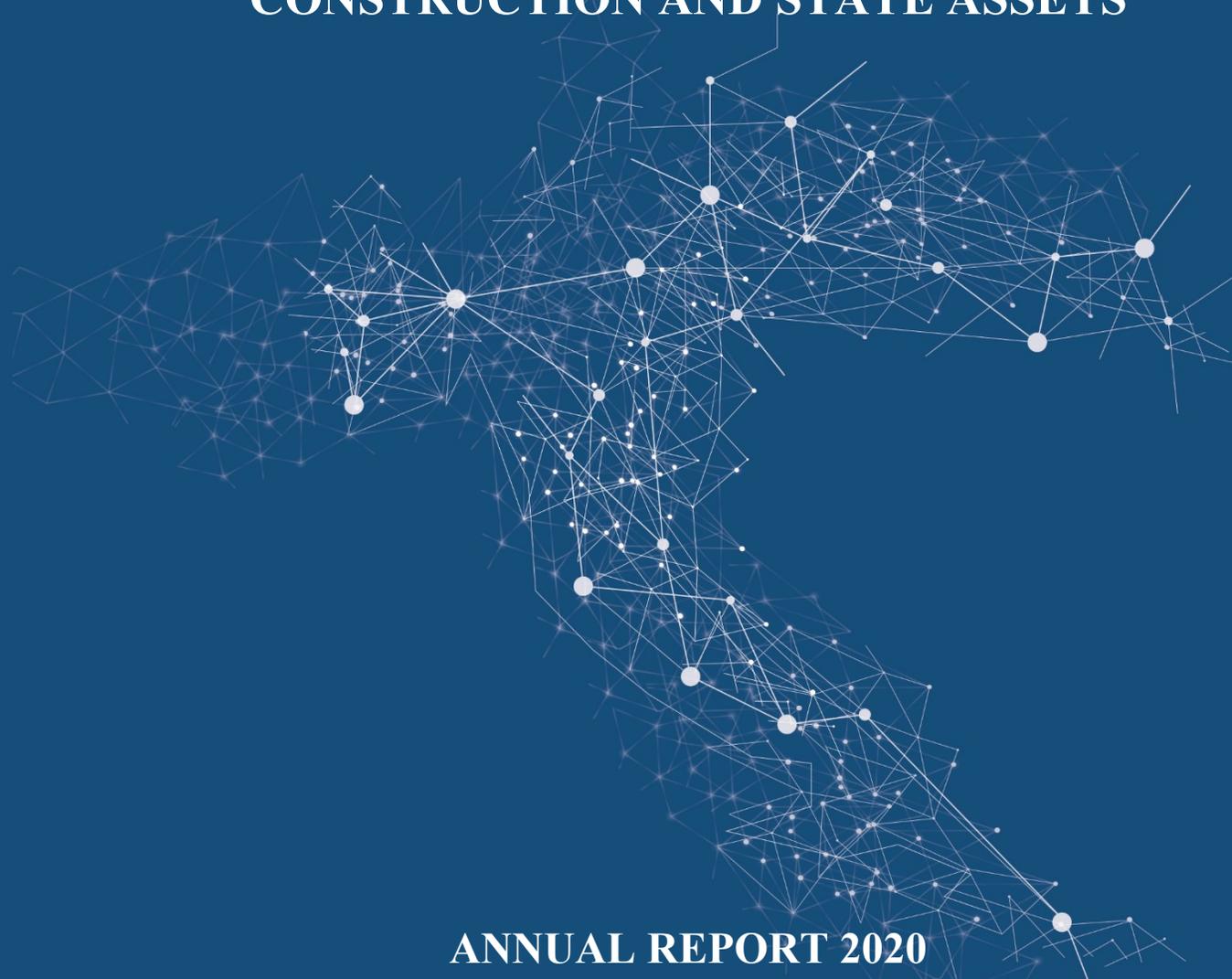




**MINISTRY OF PHYSICAL PLANNING,
CONSTRUCTION AND STATE ASSETS**



ANNUAL REPORT 2020

FOR LEGAL ENTITIES OWNED BY THE REPUBLIC OF CROATIA

December 2021

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Implementation of OECD Guidelines

„...we are determined to be part of the continuous process of improving corporate governance, and we are amenable in our wish to use verified knowledge, experiences and tools of the most developed countries in the world, which will ensure that also Croatia becomes an example in creating value criteria for good practice of corporate governance of state-owned enterprises to the satisfaction of all citizens of the Republic of Croatia and the generations to come.“

Dear readers,

Despite the fact that most of the developments remained overshadowed by challenges caused by earthquake and COVID-19, I can assure with certainty that, within a foreseeable distance, the year 2020 will be reviewed as a milestone in the field of governance of state-owned enterprises. Namely, in cooperation with the OECD, in 2020, our Ministry launched a project that represents a very complex but comprehensive reform in the corporate governance of state-owned enterprises entitled Improving corporate governance in state-owned enterprises through revision and harmonisation of regulations with the OECD Guidelines on Corporate Governance.

Taking into account that state-owned enterprises manage extremely valuable assets, with the primary purpose of providing key public services that affect not only the daily lives of our citizens, but also the competitiveness of the rest of the economy, responsibility in managing state-owned enterprises in accordance with the highest standards is imposed as a priority objective.

In short, aware of the fact that the OECD corporate governance guidelines represent an internationally accepted standard on how states should perform the function of state ownership in such a way as to avoid traps of passive ownership and excessive state intervention, but also represent a centre of expertise that enables the exchange of experience and application of best practices in public policies, in order to ensure efficient, transparent and responsible business operations, it is necessary to carry out professionalisation of the management of state-owned enterprises in compliance with OECD standards.

It is no secret that the Republic of Croatia, as the owner of numerous companies, but also other countries face the challenge of ensuring good functioning of the state-owned enterprise sector, therefore dedication to the realization of the outcome of this project is among the key challenges for the development of our country.

To this end, the Government of the Republic of Croatia has recognized the importance of this project which will contribute to the development of corporate governance of state-owned enterprises, from the professionalisation of the state as owner, to encouraging state-owned enterprises to achieve a similar level of efficiency and transparency as private enterprises, ensuring conditions for competition between private and state-owned entities, if any, to take place on equal terms.

During 2020, in cooperation with the Ministry of Physical Planning, Construction and State Assets, the OECD conducted very complex activities that resulted in the preparation of a comprehensive document originally entitled „A Review against the OECD Guidelines on Corporate Governance of SOEs“, which represents a standard procedure for any country that wishes to accede to the legal instrument „OECD Guidelines on Corporate Governance of SOEs“.

The Review is structured in such a way that the first part of the document provides basic information on the current state of affairs and an overview of the governance of state-owned enterprises, including the applicable regulatory framework, while the second part of the document evaluates the existing Croatian legislation in relation to OECD guidelines. The last part of the document reflects the conclusions and recommendations for improving the corporate governance framework applicable to Croatian state-owned enterprises.

The OECD conclusions and recommendations imply significant regulatory and institutional changes as well as reorganisation of management powers for state-owned enterprises, on the basis of which preconditions for a more active role of ownership bodies will be created. Special attention will be paid to strengthening the role and responsibilities of supervisory and audit committees with a clear definition of their independence, and with the process of electing members taking place in a transparent and competitive procedure, the determination of financial and non-financial objectives for state companies, the improvement of the publication of financial and non-financial information, as well as the improvement of the internal control system, etc.

In the forthcoming period special focus will be on dedication to the implementation of these recommendations, since the realization of these recommendations, at the same time, represents one of the most demanding preconditions for the accession of the Republic of Croatia to full membership of the OECD, as well as on the fact that the outcomes of this project, as the major reform in the field of state enterprise governance, are harmonised with two important documents of the Republic of Croatia, namely the National Recovery and Resilience Plan 2021-2026, as well as the Action Plan for the Republic of Croatia entering the ERM II Exchange Rate Mechanism, i.e., the post entry commitments.

I would also like to emphasize that we should all become aware of the fact that, despite the best practices and implementation of the best legal frameworks and procedures, the results of state-owned companies will be complete only when every stakeholder in corporate governance, starting from the management, and supervision and owner, by its professional knowledge, critical reviews and personal integrity, assumes the role and responsibility for the assets entrusted to state-owned companies.

For the purpose of informing and public reporting, the Ministry continues with the good practice of publishing the operation and results of state-owned enterprises on an annual basis, and for the first time this report will contain data, not only from legal entities of special interest for the Republic of Croatia, but from the entire state portfolio in full or majority ownership of the central government.

During 2020, these legal entities realized a total of HRK 39.847 billion of income, had assets under their management in the amount of HRK 229.67 billion, realized more than HRK 7.3 billion kuna of investment activities, paid more than HRK 1.2 billion of profits into the budget of the Republic of Croatia, employed more than 48 thousand workers, which is why they represent an important segment of GDP, and have a major impact on the Croatian economy, realization of public goals, state budget revenues, employment, etc.

Although aware of the fact that the state as owner in the current system of functioning of state-owned enterprises has faced various challenges, now, more than ever before, we are determined to be part of the constant process of improving corporate governance, and we are amenable in our wish to use the verified knowledge, experiences and tools of the most developed countries in the world, which will ensure that also Croatia becomes an example in creating criteria of good practice of corporate governance of state-owned enterprises to the satisfaction of all citizens of the Republic of Croatia and the generations to follow.

