 workers which is 2% more than in the previous year and is primarily due to new employments at FINA's new IT development centres in Čakovec, Bjelovar, Virovitica and Osijek.

Investments

Total investments by FINA for 2019 amounted to HRK 128.7 million (including recapitalisation for internal development of intangible assets amounting to HRK 2.9 million) which is an increase of 47% compared to 2018. In terms of the most significant investments in 2019, the largest share of investments was in IT equipment accounting for 71%, and a further 7% for ensuring support for application services and internal IT services at FINA including the modernisation of properties in the business network. The investments were fully financed from FINA's own sources.

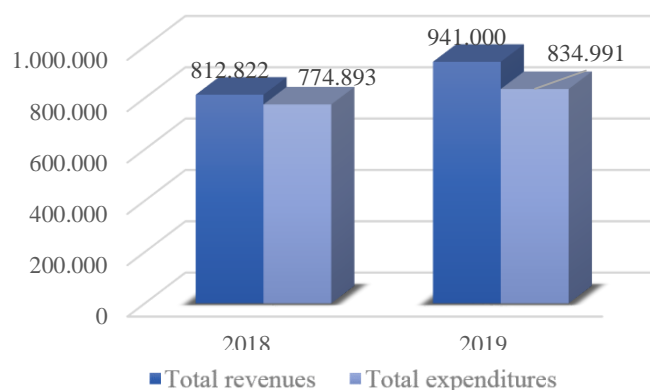
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	981.454	1.194.927
Short-term assets	781.419	681.756
Future period prepaid expenses...	9.969	10.593
Total Assets	1.772.843	1.887.275
Equity	1.480.335	1.554.727
Provisions	89.012	104.733
Long-term liabilities	36.815	13.128
Short-term liabilities	124.383	163.067
Deferred payment for expenses...	42.297	51.620
Total Equity & Liabilities	1.772.843	1.887.275

INCOME STATEMENT (HRK 000)		
Operating revenues	803.099	918.983
Operating expenditures	747.677	831.970
Financial revenues	9.723	22.018
Financial expenditures	27.216	3.021
Total revenues	812.822	941.000
Total expenditures	774.893	834.991
Profit/Loss before tax	37.929	106.009
Corporate tax	14.900	25.935
Net profit/loss	23.029	80.074

KEY INDICATORS		
EBITDA (HRK 000)	150.038	184.234
EBITDA margin	18,7%	20,0%
Net profit margin	2,8%	8,5%
ROA	1,3%	4,2%
ROE	1,6%	5,2%
Current ratio	6,3	4,2
Financial stability ratio	0,6	0,8
Debt ratio	16,5%	17,6%
Total asset turnover ratio	0,5	0,5
Investments (HRK 000)	87.399	128.699
Number of employees	2.770	2.771

Total revenues and expenditures





Hrvatske autoceste d.o.o.

Adresa: Širolina ulica 4, Zagreb

www.hac.hr

Management Board:

Boris Huzjan (president),
Stjepan Baranašić (member)

Supervisory Board:

Branimir Jerneić (president),
Nino Vela (deputy),
Darko Kasap (member),
Ladislav Turčinović (member),
Anđelko Kasunić (member)

Government representative in the

Gen. Assembly:
Oleg Butković

Audit committee:

Nataša Munitić (president),
Ladislav Turčinović (deputy), Darko
Kasap (member),
Rudi Grubišić (member)

Auditor:

BDO Croatia d.o.o.,
FACT Revizija d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

The company's core business is the managing of motorways, their construction, reconstruction and maintenance. The company manages a network of 925.6 kms of motorways, and also provides maintenance and toll fee collection services on an area given into concession to Autocesta Rijeka-Zagreb d.d. covering a length of 187 km.

PERFORMANCE IN 2019

Key business events

In 2019, the company was focused on achieving goals and activities from its Business Plan which includes:

- Company business activities, i.e., management and regular maintenance of motorways;
- Investments into motorways and other public roads, assets belonging to the Republic of Croatia;
- Financial activities with the aim of ensuring liquidity and timely securing the necessary sources of financing for regular servicing of loan liabilities from which assets (motorways) belonging to the Republic of Croatia were financed;
- Activities relating to implementation of the project Modernisation and Restructuring of the Road Infrastructure Sector.

Revenue from motorway toll fees are the most important source of income for the company, and in 2019 this

revenue increased by 5.4%, i.e., HRK 101 million more than in 2018, which is due to a 5.6% increase in vehicle traffic or an increase of 2.3 million vehicles along all motorway routes.

The positive difference between revenue and expenditure resulted in a profit of HRK 488 million, and in accordance with the Road Act, the profit that Hrvatske autoceste d.o.o. generates is used to increase public capital throughout the entire time that the Republic of Croatia is the sole company member. The level of indebtedness (from loans) on 31 December 2019 amounted to EUR 2.7 billion, which compared to the end of 2018 was a decrease of EUR 96 million or 3.4%.

Hrvatske autoceste d.o.o. in 2019 continued implementing business and financial restructuring as part of the project Modernisation and Restructuring of the Road Infrastructure Sector.

In line with assumed obligations for implementing the project, a company reorganisation process was commenced in line with a functional analysis and rationalisation of business activities which in the period from 31 December 2017 to 31 December 2019 led to a decrease of 324 employees through incentivised measures. Furthermore, three phases of financial restructuring were carried out and activities in implementing a new motorway toll payment system is currently under development based on faster toll lanes

without stopping. In the third phase implemented in 2019, the existing loan at EUR 400 million was refinanced, and the company took out a loan under more favourable terms, at a lower interest rate and longer repayment period.

Investments

Total planned investments in 2019 were HRK 559 million, and were implemented to the amount of HRK 338 million, of which HRK 183 million relates to investments in constructing motorways, HRK 142 million on intervention maintenance, and HRK 14 million on investments in procuring tangible and intangible assets for the company.

A reduction in planned investments in 2019 were due to excessively long public procurement procedures (appeals and cancellations of tender procedures). In terms of projects and financially, the most important projects in 2019 were: works on construction of the Halasica bridge, overpass and passenger crossing on the Halasica – Beli Manastir bridge sub-section, completion of works on construction of the bridge over the Drava River and construction of the Sava bridge all along the A5 motorway route, construction of noise protection walls, completion and commissioning of the DC12 arterial road for the Vrbovec – Farkaševac sub-section (phase 1), works on reconstruction of the link to the Goričan border crossing on the A4 route and works on extending the Dugopolje node (phase 1) on the A1 route. Projects involving intervention maintenance refer to works on repairing the asphalt curtain, drainage, facilities, procurement of equipment for the project Crocodile 2 Croatia (intelligent transport systems) as well as works on increasing and improving traffic safety.

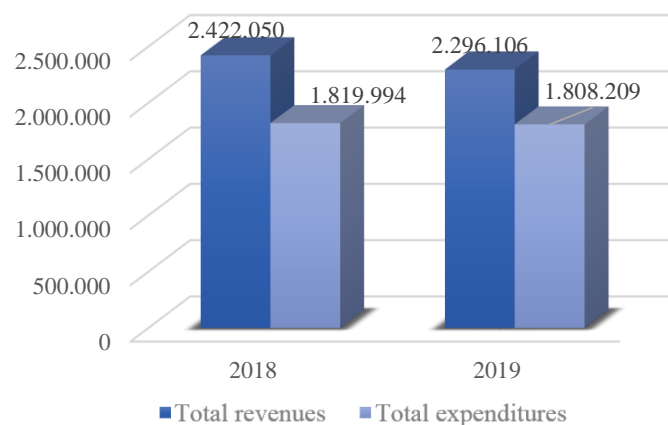
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	38.890.056	37.811.449
Short-term assets	780.272	959.794
Future period prepaid expenses...	96.202	86.964
Total Assets	39.766.530	38.858.208
Equity	17.889.937	17.766.353
Provisions	50.719	71.584
Long-term liabilities	17.217.434	19.485.251
Short-term liabilities	4.196.378	1.174.022
Deferred payment for expenses...	412.063	360.999
Total Equity & Liabilities	39.766.530	38.858.208

INCOME STATEMENT (HRK 000)		
Operating revenues	2.418.262	2.284.632
Operating expenditures	1.814.926	1.803.724
Financial revenues	3.788	11.474
Financial expenditures	5.069	4.485
Total revenues	2.422.050	2.296.106
Total expenditures	1.819.994	1.808.209
Profit/Loss before tax	602.056	487.897
Corporate tax	109.470	89.353
Net profit/loss	492.586	398.544

KEY INDICATORS		
EBITDA (HRK 000)	1.557.392	1.386.664
EBITDA margin	64,4%	60,7%
Net profit margin	20,3%	17,4%
ROA	1,2%	1,0%
ROE	2,8%	2,2%
Current ratio	0,2	0,8
Financial stability ratio	1,1	1,0
Debt ratio	55,0%	54,3%
Total asset turnover ratio	0,1	0,1
Investments (HRK 000)	477.038	338.371
Number of employees	2.831	2.798

Total revenues and expenditures





Hrvatske ceste d.o.o.

Adresa: Vončinina ul. 3, Zagreb

www.hrvatske-ceste.hr

Management Board:

Josip Škorić (president),
Alen Leverić (member),
Nikša Konjevod (member),
Senko Bošnjak (member)

Supervisory Board:

Bariša Kusić (president),
Ante Parat (deputy),
Božo Markić (member),
Aleksandra Licul Ivančir (member)

Government representative in the

Gen. Assembly:

Oleg Butković

Audit committee:

Boris Tušek (president),
Drago Jakovčević (deputy),
Bariša Kusić (member)

Auditor:

BDO Croatia d.o.o.
FACT revizija d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

The company was founded with the aim of investing in road infrastructure to ensure safe transport, improve quality of life in the community and economic prosperity. It began operating on 11 April 2001 as one of the two legal successors of the Croatian company Hrvatska uprava za ceste. The company Hrvatske ceste d.o.o. is the competent entity for the management, construction, reconstruction and maintenance of the network of state roads covering a total length of 7,278.73 km.

PERFORMANCE IN 2019

Key business events

The company is an extrabudgetary beneficiary of the state budget as determined in the Register of Budgetary and Extrabudgetary Beneficiaries using the capital approach to derecognising revenue and expenditure items, where the difference occurring between revenue and expenditure is supplemented from public capital and shown in the profit and loss statement as revenue for the period.

The company's business activities are planned in line with the country's Transport Development Strategy and the four-year Public Roads Construction and Maintenance Plan. According to Amendments to the

Financial Plan for Hrvatske autoceste d.o.o. for 2019, (Official Gazette 111/19), the total planned revenues is HRK 2,560.57 million, total planned expenditure is HRK 2,635.23 million and a deficit of HRK 74.67 million. Achieving this plan was done within the set framework resulting in a surplus of HRK 51.10 million. Total revenue amounted to HRK 2,704.66 and was 105.63% of what was planned, while total expenditures were at 100.70% of the plan, i.e., HRK 2,653.56 million.

After successfully implementing the financial restructuring of the company in 2017 and 2018, the company was able to conduct its business sustainably and balance its financial resources for servicing loans based on its long-term revenue and expenditure forecasts from the Financial Plan.

In 2019, the company did not take out any loans, while expenditures for repayment of the principal on received loans amounted to HRK 137.97 million.

In the future, the company will endeavour to achieve the goals defined in the 2017-2020 Public Roads Construction and Maintenance Program and continue to invest in digitalising business processes and the road database.

Investments

Capital expenditure in 2019 amounted to HRK 1.6 billion. The cost of capital expenditure in construction accounted for HRK 991.6 million. In the structure of construction investments, the greatest proportion relates to expenses for construction amounting to HRK 860.5 million. The purchasing of land plot(s) totalled HRK 72.9 million, design work HRK 49.6 million, and interest recapitalisation amounted to HRK 8.7 million.

Most of the works on constructing state roads in 2019 took place on 5 capital projects: road link to southern Dalmatia, the land-peninsula Pelješac bridge along with access roads and the Ston bypass (HRK 679.2 million), Popovec – M. Bistrica – Zlatar Bistrica – Zabok (HRK 53.1 million), D55 Vinkovci eastern bypass (HRK 39.6 million), Zaprešić bypass (HRK 39.3 million) and the Petrijevac bypass (HRK 39.2 million.).

Maintenance investments and reconstruction of state roads were carried out to the value of HRK 528.5 million. Among the projects for investment maintenance and reconstruction of state roads, some of the more significant undertaken in 2019 were: renewal of the D3 state road on the Delnice – Rogozno section (HRK 27.2 million), reconstructed intersection at the D2 state road and Županijska street, Gundulićeva and Dunski prilaz streets in Vukovar at the roundabout covering a length of approx. 515 m, along remediation of the existing and construction of a new overpass over the railway line (HRK 19 million), intervention maintenance on the D225 state road in the area of Brdovec municipality covering a length of 7,645 metres (HRK 16.1 million), construction of a ramp from the eastern carriageway for the Ulica zborna narodne garde street at the overpass in the direction towards Solin and construction of the ramp-overpass from the Ulica zborna narodne garde street on Poljička road in Split (HRK 15.9 million), reconstruction of the D75 state road, the Novigrad – Stancija Rosello section (HRK 15.5 million) and renewal of the D1 section 008, located at Stupnik, covering a length of 3.5 km (HRK 15 million).

Total investments in other fixed assets amounted to HRK 35 million, where the largest investments occurred in IT projects (44.6%), the project Traffic Maintenance and Control Centre (19.6%) and computer equipment (10.2%).

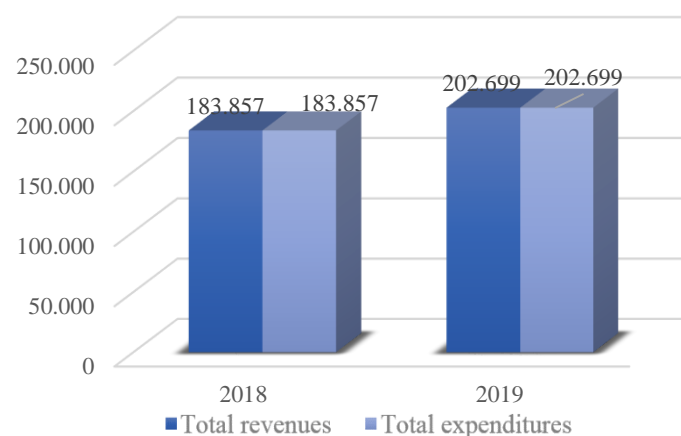
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	75.022.578	76.184.154
Short-term assets	565.425	471.554
Future period prepaid expenses...	98.341	89.662
Total Assets	75.686.343	76.745.370
Equity	65.096.969	65.791.184
Provisions	160.902	159.463
Long-term liabilities	9.006.025	9.005.245
Short-term liabilities	733.647	601.289
Deferred payment for expenses...	688.801	1.188.188
Total Equity & Liabilities	75.686.343	76.745.370

INCOME STATEMENT (HRK 000)		
Operating revenues	183.651	201.770
Operating expenditures	180.731	196.732
Financial revenues	206	930
Financial expenditures	3.126	5.967
Total revenues	183.857	202.699
Total expenditures	183.857	202.699
Profit/Loss before tax	0	0
Corporate tax	309	356
Net profit/loss	-309	-356

KEY INDICATORS		
EBITDA (HRK 000)	24.024	29.801
EBITDA margin	13,1%	14,8%
Net profit margin	-0,2%	-0,2%
ROA	0,0%	0,0%
ROE	0,0%	0,0%
Current ratio	0,8	0,8
Financial stability ratio	1,0	1,0
Debt ratio	14,0%	14,3%
Total asset turnover ratio	0,0	0,0
Investments (HRK 000)	1.334.747	1.555.040
Number of employees	456	458

Total revenues and expenditures




Hrvatska elektroprivreda d.d.

Ulica grada Vukovara 37, Zagreb

www.hep.hr
Management Board:

Frane Barbarić (president), Nikola Rukavina (member), Marko Ćosić (member), Petar Sprčić (member), Tomislav Šambić (member), Saša Dujmić (member)

Supervisory Board:

Goran Granić (president), Lukša Lulić (member), Ivo Ivančić (member), Meri Uvodić (member), Jelena Zrinski Berger (member)

Government representative in the

Gen. Assembly:
Tomislav Ćorić

Audit committee:

Goran Granić,
Boris Cota,
Boris Tušek

Auditor:

BDO Croatia d.o.o.
FACT revizija d.o.o.

OWNERSHIP

GENERAL INFORMATION ON THE COMPANY

Hrvatska elektroprivreda d.d. (HEP d.d.) is the governing company, founder and sole owner of the HEP group of companies, uniting the management of dependent companies based on the business of producing and distributing electricity, thermal energy and gas. The company owns all the assets which have been contractually transferred for management of subsidiary or daughter companies, and performs the function of corporate governance over the HEP group, ensuring conditions for the secure and reliable supply of electricity, thermal energy and natural gas to customers.

PERFORMANCE IN 2019
Key business events

In 2019, net profit totalled HRK 1.1 billion, which is HRK 753 million more than in 2018.

Total operating revenue amounted to HRK 9.3 billion, an increase of HRK 624 million (7%) compared to 2018, due to a 15% increase in revenue generated from the sale of electricity on the market and to related companies.

Operating expenditures amounted to HRK 8.8 billion, an increase of HRK 205 million (2%) compared to 2018.

The increase in costs of procuring electricity was due to larger procurements of electricity on the market as a consequence of lower production in hydropower stations as well as increased sales of electricity and an increase in market prices.

Based on the Decision of the General Assembly, HEP d.d. in February 2019 recapitalised the company LNG Hrvatska d.o.o. to the amount of HRK 216 million, thereby increasing its ownership stake in the company to 84%.

The company provides assistance to members of the HEP Group for energy projects which are fully or partially financed from EU funds. For instance, a grant agreement was signed for the project Replacement of the Connecting Hot Water Pipeline from the Thermal Power Station – Heating Plant (TE-TO) to the Osijek Heating Plant, run by HEP-Toplinarstvo d.o.o., at a total value of HRK 78 million (EU co-financed approx. 60% of the project value), and at the end of 2019, the European Commission approved HRK 422 million for revitalisation of the heating plant's hot water network in Zagreb.

Investments

In 2019, HEP d.d. undertook HRK 177 million of investments. Capital expenditures increased by 110% compared to 2018.

The renewable energy source projects were commenced with construction of the Korlat Wind Farm, preparations for construction of the Cres, Vis and Korlat solar power plants and acquisition of the Poreč solar power plant.

Works began on construction of the high-efficiency combined co-regeneration plant equipped with mobile gas turbine generators at the Elektrana – Heat Plant Zagreb location valued at EUR 130 million.

Implementation of eMobility development projects continued, with financing from EU funds, and upon which a network of public infrastructure for charging electric vehicles is being developed and expanded. The project creates a platform for acquiring new customers on the market and implementing the concept of smart networks for supporting the entire electricity system.

FINANCIAL DATA AND INDICATORS

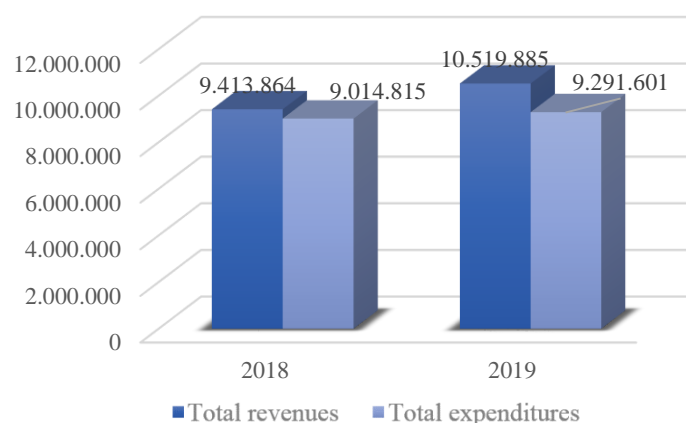
BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	27.846.775	27.933.850
Short-term assets	6.507.750	7.153.051
Future period prepaid expenses...	17.395	19.800
Total Assets	34.371.920	35.106.700
Equity	25.217.255	26.158.879
Provisions	221.244	223.593
Long-term liabilities	4.881.746	4.617.933
Short-term liabilities	4.039.054	4.086.761
Deferred payment for expenses...	12.621	19.533
Total Equity & Liabilities	34.371.920	35.106.700

INCOME STATEMENT (HRK 000)		
Operating revenues	8.691.327	9.315.238
Operating expenditures	8.575.543	8.780.044
Financial revenues	722.536	1.204.647
Financial expenditures	439.272	511.557
Total revenues	9.413.864	10.519.885
Total expenditures	9.014.815	9.291.601
Profit/Loss before tax	399.048	1.228.284
Corporate tax	45.072	120.977
Net profit/loss	353.976	1.107.308

KEY INDICATORS

EBITDA (HRK 000)	177.569	595.199
EBITDA margin	2,0%	6,4%
Net profit margin	3,8%	10,5%
ROA	1,0%	3,2%
ROE	1,4%	4,2%
Current ratio	1,6	1,8
Financial stability ratio	0,9	0,9
Debt ratio	26,6%	25,5%
Total asset turnover ratio	0,3	0,3
Investments (HRK 000)	84.355	176.908
Number of employees	473	495

Total revenues and expenditures





HRVATSKA KONTROLA
ZRAČNE PLOVIDBE

Hrvatska kontrola zračne plovidbe d.o.o.

Rudolfa Fizira 2, Velika Gorica

www.crocontrol.hr

Management Board:
Vlado Bagarić (director)

Supervisory Board:
Dinko Staničić (president), Ksenija Bertić (deputy), Marko Nevešćanin (member), Ivan Selak (member)

Government representative in the Gen. Assembly:
Oleg Butković,
Zdravko Marić,
Damir Krstičević

Audit committee:
Dinko Staničić
Ivana Dražić Lutilsky
Marijana Blažinčić

Auditor: Audit d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

Hrvatska kontrola zračne plovidbe d.o.o. (Croatian Air Navigation Services Limited) is a company owned by the Republic of Croatia, and is responsible for providing air traffic control services to civilian and military users of Croatia's airspace and the airspace assigned to its control.

The company is certified to undertake four types of services: Air Traffic Services (ATS), Communication, Navigation and Surveillance (CNS), Meteorological Services (MET) and Aeronautical Information Services (AIS) as well as two functions: Air Traffic Flow Management (ATFM) and Airspace Management (ASM).

The company's mission is to provide safe and quality services in air navigation.

PERFORMANCE IN 2019

Key business events

In 2019, the company achieved record traffic with almost 714 aircraft flights, which is an increase of 10.4% compared to the previous year and 5% more than planned, resulting in very good financial results.

In the area of air traffic safety, the company achieved its best results as a provider of services in air navigation in Central Europe.

Through modernisation and participation in development of air traffic management systems, the company confirmed its important role within the COOPANS Alliance, which is a leading example of industrial partnership in Europe.

A confirmation of excellent cooperation with neighbouring country partnerships is the European Commission which awarded the company the Single European Sky award for establishing the South East Common Sky Initiative Free Route Airspace (SECSI).

A large part of the projects are co-financed from EU funds, which the relevant ministry for transport has pointed out is example of good practice and successful application for EU funds.

In terms of the strategic outline, the company in 2019 began a comprehensive and independent process of training air traffic controllers.

Aiming to harmonise and respond to regulatory and technological requirements, the company has implemented a new internal organisation and signed new collective agreements with union representatives.

Investments

To improve competitiveness, safety and quality of services, the company is continually investing in development and modernisation of technical-technological platforms.

In 2019, investments worth HRK 101.4 million were implemented, of which the greatest proportion related to the air traffic management system (COOPANS), navigation and communication equipment for replacing existing and installing new navigation systems as well as building an additional system for surveillance (new radar in Konavle).

Specific goals and the purpose of these investments are the provision of services using a modern air traffic control system that continually adheres to all requirements for regulations, safety, capacity, performance, operational and technological innovation and environmental protection.

Moreover, building and modernising navigation systems ensures ongoing quality navigation services for airline users. Equally important is upgrading the surveillance system. An exceptionally important investment is the Konavle RDR which will improve radar coverage of the southern sector. The radar system installation was selected as the technically most favourable solution as it does not presuppose a demanding, complex and extensive communication infrastructure. The location Ilin vrh was chosen as the place for installing the new radar station.

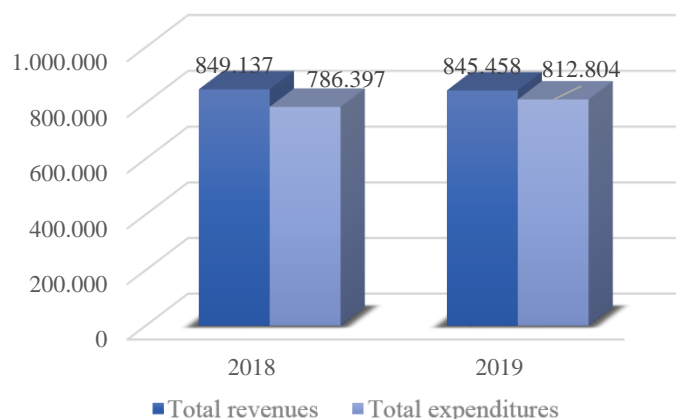
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	514.631	515.759
Short-term assets	729.429	839.638
Future period prepaid expenses...	4.821	6.043
Total Assets	1.248.881	1.361.441
Equity	734.402	761.152
Provisions	162.274	262.840
Long-term liabilities	151.249	111.459
Short-term liabilities	147.550	156.894
Deferred payment for expenses...	53.406	69.095
Total Equity & Liabilities	1.248.881	1.361.441

INCOME STATEMENT (HRK 000)		
Operating revenues	844.700	841.359
Operating expenditures	775.918	810.282
Financial revenues	4.438	4.099
Financial expenditures	10.479	2.522
Total revenues	849.137	845.458
Total expenditures	786.397	812.804
Profit/Loss before tax	62.740	32.654
Corporate tax	10.038	5.540
Net profit/loss	52.702	27.114

KEY INDICATORS		
EBITDA (HRK 000)	171.229	142.218
EBITDA margin	20,3%	16,9%
Net profit margin	6,2%	3,2%
ROA	4,2%	2,0%
ROE	7,2%	3,6%
Current ratio	4,9	5,4
Financial stability ratio	0,6	0,6
Debt ratio	41,2%	44,1%
Total asset turnover ratio	0,7	0,6
Investments (HRK 000)	111.168	101.414
Number of employees	753	753

Total revenues and expenditures





HP - Hrvatska pošta d.d.

Jurišićeva 13, Zagreb

www.posta.hr

Management Board:

Ivan Čulo (president),
Mate Mišetić (member),
Hrvoje Parlov (member),
Josip Udiljak (member)

Supervisory Board:

Ivančica Urh (president),
Stanko Gačić (deputy),
Ante Sučić (member),
Milan Jukić (member)

Government representative in the

Gen. Assembly:
Oleg Butković

Audit committee:

Ante Sučić (president),
Željko Franić (member),
Željka Perković Simeonov
(member)

Auditor:

Audit d.o.o.,
BDO CROATIA d.o.o.,
KPMG Croatia d.o.o.,
TPA Audit d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

The company HP – Hrvatska pošta d.d. (Croatia Post Inc.) is the largest provider of postal services in the Republic of Croatia and the only provider of universal services as defined in the Postal Services Act. The wide range of services which the company provides to residential and commercial users is available across the entire territory of the Republic of Croatia. Croatia Post is also a company with the greatest share of the postal services market in the Republic of Croatia, covering more than 85% of the market.

PERFORMANCE IN 2019

Key business events

The start of the year was marked by completion of the transaction to sell a 100% stake in the company HP Produkcija d.o.o., the provider of the evotv service, to Hrvatski Telekom. Croatia Post decided to exit the digital television market and sell the evotv service in line with the 2022 Postal Development Strategy orientated to improving its core business and investing in expanding into other complementary business activities.

In mid-2019, phase 1 of the largest investments in the history of Croatia Post was completed, i.e., construction of the new sorting centre. At the same time as preparing to relocate to the new sorting centre, preparations were

also underway for a new modern sign and logo for Croatia Post, and which was presented to the public on 27 June 2019, when it began to be official used. At the end of 2019, Croatia Post acquired the company Locodels, an IT start-up doing city deliveries. This enabled the company to gain significant market reach and enter the market for alternative models of delivery. In its 2022 Postal Development Strategy, Croatia Post is orientated towards the digitalisation of its core business, as well as being user focused. In November 2019, Croatia Post repaid the remaining HRK 300 million of bonds issued in 2014, significantly reducing its financing costs.

Croatia Post in 2019 achieved an unconsolidated net profit of HRK 131 million, significantly more than in 2018, when profit amounted to HRK 39 million. EBITDA was HRK 190.7 million, whereas it had been EDITDA HRK 198.5 million a year earlier. At the same time, net debt amounted to HRK 190.4 million and increased with respect to 2018 when it was HRK 112.9 million due to loan obligations for requirements of an investment cycle.

In 2019, a total of HRK 369.8 million worth of services was generated, a decrease of HRK 19.8 million items compared to the previous year. In all, 100.9% of the plan was achieved, which is an increase of HRK 3.4 million of services.

Croatia Post delivered more than 260 million postal service items in 2019 and increased its market share to 84.5%.

Compared to what was planned, postal services increased by HRK 9.9 million services due to a greater number of postal items. Financial services were achieved with 48 million items, which is 3.1 million items less than in the previous year. Other services resulted in 45.5 million items, which is 12.3% of total services, and compared to 2018 was a decrease of 10.8 million due to a smaller quantity of services for non-addressed mail. Compared to the Plan for 2019, the quantity of other services was less by 5.9%. The sale of goods was less by 1.2 million items compared to 2018, and in terms of the Plan was greater by 213 thousand items.

Investments

Total investments in 2019 amounted to HRK 302.4 million. In mid-2019, phase 1 of the largest investment in the history of Croatia Post was completed – construction of the new sorting centre for which HRK 93.1 million was allocated in 2019. Other investments in facilities which accounted for the largest share, i.e., HRK 71.8 million, relates to properties located in Velika Gorica, Pula and Zadar, the acquisition of which is the result of the transaction to sell a 100% stake in the dependent company HP Produkcije d.o.o. to Hrvatski Telekom d.d.

A total of HRK 127.0 million was allocated for equipment and operating resources for regular operations, which is 42.0% of all investments. The largest investment relates to the procurement of a packaging machine for sorting postal packages and valued at HRK 69.6 million, whereas HRK 39.3 million relates to IT equipment and software.

The most significant investment in IT equipment and software and worth HRK 8.4 million went on upgrading the MIPS application, procurement of a new HR application in which HRK 4.3 million was invested as well as the procurement and implementation of a telecommunications system valued at HRK 6.6 million at the location of the new sorting centre. Investments in transport resources amounted to HRK 4.5 million, of which HRK 1.6 million relates to the procurement of electrical transport vehicles. The projects implemented in 2019 were worth HRK 8.6 million (ePost: HRK 4.1 million; digitalisation of office operations: HRK 3.5 million).

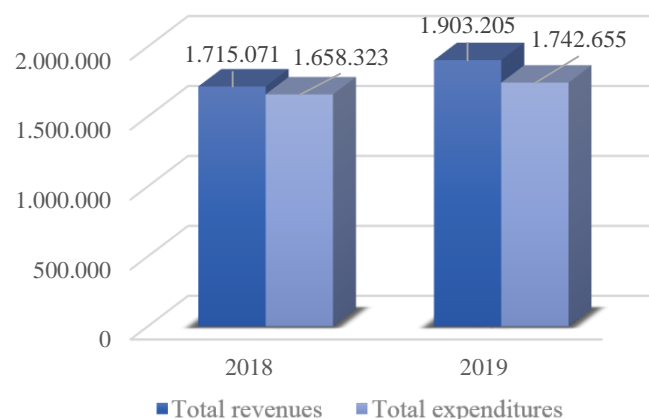
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	1.086.827	1.402.134
Short-term assets	500.864	434.484
Future period prepaid expenses...	90.678	71.913
Total Assets	1.678.369	1.908.531
Equity	967.583	1.098.258
Provisions	44.674	107.595
Long-term liabilities	84.484	265.709
Short-term liabilities	506.249	366.800
Deferred payment for expenses...	75.380	70.168
Total Equity & Liabilities	1.678.369	1.908.531

INCOME STATEMENT (HRK 000)		
Operating revenues	1.709.927	1.779.340
Operating expenditures	1.594.849	1.717.861
Financial revenues	5.143	123.865
Financial expenditures	63.474	24.793
Total revenues	1.715.071	1.903.205
Total expenditures	1.658.323	1.742.655
Profit/Loss before tax	56.748	160.550
Corporate tax	17.397	29.875
Net profit/loss	39.351	130.675

KEY INDICATORS		
EBITDA (HRK 000)	198.492	190.720
EBITDA margin	11,6%	10,7%
Net profit margin	2,3%	6,9%
ROA	2,3%	6,8%
ROE	4,1%	11,9%
Current ratio	1,0	1,2
Financial stability ratio	1,0	1,0
Debt ratio	42,3%	42,5%
Total asset turnover ratio	1,0	1,0
Investments (HRK 000)	215.959	302.415
Number of employees	9.977	10.019

Total revenues and expenditures





Hrvatski operator tržišta energije d.o.o.

Ulica Grada Vukovara 284, Zagreb

www.hrote.hr

Management Board:

Boris Abramović (director)

Supervisory Board:

Kata Sušac (president),
Mirjana Čizmešija (member),
Dario Matanović (member),
Pavao Pavlič (member)

Government representative in the

Gen. Assembly:
Domagoj Validžić

Audit committee: -

Auditor:
Vedanta Audit d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

The company Hrvatski operator tržišta energije d.o.o. (Croatian Energy Market Operator Ltd.) was founded for providing the public service of organising the electricity market in accordance with the provisions of energy provisions, specifically the Energy Act and the Electricity Market Act. The company plans to produce and trade electricity from renewable sources, organise the electricity market and gas market as a public service, run the incentive scheme for the production of electricity from renewable energy sources and highly efficient co-generation, and also run the Register of Guarantees of Electricity Origin.

PERFORMANCE IN 2019

Key business events

In 2019, the company achieved its business goals as set in the activities plan for 2019, and which included improving the efficiency of all systems in which the company has powers and obligations through strengthening the company's professional and technical capacities, continuously improving procedures in all business segments in cooperation with institutions, especially with the relevant ministry and the Croatian Energy Regulatory Agency, as well as with other entities in the energy sector that possess certain rights and obligations, work in the coordinating body for developing and applying the methodology for predicting

the takeover of gas measured at exits of the transmission system which is organized and managed by the transmission system operator, ongoing work on activities to fully establish the ECO balance group which began working on 31 December 2018, ongoing cooperation with state institutions regarding the application of laws and bylaws, implementation and improvement of prescribed models and introduction of new procedures that will enable optimal functioning of the energy market and incentive system within the framework which, being obligatory, are set by the third energy package of EU regulations, as well as ongoing investments in education and professional development of human resources for the purpose of developing the company as a centre of excellence and consequently making the best possible contribution to achieving key goals set by the Energy Development Strategy and Program in the Republic of Croatia.

The company generates 97% of its income based on rights and obligations as defined in the previously mentioned legal acts and fees set as stipulated in the Decisions of the Croatian Government.

In 2019, the company generated revenue amounting to HRK 24 million, whereas revenue totalled HRK 23 million in 2018, indicating a 5% increase compared to the previous year. In 2019, generated revenue amounted to HRK 21.5 million, an increase of 7% compared to 2018, when expenditures amounted to HRK 20 million. Net profit for the company in 2019

was HRK 2 million, an increase of 4% compared to 2018.

A significant increase compared to the previous year was recorded in its accounts item for revenue from fees for registering guarantees of origin where the recorded increase is due to the number of users and larger number of transactions (issuing and exporting or origins).

An increase in total expenditure was mostly due to increased costs for personnel, amortisation and other types of costs. Compared to 2018, the company recorded an increase for amortisation items due to application of the International Financial Reporting Standard 16 (IFRS 16) and a different approach to entering leases which is reflected in an increase in financial expenditure and revenue from interest in accounting entries again due to IFRS. Also, increases for items relating to other external costs and other types of costs were recorded due to establishing the ECO balance group and sale of electricity on the market, including new prognostic services for the ECO balance group and costs of membership fees and trading on the electricity exchange.

Investments

Due to the specifics of company operations, most of the company's investments relate to regular business operations.

In 2019, the company spent HRK 600 thousand on investments, whereas in 2018 the company spent HRK 1.1 million, of which 82% was spent in licenses and digitalisation, including GDPR licenses. In 2019, the company investment in licences, computer software and computer equipment.

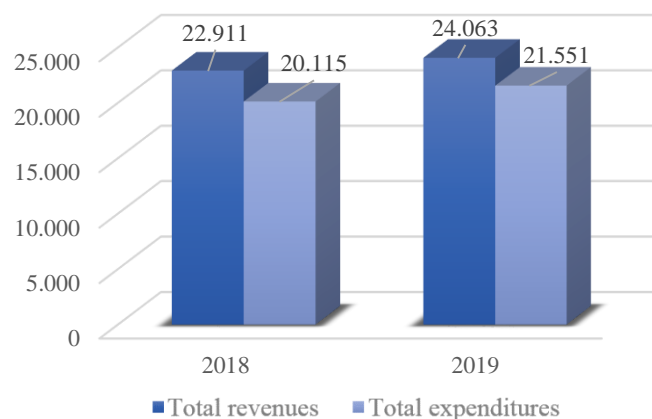
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	4.292	3.797
Short-term assets	1.048.607	981.747
Future period prepaid expenses...	260	463
Total Assets	1.053.159	986.007
Equity	20.566	21.311
Provisions	445	30.248
Long-term liabilities	34.581	732
Short-term liabilities	997.152	933.312
Deferred payment for expenses...	416	405
Total Equity & Liabilities	1.053.159	986.007

INCOME STATEMENT (HRK 000)		
Operating revenues	22.890	24.002
Operating expenditures	18.053	21.268
Financial revenues	21	60
Financial expenditures	16	94
Total revenues	22.911	24.063
Total expenditures	20.115	21.551
Profit/Loss before tax	2.797	2.512
Corporate tax	866	504
Net profit/loss	1.930	2.008

KEY INDICATORS		
EBITDA (HRK 000)	6.301	4.928
EBITDA margin	27,5%	20,5%
Net profit margin	8,4%	8,3%
ROA	0,2%	0,2%
ROE	9,4%	9,4%
Current ratio	1,1	1,1
Financial stability ratio	0,1	0,2
Debt ratio	98,0%	97,8%
Total asset turnover ratio	0,0	0,0
Investments (HRK 000)	1.116	600
Number of employees	40	39

Total revenues and expenditures





Hrvatska Lutrija d.o.o.
 Ulica grada Vukovara 72, Zagreb
www.lutrija.hr

Management Board:

Mario Musa (president),
 Eugen Sunara (member),
 Ignacije Čutura (member)

Supervisory Board:

Hrvoje Šimović (president),
 Ivana Ravlić Ivanović (member),
 Jasminka Lojen (member)

Government representative in the**Gen. Assembly:**

Zdravko Marić (president),
 Nina Obuljen Koržinek
 (member),
 Blaženka Divjak (member)

Audit committee:

Boris Tušek (president),
 Marko Primorac (deputy),
 Dinko Pavuna (member)

Auditor:

Grant Thornton revizija d.o.o.