Yours truly,

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 on improving 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 owned by 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 to protect national interests, with the aim of preserving assets and their importance for the life and work of current and future generations.

2. Regulatory framework

The regulatory framework is defined by a series of acts of the Republic of Croatia, out of which the most important ones are pointed out hereinafter. First of all, there is the State Assets Management Act which regulates some basic provisions concerning the selection and appointment of supervisory and management boards of companies, establishes an annual and medium-term planning and reporting system, and defines the role of the Restructuring and Sale Centre. The role of the line ministries is determined by the Act on the Organisation and Scope of State Administration Bodies, which determines that line ministries participate, together with the ministry competent for state assets management, in the management and disposal of company shares and business shares of companies constituting state assets, and in affairs regarding companies primarily engaged in activities within the prescribed area of competence of this Ministry. The criteria and procedure for the selection of members of supervisory and management boards of companies and other state-owned legal entities are regulated by the Regulation on the conditions for the selection and appointment of members of

the supervisory boards and management boards of legal entities of special interest for the Republic of Croatia and on the manner of their selection (OG 12/2019). Furthermore, many other acts and subordinate legislation are being implemented, depending on whether they refer to companies, institutions or legal persons established under special legislation, whether they are quoted on the capital market, and whether legal entities manage their accounts according to the Accounting Act, in compliance with the rules of budgetary, non-profit accounting, or accounting plans for credit institutions are applied. Furthermore, those acts include: the Company Act, Credit Institutions Act, Institutions Act, Accounting Act, Capital Market Act, Takeover Act, Right to Access to Information Act, Conflict of Interest Prevention Act, Transparency of Public Funds Flow Act, Audit Act, Act on the State Audit Office, Act on Financial Operations and Pre-Bankruptcy Settlement, Bankruptcy Act, Act on Internal Control System in the Public Sector, Fiscal Responsibility Act, Public Procurement Act, Ordinance on internal control system in the public sector, Internal Control System Manual for Budget Beneficiaries, Internal Control System Manual for Companies and other State-Owned Legal Entities or Local and Regional Self-Government Units, Ordinance on internal audit in the public sector, Ordinance on budgetary accounting and accounting plan, Ordinance on financial reporting in budgetary accounting, Guidance on assistance to companies in difficulty, Guidance on entrepreneurial debt restructuring by extra-judiciary agreement, Guidance on risk management in public sector institutions, and Code of Corporate Governance of Companies in which the Republic of Croatia has Shares or Business Shares, Code of Corporate Governance of the Zagreb Stock Exchange, and some special acts, e.g., the Water Act, Road Act, Forest Act, Airport Act, Railway Act, Jadrolinija Rijeka Act, Financial Agency Act, Plovput Split Act, etc.

3. Reasons for ownership

It is good practice for the state to publish transparently and to periodically review and revise the reasons for ownership in companies. In general, states have the role of entrepreneurs because for the achievement of some public policy objectives it is the most efficient way, or if this is not the case, they own companies with the aim of achieving maximum return for citizens who are final owners or with the aim of contributing to the state budget. In the first case, such companies primarily do not operate in activities where there is competition, although

they may also partly engage in commercial activities. In such a case, the requirement of maximum return on capital is only required for that segment. In the other case, they are companies active in competition on an equal footing with every other company on the market and are normally required to generate return as achieved in the sector in which they operate. This year, the Republic of Croatia adopted for the first time a Decision on criteria for determining legal entities of special interest. According to this Decision, a company or legal entity of special interest must meet criteria such as:

- that the basic activity of the legal entity is the management of general goods and goods of interest to the Republic of Croatia that are determined by special regulations,
- that the legal person's description of activities includes the management, maintenance and improvement of infrastructure and distribution networks in which physical infrastructure constitutes a natural monopoly,
- that the legal entity is provider of a universal service performed as a public service in compliance with EC and Croatian legislation;
- that the legal person is liable under acts aimed at energy poverty reduction, or vulnerable consumers protection respectively,
- that the basic activity carried out by a legal person is of special importance to the Republic of Croatia and relates to the management of real estate and other assets owned, the provision of services exclusively for the competent public administration bodies, defence industry, production and distribution of oil and gas, medical products, electronic communications, finance, banking, information technology, games of chance, tourism, road, railway, air and maritime transport, and
- that, in accordance with a special criterion, it has a positive financial impact on the state budget, with appropriate significance and size of its market share.

4. Appointment of supervisory and management board members

The Regulation on requirements for the selection and appointment of supervisory and management board members of legal entities of special interest to the Republic of Croatia prescribes the procedures for the

selection and appointment of supervisory and management board members, as well as the requirements to be met by candidates for members of these college bodies. According to the Regulation, a member of the management board of a legal entity of special interest to the Republic of Croatia is selected through a public tender conducted by the ministry under whose competence are the activities primarily carried out by that legal entity, whereas no public tender is foreseen for the selection of supervisory board members. The provisions on the selection procedure for supervisory and management board members do not apply to companies in the CERP portfolio, however, the requirements for membership in supervisory and management boards of companies of special interest also apply to companies in the CERP portfolio. This primarily refers to the requirements for the degree of qualification, the number of years of work experience, knowledge of corporate governance, finance and accounting, knowledge of at least one global foreign language, and the requirement of absence of conflict of interest in accordance with special regulations. The procedure for selecting candidates for supervisory and management board members of companies managed by CERP shall be carried out in accordance with the provisions of the State Assets Management Act. /

The procedure for the selection of candidates for management board members of legal entities of special interest to the Republic of Croatia is initiated by the competent ministry by publication of a public tender in the Official Gazette, and the announcement of the public tender is published in one of the high circulation daily newspapers. On the basis of applications of candidates and the submitted documentation, the competent ministry performs interviews with candidates and drafts a record and written opinion which, together with the proposal for the selection of candidates, shall be submitted to the Government of the Republic of Croatia which will propose to the competent body of the legal entity the selection of the management board chairperson or members.

5. Transparency and publication

An important segment of corporate governance is transparency of operation. In addition to a number of regulations listed in the chapter on Regulatory Framework (including the Public Internal Control System Act and the Fiscal Responsibility Act (OG

139/10 and 19/14), the Republic of Croatia also adopted the Code of Corporate Governance in Companies in which it has Shares or Business Shares. According to this Code, companies in the state portfolio are required to comply with all regulations regarding reporting and transparency of business operation that are established for privately owned companies.

Furthermore, the Code provides that the state body exercising the ownership powers of managing the state portfolio in terms of equity policy and transparency shall report to the public at least once a year on corporate governance of companies.

6. Role of institutions representing the state in the governance of state-owned companies

Under the OECD Guidelines on Corporate Governance of State-Owned Enterprises, the state should exercise its ownership rights, which include:

- to be represented at assemblies and to exercise voting rights,
- to establish a transparent process of electing members of supervisory boards,
- to set financial and operational objectives for companies,
- to establish a reporting system on the company's business operation,
- to develop a public disclosure policy,
- to maintain a continuous dialogue with the external audit and state control bodies, etc.

Currently, there are two different models of governance of state-owned companies in the Republic of Croatia. The first model is characterized by decentralization, as ownership rights over companies and legal entities of special interest are distributed between the Ministry of Physical Planning, Construction and State Assets and line ministries, where the line ministries have a significant role. The second model is characterized by greater centralization, as the Restructuring and Sale Centre (CERP) exercises the majority of ownership rights with an emphasis on restructuring and privatisation of companies in its portfolio, the vast majority of which are in minority state ownership.

Ownership rights in relation to these two different governance models are exercised differently. For

example, there is a public tender for the selection of management board members of enterprises of special interest, whereas there is no such obligation for the selection of management board members of companies in the CERP portfolio. Furthermore, representatives of members in the assembly of companies of special interest shall be appointed by the Government at the proposal of the line ministry, whereas representatives of assembly members of companies in the CERP portfolio shall be appointed by the Governing Council of the CERP at the proposal of the Director of the CERP.

On 31 December, 38 companies of special interest were included in the portfolio of the Ministry of Physical Planning, Construction and State Assets, while 19 majority and 292 minority companies were included in the CERP portfolio.

Pursuant to the Act on State Assets Governance (OG 52/2018), the Government of the Republic of Croatia on behalf of the Republic of Croatia entrusted the Ministry of Physical Planning, Construction and State Assets, *inter alia*, with the exercise of ownership powers of state assets relating to shares and business shares in companies owned by the Republic of Croatia, the Croatian Pension Insurance Fund and the Croatian Deposit Insurance Agency, if it has acquired them in the process of rehabilitation and privatization of banks and the founding rights in legal entities to which the Republic of Croatia is the founder, except for such assets for which the founding rights are exercised by CERP in compliance with the Act or a special regulation, provided that some other body has not been entrusted with state assets governance pursuant to a special law.

The exercise of ownership powers is delimited between different ownership entities.

The Ministry of Physical Planning, Construction and State Assets:

- creates the regulatory framework governing state assets;
- drafts the Strategy for State Property Management;
- monitors the operations of state companies through a set of plans and reports;
- drafts a joint report on the operations of state-owned companies;
- creates criteria for ownership over state-owned companies;
- works to increase the competencies of supervisory and audit committee members.

The line ministry:

- represents the state at assemblies and exercises voting rights;
- leads the process of electing supervisory and management board members;
- approves decisions concerning state-owned companies;
- conducts the dividend policy.

The Restructuring and Sale Centre manages shares and business shares in companies owned by the Republic of Croatia that are not identified as companies of special interest to the Republic of Croatia, as well as shares and business shares in companies owned by the Croatian Pension Insurance Fund and the Croatian Deposit Insurance Agency for shares and business shares in companies which it has acquired in the process of rehabilitation and privatisation of banks, except for those companies whose management and disposal is regulated by a special law, and it participates in the restructuring of companies and other legal entities that are not of special interest to the Republic of Croatia.

7. Legal entities of special interest

Pursuant to Article 12(1) Of the Act on State Assets Management (Official Gazette no. 52/18), at its session held on 2 August 2018, the Government of the Republic of Croatia adopted a Decision on legal entities of special interest to the Republic of Croatia (Official Gazette 71/18) defining 39 legal entities of special interest to the Republic of Croatia, out of which there are:

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

It should be noted that as a continuation of the reform project in the road infrastructure sector, the Government of the Republic of Croatia passed a Decision pursuant to which on 31 December 2020 the Croatian motorway company Hrvatske autoceste d.o.o. was annexed to the company Autocesta Rijeka - Zagreb d.d.. In view of the above, on 31 December 2020 the number of legal entities of special interest to the Republic of Croatia was 38.

The following chart shows a trend of reducing the number of legal entities of special interest throughout the period from 2013.

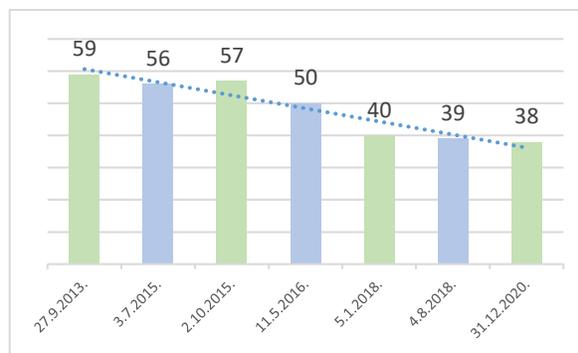


Chart 1. Number of legal persons of special interest in the period from 2013 to 2020

Table 1. Overview of the portfolio of the Ministry of Physical Planning, Construction and State Assets

Company	Line ministry
APIS IT d.o.o.	Ministry of Finance
FINANCIJSKA AGENCIJA	
HRVATSKA AGENCIJA ZA OSIGURANJE DEPOZITA	
HRVATSKA BANKA ZA OBNOVU I RAZVITAK	
HRVATSKA LUTRIJA d.o.o.	
HRVATSKA POŠTANSKA BANKA d.o.o.	
HRVATSKA ELEKTROPRIVREDA d.d.	Ministry of Economy and Sustainable Development
HRVATSKE VODE	
HRVATSKI OPERATOR TRŽIŠTA ENERGIJE d.o.o.	
IMUNOLOŠKI ZAVOD d.d.	
INA – INDUSTRIJA NAFTE d.d.	
JANAF d.d.	
NARODNE NOVINE d.d.	
ACI d.d.	
CROATIA AIRLINES d.d.	
HP- HRVATSKA POŠTA d.d.	
HRVATSKA KONTROLA ZRAČNE PLOVIDBE d.o.o.	Ministry of the Sea, Transport and Infrastructure
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	
ODAŠILJAČI I VEZE d.o.o.	
PLOVPUT 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.	
AGENCIJA ALAN d.o.o.	Ministry of Defence
POMORSKI CENTAR ZA ELEKTRONIKU d.o.o.	
HRVATSKE ŠUME d.o.o.	Ministry of Agriculture
CENTAR ZA RESTRUKTURIRANJE I PRODAJU	Ministry of Physical Planning, Construction and State Assets
DRŽAVNE NEKRETNINE d.o.o.	Ministry of the Interior
AGENCIJA ZA KOMERCIJALNU DJELATNOST d.o.o.	

Due to the inability of consolidating data from different types of reports, legal entities that manage their accounts in accordance with the rules of budgetary, non-profit accounting or are in use of a chart of accounts for credit institutions are not subject to this report (Hrvatska agencija za osiguranje depozita (Croatian Deposit Insurance Agency), Hrvatske vode

(Croatian Waters), Centar za restrukturiranje i prodaju (CERP) (Restructuring and Sale Centre), Hrvatska banka za obnovu i razvoj (Croatian Bank for Reconstruction and Development) and Hrvatska poštanska banka d.d. (Croatian Postal Bank)). Furthermore, due to the unavailability of data, the operations of Imunološki zavod d.d. (Immunology Institute) are not shown, so that the portfolio of companies whose operations are shown in the report consists of 32 legal entities of special interest to the Republic of Croatia (excluding subsidiaries).

8. Legal entities in the portfolio of the Restructuring and Sale Centre

This report also presents companies in majority state ownership managed by the Restructuring and Sale Centre.

On 31 December 2020, there were 19 companies in majority state ownership in the portfolio of the Restructuring and Sale Centre.

Table 2. Overview of the CERP portfolio in which the Republic of Croatia has majority ownership

Company	Line ministry	
3.MAJ STM d.o.o.	Ministry of Economy and Sustainable Development	
BOROVO d.d.		
BRODARSKI INSTITUT d.o.o.		
DE - FOS d.o.o.		
HRVATSKA BRODOGRADNJA - JADRANBROD d.d.		
KONOPLJA d.d.		
LIPOVICA d.o.o.		
ORLJAVA d.o.o.		
PLINACRO d.o.o.		
VJESNIK d.d.		
JADROPLOV d.d.		Ministry of the Sea, Transport and Infrastructure
LUKA VUKOVAR d.o.o.		
PLETER USLUGE d.o.o.		Ministry of Defence
ZRAKOPLOVNO-TEHNIČKI CENTAR d.d.	Ministry of Agriculture	
AGRODUHAN d.o.o.		
NACIONALNA VELETRŽNICA d.d.		
VELETRŽNICA OPUZEN d.o.o.	Ministry of Labour, Pension System, Family and Social Policy	
INSTITUT ZA SIGURNOST d.d.		
BRIJUNI RIVIJERA d.o.o.	Ministry of Tourism and Sports	

The companies NACIONALNA VELETRŽNICA d.o.o. (National Wholesale Market) d.o.o. and NACIONALNA VELETRŽNICA OPUZEN d.o.o. (Wholesale Market Opuzen) do not carry out any activities and their liquidation is to follow, thus they are

not presented in Chapter 15, nor are the companies DE FOS d.o.o., LIPOVICA d.o.o., KONOPLJA d.d., ORLJAVA d.o.o. and BRODARSKI INSTITUT d.o.o. (Shipping Institute) since at the time of drafting this document they are not included in the CERP portfolio because the process of sale, allocation, liquidation or bankruptcy has been initiated.

9. Portfolio categorisation by activities

According to the presented activities of legal entities, it can be seen that the largest number of companies is in the sector of production, services and trade, as many as 23 of them. The exceptionally important energy sector comprises five companies, whereas 21 companies operate in the transport and communications sectors.

Table 3 Overview of legal entities and activities

Enterprise	Activity	
VATSKA ELEKTROPRIVREDA d.d.	Energy	NARODNE NOVINE d.d.
HRVATSKI OPERATOR TRŽIŠTA ENERGIJE d.o.o.		ORLJAVA d.o.o.
INA – INDUSTRIJA NAFTE d.d.		PLETER USLUGE d.o.o.
JANAF d.d.		VELETRŽNICA OPUZEN d.o.o.
PLINACRO d.o.o.		VJESNIK d.d.
3.MAJ STM d.o.o.	Production, services and trade	ZRAKOPLOVNO-TEHNIČKI CENTAR d.d.
AGENCIJA ALAN d.o.o.		APIS IT d.o.o.
AGENCIJA ZA KOMERCIJALNU DJELATNOST d.o.o.		CROATIA AIRLINES d.d.
AGRODUHAN d.o.o.		HRVATSKA KONTROLA ZRAČNE PLOVIDBE d.o.o.
BOROVO d.d.		HRVATSKE AUTOCESTE d.o.o.
BRODARSKI INSTITUT d.o.o.		HRVATSKE CESTE d.o.o.
DE - FOS d.o.o.		HŽ CARGO d.o.o.
DRŽAVNE NEKRETNINE d.o.o.		HŽ INFRASTRUKTURA d.o.o.
FINANCIJSKA AGENCIJA PO		HŽ PUTNIČKI PRIJEVOZ d.o.o.
HP- HRVATSKA POŠTA d.d.		JADROLINIJA PO
HRVATSKA BRODOGRADNJA JADRANBROD d.d.		JADROPLOV d.d.
HRVATSKA LUTRIJA d.o.o.		LUKA VUKOVAR d.o.o.
HRVATSKE ŠUME d.o.o.		ODAŠILJAČI I VEZE d.o.o.
INSTITUT ZA SIGURNOST d.d.		PLOVPUT d.o.o.
KONOPLJA d.d.		POMORSKI CENTAR ZA ELEKTRONIKU d.o.o.
LIPOVICA d.o.o.		ZRAČNA LUKA DUBROVNIK d.o.o.
NACIONALNA VELETRŽNICA d.d.		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.	
	BRIJUNI RIVIJERA d.o.o.	
		Transport and communications
		Tourism

The following charts show total revenues, assets, dividend payments to the state budget and the number of employees per activity in absolute terms (in millions) and relative terms.