OWNERSHIP**GENERAL INFORMATION ON THE COMPANY**

Hrvatska lutrija d.o.o. (Croatia Lottery) is a company that organises games of chance and gambling. It has a market presence with a rich assortment of games such as various lotteries, betting games, slot machines and casinos.

PERFORMANCE IN 2019**Key business events**

Due to strong its sales and marketing activities, as well as innovations in the product portfolio and expansion of the distribution network, in 2018 an exceptionally good business result was achieved in comparison to 2018.

After tax profit (net income) amounted to HRK 54.5 million (a 4.5% increase compared to 2018).

The increase in turnover from lottery games was 7.2% compared to the previous year. Evidently, the performance of Eurojackpot and srećke (scratchcards) as well as Loto 6/45 upon introducing a second draw was better. Numerous marketing activities led to a continual increase in turnover from Brze igre 35 (Quick Games 35). A 6.8% increase of turnover from betting was due to the growing betting market, frequent sales and marketing

activities, a large assortment of sporting events and raffling competition prizes.

Total generated revenue amounted to HRK 637 million, a 5.9% increase from 2018.

The most significant relative increase in revenue was generated from slot machines (+37%), which to a large extent is directly related to the opening of two new slot machine clubs. Revenue from iCasino increased by 12.2%. Revenue also increased from lotteries (+3.7%), coming mostly from the game Keno-Brzih (HRK 14.9 million revenue in 2019), srećke (scratchcards), Loto 7, Eurojackpot and Loto 6/45, while betting games resulted in 2.1% less revenue compared to the previous year due to a smaller leftover from betting.

Operating costs followed the trend of increasing revenue amounting to HRK 570 million or an increase of 6.1%. The increase in certain categories of costs is directly related to increasing turnover/revenue: costs of promotion (+8.5%), costs of operating leases (+10.8%), commission for services in selling games of chance through collaborating partners (+25.5%) and concession fees to the State (+9.4%).

Contributions to the state budget in 2019 amounted in all to HRK 310 million, which is at the level of 2018. Significant financial resources were transferred to the

state budget for the needs of financing humanitarian, sporting, cultural and similar events which for this purpose and in accordance with Article 8 of the Games of Chance Act, totalled HRK 99.5 million or 50% of all funds from fees for organising games of chance and net income in 2019.

Investments

Capital expenditure in 2019 amounted to HRK 51.1 million, or 80.3% of the total planned for 2019. The most significant investments relate to expanding the segment of organising games of chance in slot machine clubs (new slot machine clubs) as well as improving and modernising ICT systems.

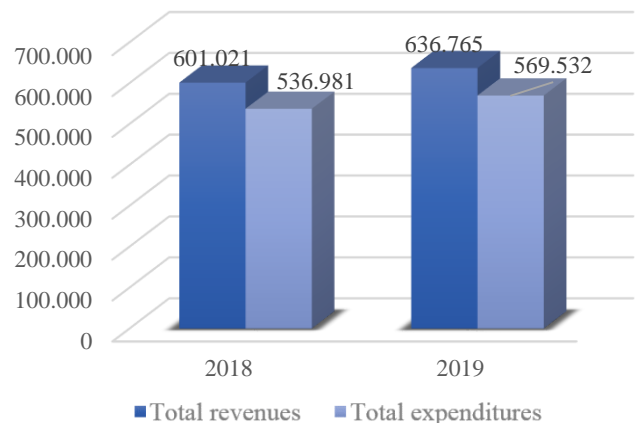
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	112.055	169.527
Short-term assets	181.713	148.603
Future period prepaid expenses...	17.916	20.379
Total Assets	311.685	338.510
Equity	107.784	110.167
Provisions	55.660	46.579
Long-term liabilities	679	20.154
Short-term liabilities	134.605	150.195
Deferred payment for expenses...	12.956	11.414
Total Equity & Liabilities	311.685	338.510

INCOME STATEMENT (HRK 000)		
Operating revenues	597.253	633.902
Operating expenditures	536.143	568.348
Financial revenues	3.769	2.863
Financial expenditures	839	1.184
Total revenues	601.021	636.765
Total expenditures	536.981	569.532
Profit/Loss before tax	64.040	67.233
Corporate tax	11.899	12.714
Net profit/loss	52.141	54.519

KEY INDICATORS		
EBITDA (HRK 000)	87.924	103.966
EBITDA margin	14,7%	16,4%
Net profit margin	8,7%	8,6%
ROA	16,7%	16,1%
ROE	48,4%	49,5%
Current ratio	1,3	1,0
Financial stability ratio	1,0	1,3
Debt ratio	65,4%	67,5%
Total asset turnover ratio	1,9	1,9
Investments (HRK 000)	25.653	51.118
Number of employees	1.356	1.426

Total revenues and expenditures





Hrvatske šume d.o.o.
 Ulica kneza Branimira 1, Zagreb
www.hrsume.hr

Management Board:

Krunoslav Jakupčić, (president),
 Ante Sabljčić, (member),
 Igor Fazekas (member)

Supervisory Board:

Davor Filipović (president),
 Krunoslav Zmaić (deputy), Mladen
 Mikolčević (member),
 Milan Devčić (member),
 Željka Šikić (member)

Government representative in the

Gen. Assembly:
 Marija Vučković

Audit committee:

Edita Bukovac (president), Davor
 Filipović (member),
 Kristina Šulj (member)

Auditor:

Audit d.o.o.

OWNERSHIP**GENERAL INFORMATION ON THE COMPANY**

The company's core business is the management of forests and forest lands owned by the Republic of Croatia representing a good of general interest, including utilisation of forests, forest lands and plantations. The mission adopted by the company is sustainable and integral management of national forests across the entire territory of the Republic of Croatia in an ecologically sensitive, economically efficient and socially responsible manner towards society as a whole and the company's employees.

PERFORMANCE IN 2019**Key business events**

In 2019, a total of HRK 477 million was invested in works on managing forests and forest lands. The largest proportion (81%) of the value of undertaken works was financed from the companies own sources. A total of 5.4 million cubic metres of wood assortments were produced, for which 6.3 million cubic metres of gross wood volume was felled. A large part of the felled wood mass (approx. 1.5 million cubic metres) was damaged due to various diseases, pest attacks and various natural disasters. Clear rules and criteria for the purchasing of raw wood materials based on annual contracts were reached with economic operators in the wood industry, thereby enabling them to plan production more easily. A new model of selling wood assortments has preserved the Croatian wood industry and jobs, where the quantity

of wood assortments processed in the domestic wood industry was the largest to date. In 2019, a total of 5.2 million cubic metres of wood assortments were sold, generating HRK 1.94 million of revenue.

In 2019, Hrvatske šume d.o.o. achieved after an after-tax profit of HRK 47 million, a decrease of 9% compared to the previous financial year. Total revenue generated was HRK 2.3 billion, an increase of 2% and compared to the period of 2018. Expenditures totalled HRK 2.22 billion. Compared to the previous year, this was an increase of 3% when expenditure accounted for HRK 2.16 billion.

The company fulfilled all its obligations towards employees in line with the Collective Agreement, whereas costs of wages in 2019 amounted to HRK 969 million. Compared to the previous year when such costs were HRK 1,002 million, this is a reduction of HRK 33 million or 3%. The increase in total expenditure stems from an increase in material costs (raw materials and outsourced services). Costs of outsourced services increased compared to 2018, and this increase is closely tied to an increase in production (felling services and production of wood products, skidding (dragging) services, other production services in utilising forests and services in forest cultivation works.

The provisions of the new Forests Act which came into force in August 2018 showed their full effect on company operations in 2019. Hence in 2018, HRK 92

million was allocated for forest contributions which was then HRK 35 million or 38% more than in the previous year. In 2019, the cost of forest contributions amounted to HRK 126 million. This means that the allocation increased by additional HRK 34 million compared to 2018 when the new Forests Act began to be implemented on only a part of the company's business. Increasing allocated funds for forest contributions which is paid to local self-government units had a direct effect on increasing costs and reducing the company's liquidity.

Investments

In 2019, investments in fixed assets totalled HRK 199 million. Almost 60% of this amount was investments in machinery and equipment, where a significant part of the funds was invested in new technologies facilitating an ecologically more acceptable and humane way of working. A total of 15 forwarders were purchased at a total value of HRK 28 million, one harvester with a net value exceeding HRK 3 million and a wood chipper valued at HRK 5 million).

One of the preconditions for sustainable forest management is the optimal openness of forest roads. In 2019, a total of 156 kilometres of forest roads was completed into which HRK 57 million was invested. The capital expenditure mostly comes from the company's own sources (55%), following by leasing (39%) and grants from EU funds (6%).

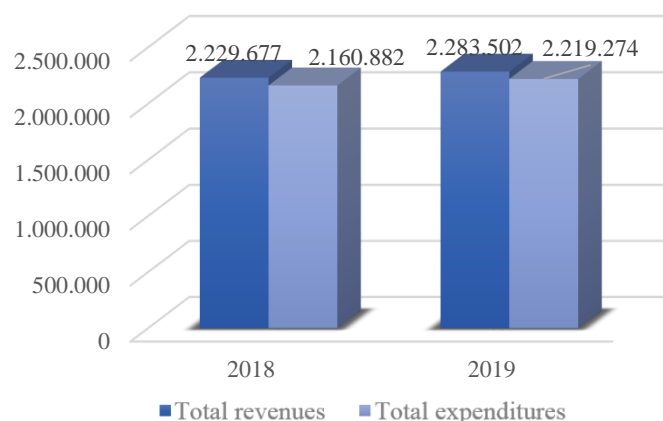
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	1.635.420	1.709.589
Short-term assets	837.026	829.970
Future period prepaid expenses...	4.326	5.514
Total Assets	2.476.772	2.545.074
Equity	1.582.021	1.597.927
Provisions	279.642	263.393
Long-term liabilities	154.323	171.785
Short-term liabilities	398.731	417.488
Deferred payment for expenses...	62.056	94.481
Total Equity & Liabilities	2.476.772	2.545.074

INCOME STATEMENT (HRK 000)		
Operating revenues	2.207.205	2.277.099
Operating expenditures	2.154.983	2.212.999
Financial revenues	22.472	6.403
Financial expenditures	5.899	6.275
Total revenues	2.229.677	2.283.502
Total expenditures	2.160.882	2.219.274
Profit/Loss before tax	68.795	64.228
Corporate tax	16.912	17.131
Net profit/loss	51.882	47.097

KEY INDICATORS		
EBITDA (HRK 000)	162.078	199.100
EBITDA margin	7,3%	8,7%
Net profit margin	2,3%	2,1%
ROA	2,1%	1,9%
ROE	3,3%	2,9%
Current ratio	2,1	2,0
Financial stability ratio	0,9	1,0
Debt ratio	36,1%	37,2%
Total asset turnover ratio	0,9	0,9
Investments (HRK 000)	218.385	198.739
Number of employees	8.063	8.163

Total revenues and expenditures



**HŽ Cargo d.o.o.**

Heinzlova 51, Zagreb

www.hzcargo.hr**Management Board:**

Gordan Žurga (director)

Supervisory Board:

Damir Sesvečan (president),
 Nikša Antica (deputy),
 Diana Lukšić (member),
 Želimir Halić (member)

Government representative in the**Gen. Assembly:**

Oleg Butković

Audit committee:

Ivan Pelivanski,
 Diana Lukšić,
 Branka Horvat

Auditor:

Audit d.o.o.

OWNERSHIP**GENERAL INFORMATION ON THE COMPANY**

The company HŽ Cargo d.o.o. is the national operator of railway freight transport and provides freight transport services in national and international railway transport, as well as a train towing service.

HŽ Cargo d.o.o. has for a series of years achieved losses in its business, and with the coming of competition, it has lost a significant part of the market in the last four years. The basic reasons for this situation is its obsolete fleet and low labour productivity. The 2016-2020 Restructuring Plan defined the goal of rationalising business processes to achieve better and more efficient utilisation of available resources. The aim is to increase productivity, improve cooperation with partners and establish a profitable and competitive business model on the Croatian and regional market by 2020.

PERFORMANCE IN 2019**Key business events**

In 2019, the total market for railway cargo transport in the Republic of Croatia increased 7% in terms of tonnage, while at the same time cargo which HŽ Cargo d.o.o. transported decreased by 2% compared to the previous year, meaning that the decreasing trend for transport continued.

In 2019, unfavourable effects of the market were somewhat mitigated and despite increasing competition,

transport activities were maintained at 2018 levels but with a slight decrease. Hence, transport in 2019 compared to 2018 decreased by 2% in terms of tonnage or 1% NTKM, even though total railway transport in Croatia in 2019 increased 7%. With respect to the plan, transport activities in 2019 were less by 14% in tonnage and 14% in NTKM.

At the start of 2019, the subsidiary company RŽV Čakovec d.o.o. and RPV Slavonski Brod d.o.o. were merged with the subsidiary company OV - Održavanje vagona d.o.o.

The company HŽ Cargo d.o.o. in 2019 generated total revenue amounting to HRK 524 million, which is an increase of HRK 7 million or 1.4% compared to the previous year. Revenue from goods transport services in 2019 increased by HRK 9 million or 2.3% compared to the previous year. Total expenditure in 2019 amounted to HRK 665 million and is an increase of 8.1% or HRK 50 million compared to the previous year. Total operating expenditures increased by 0.1% or HRK 480 thousand. In the 2019 financial year, HŽ Cargo d.o.o. showed a net operating loss of HRK 141 million. The shown loss is an increase of 44% or HRK 43 million compared to the previous year.

The company had a total of 1,469 employees on 31 December 2019, whereas on the same date of the previous year the number of employees was 1,513. HŽ Cargo d.o.o. has a 100% stake in the company OV – Održavanje vagona d.o.o. which provides maintenance services for passenger and cargo wagons, employing a total of 568 workers.

The Ministry of Sea, Transport and Infrastructure took out a loan from the World Bank to finance two projects for HŽ Cargo and other HŽ companies:

- The Financial Consultant project has the task of performing a comprehensive due diligence of the company HŽ Cargo and provide recommendations to the owner, i.e., the Croatian Government, as to the direction which HŽ Cargo should take in the future. The project is in its final phase and a final decision is expected soon.
- The Asset Management project has the task of performing an audit of the division of assets belonging to the former HŽ among HŽ Infrastruktura, HŽ Cargo and HŽ Putnički prijevoz. The second phase of the project has been completed, and the expectation is that the project will be completed by the end of the year. It is exceptionally important for HŽ Cargo that this project is successfully completed as soon as possible due to the fact that there are significant assets which the company is not able to utilise because of unresolved property relations and rights.

Investments

In 2019, investments worth HRK 78.9 million were implemented, which is 55% of that planned for 2019. The largest investment in 2019 was fleet modernisation, specifically HRK 62.9 million for wagons and HRK 13.5 million for the modernisation of locomotives.

Investment activities increased in 2019 by 25% compared to 2018, given that funds from a World Bank loan were utilised to a greater extent in 2019. Other investment activities were financed from the company's own sources. By 31/05/2020, a total of 85% of the funds or EUR 35 million had been utilised. Repayment is to commence in July 2020.

The World Bank through its Sustainable Croatian Railways in Europe project has approved a loan HŽ Cargo valued at EUR 41.5 million. The most important projects for which the World Bank funds are used include:

- Redundancy payments to workers
- Modernisation of 7 electric locomotives
- Procurement of monoblock wheels for locomotives
- Procurement of parts for upgrading wagons (monoblock wheels, axles, brake inserts, bearings)

FINANCIAL DATA AND INDICATORS

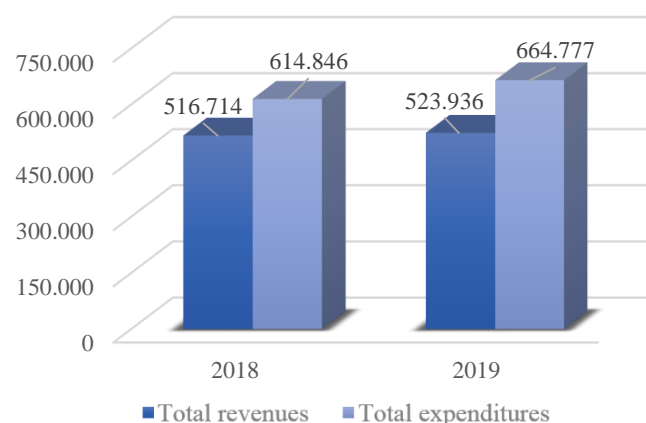
BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	1.169.974	1.122.208
Short-term assets	209.924	152.529
Future period prepaid expenses...	12.023	13.720
Total Assets	1.391.921	1.288.457
Equity	436.259	298.771
Provisions	179.126	176.350
Long-term liabilities	381.506	391.903
Short-term liabilities	365.983	393.846
Deferred payment for expenses...	29.047	27.586
Total Equity & Liabilities	1.391.921	1.288.457

INCOME STATEMENT (HRK 000)		
Operating revenues	511.196	521.486
Operating expenditures	600.884	646.333
Financial revenues	5.518	2.450
Financial expenditures	13.962	18.444
Total revenues	516.714	523.936
Total expenditures	614.846	664.777
Profit/Loss before tax	-98.132	-140.841
Corporate tax	0	0
Net profit/loss	-98.132	-140.841

KEY INDICATORS

EBITDA (HRK 000)	-5.056	-35.596
EBITDA margin	-1,0%	-6,8%
Net profit margin	-19,0%	-26,9%
ROA	-7,1%	-10,9%
ROE	-22,5%	-47,1%
Current ratio	0,6	0,4
Financial stability ratio	1,4	1,6
Debt ratio	68,7%	76,8%
Total asset turnover ratio	0,4	0,4
Investments (HRK 000)	62.800	78.900
Number of employees	1.631	1.485

Total revenues and expenditures





HŽ infrastruktura d.o.o.

Mihanovićeve 12, Zagreb

www.hzinfra.hr

Management Board:

Ivan Kršić (president),
Darko Barišić (member),
Marko Zdravko Žubrinić (member),
Nikola Ljuban (member),
Krunoslav Papić (member)

Supervisory Board:

Ivan Miloš (president),
Tomislav Jukić (member),
Slavko Proleta (member)

Government representative in the

Gen. Assembly:

Oleg Butković

Audit committee:

Ivana Varga (member),
Rudi Grubišić (member)

Auditor:

BDO Croatia d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

HŽ infrastruktura is a company for managing railway infrastructure on the territory of the Republic of Croatia. It organises and regulates railway transport, ensuring access and use of railway infrastructure for all railway transporters who fulfil conditions as stipulated in the Railways Act.