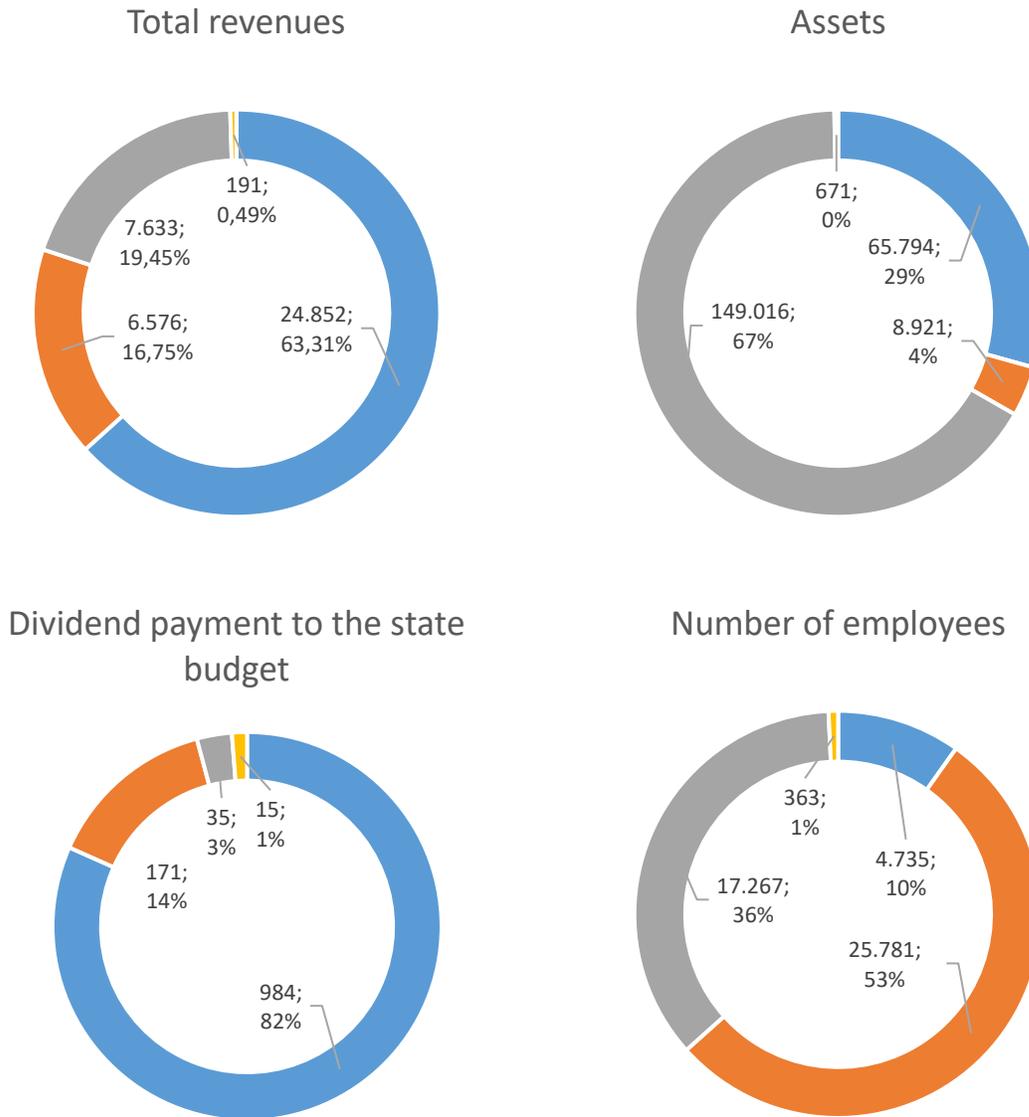


Chart 2. Overview of total income, number of employees, assets and dividend payment by activities.

Legend:

■ Energetika	▪ Energy
■ Proizvodnja, usluge i trgovina	▪ Production, services and trade
■ Promet i komunikacije	▪ Transport and communications
■ Turizam	▪ Tourism

10. Aggregated overview of financial information

Legal entities from the presented portfolio achieved a total revenue of HRK 39.847 of in 2020, which is a decrease of 23.72% as compared to 2019. An overview of the total revenue of companies is shown in Table 4.

Table 4. Total revenue in 2020

Enterprise	Kn
INA - INDUSTRIJA NAFTE d.d.	14.220.552.443
HEP d.d.	9.434.037.079
HRVATSKE ŠUME d.o.o.	2.272.851.205
HP - HRVATSKA POŠTA d.d.	1.705.873.166
HRVATSKE AUTOCESTE d.o.o.	1.608.281.853
HŽ INFRASTRUKTURA d.o.o.	1.242.266.608
CROATIA AIRLINES d.d.	808.795.192
JANAF d.d.	790.037.270
FINA	778.201.103
HŽ PUTNIČKI PRIJEVOZ d.o.o.	730.001.621
HRVATSKA KONTROLA ZRAČNE PLOVIDBE d.o.o.	630.221.311
JADROLINIJA	628.737.157
HRVATSKA LUTRIJA d.o.o.	618.924.155
HŽ CARGO d.o.o.	460.648.181
PLINACRO d.o.o.	381.937.000
APIS IT d.o.o.	322.596.194
JADROPLOV d.d.	299.298.611
NARODNE NOVINE d.d.	263.230.094
AGENCIJA ZA KOMERCIJALNU DJELATNOST d.o.o.	260.017.747
ODAŠILJAČI I VEZE d.o.o.	248.064.968
HRVATSKE CESTE d.o.o.	203.738.840
ACI d.d.	185.532.368
PLETER USLUGE d.o.o.	183.210.000
ZRAČNA LUKA DUBROVNIK d.o.o.	154.033.957
ZRAČNA LUKA SPLIT d.o.o.	121.177.777
DRŽAVNE NEKRETNINE d.o.o.	112.330.235
BOROVO d.d.	89.585.000
ZRAKOPLOVNO-TEHNIČKI CENTAR d.d.	75.046.000
PLOVPUT d.o.o.	69.329.266
LIPOVICA d.o.o.	55.534.904
VJESNIK d.d.	49.456.000
AGRODUHAN d.o.o.	42.002.000
ZRAČNA LUKA ZADAR d.o.o.	29.212.266
ZRAČNA LUKA PULA d.o.o.	27.696.189
HRVATSKI OPERATOR TRŽIŠTA ENERGIJE d.o.o.	25.577.687
ORLJAVA d.o.o.	20.543.594
AGENCIJA ALAN d.o.o.	19.179.515
LUKA VUKOVAR d.o.o.	12.977.401
BRODARSKI INSTITUT d.o.o.	12.175.099
ZRAČNA LUKA OSIJEK d.o.o.	11.923.580
ZRAČNA LUKA RIJEKA d.o.o.	10.112.774
POMORSKI CENTAR ZA ELEKTRONIKU d.o.o.	8.177.366

ZRAČNA LUKA ZAGREB d.o.o.	6.112.882
BRIJUNI RIVIJERA d.o.o.	5.814.427
HRVATSKA BRODOGRADNJA - JADRANBROD d.d.	4.249.000
DE-FOS d.o.o.	4.229.640
INSTITUT ZA SIGURNOST d.d.	3.892.000
3.MAJ STM d.o.o.	3.053.000
KONOPLJA d.o.o.	2.637.737
UKUPNO	39.847.668.214

The structure of revenue of individual companies with respect to total revenue is shown in Chart 3. Out of the total revenue, 59.36% were generated by INA - Industrija nafte d.d. (INA Oil Industry) and Hrvatska elektroprivreda d.d. (Croatian Electric Utility Company), while the total revenue of 46 other companies accounts for only 40.64% of the revenue of the presented portfolio./the structure of individual of revenues companies in total revenue is shown in Graph 3. Out of the total amount of revenue, 59.36% were generated by INA - Industrija nafte d.d. and Hrvatska elektroprivreda d.d., while the total revenue of the 46 other companies accounts for only 40.64% of revenue of the presented portfolio.

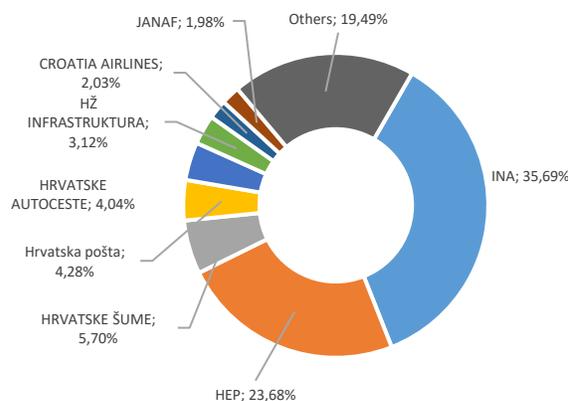


Chart 3. Revenue structure by company in 2020

Portfolio revenues decreased as compared to 2019 by HRK 12.4 billion or 23.72%. The largest decrease in revenue was recorded by tourism-related companies (Airports, Croatia Airlines, Jadrolinija, INA d.d. ...)

The most significant drop in revenues in absolute terms was recorded in INA d.d. (7.4 billion), HEP d.d. (HRK 1 billion), Croatia Airlines d.d. (HRK 942 million), Hrvatske autoceste d.o.o. (HRK 687 million), Jadrolinija (HRK 349 million), ZL Dubrovnik d.o.o. (HRK 330

million). The relative decrease in revenue is shown in Table 6. Decrease in revenue compared to 2019.

The most significant increase in revenue in absolute terms was achieved by the companies Jadroplov d.d. (HRK 121 million), Janaf d.d. (HRK 75 million), APIS IT d.o.o. (HRK 43 million) and Državne nekretnine d.o.o. (State Property) (HRK 9 million), as shown in the table representing companies with the highest growth in revenues.

Table 5. Increase in revenue in 2020 compared. to 2019

Company	ΔTotal revenue
JADROPLOV d.d.	121.870.960
JANAF d.d.	75.712.598
APIS IT d.o.o.	42.787.686
DRŽAVNE NEKRETNINE d.o.o.	9.134.531
BRODARSKI INSTITUT d.o.o.	2.221.308
HRVATSKI OPERATOR TRŽIŠTA ENERGIJE d.o.o.	1.514.863
INSTITUT ZA SIGURNOST d.d.	1.115.000
Hrvatske ceste d.o.o.	1.039.508
HRVATSKA BRODOGRADNJA - JADRANBROD d.d.	638.000
3.MAJ STM d.o.o.	130.000

Table 6. Decrease in revenue in 2020 compared. to 2019

Company	Δ%
AGENCIJA ALAN d.o.o.	-80,86%
ZRAČNA LUKA SPLIT d.o.o.	-73,10%
ZRAČNA LUKA PULA d.o.o.	-68,60%
ZRAČNA LUKA DUBROVNIK d.o.o.	-68,22%
ZRAČNA LUKA ZADAR d.o.o.	-65,74%
ZRAČNA LUKA RIJEKA d.o.o.	-60,66%
CROATIA AIRLINES d.d.	-53,82%
ZRAKOPLOVNO-TEHNIČKI CENTAR d.d.	-51,37%
BRIJUNI RIVIJERA d.o.o.	-42,80%
ZRAČNA LUKA ZAGREB d.o.o.	-41,49%
JADROLINIJA	-35,70%
INA - INDUSTRIJA NAFTE d.d.	-34,20%
HRVATSKE AUTOCESTE d.o.o.	-29,96%
HRVATSKA KONTROLA ZRAČNE PLOVIDBE d.o.o.	-25,46%
ZRAČNA LUKA OSIJEK d.o.o.	-25,17%
ACI d.d.	-21,86%
VJESNIK d.d.	-19,48%
FINA	-17,17%
PLETER USLUGE d.o.o.	-14,25%

In 2020, total expenditures of legal entities amounted to HRK 39.5 billion, which is a decrease of HRK 9.27 billion or a decrease of 19% compared to 2019.

Overview of total expenditures in absolute amounts for 2020 is shown in Table 7.

Table 7. Total expenditure in 2020

Company	HRK
INA - INDUSTRIJA NAFTE d.d.	15.267.211.482
HEP d.d.	7.898.897.140
HRVATSKE ŠUME d.o.o.	2.209.759.332
HP - HRVATSKA POŠTA d.d.	1.661.350.764
HRVATSKE AUTOCESTE d.o.o.	1.608.281.853
HŽ INFRASTRUKTURA d.o.o.	1.241.560.249
CROATIA AIRLINES d.d.	1.167.020.613
FINA	775.734.911
JADROLINIJA	764.353.281
HŽ PUTNIČKI PRIJEVOZ d.o.o.	725.870.101
HRVATSKA KONTROLA ZRAČNE PLOVIDBE d.o.o.	687.107.975
HRVATSKA LUTRIJA d.o.o.	577.956.329
HŽ CARGO d.o.o.	564.311.015
JANAF d.d.	438.486.145
PLINACRO d.o.o.	405.445.000
ZRAČNA LUKA DUBROVNIK d.o.o.	289.729.615
APIS IT d.o.o.	266.638.969
NARODNE NOVINE d.d.	261.482.385
ZRAČNA LUKA SPLIT d.o.o.	218.851.604
HRVATSKE CESTE d.o.o.	203.738.840
ODAŠILJAČI I VEZE d.o.o.	193.136.188
JADROPLOV d.d.	197.938.843
ACI d.d.	185.015.477
PLETER USLUGE d.o.o.	183.964.000
AGENCIJA ZA KOMERCIJALNU DJELATNOST d.o.o.	182.910.794
BOROVO d.d.	96.570.000
ZRAKOPLOVNO-TEHNIČKI CENTAR d.d.	80.263.000
DRŽAVNE NEKRETNINE d.o.o.	74.233.804
PLOVPUT d.o.o.	69.179.830
LIPOVICA d.o.o.	57.877.788
AGRODUHAN d.o.o.	57.383.000
VJESNIK d.d.	49.305.000
ZRAČNA LUKA ZADAR d.o.o.	47.022.456
ZRAČNA LUKA PULA d.o.o.	45.610.477
AGENCIJA ALAN d.o.o.	24.426.513
HRVATSKI OPERATOR TRŽIŠTA ENERGIJE d.o.o.	24.095.003
BRODARSKI INSTITUT d.o.o.	19.241.677
ORLJAVA d.o.o.	19.212.965
ZRAČNA LUKA RIJEKA d.o.o.	16.922.289
ZRAČNA LUKA OSIJEK d.o.o.	12.964.282
LUKA VUKOVAR d.o.o.	12.847.089
POMORSKI CENTAR ZA ELEKTRONIKU d.o.o.	11.955.206
BRIJUNI RIVIJERA d.o.o.	7.137.573
ZRAČNA LUKA ZAGREB d.o.o.	6.024.803
DE-FOS d.o.o.	5.898.356
HRVATSKA BRODOGRADNJA - JADRANBROD d.d.	4.434.000

3.MAJ STM d.o.o.	3.380.000
INSTITUT ZA SIGURNOST d.d.	2.949.000
KONOPLJA d.o.o.	2.610.055
TOTAL	39.507.220.404

In order to compare the increase/decrease of revenue with the increase/decrease of expenditures in 2020 compared to 2019, an overview is presented in Table 8 at the level of each individual company.

Table 8. Increase/decrease in revenues and expenditures in 2020 vs. 2019

Company	↑ or ↓ of revenue	↑ or ↓ of expenditure
JADROPLOV d.d.	68,69%	-57,99%
INSTITUT ZA SIGURNOST d.d.	40,15%	7,71%
BRODARSKI INSTITUT d.o.o.	22,32%	-7,15%
HRVATSKA BRODOGRADNJA - JADRANBROD d.d.	17,67%	-3,40%
APIS IT d.o.o.	15,29%	0,94%
JANAF d.d.	10,60%	11,15%
DRŽAVNE NEKRETNINE d.o.o.	8,85%	41,79%
HRVATSKI OPERATOR TRŽIŠTA ENERGIJE d.o.o.	6,30%	11,80%
3.MAJ STM d.o.o.	4,45%	4,51%
HRVATSKE CESTE d.o.o.	0,51%	0,51%
HRVATSKE ŠUME d.o.o.	-0,47%	-0,43%
ODAŠILJAČI I VEZE d.o.o.	-1,48%	2,89%
DE-FOS d.o.o.	-2,09%	27,70%
HRVATSKA LUTRIJA d.o.o.	-2,80%	1,48%
LIPOVICA d.o.o.	-4,21%	-8,33%
PLINACRO d.o.o.	-4,37%	6,16%
HŽ INFRASTRUKTURA d.o.o.	-6,05%	-6,07%
ORLJAVA d.o.o.	-6,08%	-22,65%
PLOVPUT d.o.o.	-6,20%	-6,39%
AGENCIJA ZA KOMERCIJALNU DJELATNOST d.o.o.	-6,73%	-5,43%
LUKA VUKOVAR d.o.o.	-8,29%	-7,49%
AGRODUHAN d.o.o.	-8,80%	25,50%
KONOPLJA d.o.o.	-8,99%	-81,77%
HEP d.d.	-10,32%	-14,99%
HP - HRVATSKA POŠTA d.d.	-10,37%	-5,77%
HŽ CARGO d.o.o.	-12,08%	-15,11%
BOROVO d.d.	-12,40%	-5,42%
NARODNE NOVINE d.d.	-12,65%	-11,51%
HŽ PUTNIČKI PRIJEVOZ d.o.o.	-12,67%	-12,55%
POMORSKI CENTAR ZA ELEKTRONIKU d.o.o.	-13,53%	26,81%
PLETER USLUGE d.o.o.	-14,25%	-13,48%
FINA	-17,17%	-6,93%
VJESNIK d.d.	-19,48%	-20,60%
ACI d.d.	-21,86%	-6,68%
ZRAČNA LUKA OSIJEK d.o.o.	-25,17%	-15,62%
HRVATSKA KONTROLA ZRAČNE PLOVIDBE d.o.o.	-25,46%	-15,46%
HRVATSKE AUTOCESTE d.o.o.	-29,96%	-11,06%
INA - INDUSTRIJA NAFTE d.d.	-34,20%	-26,64%
JADROLINIJA	-35,70%	-20,68%
ZRAČNA LUKA ZAGREB d.o.o.	-41,49%	-41,83%
BRIJUNI RIVIJERA d.o.o.	-42,80%	-26,06%
ZRAKOPLOVNO-TEHNIČKI CENTAR d.d.	-51,37%	-47,20%
CROATIA AIRLINES d.d.	-53,82%	-36,25%
ZRAČNA LUKA RIJEKA d.o.o.	-60,66%	-33,97%
ZRAČNA LUKA ZADAR d.o.o.	-65,74%	-38,68%
Zračna luka Dubrovnik d.o.o.	-68,22%	-16,33%
ZRAČNA LUKA PULA d.o.o.	-68,60%	-39,25%
ZRAČNA LUKA SPLIT d.o.o.	-73,10%	-24,30%
AGENCIJA ALAN d.o.o.	-80,86%	-73,41%

Legal entities that successfully operated achieved net profits in 2020 in the amount of HRK 2.13 billion. However, legal entities with losses accounted for HRK 1.92 billion in losses. Therefore, the total net profit of legal entities, viewed as one portfolio, amounted to HRK 211 million. HEP d.d. generated the highest profit in the amount of HRK1.4 billion, whereas INA d.d. reported the highest loss, amounting to HRK 933 million. Data on absolute net profit amounts generated by individual companies in the profit of the portfolio presented are given in the following table.