PERFORMANCE IN 2019

Key business events

In the 2019 financial year, there was an ongoing trend of major capital expenditures into railway infrastructure and business activities relating to maintenance as well as safe organization and regulation of railway transport, including management of railway infrastructure. In 2019, there was an increase in railway traffic measured using fundamental indicators of railway infrastructure usage, with a slight trend of continued increase of the mentioned indicators.

A total of 21.8 thousand train kilometres which compared to 2018 is a 2.5% increase, or 7.7 million gross tonne-kilometres which is an increase of 5.8%. Traffic for 115 cargo and 648 passenger trains is supervised and managed on a daily basis. Furthermore, 26.99 kilometres of railway line was renewed, the permitted infrastructural speed on railway lines in use was increased which in 2019 was 79.05 km/h, and there was intensive work on increasing safety through activities undertaken on railway-road crossings.

The company achieved an operating profit of HRK 467 thousand, indicating that it operated in line with the budgetary principles of balancing revenue and expenditure. Operating revenue amounted to HRK 1.3 billion and compared to 2018 was an increase of 8.4%, which includes revenue from the state budget (HRK 913 million), revenue from sales (HRK 190 million) of which revenue from the provision of railway services accounts for 77.9% and 13% of revenue from properties, and other types of operating revenues (HRK 215.01 million). Total operating expenditure amounted to HRK 1.3 billion, of which operating costs accounted for 89% or HRK 1.2 billion, and 11% or HRK 147 million on costs of amortisation, value adjustments and provisions for costs and risks.

A lot of attention was directed to implementing planned personnel policies with the aim of lowering the age structure and strengthening education of its personnel by implementing a series of measures and activities directed to the ongoing training of workers and employment, hence a total of 393 new workers were employed during the year of which 259 were trainees.

Investments

In 2019, the company carried out HRK 950.9 million worth of investments into railway infrastructure, which is 29% more than in the previous year, with 79% co-financed from EU funds. Total investments in projects co-financed from EU funds amounted to HRK 700.9 million, which is double the amount from the previous year. Investments carried out in 2019 according to programs and projects for renewal, modernisation and construction are as follows:

- HRK 299.3 million in constructing new railway lines and platforms
- HRK 295.4 million in railway lines for regional traffic
- HRK 279.2 million in railway lines for intern. traffic
- HRK 76.7 million in program activities for infrast. and transport across the network as a whole
- HRK 0.3 million in railway lines for local traffi

In terms of capital expenditure, the year 2019 saw the opening of the first newly constructed railway line in the Republic of Croatia, after 52 years, the new railway line from Gradec railway station to the sv. Ivana Žabno railway station.

In 2019, an entire series of investment projects were contracted, some of which are the contract for “Drafting the Study Documentation on Modernisation of the Okučani-Vinkovci Railway Line Section”, part of the project “Drafting the Design Documentation for Modernisation of the Okučani-Vinkovci Railway Line Section”, contract on carrying out works for the project “Upgrading Infrastructure in the Rijeka Port – Zagreb Port Container Terminal”, which is undertaken in partnership with the Rijeka Port Authority, contract for procurement and installation of equipment for ensuring 49 railway – road crossings and one pedestrian crossing over railway lines at 50 locations in the Republic of Croatia, and the contract for carrying out works for the project “Upgrading and Electrification of the Existing Railway Line of Importance for International Transport M601 Vinkovci – Vukvoar” amounting to HRK 516 million.

In December 2019, an EU grant agreement was signed for the project Reconstruction of the Existing and Construction of the Second Track for the Hrvatski Leskovac – Karlovac Section and for which HRK 2,721 million was ensured for its implementation. This agreement marks also the start of constructing the lowland railway on the section from Zagreb to Rijeka. The Hrvatski Leskovac – Karlovac section is the first section on that railway line which is to be constructed, thereby considerably increasing the competitiveness of Rijeka Port. The company has developed and prepared an entire series of projects for the modernisation and renewal of railway infrastructure which are in various stages of readiness and which will in the coming period be a strong generator of economic growth and development in the Republic of Croatia.

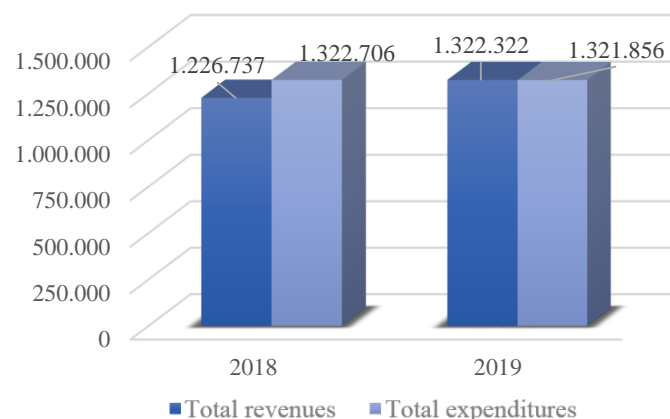
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	11.988.214	12.482.946
Short-term assets	867.720	880.076
Future period prepaid expenses...	10.971	8.995
Total Assets	12.866.905	13.372.017
Equity	8.355.319	8.128.527
Provisions	192.599	155.664
Long-term liabilities	810.696	866.997
Short-term liabilities	1.562.241	1.872.607
Deferred payment for expenses...	1.946.051	2.348.221
Total Equity & Liabilities	12.866.905	13.372.017

INCOME STATEMENT (HRK 000)		
Operating revenues	1.216.473	1.318.410
Operating expenditures	1.306.999	1.310.824
Financial revenues	10.264	3.912
Financial expenditures	15.707	11.031
Total revenues	1.226.737	1.322.322
Total expenditures	1.322.706	1.321.856
Profit/Loss before tax	-95.969	467
Corporate tax	0	0
Net profit/loss	-95.969	467

KEY INDICATORS		
EBITDA (HRK 000)	-54.395	48.711
EBITDA margin	-4,5%	3,7%
Net profit margin	-7,8%	0,0%
ROA	-0,7%	0,0%
ROE	-1,1%	0,0%
Current ratio	0,6	0,5
Financial stability ratio	1,3	1,4
Debt ratio	35,1%	39,2%
Total asset turnover ratio	0,1	0,1
Investments (HRK 000)		
Number of employees	4.840	4.898

Total revenues and expenditures





HŽ putnički prijevoz d.o.o.

Strojarska cesta 11, Zagreb

www.hzpp.hr

Management Board:
Željko Ukić (president),
Mladen Lugarić (member),
Damir Rubčić (member)

**Government representative in the
Gen. Assembly:**
Oleg Butković

OWNERSHIP

Supervisory Board:
Irena Gerovac Zrnić (president),
Gordan Hanžek (deputy), Tomislav
Družak (member),
Zdeslav Milas (member)

Audit committee:

Auditor:
Audit d.o.o.



GENERAL INFORMATION ON THE COMPANY

The business of HŽ Putnički prijevoz (Croatian Railways Passenger Transport) involves providing public passenger transport in national and international railway transport as well as railway links from city centres and local areas in the Republic of Croatia to metropolitan and other city centres in Europe, and also large-scale passenger transport within larger cities and suburban areas.

The company's mission is passenger transport through the provision of quality and reliable as well as economically and ecologically acceptable services in city-suburban, local, regional as well as national and international long-distance transport using modern mobile capacities.

The company's vision is to become the leading transport company in Croatia focusing on mass and quality railway transport of passengers in line with market principles, while taking in account the owner's interest and protecting them, to the satisfaction of users of transport services and employees.

PERFORMANCE IN 2019

Key business events

In 2019, investments were made in the fleet and other activities relating to improving business processes.

Restructuring the loan from the International Bank for Reconstruction and Development enabled financing of four diesel electric trains, of which three were delivered towards the end of 2019.

Also, a public tender procedure was initiated in 2019 for 21 electric trains which will be financed from EU funds, as well as activities for ensuring rolling stock financing for 12 electric trains using a loan granted from EUROFIMA and IBRD.

With the aim of achieving better quality transport links in the Republic of Croatia, agreements were signed between representatives of regional/local self-governments and bus/tramway transport companies to promote development of railway transport and strengthen the role of integrated passenger transport in city-suburban transport in order to popularise and improve public transport and increase population mobility with the aim of improving the quality of life for citizens.

In 2019, the company had 19,854 thousand passengers, which is 1,164 thousand passengers (5.5%) less than in the plan and 416 thousand passengers (2.1%) less compared to the previous year. Local and long-distance transport moved 10,466 thousand passengers, which is 1,312 thousand passengers (11.1%) less than in the plan and 817 thousand passengers (7.2%) less than in 2018. A total of 9,059 thousand passengers used city-suburban transport, which is 143 thousand passengers more than planned (1.6%) and 399 thousand passengers (4.6%) more than in 2018.

The average commercial speed of trains in 2019 was 46 km/h. Low speeds on railway lines resulting in needing more carriages to fulfil train schedules, i.e., operations (at least 10% more carriages) and is one of the key barriers to increasing demand.

Official areas intended for railway passenger have an important role in perceiving the quality of transport services and generally viewing railways as a form of public transport. Most stations and stops are not in a satisfactory infrastructural condition and passengers demand improvements. Most passenger complaints relate to the condition of railway station platforms, the accesses to platforms and urban equipment as well as the level of cleanliness and condition of the official areas set aside for railway passengers.

On 31 December 2019, HŽ Putnički prijevoz had a total of 1,830 employees.

Investments

In 2019, investments were worth HRK 200 million. Investments in transport capacities amounted to HRK 89.6 million, of which HRK 24.8 million was investments in passenger carriages, and HRK 64.8 million was for locomotives and trains.

The procurement of new trains amounted to HRK 97.9 million. In 2019, three diesel electric locomotives were delivered and financed from an IBRD loan.

Other investments amounted to HRK 12.8 million and relate to the maintenance of facilities and IT implementation.

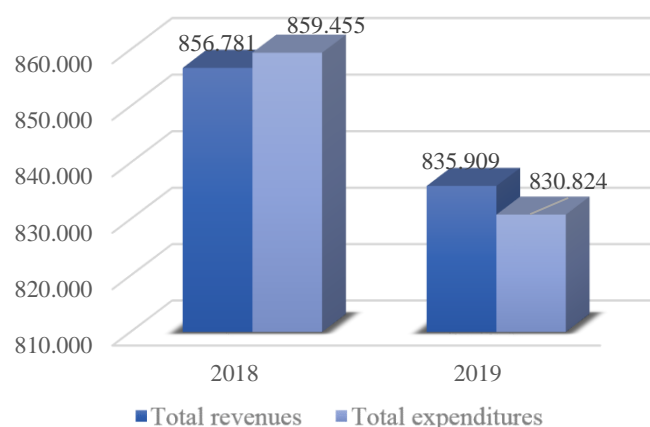
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	1.914.318	1.936.815
Short-term assets	125.200	112.976
Future period prepaid expenses...	3.534	3.534
Total Assets	2.043.051	2.053.326
Equity	768.829	771.470
Provisions	126.323	127.217
Long-term liabilities	425.913	437.001
Short-term liabilities	164.740	238.347
Deferred payment for expenses...	557.246	479.291
Total Equity & Liabilities	2.043.051	2.053.326

INCOME STATEMENT (HRK 000)		
Operating revenues	850.826	834.927
Operating expenditures	848.361	819.388
Financial revenues	5.955	982
Financial expenditures	11.095	11.436
Total revenues	856.781	835.909
Total expenditures	859.455	830.824
Profit/Loss before tax	-2.674	5.085
Corporate tax	928	2.444
Net profit/loss	-3.603	2.641

KEY INDICATORS		
EBITDA (HRK 000)	137.588	152.060
EBITDA margin	16,2%	18,2%
Net profit margin	-0,4%	0,3%
ROA	-0,2%	0,1%
ROE	-0,5%	0,3%
Current ratio	0,8	0,5
Financial stability ratio	1,6	1,6
Debt ratio	62,4%	62,4%
Total asset turnover ratio	0,4	0,4
Investments (HRK 000)	94.450	200.288
Number of employees	1.893	1.861

Total revenues and expenditures




INA – Industrija nafte d.d.

Avenija V. Holjevca 10, Zagreb

www.ina.hr
Management Board:

Sándor Fasimon (president),
 Niko Dalić (member),
 Ivan Krešić (member),
 Davor Mayer (member),
 Zsolt Pethő (member),
 Ákos Székely (member)

Supervisory Board:

Damir Vandelić (president),
 József Molnár (deputy),
 Luka Burilović (member),
 Szabolcs I. Ferencz (member),
 Ferenc Horváth (member),
 Damir Mikuljan (member),
 József Simola (member),
 László Uzsoki (member),
 Jasna Pipunić (member)

Government
representative in the Gen.
Assembly:

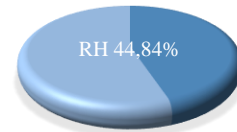
Tomislav Ćorić

Audit committee:

Judit Szilágyi (president),
 Ratko Marković (member),
 Hrvoje Šimović (member)

Auditor:

Ernst & Young d.o.o.

OWNERSHIP

GENERAL INFORMATION ON THE COMPANY

INA-Industrija nafte d.d. is a medium-to-large European petroleum company with a leading role in the oil business in Croatia, and a regional role in exploration and production of oil and gas, oil refining and the distribution of petroleum and petroleum derivatives. It was founded on 1 January 1964 with the merger of Naflaplin (a company involved in exploration and production of oil and gas) and the oil refineries in Rijeka and Sisak. The largest shareholders in the oil company are MOL and the Republic of Croatia, whereas a smaller proportion of the shares are owned by private and institutional investors. Since 1 December 2006, INA's shares have been listed on the Zagreb Stock Exchange.

PERFORMANCE IN 2019
Key business events

INA again achieved solid business results in 2019 and the year saw some valuable investments take place. Despite a more demanding external environment, revenues from sales for INA d.d. in 2019 remained stable compared to 2018.

Though domestic fields, due to maturity recorded an expected drop in petroleum and oil production, overall

production results were stable. This was due to greater petroleum production in Egypt, where the company achieved a growth of 19% and successfully drilled the Rizk-2D exploration well, the deepest drilled by the company in the last 35 years. The company remains focused on sustainable production. The EOR project for injecting CO₂ into mature oil fields in Ivanić and Žutica, where it remains permanently stored, not only leads to increased production but also reduced emissions.

The first half of 2019 saw the overhauling of the Rijeka Oil Refinery, the largest in the company's history, where the results of this project are already evident in an improved range of products and reduced environmental impact, which will certainly be further reduced once the facility for processing heavy residues is constructed. A decision was made to invest in bitumen production, and there are plans for commencing other economically viable projects in Sisak such as construction of a facility for advanced bioethanol with a negative carbon footprint, i.e., a biorefinery.

When referring to retail activities, the company has retained its leading position on the market, but also increased its share on key markets in Croatia and Bosnia-Herzegovina. The acquisition of retail locations

in Montenegro has strengthened its position in that country, which conforms to company policy on strengthening its position in the region. Increased sales of motor fuel is due to strong retail results, as well as diligently monitoring the situation on key markets and promptly taking advantage of opportunities which led to increased sales of motor fuel in Bosnia-Herzegovina.

Due to improved provision of services and satisfying customer needs, INA has started, along with its partners, to install electric vehicle charging stations next to its retail locations on motorways, installing a total of 31 charging stations at 24 retail locations in 2019.

Investments

Capital expenditure increased 16% compared to the same period last year, amounting to HRK 1.9 billion. Thanks to these results, INA remains a leading Croatian company and is one of the largest investors in the country.

In 2019, historical steps were taken for the company's refinery business. The decision on investing in the facility for processing heavy residues, valued at approx. four billion kuna, means that the refinery business will be feasible and sustainable over the long term, while the refinery in Rijeka will be a modern European plant. From 2023, when the new plant will be commissioned, the competitiveness of the refinery will increase as will the assortment of products by increasing the production share of profitable white products, i.e. motor fuels. In addition, the first half of 2019 saw the overhauling of the Rijeka Oil Refinery, the largest in the company's history, valued at HRK 800 million, as well as completion of the Propane-Propylene Splitter project, valued at approx. HRK 500 million.

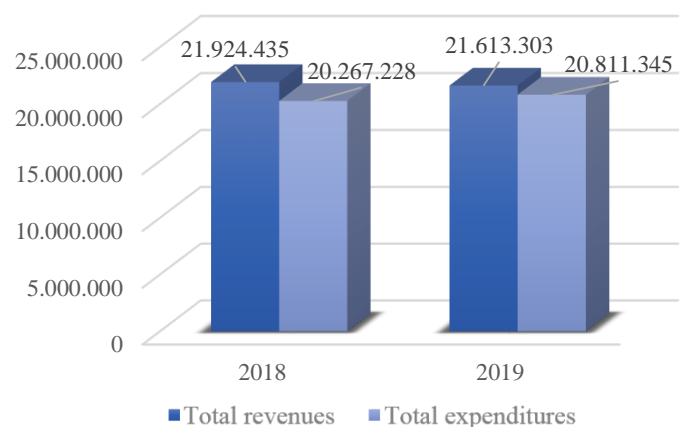
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	16.190.042	17.379.921
Short-term assets	4.662.544	4.662.281
Future period prepaid expenses...	34.099	43.382
Total Assets	20.886.685	22.085.584
Equity	12.351.891	11.893.732
Provisions	3.631.582	3.893.084
Long-term liabilities	44.339	479.869
Short-term liabilities	4.749.196	5.705.176
Deferred payment for expenses...	109.678	113.724
Total Equity & Liabilities	20.886.685	22.085.584

INCOME STATEMENT (HRK 000)		
Operating revenues	21.419.336	21.430.302
Operating expenditures	20.065.805	20.655.877
Financial revenues	505.099	173.116
Financial expenditures	201.423	155.468
Total revenues	21.924.435	21.613.303
Total expenditures	20.267.228	20.811.345
Profit/Loss before tax	1.657.207	801.959
Corporate tax	322.918	146.387
Net profit/loss	1.334.289	655.571

KEY INDICATORS		
EBITDA (HRK 000)	2.932.631	2.408.574
EBITDA margin	13,7%	11,2%
Net profit margin	6,1%	3,0%
ROA	6,4%	3,0%
ROE	10,8%	5,5%
Current ratio	1,0	0,8
Financial stability ratio	1,3	1,4
Debt ratio	40,9%	46,1%
Total asset turnover ratio	1,0	1,0
Investments (HRK 000)	1.675.086	1.949.571
Number of employees	4.203	3.863

Total revenues and expenditures





Jadrolinija
Riva 16, Rijeka
www.jadrolinija.hr

Management Board:

David Sopta (president),
Vjekoslav Dorić (member), Goran
Frković (member)

Government representative in the

Gen. Assembly: Oleg Butković,
Zdravko Marić,
Gari Cappelli

Supervisory Board:

Damir Zec (president),
Mile Perić (member),
Mirta Lozančić (member),
Nediljko Bulić (member)

Audit committee:

Mirta Lozančić (president),
Damir Zec (member),
Mile Perić (member)

Auditor:

Iris nova d.o.o.