Table 9. Net profit/loss in 2020

Enterprise	HRK
HEP d.d.	1.401.035.858
JANAF d.d.	288.105.783
JADROPLOV d.d.	101.359.768
AGENCIJA ZA KOMERCIJALNU DJELATNOST d.o.o.	62.857.138
APIS IT d.o.o.	45.867.745
ODAŠILJAČI I VEZE d.o.o.	44.999.595
HRVATSKE ŠUME d.o.o.	42.895.396
HP - HRVATSKA POŠTA d.d.	35.864.952
HRVATSKA LUTRIJA d.o.o.	32.675.772
DRŽAVNE NEKRETNINE d.o.o.	30.565.637
HRVATSKE AUTOCESTE d.o.o.	10.892.931
FINA	10.499.379
HŽ PUTNIČKI PRIJEVOZ d.o.o.	3.084.529
NARODNE NOVINE d.d.	1.553.506
HRVATSKI OPERATOR TRŽIŠTA ENERGIJE d.o.o.	1.423.420
ORLJAVA d.o.o.	1.330.629
INSTITUT ZA SIGURNOST d.d.	923.000
HŽ INFRASTRUKTURA d.o.o.	706.359
ACI d.d.	198.192
PLOVPUT d.o.o.	175.604
VJESNIK d.d.	151.000
LUKA VUKOVAR d.o.o.	130.312
ZRAČNA LUKA ZAGREB d.o.o.	57.362
KONOPLJA d.o.o.	27.682
HRVATSKA BRODOGRADNJA - JADRANBROD d.d.	-185.000
3.MAJ STM d.o.o.	-328.000
HRVATSKE CESTE d.o.o.	-389.963
PLETER USLUGE d.o.o.	-754.000
ZRAČNA LUKA OSIJEK d.o.o.	-1.040.702
BRIJUNI RIVIJERA d.o.o.	-1.323.146
DE-FOS d.o.o.	-1.668.716
LIPOVICA d.o.o.	-2.342.884
POMORSKI CENTAR ZA ELEKTRONIKU d.o.o.	-3.777.840
ZRAKOPLOVNO-TEHNIČKI CENTAR d.d.	-5.217.000
AGENCIJA ALAN d.o.o.	-5.246.998
ZRAČNA LUKA RIJEKA d.o.o.	-6.809.515
BOROVO d.d.	-6.985.000
BRODARSKI INSTITUT d.o.o.	-7.066.578

AGRODUHAN d.o.o.	-15.381.000
PLINACRO d.o.o.	-17.214.000
ZRAČNA LUKA ZADAR d.o.o.	-17.810.190
ZRAČNA LUKA PULA d.o.o.	-17.914.288
HRVATSKA KONTROLA ZRAČNE PLOVIDBE d.o.o.	-46.608.168
ZRAČNA LUKA SPLIT d.o.o.	-97.673.827
HŽ CARGO d.o.o.	-103.662.834
JADROLINIJA	-135.616.124
ZRAČNA LUKA DUBROVNIK d.o.o.	-135.695.658
CROATIA AIRLINES d.d.	-358.225.421
INA - INDUSTRIJA NAFTE d.d.	-932.758.665
UKUPNO	211.317.451

An overview of the assets or capital employed under the management of the legal entities in the portfolio is given below. It results that the largest share of assets in the portfolio relates to the assets of the companies Hrvatske ceste d.o.o., Hrvatske autoceste d.o.o., Hrvatska elektroprivreda d.d., INA – Industrija nafte d.d. and HŽ infrastruktura d.o.o.

Table 10. Review of assets and equity (in million HRK)

Company	Assets	Equity
HRVATSKE CESTE d.o.o.	77.835	66.221
HRVATSKE AUTOCESTE d.o.o.	43.245	46.815
HEP d.d.	36.008	26.880
INA - INDUSTRIJA NAFTE d.d.	19.744	10.331
HŽ INFRASTRUKTURA d.o.o.	13.490	7.295
JANAF d.d.	4.799	4.567
PLINACRO d.o.o.	4.646	3.093
HRVATSKE ŠUME d.o.o.	2.605	1.613
HŽ PUTNIČKI PRIJEVOZ d.o.o.	2.246	1.790
ZRAČNA LUKA DUBROVNIK d.o.o.	2.156	907
HP - HRVATSKA POŠTA d.d.	1.902	1.104
FINA	1.779	1.524
CROATIA AIRLINES d.d.	1.668	1.164
JADROLINIJA	1.504	1.164
HŽ CARGO d.o.o.	1.281	1.188
ZRAČNA LUKA SPLIT d.o.o.	1.263	1.019
HRVATSKA KONTROLA ZRAČNE PLOVIDBE d.o.o.	1.212	744
ZRAČNA LUKA ZAGREB d.o.o.	927	925
ACI d.d.	664	487
HRVATSKI OPERATOR TRŽIŠTA ENERGIJE d.o.o.	597	23
AGENCIJA ZA KOMERCIJALNU DJELATNOST d.o.o.	524	497
ODAŠILJAČI I VEZE d.o.o.	503	437
APIS IT d.o.o.	471	378
JADROPLOV d.d.	406	43
BOROVO d.d.	404	273
ZRAKOPLOVNO-TEHNIČKI CENTAR d.d.	376	60
HRVATSKA LUTRIJA d.o.o.	364	67
NARODNE NOVINE d.d.	348	90

ZRAČNA LUKA PULA d.o.o.	186	13
ZRAČNA LUKA RIJEKA d.o.o.	183	12
PLOVPUT d.o.o.	160	13
ZRAČNA LUKA ZADAR d.o.o.	121	10
DRŽAVNE NEKRETNINE d.o.o.	114	9
AGENCIJA ALAN d.o.o.	103	6
BRODARSKI INSTITUT d.o.o.	103	2
ZRAČNA LUKA OSIJEK d.o.o.	98	1
PLETER USLUGE d.o.o.	79	5
AGRODUHAN d.o.o.	73	2
VJESNIK d.d.	51	3
LIPOVICA d.o.o.	41	2
LUKA VUKOVAR d.o.o.	34	3
POMORSKI CENTAR ZA ELEKTRONIKU d.o.o.	27	1
ORLJAVA d.o.o.	19	-
HRVATSKA BRODOGRADNJA - JADRANBROD d.d.	17	1
KONOPLJA d.o.o.	8	-
BRIJUNI RIVIJERA d.o.o.	6	-
DE-FOS d.o.o.	5	-
INSTITUT ZA SIGURNOST d.d.	4	-
3.MAJ STM d.o.o.	1	-
UKUPNO	229.664	148.35

It should be emphasized that companies from the observed portfolio deal both with economic activities and with activities of achieving various public policy objectives in which profit-making is not the primary objective, and for which different state regulators determine prices, this affecting income or the overall result.

In the following table an overview is given of indicators for return on assets (RoA) or return on equity (RoE) by company from the observed portfolio.

Table 11. RoA and RoE indicators

Company	RoA	RoE
DRŽAVNE NEKRETNINE d.o.o.	27%	32%
JADROPLOV d.d.	25%	236%
INSTITUT ZA SIGURNOST d.d.	22%	25%
Agencija za komercijalnu djelatnost d.o.o.	12%	13%
APIS IT d.o.o.	10%	12%
HRVATSKA LUTRIJA d.o.o.	9%	38%
ODAŠILJAČI I VEZE d.o.o.	9%	10%
KONOPLJA d.o.o.	7%	-14%
JANAF d.d.	6%	6%
HEP d.d.	4%	5%
HP - Hrvatska pošta d.d.	2%	3%
HRVATSKE ŠUME d.o.o.	2%	3%
FINA	1%	1%
NARODNE NOVINE d.d.	0%	1%
LUKA VUKOVAR d.o.o.	0%	0%
ORLJAVA d.o.o.	0%	0%

AUTOCESTA RIJEKA ZAGREB d.d.	0%	-3%
VJESNIK d.d.	0%	0%
HRVATSKI OPERATOR TRŽIŠTA ENERGIJE d.o.o.	0%	7%
HŽ PUTNIČKI PRIJEVOZ d.o.o.	0%	0%
Plovput d.o.o.	0%	0%
ACI d.d.	0%	0%
HRVATSKE AUTOCESTE d.o.o.	0%	0%
ZRAČNA LUKA ZAGREB d.o.o.	0%	0%
HŽ INFRASTRUKTURA d.o.o.	0%	0%
PLINACRO d.o.o.	0%	0%
Hrvatske ceste d.o.o.	0%	0%
BRIJUNI RIVIJERA d.o.o.	0%	0%
DE-FOS d.o.o.	0%	-1%
PLETER USLUGE d.o.o.	-1%	-1%
Zračna luka Osijek d.o.o.	-1%	-8%
HRVATSKA BRODOGRADNJA - JADRANBROD d.d.	-1%	-1%
ZRAKOPLOVNO-TEHNIČKI CENTAR d.d.	-1%	-1%
BOROVO d.d.	-2%	-3%
ZRAČNA LUKA RIJEKA d.o.o.	-4%	-5%
HRVATSKA KONTROLA ZRAČNE PLOVIDBE d.o.o.	-4%	-7%
INA - Industrija nafte d.d.	-5%	-9%
Agencija ALAN d.o.o.	-5%	-8%
LIPOVICA d.o.o.	-6%	-9%
Zračna luka Dubrovnik d.o.o.	-6%	-15%
BRODARSKI INSTITUT d.o.o.	-7%	-25%
ZRAČNA LUKA SPLIT d.o.o.	-8%	-11%
HŽ CARGO d.o.o.	-8%	-55%
JADROLINIJA	-9%	-14%
ZRAČNA LUKA PULA d.o.o.	-10%	-13%
POMORSKI CENTAR ZA ELEKTRONIKU d.o.o.	-14%	-20%
ZRAČNA LUKA ZADAR d.o.o.	-15%	-18%
AGRODUHAN d.o.o.	-21%	-70%
CROATIA AIRLINES d.d.	-21%	-166%
3.MAJ STM d.o.o.	-36%	0%

The highest return on assets was realised by the companies: Državne nekretnine d.o.o. (State Property), Jadroplov d.d., Institut za sigurnost d.d., AKD d.o.o., APIS d.o.o., Hrvatska lutrija d.o.o., whereas negative return on assets was made by the companies: 3. MAJ STM d.o.o., Croatia Airlines d.d., Agroduhan d.o.o., Zračna luka Zadar d.o.o. Pomorski centar za elektroniku d.o.o., etc. The highest return on equity was achieved by the companies: Jadroplov d.d., the Hrvatska lutrija d.o.o., Državne nekretnine d.o.o., the Institut za sigurnost d.d., AKD d.o.o., etc., whereas negative return on equity was made by the companies Croatia Airlines d.d., Agroduhan d.o.o., HŽ Cargo d.o.o., etc. When interpreting these indicators, it should be taken into account that for some activities the

relatively low value of the required assets/capital in the balance sheet is natural (e.g. in the case of Državne nekretnine d.o.o., Agencija Alan d.o.o., etc.).

11. Investments

The total amount of realized investments is HRK 7,400 million, which represents a decrease of 3.4% compared to 2019 when HRK 7,662 million was realized. The companies Hrvatske ceste d.o.o., INA - Industrija nafte d.d., HŽ Infrastruktura d.o.o., Hrvatska elektroprivreda d.d., Jadranski naftovod d.d. and Hrvatske autoceste d.o.o. have the largest investments and together account for 76% of the total amount.

Table 12 Investments in 2020 (000 HRK)

Company	Investments 2020
HRVATSKE CESTE d.o.o.	1.878.773
INA - INDUSTRIJA NAFTE d.d.	1.239.000
HŽ INFRASTRUKTURA d.o.o.	951.316
HEP d.d.	546.142
JANAF d.d.	492.549
HRVATSKE AUTOCESTE d.o.o.	483.349
PLINACRO d.o.o.	438.082
HP - HRVATSKA POŠTA d.d.	190.772
FINA	124.263
APIS IT d.o.o.	123.337
HRVATSKE ŠUME d.o.o.	119.665
ZRAČNA LUKA SPLIT d.o.o.	111.319
JADROLINIJA	105.150
HŽ PUTNIČKI PRIJEVOZ d.o.o.	96.207
HRVATSKA KONTROLA ZRAČNE PLOVIDBE d.o.o.	92.089
CROATIA AIRLINES d.d.	69.423
ODAŠILJAČI I VEZE d.o.o.	67.051
HRVATSKA LUTRIJA d.o.o.	56.031
HŽ CARGO d.o.o.	54.600
ACI d.d.	47.512
AGENCIJA ZA KOMERCIJALNU DJELATNOST d.o.o.	46.928
ZRAČNA LUKA DUBROVNIK d.o.o.	16.480
ZRAČNA LUKA ZADAR d.o.o.	10.116
NARODNE NOVINE d.d.	8.783
ZRAČNA LUKA PULA d.o.o.	8.454
DRŽAVNE NEKRETNINE d.o.o.	4.842
PLOVPUT d.o.o.	4.356
ZRAČNA LUKA RIJEKA d.o.o.	3.566
PLETER USLUGE d.o.o.	3.019
BRIJUNI RIVIJERA d.o.o.	2.202
ZRAČNA LUKA OSIJEK d.o.o.	1.100
UKUPNO	7.396.476

12. Contribution to the state budget

On 30 July 2020, the Government of the Republic of Croatia adopted the Decision on the amount, manner and

deadlines for the payment of funds from state-owned companies to the state budget of the Republic of Croatia for 2020 (OG 88/2020) (hereinafter “the Decision”), which stipulates that companies shall pay 60% of the post-tax profit for 2019 to the state budget of the Republic of Croatia for 2020, based on the share in the equity of the company belonging to the Republic of Croatia. The Decision also stipulates that the Agency Alan d.o.o., Zagreb will pay 100% of the profits and these funds will be used for the assigned purpose of modernization and operation of the Croatian Armed Forces, AKD d.o.o. will pay 60% of the profit and these funds will be used for the purpose of improvement of material conditions of police officers, and Hrvatska lutrija d.o.o. will pay the realized profit to the state budget of the Republic of Croatia for 2020, pursuant to Article 9(6) of the Act on Games of Chance (Official Gazette 87/09, 35/13, 158/13, 41/14 and 143/14).

In 2020, 15 companies had a payment obligation and they paid a total of HRK 1,204,735,155.16. In 2020, the amount of HRK 893.961.221.10 was paid, and in 2021 the amount of HRK 310.773.934.06.

Hereinafter an overview of total payments made per company is given.

Table 13 Payments made to the state budget

Company	Iznos uplate
ACI d.d.	15.076.193,11
AGENCIJA ALAN d.o.o.	6.605.173,75
AGENCIJA ZA KOMERCIJALNU DJELATNOST d.o.o.	41.768.517,00
APIS IT d.o.o.	3.677.012,39
DRŽAVNE NEKRETNINE d.o.o.	23.277.903,58
HP - HRVATSKA POŠTA d.d.	13.117.533,56
HRVATSKA ELEKTROPRIVREDA d.d.	664.384.597,00
HRVATSKA LUTRIJA d.o.o.	54.518.559,39
HRVATSKE ŠUME d.o.o.	28.258.366,68
HRVATSKI OPERATOR TRŽIŠTA ENERGIJE d.o.o.	1.204.721,63
INA - INDUSTRIJA NAFTE d.d.	279.190.783,00
JANAF d.d.	38.987.118,72
NARODNE NOVINE d.d.	3.317.021,90
ODAŠILJAČI I VEZE	31.327.443,24
PLOVPUT d.o.o.	24.210,21
UKUPNO	1.204.735.155,16

13. Number of employees

The number of employees per company is shown in the table below. The highest number of employees was in Hrvatska pošta d.d. (9.680), Hrvatske šume d.o.o. (8.104), HŽ Infrastruktura d.o.o. (4.985), INA – Industrija nafte d.d. (3.536), etc.

The number of employees in surveyed companies decreased by 1,230 year-on-year during 2020. The increase or decrease in number of employees per company is shown in the following table.