OWNERSHIP**GENERAL INFORMATION ON THE COMPANY**

Jadrolinija is a company with a century-old tradition in the liner maritime transport of passengers and freight. It was founded on 20 January 1947 in Rijeka and is the successor of various associations of small coastal shippers from back in 1872.

PERFORMANCE IN 2019**Key business events**

Managing fleets, allocating larger capacity ships to more frequent lines, thereby managing dependent costs, are some of activities that have marked business operations in the company in 2019. Jadrolinija has a total of 41 shipping lines, of which 35 are state lines, 4 international and 2 seasonal shipping lines. The entire maritime traffic is supported by a fleet of 51 ships.

In 2019, achieved natural indicators across all lines indicates a growth of 1.3% in the number of passengers and 2.5% in the number of transported vehicles. Total numbers are 12,513,616 passengers and 3,215,727 vehicles.

In 2019, the company generated revenue totalling HRK 978 million, which is an increase of 2.1% compared to 2018. Total expenditure in 2019 amounted to HRK 964 million, which is 10.7% more than in the previous year. The company's gross profit in 2019 was HRK 14.1 million.

Revenue from the sale of passenger ferry tickets increased by 5.7%, while revenue from vehicle ferry tickets increased by 4.1% when compared to 2018. In terms of revenue from passengers, the most significant increase of 28.2% was achieved on seasonal shipping lines, which is mostly attributed to a larger number of journeys on the Split – Hvar line, whereas shipping lines in concession recorded a 6% decrease in revenue. International lines had an 7% increase in the number of passengers while revenue from ferrying vehicles increased by 4.6% compared to the previous year.

In terms of expenditure, there was a significant financial increase of HRK 17 million for spare parts, with the costs relating to spare parts for overhauling works and spare parts for intervention maintenance on ships.

The most significant amounts related to the ships Adriana, Korčula, Cres, Tin Ujević, Marko Polo Dubrovnik, Dora, Adriana and Olea

Investments

The key projects in the 2019 investment cycle included projects for fleet renewal and modernisation.

In 2019, a two-sided Ro-Ro/passenger ship FAROS (ex Stelios Filiagos) was bought for HRK 63.4 million. The ship can transport 650 passengers and 170 vehicles which will significantly increase the quality of services,

especially during the summer months. It is 105 metres long, 17.5 metres wide and can reach a speed of up to 14 knots, and is intended primarily for the Split – Stari Grad shipping line, but it can also sail on other lines given that it meets class D maritime conditions in accordance with the Ordinance on Statutory Certification of Passenger Ships in National Maritime Transport.

In 2019, investments were made into the existing fleet totalling HRK 8.2 million, and investments in the new fleet totalling HRK 1.5 million (the Novo Lastovo project and project support for Nova Postira).

Jadrolinija in 2019 undertook to digitalise the purchasing of ferry tickets via the mJadrolinija mobile application. It enables passengers to purchase ferry tickets simply and quickly, check ferry schedules, and access general information on traffic conditions.

The ability to reserve ferry seats was also introduced in accordance with the EU directives and recommendations, with the feature available on nine Jadrolinija lines.

In addition to the number of passengers, Jadrolinija is also a green leader in undertaking business on the Adriatic.

For ships that use the cleanest fuel containing 0.01% sulphur, new motors to be installed must meet the so called TIR2 standard which defines CO2 emissions.

In 2019, a number of Jadrolinija ships had biological wastewater purifiers installed. The installation of biological purifiers besides protecting the sea also provides significant financial savings in the future.

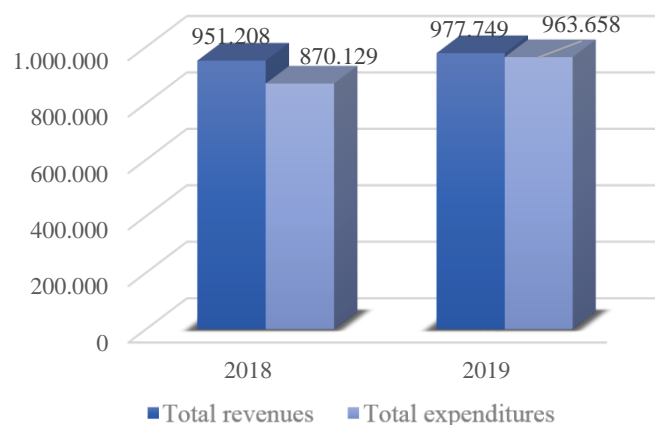
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	1.375.990	1.352.997
Short-term assets	188.273	291.101
Future period prepaid expenses...	13.403	8.196
Total Assets	1.577.666	1.652.294
Equity	1.087.095	1.070.893
Provisions	115.380	147.069
Long-term liabilities	240.798	267.011
Short-term liabilities	94.841	141.883
Deferred payment for expenses...	39.553	25.439
Total Equity & Liabilities	1.577.666	1.652.294

INCOME STATEMENT (HRK 000)		
Operating revenues	945.842	974.422
Operating expenditures	861.727	948.932
Financial revenues	5.365	3.327
Financial expenditures	8.402	14.727
Total revenues	951.208	977.749
Total expenditures	870.129	963.658
Profit/Loss before tax	81.079	14.090
Corporate tax	16.603	5.582
Net profit/loss	64.475	8.508

KEY INDICATORS		
EBITDA (HRK 000)	188.047	135.569
EBITDA margin	19,9%	13,9%
Net profit margin	6,8%	0,9%
ROA	4,1%	0,5%
ROE	5,9%	0,8%
Current ratio	2,0	2,1
Financial stability ratio	1,0	1,0
Debt ratio	31,1%	35,2%
Total asset turnover ratio	0,6	0,6
Investments (HRK 000)	86.818	81.676
Number of employees	1.732	1.788

Total revenues and expenditures



**Jadranski naftovod d.d.**

Miramarska cesta 24, Zagreb

www.janaf.hr**Management Board:**

Dragan Kovačević (president), Jakša Marasović (member),
Bruno Šarić (member)

Government representative in the

Gen. Assembly:
Tomislav Ćorić

Supervisory Board:

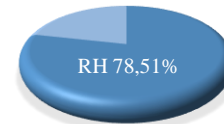
Biljana Bukić (president),
Žarko Stilin (deputy),
Nina Ban Glasnović (member),
Igor Blažinović (member)

Audit committee:

Biljana Bukić (president),
Žarko Stilin (member),
Nina Ban Glasnović (member)

Auditor:

UHY Rudan d.o.o.

OWNERSHIP**GENERAL INFORMATION ON THE COMPANY**

The company Jadranski naftovod d.d. (JANAF) manages petroleum storage systems (constructed in the period from 1974-79) as a modern, effective and economical system for transporting and storing crude oil and petroleum derivatives.

The company's mission is continual improvements in safe and efficient transport of crude oil as well as storage of crude oil and petroleum derivatives using the best global technological standards, along with care for the preservation and protection of the environment, safety and development of human resources.

PERFORMANCE IN 2019**Key business events**

The joint-stock company Jadranski naftovod achieved significant business results in 2019. Revenue from its core business, which includes the transporting of petroleum, storage of petroleum and storage of petroleum derivatives, amounted to HRK 663 million, which is a 7% decrease compared to its record year in 2018. Compared to the previous year, an increase in revenue was achieved in the segments for storage of petroleum (10.6%) and storage of petroleum derivatives (11.8%) and based on investments in increasing capacities. The business segment of oil transport saw a 16.8% decrease because in 2019 all refineries on the Jadranski naftovod route were overhauled. Of the total

generated income from core business in 2019, 65.6% came from business with foreign customers.

Total revenue amounting to HRK 714 million and total expenditure amounting to HRK 394 million resulted in a gross profit of HRK 320 million and net profit of HRK 262 million (13.8% less than in 2018).

Investments

On 31 December 2019, the total value of fixed tangible and intangible assets in progress amounted to HRK 688 million. In 2019, assets with a total value of HRK 685 million were put to use, of which HRK 272 million related to three newly-built oil tanks at the Omišalj Terminal and HRK 203 million related to investments in the main pipelines along the Omišalj – Sisak, Sisak – Slavonski Brod – MS Sotin sections.

The value of invoiced investments in fixed assets in 2019 amounted to HRK 409 million.

In 2019, the company commenced a new series of large investments with the construction of two new tanks for crude oil with a volume of 80,000 m³ at the Sisak Terminal. Investments in reconstruction and extensions to the tank area in 2019 amounted to HRK 67 million.

Investments in 2019 valued at HRK 112 million (total investments amounted to HRK 269 million), related mostly to investments in the main pipelines on the Omišalj – Sisak and Sisak – Slavonski Brod – MS

Sotin sections. The purpose of investing in the pipelines is to better secure the transporting of petroleum and supplying consumers, as well as extending lifetime.

Investments valued at HRK 109 million in 2019 (total investments worth HRK 189 million) were undertaken in various facilities for the more secure transporting of petroleum and better protection of the environment, people and equipment, covering to a large extent investments in modernising fire alarm and protection systems as well as technical protection systems at the company's terminals.

Investments in facilities and other infrastructure, valued at HRK 76 million in 2019, mostly related to investments in JANAF's metering system, i.e., modernisation of commercial meter stations, modernisation of laboratories that certificate flow meters at the Sisak Terminal, construction of a building at MS Sotin, undertaking works on reconstruction of the parking plateau for tank trucks at the Omišalj Terminal and reconstruction of facilities at the Žitnjak Terminal.

A total of HRK 17 million was invested in the electrical supply system. Investments related to the project for transitioning power to 20kV at the Sisak Terminal, replacement of feeders and signal cabling at the Omišalj Terminal and modernisation of electrical motors for the oil transport system (total investments amounting to HRK 39 million).

In 2019, the company invested HRK 28 million into the modernisation and upgrading of the monitoring and control system, upgrading software solutions in the company, IT and all other equipment, including investment materials necessary for company operations.

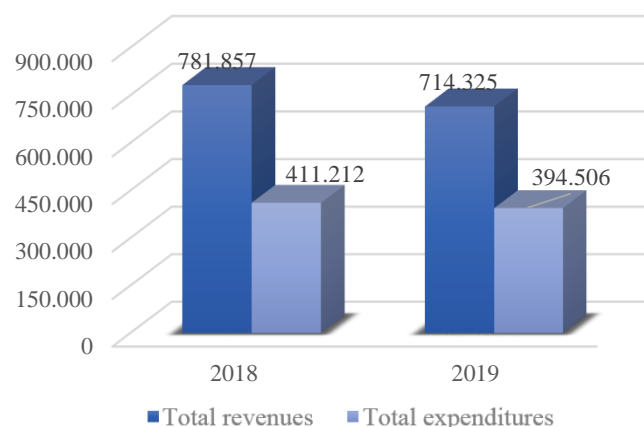
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	3.728.086	4.022.012
Short-term assets	692.864	600.808
Future period prepaid expenses...	1.363	1.462
Total Assets	4.422.313	4.624.283
Equity	4.178.021	4.353.363
Provisions	14.784	14.655
Long-term liabilities	82.646	88.203
Short-term liabilities	143.946	161.270
Deferred payment for expenses...	2.915	6.792
Total Equity & Liabilities	4.422.313	4.624.283

INCOME STATEMENT (HRK 000)		
Operating revenues	751.896	696.005
Operating expenditures	405.584	390.751
Financial revenues	29.961	18.320
Financial expenditures	5.628	3.756
Total revenues	781.857	714.325
Total expenditures	411.212	394.506
Profit/Loss before tax	370.645	319.819
Corporate tax	66.902	57.909
Net profit/loss	303.743	261.910

KEY INDICATORS		
EBITDA (HRK 000)	480.935	452.506
EBITDA margin	64,0%	65,0%
Net profit margin	38,8%	36,7%
ROA	6,9%	5,7%
ROE	7,3%	6,0%
Current ratio	4,8	3,7
Financial stability ratio	0,9	0,9
Debt ratio	5,5%	5,9%
Total asset turnover ratio	0,2	0,2
Investments (HRK 000)	457.442	408.603
Number of employees	382	381

Total revenues and expenditures





Narodne Novine d.d.
Savski Gaj XIII. put 6, Zagreb
www.nn.hr

Management Board:

Zlatko Hodak (president),
Mato Regvar (member),
Robert Hirc (member)

Government representative in the

Gen. Assembly:
Darko Horvat

OWNERSHIP**Supervisory Board:**

Robert Blažinović (president),
Vladislav Veselica (deputy),
Kristina Šulj (member),
Marino Bulat (member),
Magda Ivančić (member)

Audit committee:

Damir Novački (president),
Kristina Šulj (member),
Katarina Posilović (member)

**Auditor:**

BDO Croatia d.o.o.

GENERAL INFORMATION ON THE COMPANY

Narodne novine d.d. (Official Gazette) is a company with 184 years of tradition, and has existed independently since 1950. The company's core business is the publishing and printing of the official herald of the Republic of Croatia, official prints and other types of print as well as the selling of school and office accessories. The company's business activities take place through three core businesses: publishing, printing and sales which represent an integral unit.

PERFORMANCE IN 2019**Key business events**

Business activities undertaken in previous years have been proven to be justified, and in 2019 the business was consolidated and the process of developing the company was commenced.

Total revenue amounting to HRK 301 million increased by 4% compared to the previous year, and total expenditure amounted to HRK 295 million, a 5% increase compared to the previous year.

In 2019, the company achieved a gross profit of HRK 5.8 million whereas gross profit in the previous period was HRK 7.9 million. Profit was achieved from the company's regular business whereas in 2018 the

company's other forms of revenue had a significant impact on the results.

The trend of decreasing revenue in publishing activities and the commercial sector was halted, with revenue increasing 3% in publishing activities and 10% in the commercial sector compared to the previous year.

Besides the official gazette which is prepared, edited and published in print and electronic form, the company also runs the e-Oglasnik (Electronic Public Procurement Classifieds) for issuing public tenders on behalf of the Republic of Croatia, publishes professional literature primarily on topics in the field of law, holds law courses, and is a leader on the Croatian market for office and school accessories with its own retail and wholesale network.

The assortment of products covers approx. 30,000 articles, and in addition to its proprietary brand, it also distributes 13 world renowned brands of office and school accessories, where part of the sales assortment is produced in its own printing facilities.

In 2019, elections for national minorities and the European Parliament, including the presidential elections were successfully conducted.

Moreover, the commercial activities also properly handled the school year in which significant results were achieved, and two retail stores, one in Vukovar

and the other in Velika Gorica were opened during the year.

The main goals of the company's business in the mid-term period are:

- Be a leader in the retail and wholesale of school, office and related materials and equipment in the Republic of Croatia;
- Achieve positive financial results;
- Ensure positive financial progress;
- Increase sales from regular business in the coming three-year period;
- Maintain operating costs at a level which will achieve planned profit for the company;
- Execute planned investments, especially those affecting maintaining and increasing sales;
- Execute planned development projects if feasibility projects indicate justification for such projects;
- Be a reliable and professional business partner to customers, suppliers and other stakeholders in the business;
- Contribute significantly to the development of society, especially a digital society;
- Be profitable and financially sustainable that maintain a professional relationship with all stakeholders and does business in accordance with the relevant laws of the Republic of Croatia;
- Ensure continued development of its corporate social responsibility, especially environmental protection, the safety and health of its employees as well as energy efficiency.

Investments

Capital expenditure in the current year amounted to HRK 2.9 million and is a 50% decrease compared to the previous year. Most of the investment was directed to developing new functionalities into eOglasnik, followed by procurement of information technology and adaptation of its commercial building.

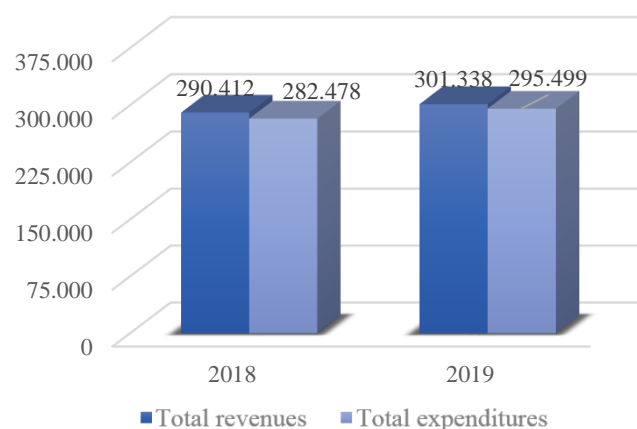
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	196.737	190.049
Short-term assets	143.030	161.348
Future period prepaid expenses...	435	1.414
Total Assets	340.202	352.811
Equity	291.569	292.909
Provisions	6.820	12.907
Long-term liabilities	838	5.030
Short-term liabilities	34.975	35.505
Deferred payment for expenses...	6.000	6.461
Total Equity & Liabilities	340.202	352.811

INCOME STATEMENT (HRK 000)		
Operating revenues	288.886	300.585
Operating expenditures	282.117	295.169
Financial revenues	1.527	754
Financial expenditures	361	330
Total revenues	290.412	301.338
Total expenditures	282.478	295.499
Profit/Loss before tax	7.934	5.839
Corporate tax	75	20
Net profit/loss	7.859	5.819

KEY INDICATORS		
EBITDA (HRK 000)	22.250	22.235
EBITDA margin	7,7%	7,4%
Net profit margin	2,7%	1,9%
ROA	2,3%	1,6%
ROE	2,7%	2,0%
Current ratio	4,1	4,5
Financial stability ratio	0,7	0,6
Debt ratio	14,3%	17,0%
Total asset turnover ratio	0,9	0,9
Investments (HRK 000)	5.662	2.901
Number of employees	474	455

Total revenues and expenditures





Odašiljači i veze d.o.o.
 Ulica grada Vukovara 269/d, Zagreb
www.oiv.hr

Management Board:

Mate Botica (director)

Supervisory Board:

Ante Grbac (president),
 Marinko Jurčević (member),
 Marijan Pavić (member),
 Ivan Damjanović (deputy)

Government representative in the**Gen. Assembly:**

Oleg Butković

Audit committee:

Marinko Jurčević (president),
 Ante Grbac (deputy),
 Eva Majstorović (member)

Auditor:

BDO Croatia d.o.o.

OWNERSHIP**GENERAL INFORMATION ON THE COMPANY**

Odašiljaci i veze d.o.o. (Transmitters and Communications Ltd., relay and transmission of radio and television programs on behalf of others) is the leading provider of services for terrestrial and satellite transmission of radio and television programs, builds and leases out electronic communications networks, lines and infrastructure, provides multimedia services as well as other professional and communication services in the field of electronic communications, taking into account especially the quality of services and customer satisfaction, sustainable development, energy efficiency and environmental protection including social responsibility and tasks which it has as a company of special interest for the Republic of Croatia.

PERFORMANCE IN 2019**Key business events**

In 2019, the company generated more than HRK 251 million of revenue, eliminated cost increases and made a series advances in consolidating its position in key market segments. Having created respectable investment opportunities, new strategic initiatives have ensured long-term sustainable operations and a significant potential for growth in the coming decade.

The company endeavours to strengthen millions of end users who everyday receive news, instructions and

recommendations, radio and TV content, through the use of available capacities in the company's electronic communications infrastructure creating everyday new economic and social value.

There were larger investments in 2019 and at the same time all loans and debts to banks occurring in previous periods were repaid in full, without raising prices or reducing quality of services. In 2019 the company increased revenue by 4.2%, and stricter controls over expenditure meant an increase in operating profit (EBITDA). Net profit for Transmitters and Communications Ltd. increased by 17.9%, and in 2019 the company achieved a record HRK 52 million. Exceptional results are also reflected in financial growth for the third consecutive year. Advances were made across all key business areas, while operational resistance is built on effectively controlling costs.

Having won on the open international tender, the company ensured for itself a 10-year permit for transmissions using DVB T2 HEVC technology, stabilising a part of the revenue from core business activities over a longer period of time. At the end of 2019, the company's plan linked to development of the national broadband network – NPBBi was officially accepted by JASPERS – a partnership between the European Commission, EIB, EBRD and KfW.

Investments

In 2019, major investments were made in renewing the existing transmission system to the amount of HRK 32 million, DTT (digital terrestrial television) equipment amounting to HRK 17.9 million and process equipment worth HRK 9.1 million. The largest investment was commenced in 2018 and was fully rolled out in 2019, with total investments in infrastructure and equipment close to HRK 23.5 million, of which approx. HRK 18.3 million was for constructing a new transmission facility on the island of Ugljan in 2019. The construction of the new Krk – Kras 2 facility has also been completed into which a total HRK 5.2 million was invested in 2019, and the construction of the new Petrova agora and Gruda 2 facilities was also commenced in cooperation with Croatia Control Ltd (HKZP). In 2019, a total of HRK 1 million was invested into the construction of new antenna towers at the facilities Koromačno, Brinje Govedari, Crni Lug, Novigrad Zadarski and Uljenje. At the end of 2018, a new building in the centre of Osijek was purchased, which after its reconstruction in 2019 became the new regional centre of Transmitters and Communications Ltd. For the region of Slavonia and Baranja, with investments in 2019 totalling approx. HRK 1.7 million. In 2019, renewal of the tower on Sljeme was also commenced, the most important transmission facility owned by Transmitters and Communications Ltd. With investments totalling approx. HRK 3 million. Also, activities were initiated in constructing the new commercial building for Transmitters and Communications Ltd. On Žitnjak.

In 2019, facilities at Čelevac and Učka were fully automated, and the integration of all facilities belonging to Transmitters and Communications Ltd. into a single remote monitoring and control system was completed, i.e., the umbrella management system (UMS).

Operations on introducing the HRNet system continue with the goal of replace obsolete applications and establishing a modern system for human resources management. Implementation of the new business information system (SAP) was also commenced with the investment valued at HRK 1.3 million.

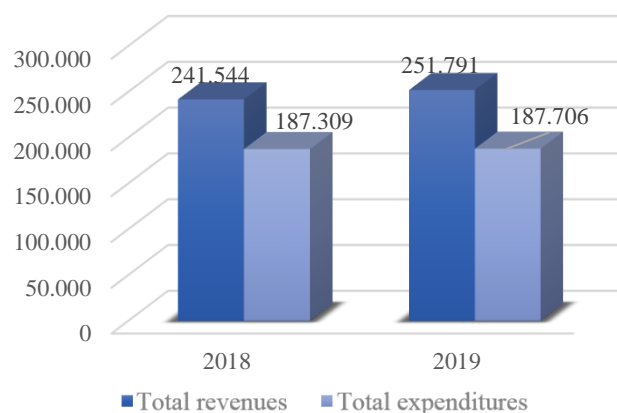
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	278.139	327.626
Short-term assets	140.939	166.965
Future period prepaid expenses...	9.930	11.103
Total Assets	429.008	505.693
Equity	370.744	422.957
Provisions	4.999	4.835
Long-term liabilities	3.313	11.323
Short-term liabilities	30.460	48.547
Deferred payment for expenses...	19.491	18.031
Total Equity & Liabilities	429.008	505.693

INCOME STATEMENT (HRK 000)		
Operating revenues	240.161	247.150
Operating expenditures	186.472	186.931
Financial revenues	1.383	4.640
Financial expenditures	837	775
Total revenues	241.544	251.791
Total expenditures	187.309	187.706
Profit/Loss before tax	54.235	64.084
Corporate tax	9.941	11.872
Net profit/loss	44.294	52.212

KEY INDICATORS		
EBITDA (HRK 000)	96.622	111.580
EBITDA margin	40,2%	45,1%
Net profit margin	18,3%	20,7%
ROA	10,3%	10,3%
ROE	11,9%	12,3%
Current ratio	4,6	3,4
Financial stability ratio	0,7	0,8
Debt ratio	13,6%	16,4%
Total asset turnover ratio	0,6	0,5
Investments (HRK 000)	39.793	84.665
Number of employees	299	302

Total revenues and expenditures





Pomorski centar za elektroniku d.o.o.

Zrinsko-Frankopanska 209, 21000 Split

www.pce.hr

Management Board:
Branko Lubina (director)

**Government representative in the
Gen. Assembly:**
Damir Krstičević,
Darko Horvat

Supervisory Board:
Ivan Beneta (president),
Tanja Major (deputy),
Sani Ljubunčić (member)

Audit committee: -

Auditor:
Zajednica revizora: Maran d.o.o. i
Praevenire d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

The company Pomorski centar za elektroniku d.o.o. (Maritime Centre for Electronics) was founded in 1992, with the basic task of performing technical maintenance and developing highly sophisticated electronic devices and system for the requirements of the Croatian army and civilian market.

The company also performs tasks involving the construction, maintenance and modernisation of radar systems, navigations and communication systems on all types of maritime vessels and yearly inspections of such systems in line with stipulated standards.

Based on the above mentioned, the company undertakes the maintenance and testing of radio, navigational and internal communications equipment, maintenance and repairs of GMDSS radio devices, servicing and testing of radio communications equipment on ships and mobile coastal facilities for drilling the seabed and fixed platforms, installations, commissioning, maintenance and repairing of radios, navigation and internal communications equipment, replacement of installed power supply units, programming radio equipment and much more.

PERFORMANCE IN 2019

Key business events

Ongoing business cooperation with the Croatian Ministry of Defence (MORH), as the large user of the company's services, is the basis of the company's business. Key services that the company provides are maintenance of military electronic resources and systems used by the Croatian Navy (HRM), maintenance of radar systems and support to end users as well as technical maintenance services.

The greatest impact on the company's business in 2019 was revenue from the sale of its proprietary products from development projects and the fulfilment of annual maintenance contracts for the Ministry of Defence. The largest share of revenue (81%) in terms of total revenue generated in 2019 was from business dealings with state sector contracting authorities.

Total revenue in 2019 amounted to HRK 9.5 million, representing a 31% decrease compared to 2018. The decrease in revenue resulted from deferral of planned activities which were partially redirected to 2020. The most significant share of operating revenue in 2019 was attributed to sales of cryptographic devices worth HRK 4.2 million, accounting for 44% of total operating revenue. The remaining HRK 5.3 million relates to services for repairs and maintenance of military and civilian ships amounting to HRK 4.7 million and business leasing services worth HRK 412 thousand.

In the same reporting period, company expenditures decreased by 33% amounting to HRK 9.4 million. A decrease in expenditure in 2019 is due to conservative and rational cost planning – besides reducing material costs, costs were also reduced for employee wages and fixed operating costs. Material costs in 2019 accounted for 54% of the company's operating expenditure, amounting to HRK 5 million, while the share of personnel costs was 44% or HRK 4.1 million.

All this contributed to a positive business trend and the company finished the 2019 financial year with a profit of HRK 30 thousand.

Pomorski centar za elektroniku d.o.o. Split and Thales Europe S.a.S., which operates in France, founded the company called PCE-THALES napredni sustavi d.o.o. or PTNS (PCE-Thales Advanced Systems Ltd.)

The Pomorski centar za elektroniku d.o.o. is a company of strategic importance for the Republic of Croatia and, as such, all its activities are directed primarily to achieving goals set in business collaboration with the Ministry of Defence as the largest user of its services. Accordingly, the PCE Business Plan follows development activities taking place at the Croatian Navy.

Its main focus in 2020 is the maintenance of electronic systems at Croatian Navy facilities.

As of 31/12/2019, the company had a total of 30 workers, of which 24 were permanent full-time employees.

Investments

There were no significant investments in 2019, as was the case in 2018.

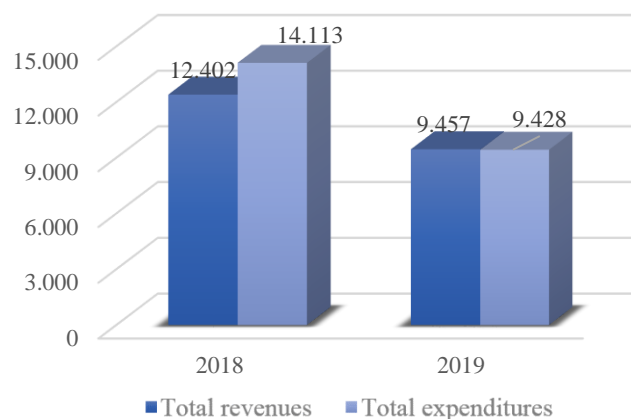
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	15.473	14.900
Short-term assets	9.757	9.930
Future period prepaid expenses...	50	12
Total Assets	25.280	24.842
Equity	22.383	22.413
Provisions	0	0
Long-term liabilities	0	0
Short-term liabilities	2.898	2.429
Deferred payment for expenses...	0	0
Total Equity & Liabilities	25.280	24.842

INCOME STATEMENT (HRK 000)		
Operating revenues	12.371	9.451
Operating expenditures	14.004	9.407
Financial revenues	31	6
Financial expenditures	109	21
Total revenues	12.402	9.457
Total expenditures	14.113	9.428
Profit/Loss before tax	-1.711	30
Corporate tax	0	0
Net profit/loss	-1.711	30

KEY INDICATORS		
EBITDA (HRK 000)	-919	811
EBITDA margin	-7,4%	8,6%
Net profit margin	-13,8%	0,3%
ROA	-6,8%	0,1%
ROE	-7,6%	0,1%
Current ratio	3,4	4,1
Financial stability ratio	0,7	0,7
Debt ratio	11,5%	9,8%
Total asset turnover ratio	0,5	0,4
Investments (HRK 000)	0	0
Number of employees	39	32

Total revenues and expenditures





Plovput d.o.o.

Obala Lazareta 1, 21000 Split

www.plovput.hr

Management Board:

Mate Perišić

Supervisory Board:

Ante Bašić (president),
Suzana Audić Vuletić (deputy),
Ante Čorić (member)

Government representative in the

Gen. Assembly:

Oleg Butković

Audit committee:

Hrvoje Budimir (president),
Ante Mrčela (member),
Ante Bašić (member)

Auditor:

Bašrevizor d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

The 1997 Plovput Split Act stipulated that the company became the legal successor of the company Plovput p.o. Split, transforming it into a limited liability company in 100% ownership of the Republic of Croatia.

The core business of Plovput (maritime safety at sea) in accordance with the Maritime Code (Official Gazette no. 181/04, 76/07, 146/08, 61/11, 56/13, 26/15 and 17/19) and the Plovput Split Act (Official Gazette no. 73/97) is of public interest for the Republic of Croatia, and has public powers to undertake the following maritime safety services:

- Development and maintenance of maritime waterways
- Setting up and maintenance of maritime safety facilities on internal sea waters and the territorial sea waters of the Republic of Croatia,
- Maintaining radio services for coastal radio stations, monitoring frequencies for accidents and safety on maritime waterways of the Republic of Croatia (VHF DSC ch 70 and VHF ch 16) to protect human lives and property at sea,
- Removal of wrecks and sunken items in accordance with the provisions of special maritime regulations.

PERFORMANCE IN 2019

Key business events

With the aim of ensuring safe navigation, there were 1,180 safe navigation facilities operating on maritime routes of inland waterways and the territorial sea of the Republic of Croatia, of which 744 are owned by the company and 406 owned by third parties. In 2019, there were no maritime accidents or endangerment to human life caused by non-functioning maritime signalisation or maritime radio service facilities.

The world market for maritime transport has a dominant impact on company business given that 99% of the traffic in gross tonnage comprises international shippers. The exchange rate for the euro currency has a significant impact on company business, given that the fee for using maritime safety facilities for international shippers is charged and collected in the euro currency. For the purpose of more effective management of risk items, the company has a development strategy directed to perfecting operational excellence by improving the performance of its internal value chain and value system within the company. The company generates 81% of this total revenue from sales on foreign markets, where services for ensuring maritime safety are contracted in euros.

Total revenue amounted to HRK 74 million which is 3% less than in 2018. The most significant share of

company revenues is based on fees for operation of maritime safety facilities for domestic and foreign maritime vessels and which is charged in line with the Ordinance on Fees for Use of Safe Navigation Facilities and the Ordinance on Amendments to the Ordinance on Fees for Use of Safe Navigation Facilities.

These fees for use of the safe navigation facilities accounted for 82% of total revenue and were 6% less than in 2018. The fee for use of the safe navigation facilities for Croatian and foreign maritime vessels are charged in line with the Ordinance on Fees for Use of Safe Navigation Facilities and the Ordinance on Amendments to the Ordinance on Fees for Use of Safe Navigation Facilities. Revenue from Croatian maritime vessels in 2019 increased by 37% compared to revenue generated in 2018. The fall in revenue in 2019 compared to the period for 2018 resulted from a decrease in revenue from tankers, bulk carriers, ships undergoing overhauls and tugboats as well as technical maritime vessels.

Total expenditure amounted to HRK 74 million and was 2% less compared to 2018. The decrease in total expenditure resulted in a reduction of material costs which directly depends on the company's business dealings, activities on maintaining maritime signalisation, prices of materials, energy and services delivered to the market.

In 2019, the company achieved a net profit of HRK 40 thousand.

Investments

In 2019, the company invested HRK 6.3 million of which HRK 4.7 million was for capital expenditure and HRK 1.6 million was for procuring fixed assets. Priorities in carrying out investments are directly related to maritime safety at sea (construction and placement of new maritime signalisation facilities, construction of new electronic equipment, electronic designations and investments in radio services).

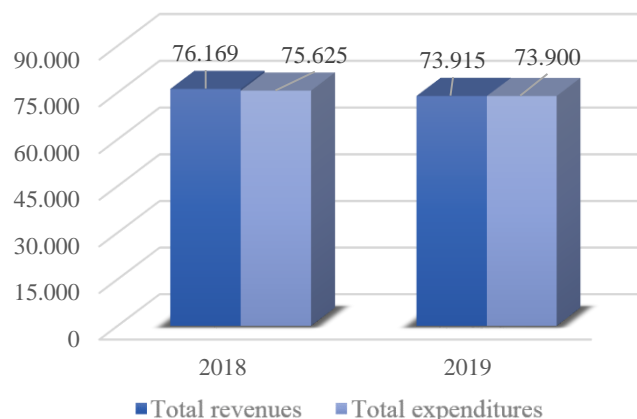
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	137.816	134.366
Short-term assets	27.365	25.540
Future period prepaid expenses...	307	314
Total Assets	165.488	160.221
Equity	134.168	133.933
Provisions	750	0
Long-term liabilities	3.270	3.191
Short-term liabilities	10.307	6.453
Deferred payment for expenses...	16.993	16.644
Total Equity & Liabilities	165.488	160.221

INCOME STATEMENT (HRK 000)		
Operating revenues	75.877	73.674
Operating expenditures	74.889	73.531
Financial revenues	292	241
Financial expenditures	737	368
Total revenues	76.169	73.915
Total expenditures	75.625	73.900
Profit/Loss before tax	544	15
Corporate tax	-23	-25
Net profit/loss	567	40

KEY INDICATORS		
EBITDA (HRK 000)	10.400	9.846
EBITDA margin	13,7%	13,4%
Net profit margin	0,7%	0,1%
ROA	0,3%	0,0%
ROE	0,4%	0,0%
Current ratio	2,7	4,0
Financial stability ratio	1,0	1,0
Debt ratio	18,9%	16,4%
Total asset turnover ratio	0,5	0,5
Investments (HRK 000)	11.546	6.335
Number of employees	277	274

Total revenues and expenditures





Zračna luka Dubrovnik d.o.o.

Dobrota 24, Čilipi (Općina Konavle)

www.airport-dubrovnik.hr

Management Board:

Frano Luetić (member)

Supervisory Board:

Mario Curić (president),
Ivica Martić (deputy),
Luka Klaić (member),
Ivo Miletić (member),
Vilma Kosović (member),
Ivana Šušnjić (member),
Irena Gerovac Zrnić (member)

Government representative in the

Gen. Assembly:

Oleg Butković

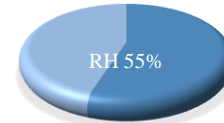
Audit committee:

Mato Begović (president),
Mario Curić (member),
Ivica Martić (member)

Auditor:

BDO Croatia d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

The company Zračna luka Dubrovnik d.o.o. (Dubrovnik Airport) has been doing business in Čilipi since 1960 and is registered for providing air traffic services. Its mission is to ensure safe and regular transport of people and goods in air travel and to become a leading airport in the region.

PERFORMANCE IN 2019

Key business events

The airport in 2019 had a record number of passengers and record total revenue handling a total of 2,896,412 passengers which is a 14.05% increase compared to 2018.

Of the total number of passengers, 2,626,740 (90.7%) were international passengers representing an increase of 15.85% compared to the previous year, and 250,815 (9.3%) were domestic passengers accounting for a 2.56% decrease compared to the previous year.

As in previous years, most of the traffic was towards European destinations. Based on data on final passenger destinations which Dubrovnik Airport has at its disposal, a total of 2,301,293 passengers headed to destinations in the EU, while those destinations outside of the EU accounted for 325,447 passengers.

Total company revenue increased in the current year by 15.08% compared to the previous year, amounting to HRK 485 million (2018: HRK 421 million). Also, total generated revenue in 2019 exceeded planned revenue by 9.56% reflecting more conservative planning for growth of passenger numbers.

Total expenditure for the company increased in the current year by 4.61% compared to the previous year, amounting in all to HRK 346 million (2018: HRK 331 million). In 2019, the company had a profit before tax of HRK 138 million (2018: HRK 90 million) which is an increase of 53.5% compared to the previous year. Also, when comparing to 2017, profit before tax increased by 57.65% for the observed period.

Net profit after tax for 2019 was HRK 114 million, a 53.15% increase compared to the previous year (2018: HRK 74.4 million).

Investments

Future development plans and a series of investments by the company are closely tied to the Dubrovnik Airport Development Project which was commenced in 2010. In July 2016, Croatia received the European Commission's Decision on approval for financing the project to a maximum sum of EUR 158.3 million.

The first phase of the project valued at EUR 65 million was completed and included construction of Part C of Terminal building, which was commission in May 2017. The second phase of the project worth EUR 160 million was carried out at value of EUR 156 million with the reconstruction of manoeuvring areas completed in December 2019.

Other investments totalling EUR 4 million relate to the construction of a multi-storey garage complex, deferred to 2021 due to the COVID-19 virus pandemic. A total of HRK 1.7 billion worth of project investments were implemented, of which HRK 1.1 billion was financed from grants and HRK 600 million from the company's own sources.

In 2019, the company invested a total of HRK 562 million, of which HRK 536 million was allocated for the project.

The Dubrovnik Airport Development Project – total investment of HRK 536 million includes: construction of infrastructure and superstructure for Dubrovnik Airport (HRK 502 million); services in implementing the Dubrovnik Airport Development Project portfolio (HRK 17.8 million); supervisory services (HRK 13.7 million); land plot (HRK 2.7 million).

Besides investments for the project, in 2019 the company invested another HRK 24 million for procurement of transport vehicles (HRK 13 million) and various equipment for the provision of services (HRK 10 million).

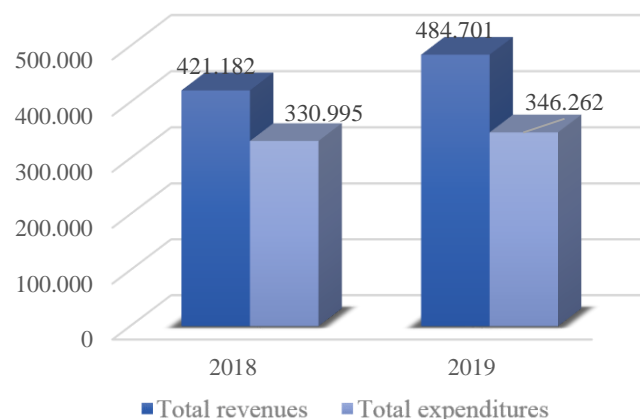
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	1.621.158	2.083.987
Short-term assets	360.818	268.510
Future period prepaid expenses...	13	0
Total Assets	1.981.989	2.352.497
Equity	929.830	1.041.448
Provisions	14.462	23.434
Long-term liabilities	242.328	215.587
Short-term liabilities	187.871	93.669
Deferred payment for expenses...	607.498	978.358
Total Equity & Liabilities	1.981.989	2.352.497

INCOME STATEMENT (HRK 000)		
Operating revenues	412.835	478.232
Operating expenditures	320.883	339.151
Financial revenues	8.347	6.469
Financial expenditures	10.112	7.111
Total revenues	421.182	484.701
Total expenditures	330.995	346.262
Profit/Loss before tax	90.187	138.439
Corporate tax	15.752	24.444
Net profit/loss	74.435	113.995

KEY INDICATORS		
EBITDA (HRK 000)	216.389	257.082
EBITDA margin	52,4%	53,8%
Net profit margin	17,7%	23,5%
ROA	3,8%	4,8%
ROE	8,0%	10,9%
Current ratio	1,9	2,9
Financial stability ratio	1,4	1,7
Debt ratio	53,1%	55,7%
Total asset turnover ratio	0,2	0,2
Investments (HRK 000)	365.659	562.358
Number of employees	489	521

Total revenues and expenditures





Zračna luka Osijek d.o.o.

Vukovarska ulica 67, 31207 Klisa

www.osijek-airport.hr

Management Board:
Davor Forgić (director)

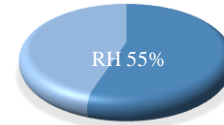
Supervisory Board:
Dinko Staničić (president), Silvestar Vargek (deputy),
Ivica Bilac (member),
Ivan Begović (member),
Tatjana Grganović (member)

Government representative in the Gen. Assembly:
Oleg Butković

Audit committee: -

Auditor:
Auditus d.o.o. Osijek

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

The company Zračna luka Osijek d.o.o. (Osijek Airport) was founded in 1978 as a regional airport in the Republic of Croatia for the purpose of providing services in air transport, handling aircraft, as well as arrivals and departures of passengers and goods. The aim of its business is to establish regular and charter lines in domestic and international transport.

PERFORMANCE IN 2019

Key business events

After 2018, which was a record year for Osijek Airport, in terms of total number of passengers and total number of aircraft operations, there were 31% less passengers in 2019 than in the previous year; however, despite the decrease, 2019 was the second best year in terms of passengers in the 39-year history of Osijek Airport. There were 2% less aircraft operations than in 2018.

The decrease in operational indicators results from a decrease in the number of passengers on regular international routes, especially the Basel-Osijek-Basel route by the company Wizz Air, which due to insufficiently filled capacities and profitability based on the airline company's criteria, was terminated on 15 June.

The loss of 22,600 passengers on this route compared to the previous year was irreplaceable. When comparing to

2018, there were 20,582 passengers less than in 2019. The loss of passengers due from the Basel-Osijek-Basel route was negligibly compensated by an increase of passengers on the Eurowings Cologne-Osijek-Cologne route, which was the only regular international or domestic route to experience growth compared to the previous year.

A 100% growth occurred primarily due to the fact that in 2019 flights on this route began a month and a half earlier than in the 2018 season. The second seasonal regular international route for Stuttgart-Osijek-Stuttgart flights by Eurowings flew 6% less passenger numbers than in the previous year.

On regular domestic routes, there was a total of 9% less passengers than in the previous year. Both domestic airline companies, Croatia Airlines and Trade Air, achieved poorer results than in 2018 on all routes. Croatia Airlines flew 11% less passengers on its two direct routes to and from Dubrovnik and Split. Similarly, Trade Air flew 8% less passengers on its three routes to and from Zagreb, Pula and Rijeka.

In all, there were 260 fewer passengers on special domestic and international routes and general aviation flights, i.e., a decrease of 18%.

Due to termination of the Basel-Osijek-Basel route, the number of aircraft operations on regular international routes decreased by 35%.

There was a 2% increase of aircraft operations on regular domestic routes, where Croatia Airlines had 3% fewer operations, and Trade Air 3% more than in 2018.

Special international and domestic as well as general aviation flights increased by 8%, whereas cargo operations decreased by 64%.

Despite the decrease in operational indicators, a positive financial result and profit of HRK 569 thousand was achieved.

Total revenue in 2019 recorded an increase of 33% compared to that of 2018. Revenue from sales compared to the previous year remained at the same level, whereas other operating revenue recorded an increase of 55% due to increased fees for airport opening time which amounted to HRK 3.1 million in 2018 and HRK 6.5 million in 2019.

Total expenditure in 2019 increased by 6% compared to 2018.

In April 2019, a long-term loan of HRK 22 million was taken out with a repayment period of ten years with a principal repayment deferral of two years, enabling the settling of all outstanding debts to suppliers, the closing and repayment of all loans.

This led to stabilising the business and commencing the process of transforming the company.

Investments

MMPI funds amounting to HRK 3.5 million and approved in 2019 were utilised in full for the procurement and installation of the following equipment: trolley equipped with a friction tester, repairs to cracks and damage on operational surfaces, vehicles and snow ploughs x 2, brushes for cleaning snow x 2, GPU generator, MD doors, terrain vehicle for inspecting fences and a friction tester tower, expanding video surveillance on operational surfaces and fences as well as renewing lighting (landslide).

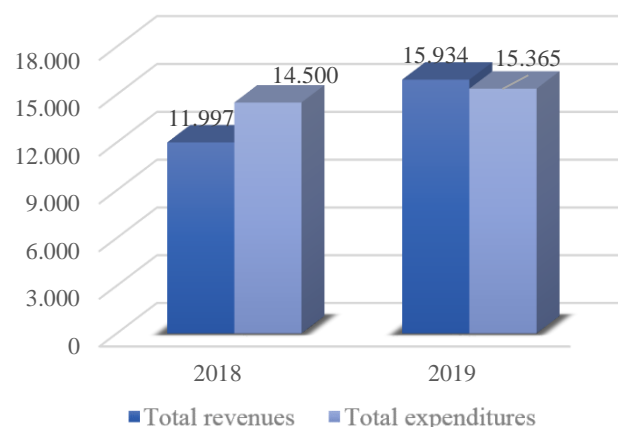
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	90.267	91.569
Short-term assets	1.589	7.080
Future period prepaid expenses...	204	1.125
Total Assets	92.061	99.774
Equity	13.988	14.557
Provisions	55	0
Long-term liabilities	2.383	22.000
Short-term liabilities	16.802	1.908
Deferred payment for expenses...	58.833	61.309
Total Equity & Liabilities	92.061	99.774

INCOME STATEMENT (HRK 000)		
Operating revenues	11.986	15.921
Operating expenditures	13.866	14.825
Financial revenues	11	13
Financial expenditures	634	540
Total revenues	11.997	15.934
Total expenditures	14.500	15.365
Profit/Loss before tax	-2.503	569
Corporate tax	0	0
Net profit/loss	-2.503	569

KEY INDICATORS		
EBITDA (HRK 000)	-166	2.979
EBITDA margin	-1,4%	18,7%
Net profit margin	-20,9%	3,6%
ROA	-2,7%	0,6%
ROE	-17,9%	3,9%
Current ratio	0,1	3,7
Financial stability ratio	5,5	2,5
Debt ratio	84,8%	85,4%
Total asset turnover ratio	0,1	0,2
Investments (HRK 000)	2.299	3.500
Number of employees	65	63

Total revenues and expenditures





Zračna luka Pula d.o.o.
Ližnjan, Valtursko polje 210
www.airport-pula.hr

Management Board:
Svemir Radmilo (member)

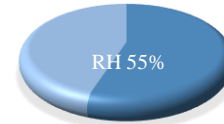
Government representative in the Gen. Assembly:
Oleg Butković

Supervisory Board:
Valerio Drandić (president),
Vildana Megla (deputy),
Mladen Stepanić (member),
Ivan Glušac (member),
Boris Bulatović (member),
Elizabeta Berbakov (member),
Marino Golob (member)

Audit committee:
Robert Zenzerović (president),
Mladen Stepanić (member),
Boris Bulatović (member)

Auditor:
BDO Croatia d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

Zračna luka Pula (Pula Airport) was opened in 1967. The company operates with the vision of being a competitive international airport providing regular and charter transport throughout the entire year, becoming the 'main entrance' to the Istrian region and an active stakeholder in sustainable development and creating prosperity for Istria. The goal is to provide all services in a safe and quality manner during the arrival and departure of passengers, handling of airplanes, cargo and goods, in domestic and international air transport.

PERFORMANCE IN 2019

Key business events

A total of 777,568 passengers passed through Pula Airport in 2019, which is an increase of 8.27% compared to the same period in 2018 when a total of 718,186 passengers passed through the airport. In 2019, the number of aircraft operations was 10,428 and compared with 2018 when 10,074 aircraft operations took place, this represents an increase of 3.51%.

Over the past few years, besides the overall profile of guests, where the number of passengers from Europe (especially Great Britain) increased dramatically, the overall profile of airline companies also changed. Former charter companies were replaced by low-budget companies and companies who fly regular routes.

In 2019, at Pula Airport a total of 35 airline companies had flights to 67 destinations across 21 countries in Europe.

The period covering January-December 2019 saw the largest recorded number of passengers from Great Britain accounting for 245,789 passengers (2018: 217,587 passengers, 2017: 190,772 passengers, 2016: 134,992 passengers) with a growth of 12.96% compared to 2018 and which is expected to continue increasing. There was a 8.71% increase for the German market compared to 2018, where the number of passengers from Germany totalled 176,954 compared to 162,783 for the same period in 2018. The number of passengers from Russia is ranked third in terms of number of passengers to country destinations and numbering 54,721 and showed an increase of 20.67% compared to the previous period when this country recorded a total of 45,347 passengers.

Data on passengers by country is as follows:

1. Great Britain	31.87
2. Germany	22.94
3. Russia	7.10
4. Netherlands	6.78
5. Norway	3.92
6. Sweden	3.43
7. France	3.28
8. Switzerland	3.22
9. Croatia	2.97

- Regarding the historical results achieved in 2019, the following should definitely be highlighted:
- The biggest number of passengers in a single month – 186,159 passengers in July,
- Four consecutive months with passenger numbers exceeding 100,000 (June, July, August, September);
- Greatest number of direct flights – 76 destinations.

Total revenue in 2019 amounted to HRK 88 million, an increase of 8.7% compared to 2018. An increase in business operations led to an increase in overall expenditure by 2.4% in 2019, amounting to HRK 75 million.

An increase in total expenditure to a large extent was due to an increase in material costs, personnel costs and provisions. The company achieved a positive business result and had a net profit of HRK 10.5 million which is 72% less compared to 2018 when profit amounted to HRK 6.1 million.

The average number of employees in 2019 was 185 which is an increase of 8.19% compared to the same period in 2018 when the average was 171 employees. When comparing the average number of employees, it is 5.61% (20 workers) less. The required number of workers were replaced by a larger number of hired students in 2019 compared to the planned number of students and hours. Nonetheless, the number of such persons was 61 compared to the planned number of students, i.e., 67.

Investments

In 2019, Pula Airport invested HRK 8.46 million into tangible and intangible fixed assets, which is part of the 2014-2039 master development plan for Pula Airport. The first phase of this plant covering the 2015-2020 period was financed from the company's own sources.

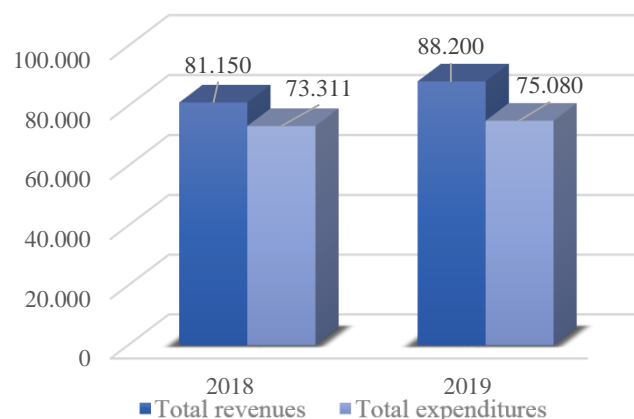
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	152.092	153.039
Short-term assets	50.756	55.804
Future period prepaid expenses...	97	166
Total Assets	202.945	209.009
Equity	145.654	155.163
Provisions	4.610	5.689
Long-term liabilities	14.654	13.220
Short-term liabilities	13.116	10.064
Deferred payment for expenses...	24.912	24.873
Total Equity & Liabilities	202.945	209.009

INCOME STATEMENT (HRK 000)		
Operating revenues	80.623	87.775
Operating expenditures	72.306	74.809
Financial revenues	526	425
Financial expenditures	1.006	272
Total revenues	81.150	88.200
Total expenditures	73.311	75.080
Profit/Loss before tax	7.838	13.119
Corporate tax	1.727	2.601
Net profit/loss	6.111	10.519

KEY INDICATORS		
EBITDA (HRK 000)	15.418	20.633
EBITDA margin	19,1%	23,5%
Net profit margin	7,5%	11,9%
ROA	3,0%	5,0%
ROE	4,2%	6,8%
Current ratio	3,9	5,5
Financial stability ratio	0,9	0,9
Debt ratio	28,2%	25,8%
Total asset turnover ratio	0,4	0,4
Investments (HRK 000)		8.460
Number of employees	159	170

Total revenues and expenditures





Zračna luka Rijeka d.o.o.

Hamec 1, 51513 Omišalj
www.rijeka-airport.hr

Management Board:
Tomislav Palalić (director)

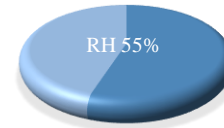
Supervisory Board:
Ivo Zrilić (president),
Darinka Brusić (deputy),
Nataša Zrilić (member),
Aldo Simper (member),
Mario Jelčić (member),
Siniša Turak (member)

Government representative in the Gen. Assembly:
Oleg Butković

Audit committee:
Nataša Zrilić (president),
Mario Jelčić (deputy),
Darinka Brusić (member),
Fanita Barčot Nikolac (member)

Auditor: Iris Nova d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

Zračna luka Rijeka d.o.o. (Rijeka Airport) was opened for passengers in 1970. The core business of the company is to provide services in air transport, aircraft handling, passenger arrivals and departures, baggage and post. The company's vision is to be a competitive international airport providing all-year-round regular and charter transport satisfying modern requirements of air transport, as well as continually improving quality of service and customer satisfaction.

PERFORMANCE IN 2019

Key business events

A total of 200,841 passengers passed through Rijeka Airport in 2019, which is an increase of 9.4% compared to the same period in 2018 when a total of 183,606 passengers passed through the airport. The number of passengers in 2019 was the largest annual number of passengers since the start of business at Rijeka Airport. Most passenger traffic at the Rijeka Airport takes place in the period from May to October. In all, 91.8% of total annual passenger traffic for Rijeka Airport was achieved in the period from May to October in 2019.

The number of aircraft operations in 2019 was 4,942, which compared to 5,460 aircraft operations in 2018, representing a decrease of 9.5%. This smaller number of

aircraft operations is due primarily to fewer cargo flights and training flights.

In 2017, especially in 2018, Rijeka Airport moved a significantly greater amount of cargo which is to great extent resulted in an increase in revenue. In 2019, cargo traffic decreased totalling 1,025,879 kg of cargo, which is 78.0% less compared to 2018.

The company had a positive business result and net profit of HRK 40 thousand in 2019, which is 98.3% less compared to the 2018 when net profit was HRK 2.4 million.

Total revenue in 2018 amounted to HRK 25.7 million which is an increase of 9.6% compared to 2018. This decrease in revenue refers primarily to less revenue from cargo flights.

Total expenditure amounted to HRK 25.6 million, which is a 10% decrease compared to the previous year. In terms of total shown expenditures, a large proportion relates to amortisation which compared to 2018, increasing by 96.2%. This increase refers to amortisation of vehicles, equipment and infrastructure placed into use at the end of 2018 and is also due to an increased amortisation rate for buildings – airport manoeuvring areas.

Investments

In 2019, the company continued with development projects, investing into infrastructure and equipment with the aim of complying with all stipulated safety standards and raising the quality of services.

The company undertook capital expenditure worth HRK 5.6 million in 2019, of which 21.6% was financed from its own resources, 67.7% using funds from infrastructural financing from the State Budget of the Republic of Croatia aimed at ensuring transport safety standards at the airport, and 10.7% from the Primorje-Gorski Kotar County budget.

In addition to investments in equipment for increasing transport safety standards, external areas of the terminal building and technical block at Rijeka Airport were reconstructed and extended, completing the final phase of reconstructing the building commenced back in 2012, when significant funds were invested into refurbishing the entire interior of the building.

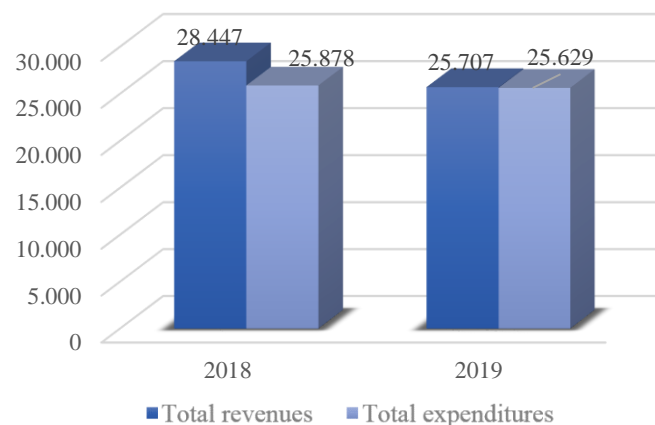
FINANCIAL DATA AND INDICATORS

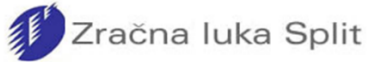
BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	174.740	175.440
Short-term assets	4.018	4.251
Future period prepaid expenses...	1.319	305
Total Assets	180.078	179.996
Equity	134.592	134.342
Provisions	541	385
Long-term liabilities	902	35
Short-term liabilities	13.031	12.664
Deferred payment for expenses...	31.013	32.571
Total Equity & Liabilities	180.078	179.996

INCOME STATEMENT (HRK 000)		
Operating revenues	28.411	25.670
Operating expenditures	25.572	25.358
Financial revenues	37	37
Financial expenditures	306	271
Total revenues	28.447	25.707
Total expenditures	25.878	25.629
Profit/Loss before tax	2.569	78
Corporate tax	134	38
Net profit/loss	2.435	40

KEY INDICATORS		
EBITDA (HRK 000)	4.978	4.510
EBITDA margin	17,5%	17,6%
Net profit margin	8,6%	0,2%
ROA	1,4%	0,0%
ROE	1,8%	0,0%
Current ratio	0,3	0,3
Financial stability ratio	1,3	1,3
Debt ratio	25,3%	25,4%
Total asset turnover ratio	0,2	0,1
Investments (HRK 000)	13.385	5.611
Number of employees	68	70

Total revenues and expenditures





Zračna luka Split d.o.o.
Kaštel Štafilić (Grad Kaštela),
Cesta dr. Franje Tuđmana 1270
www.split-airport.hr

Management Board:
Lukša Novak (member)

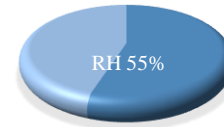
Government representative in the Gen. Assembly: Oleg Butković

Supervisory Board:
Mihovil Biočić (president), Mirjana Čagalj (deputy),
Marko Parčina (member),
Vlade Matijašević (member),
Miro Maretić (member),
Slaven Jažo (member),
Zoran Maršić (member)

Audit committee:
Edita Dadić (president),
Mihovil Biočić (member), Mirjana Čagalj (member)

Auditor:
BASREVIZOR d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

Zračna luka Split (Split Airport) opened in 1966 and is the second busiest airport in Croatia. The company was founded and registered for providing services in air transport and is endeavouring to become the most successful airport in this part of Europe. It intends to ensure that its services are of the highest quality to the satisfaction of passengers and airline companies, and also intends to prove its success through efficient operations.

PERFORMANCE IN 2019

Key business events

In 2019, a total of 3,301,930 passengers passed through Split Airport, 6% more than in 2018 when the number of passengers was 3,124,067. Besides the increase in passengers, there were 4% more aircraft operations, i.e., 14,711 operations in 2019 compared to 14,557 operations in 2018.

Business at Split Airport has an exceptionally seasonal character, with over 70% of passenger traffic occurring in the months from June to September, posing a big challenge in organising business processes in terms of human and material resources. In July, the new passenger terminal was commissioned which

significantly improved passenger arrivals and departures.

Total revenue for Split Airport in 2019 amounted to HRK 451 million, which is 11% more than in 2018. Total revenue increased more than passenger increases, and the conclusion is that the increase in passengers had a manifold effect on increasing so called non-aviation revenue.

Total expenditure in 2019 increased by 15% compared to the previous year, amounting to HRK 289 million. A significant impact on overall costs was increased costs of amortisation costs to the roll out of the new passenger terminal.

Net profit for the company amounted to HRK 131 million, which is 5% more than in 2018.

Investments

In 2019, Split Airport invested HRK 161 million, its own funds accounting for 53% of that amount, with the remaining coming from a loan provided by the Croatian Bank for Reconstruction and Development (HBOR). The largest proportion of investments refers to the most important investment for Split Airport, i.e., reconstruction and extension of the new passenger terminal commissioned in July 2019, with reconstruction of the old terminal planned for completion sometime in 2020.

FINANCIAL DATA AND INDICATORS

The company has been purchasing land plots in the airport infrastructure zone over the years, hence in 2019 HRK 28 million was invested for that purpose.

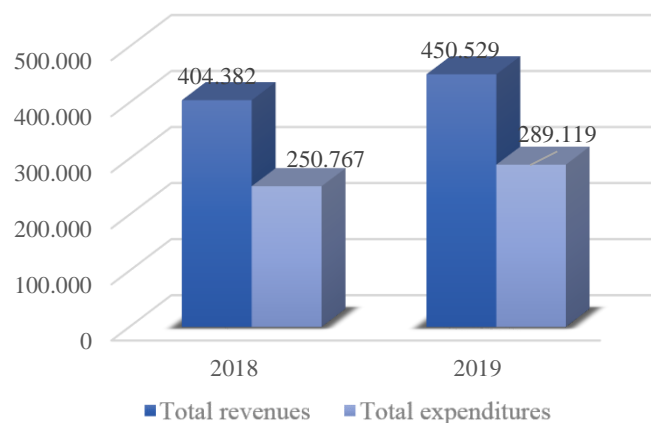
Other capital expenditure refers to the procurement of equipment facilitating the provision of services in air travel in line with the latest international standards, and the undertaking of all business processes in a safe manner.

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	829.654	957.343
Short-term assets	418.312	409.427
Future period prepaid expenses...	167	307
Total Assets	1.248.133	1.367.077
Equity	963.453	1.017.215
Provisions	9.647	13.377
Long-term liabilities	221.894	268.546
Short-term liabilities	42.168	57.321
Deferred payment for expenses...	10.971	10.617
Total Equity & Liabilities	1.248.133	1.367.077

INCOME STATEMENT (HRK 000)		
Operating revenues	402.313	446.403
Operating expenditures	246.564	283.214
Financial revenues	2.069	4.126
Financial expenditures	4.202	5.905
Total revenues	404.382	450.529
Total expenditures	250.767	289.119
Profit/Loss before tax	153.615	161.410
Corporate tax	28.279	29.902
Net profit/loss	125.336	131.508

KEY INDICATORS		
EBITDA (HRK 000)	171.760	192.385
EBITDA margin	42,7%	43,1%
Net profit margin	31,0%	29,2%
ROA	10,0%	9,6%
ROE	13,0%	12,9%
Current ratio	9,9	7,1
Financial stability ratio	0,7	0,7
Debt ratio	22,8%	25,6%
Total asset turnover ratio	0,3	0,3
Investments (HRK 000)	295.822	161.662
Number of employees	413	456

Total revenues and expenditures





Zračna luka Zadar d.o.o.

Zemunik Donji, Ulica I br. 2/A

www.zadar-airport.hr

Management Board:
Josip Klišmanić (member)

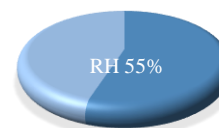
Government representative in the Gen. Assembly: Oleg Butković

Supervisory Board:
Željko Ivković (president),
Nada Brekalo (deputy),
Mario Pešut (member),
Jure Buljat (member),
Darko Marković (member)

Audit committee:
Nada Brekalo (president),
Tamara Perić (deputy),
Željko Ivković (member)

Auditor:
Alpha Audit d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

Zračna luka Zadar (Zadar Airport) was founded in 1968. The company's core business is the provision of services relating to air transport, aircraft handling as well as passenger arrivals and departures. The company is engaged in actively promoting its presence on the international market and is making positive steps in its business, i.e., increasing the physical volume of airplane and passenger turnover, as well as revenue in undertaking its business operations.

The trend in passenger flows through the airport in 2019 as well as in 2018 indicates a decrease in winter months and the increase in summer due solely to tourism.

The company in 2019 achieved total revenue amounting to HRK 85 million, which is a 17% increase compared to 2018. The increase in revenue at Zadar Airport is a direct result of increasing numbers of passengers, which expectedly also had a positive effect on other segments of company operations.

PERFORMANCE IN 2019

Key business events

In 2019, Zadar Airport ran its business under conditions provided by a stable situation in the country, a stable direct environment and positive tourism trends.

A total of 801,349 passengers passed through Zadar Airport in 2019, which is an increase of 33% compared to the same period in 2018 when a total of 604,039 passengers had passed through the airport.

In 2019, a total of 5,474 aircraft operations took place, which compared to 2018 with 4,781 aircraft operations is an increase of 14%.

Total expenditure in 2019 was HRK 77 million, an increase of 20% compared to 2018.

Increase in expenditure is most due to increased costs of long-term provisions for initiated court disputes and costs of long-term provisions for redundancy payments to retiring employees and jubilee benefits in accordance with figures provided from a chartered actuary.

All this had a positive effect on the company's business result which is in 2019 was HRK 6.7 million. In 2018, net profit was HRK 7.4 million.

Investments

In 2019, the company continued investment development projects in infrastructure and equipment in order to raise the quality of provided services to a higher level and satisfy all stipulated safety standards.

FINANCIAL DATA AND INDICATORS

Total investments were HRK 26.1 million, its own funds accounted for HRK 17.8 million and HRK 8.3 million were from state budget sources.

The greatest share of funds in 2019 were invested into the first phase for reconstruction and upgrading of the main airport apron totalling HRK 16.7 million, and related to construction works on reconstruction and extensions to the main apron, supervision of construction works, amendments to the traffic engineering solution for the main apron and drafting the design for marking the taxiways on the main airport apron, design and geodetic services in measuring and determining coordinates for parking positions, drafting and modifying the traffic engineering solution for two new parking positions. The mentioned investment was financed from the company's own funds to the amount of HRK 8.6 million, with HRK 8.1 million coming from the state budget.

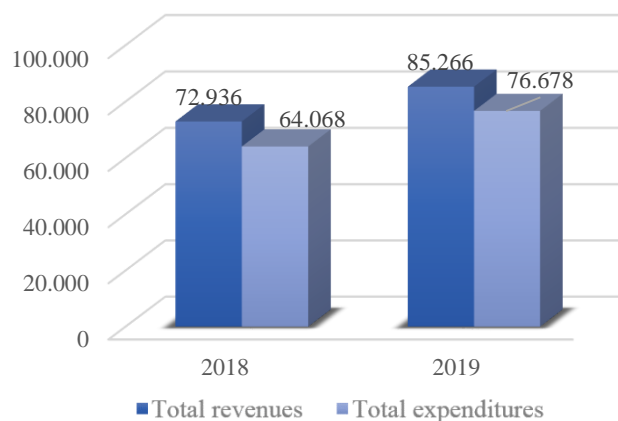
In 2019, equipment valued at HRK 4.6 million was procured and included: baggage trolley (10 pcs) amounting to HRK 197 thousand, automatic escalator (2 pcs) valued at HRK 1.7 million, vehicles for filling drinking water in aircraft amounting to HRK 731 thousand, vehicle for handling faeces waste amounting to HRK 781 thousand, water pool trailer amounting to HRK 300 thousand, battery powered vacuum cleaner for open areas valued at HRK 100 thousand, delivery and assembly of an uninterruptible power supplies (UPS) amounting to HRK 98 thousand as well as other equipment. The stated equipment was completed financed from the company's own funds.

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	76.581	87.508
Short-term assets	60.664	57.256
Future period prepaid expenses...	179	283
Total Assets	137.424	145.046
Equity	119.419	118.316
Provisions	10.567	16.026
Long-term liabilities	83	31
Short-term liabilities	6.170	9.587
Deferred payment for expenses...	1.186	1.086
Total Equity & Liabilities	137.424	145.046

INCOME STATEMENT (HRK 000)		
Operating revenues	72.481	84.713
Operating expenditures	62.543	75.984
Financial revenues	455	553
Financial expenditures	1.525	694
Total revenues	72.936	85.266
Total expenditures	64.068	76.678
Profit/Loss before tax	8.868	8.588
Corporate tax	1.489	1.831
Net profit/loss	7.379	6.757

KEY INDICATORS		
EBITDA (HRK 000)	15.949	14.773
EBITDA margin	22,0%	17,4%
Net profit margin	10,1%	7,9%
ROA	5,4%	4,7%
ROE	6,2%	5,7%
Current ratio	9,8	6,0
Financial stability ratio	0,6	0,7
Debt ratio	13,1%	18,4%
Total asset turnover ratio	0,5	0,6
Investments (HRK 000)	5.100	26.087
Number of employees	167	180

Total revenues and expenditures





Zračna luka Zagreb d.o.o.
 Velika Gorica, Ulica Rudolfa Fizira 1
www.zagreb-airport.hr

Management Board:
 Ranko Ilić (director)

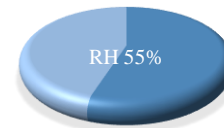
Supervisory Board:
 -

**Government representative in the
 Gen. Assembly:**
 Oleg Butković

Audit committee:
 -

Auditor:
 BDO Croatia d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

The company's core business is the provision of expert and technical assistance to the Croatian Government as the concession provider for supervising implementation of the Concession Agreement Relating to Construction and Operation of Zagreb Airport. Moreover, in the event of possible termination or expiration of the Concession Agreement, and due to the strategic importance of Zagreb Airport (which is managed by MZLZ – International Zagreb Airport joint-stock company), the company must be ready at any moment to continue providing airport services, and assume business activities and employees at the airport.

PERFORMANCE IN 2019

Key business events

In these new circumstances, the company Zagreb Airport Ltd. is successfully fulfilling its obligations according to the law, fulling the conclusions of the Croatian Government and decisions provided by the company's General Assembly. The business activities given below are carried out in parallel:

- Fulfilling inherited obligations from the period prior to the acquisition on 5/12/2013;
- Providing expert and technical assistance to the concession provider in supervising implementation of the Concession Agreement;

- Creating institutional, organisational, personnel and other (competences) conditions for the reorganisation of company business activities at Zagreb Airport Ltd., and ensuring sustainable business operations in the coming period as well as developing management systems at the company for prompt readiness, in the event of termination of the Concession Agreement, so as to assume business activities and employees in order to continue providing airport services;
- Development of new projects (Airport City).

The company Zagreb Airport Ltd in the period 1 January – 31 December 2019 generated total revenue amounting to HRK 10.5 million and total expenditure amounting to HRK 10.4 million. In terms of overall revenue, operating income amounted to HRK 10.0 million or 96.8%, while income from financial assets was HRK 334 thousand or 3.2%. With respect to the plan for 2019, achieved total revenue was HRK 4.3 million or 40.8%.

Total expenditure amounted to HRK 10.4 million. In terms of total expenditure, material costs were HRK 1.7 million or 16.9%, HRK 2.3 million or 22.6% for personnel costs which was 12.6% less for the same period in 2018 when they were HRK 2.7 million. Amortisation costs amounted to HRK 608 thousand or 5.9%, while other operating expenditure amounted to HRK 3.3 million or 31.5%. Income from financial assets was HRK 1.3 million or 12.93% of total

expenditure. Other costs amounted to HRK 1.1 million or 10.2% of total expenditure.

With respect to the plan for 2019, total expenditure increased by HRK 4.4 million or 42.2% of the planned HRK 6 million.

In 2019, generated revenue was HRK 12.9 million less than total revenue in 2018, due to the fact that most of the total revenue generated in 2018 related to recognition of development costs based on preparation of the Concession Agreement, and which incurred for the company in the phase of preparations for takeover by the concessionaire. These expenditures amounted to EUR 2 million, and the same company has claims directed to the shareholder. It is in fact a one-off business event.

In 2019, profit for the year was HRK 42 thousand.

Investments

In 2018, the company Zagreb Airport Ltd. carried out investments valued at HRK 2 million. It involves fulfilling obligations of the Republic of Croatia as the concession grantor and the financing of an independent engineer to the tune of HRK 414 thousand, which is 50% of total obligations and completion of the pressure pipeline project valued at HRK 1.1 million, based on the conclusions of the Croatian Government. The remainder amounting to HRK 479 thousand, relates to investments in preparations for the Zagreb Airport City project.

In 2019, investments totalling HRK 153 thousand were made, which relates entirely to financing obligations of the Republic of Croatia as the concession grantor, for an independent engineer, and in accordance with the Concession Agreement.

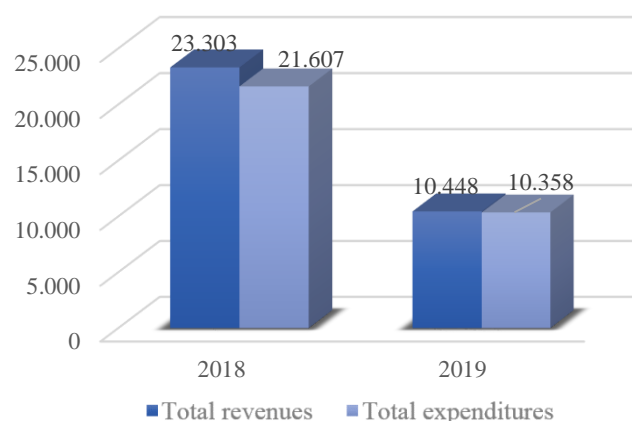
FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2018	2019
Long-term assets	843.635	843.417
Short-term assets	70.478	79.881
Future period prepaid expenses...	14.831	456
Total Assets	928.944	923.754
Equity	923.215	922.564
Provisions	3.556	474
Long-term liabilities	0	0
Short-term liabilities	2.087	553
Deferred payment for expenses...	86	163
Total Equity & Liabilities	928.944	923.754

INCOME STATEMENT (HRK 000)		
Operating revenues	23.091	10.114
Operating expenditures	17.827	9.019
Financial revenues	212	334
Financial expenditures	3.779	1.339
Total revenues	23.303	10.448
Total expenditures	21.607	10.358
Profit/Loss before tax	1.696	90
Corporate tax	543	48
Net profit/loss	1.153	42

KEY INDICATORS		
EBITDA (HRK 000)	5.795	1.704
EBITDA margin	25,1%	16,8%
Net profit margin	4,9%	0,4%
ROA	0,1%	0,0%
ROE	0,1%	0,0%
Current ratio	33,8	144,4
Financial stability ratio	0,9	0,9
Debt ratio	0,6%	0,1%
Total asset turnover ratio	0,0	0,0
Investments (HRK 000)	2.035	153
Number of employees	6	5

Total revenues and expenditures



9. Sources

Sources used for drafting the report are:

- <http://rgfi.fina.hr>
- <https://sudreg.pravosudje.hr>
- <https://infobiz.fina.hr>
- Official website for legal entities of special interest
- Information on business submitted for the purpose of disclosing the public report
- Information in the report is current on 31 December 2019 except in cases where noted otherwise

The brief overview of business operations for the respective companies relied on audited (non-consolidated) annual financial statements.

10. Financial KPIs

The table below shows the unified method used in calculating particular financial KPIs in this report.¹

Table 13. Methodology for calculating financial KPIs

Financial KPIs	Calculation
EBITDA	operating revenue – operating expenditure + amortisation
EBITDA margin	(operating revenue – operating expenditure + amortisation) / operating revenue
Net profit margin	net profit / total revenue
RoA	net profit / assets
RoE	net profit / equity and provisions
Current ratio	current assets / current liabilities
Financial stability ratio	fixed assets / (Equity + provisions + Fixed liabilities)
Debt ratio	(provisions + fixed liabilities + current liabilities + miscellaneous) / total assets
Total Assets Turnover Ratio	total revenue / total assets
Investments	Value of invoiced expenditures in investments in the reporting period
Number of employees	Average number of employees on the following dates: 1 January, 31 March, 30 June, 30 September., 31 December.

¹ The value of particular financial KPIs should not be viewed separately from additional analyses and can be specific for particular industries in which legal entities operate. A full understanding of business results recommends observing annual reports in their entirety.

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REPUBLIKA HRVATSKA - REPUBLIC OF CROATIA
Ministarstvo prostornoga uređenja, graditeljstva i državne imovine
Ministry of Physical Planning, Construction and State Assets

**Directorate for Companies, Strategic Planning, Regulation,
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