Table 14. Number of employees in 2020 and change compared to 2019

Company	2020	Δ
HP - HRVATSKA POŠTA d.d.	9.680	-3,38%
HRVATSKE ŠUME d.o.o.	8.104	-0,72%
HŽ INFRASTRUKTURA d.o.o.	4.985	1,78%
INA - INDUSTRIJA NAFTE d.d.	3.536	-8,46%
FINA	2.853	0,63%
HRVATSKE AUTOCESTE d.o.o.	2.700	-3,50%
HŽ PUTNIČKI PRIJEVOZ d.o.o.	1.825	-1,93%
JADROLINIJA	1.770	-1,01%
HRVATSKA LUTRIJA d.o.o.	1.479	3,72%
HŽ CARGO d.o.o.	1.388	-6,53%
PLETER USLUGE d.o.o.	1.106	-1,69%
CROATIA AIRLINES d.d.	992	-0,30%
HRVATSKA KONTROLA ZRAČNE PLOVIDBE d.o.o.	748	-0,66%
BOROVO d.d.	592	-5,28%
HEP d.d.	498	0,61%
ZRAČNA LUKA DUBROVNIK d.o.o.	474	-9,02%
NARODNE NOVINE d.d.	468	2,86%
APIS IT d.o.o.	467	3,09%
HRVATSKE CESTE d.o.o.	466	1,75%
ZRAČNA LUKA SPLIT d.o.o.	388	-14,91%
JANAF d.d.	385	1,05%
AGENCIJA ZA KOMERCIJALNU DJELATNOST d.o.o.	367	6,38%
ACI d.d.	346	-6,49%
ODAŠILJAČI I VEZE d.o.o.	304	0,66%
PLINACRO d.o.o.	272	-1,09%
PLOVPUT d.o.o.	265	-3,28%
ZRAKOPLOVNO-TEHNIČKI CENTAR d.d.	201	-3,83%
ORLJAVA d.o.o.	190	-40,81%
VJESNIK d.d.	188	-0,53%
LIPOVICA d.o.o.	170	-3,41%
ZRAČNA LUKA ZADAR d.o.o.	136	-24,44%
AGRODUHAN d.o.o.	136	-4,90%
ZRAČNA LUKA PULA d.o.o.	127	-25,29%
DRŽAVNE NEKRETNINE d.o.o.	118	5,36%
LUKA VUKOVAR d.o.o.	66	-5,71%
ZRAČNA LUKA OSIJEK d.o.o.	57	-9,52%
HRVATSKI OPERATOR TRŽIŠTA ENERGIJE d.o.o.	44	12,82%
BRODARSKI INSTITUT d.o.o.	44	7,32%
ZRAČNA LUKA RIJEKA d.o.o.	41	-41,43%
JADROPLOV d.d.	34	6,25%
POMORSKI CENTAR ZA ELEKTRONIKU d.o.o.	29	-9,38%
AGENCIJA ALAN d.o.o.	18	-14,29%
3.MAJ STM d.o.o.	18	0,00%
BRIJUNI RIVIJERA d.o.o.	17	-10,53%
DE-FOS d.o.o.	17	21,43%
KONOPLJA d.o.o.	12	-7,69%

INSTITUT ZA SIGURNOST d.d.	11	-21,43%
HRVATSKA BRODOGRADNJA - JADRANBROD d.d.	9	-10,00%
ZRAČNA LUKA ZAGREB d.o.o.	5	0,00%
UKUPNO	48.189	

The average realised trading price per share code ACI during 2020 is HRK 6241. The total amount of 217 shares was sold, representing 0.20% of the total shares emitted, and turnover was realized in the total amount of HRK 1,354,400.00. The dividend paid for the said period amounts to HRK 172.03 per share.

14. Joint stock companies listed on the regulated capital market

The portfolio of legal entities of special interest to the Republic of Croatia includes shares of 5 companies listed on the regulated capital market of the Zagreb Stock Exchange and shares of 2 companies from the CERP portfolio, 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,
- Jadranski naftovod d.d. Zagreb,
- Vjesnik d.d,
- Jadroplov d.d.

The graph below shows the trend for share prices of these companies on the regulated capital market during 2020, while noting that in the calculation average share prices per month were taken into account. The amounts of dividend paid for this period is also shown (for companies that paid out dividends):

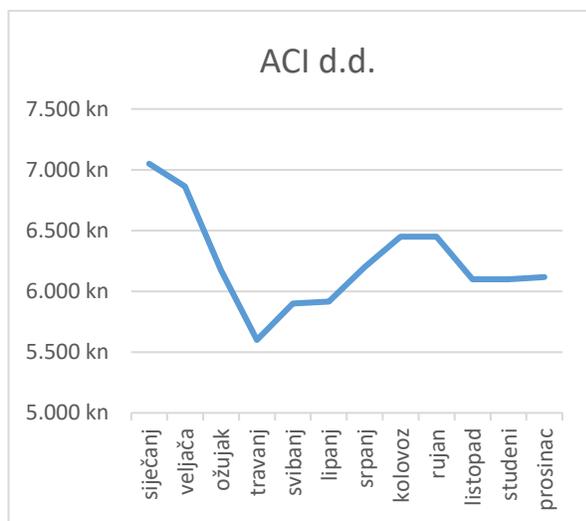


Chart 4. ACI d.d. average trading price of the stock in 2020

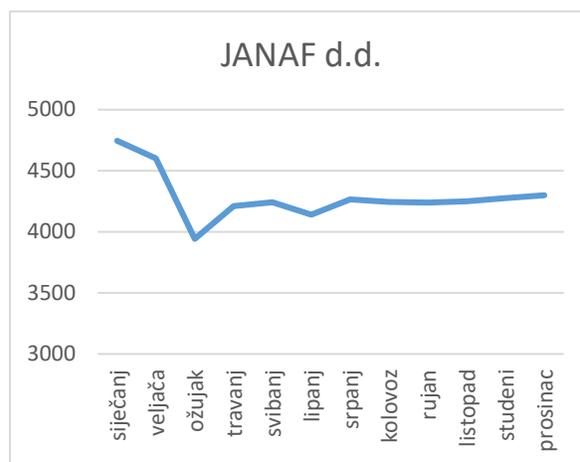


Chart 5. JANAF d.d. average trading price per share in 2020

The average realised trading price of the share code JNAF during 2019 is HRK 4170,84. The total amount of 939 shares was sold, which represents 0.09% of the total shares emitted, and turnover was realized in the total amount of HRK 3,916,420.00. The dividend paid for this period amounts to HRK 74.08 per share.

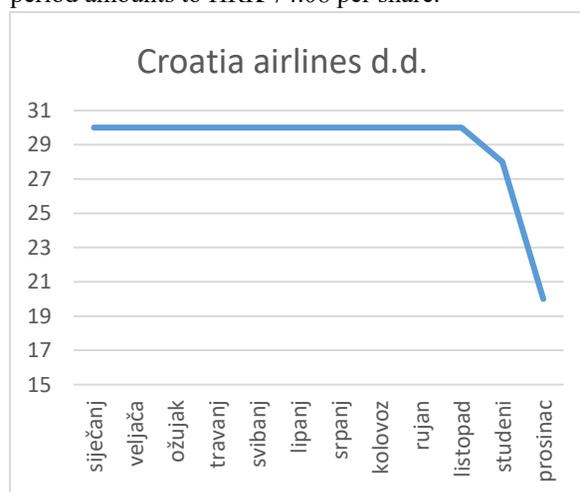


Chart 6. Croatia Airlines d.d. average trading price of the stock in 2020

The average realised trading price of the share code CRAL during 2020 is HRK 26.50. The above share was traded extremely rarely, i.e., only 2,759 shares were

traded, which represents 0.01% of the total shares emitted, and turnover in the total amount of HRK 73,120.40 was achieved.

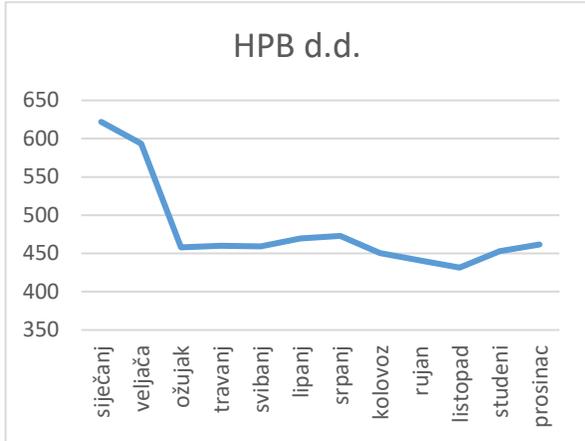


Chart 7. HPB d.d. average trading price of the stock in 2020

The average turnover price of the share code HPB during 2020 is HRK 511.38. The total amount of 38,860 shares was traded, which represents 1.92% of the total shares emitted, and turnover in the total amount of HRK 19,872,240 was achieved.

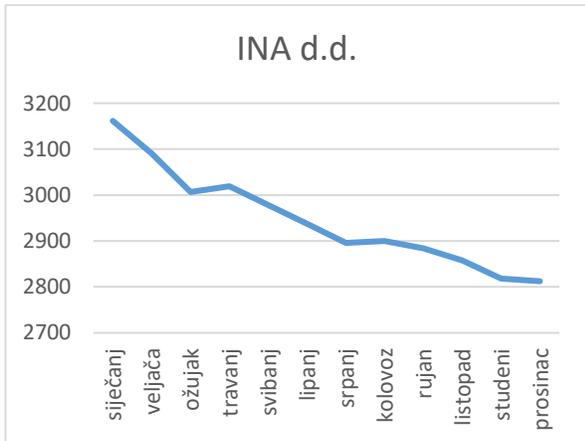


Chart 8. INA d.d. average trading price of the stock in 2020

The average realised trading price of the share code INA during 2020 is HRK 2976.80. The total quantity of 2,687 shares was traded, which represents 0.03% of the total shares emitted, and turnover was realized in the

total amount of HRK 7,998,680.00. The dividend paid for this period amounts to HRK 62.27 per share.

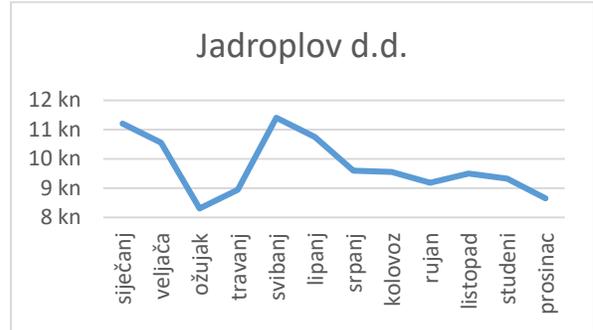


Chart 9. Jadroplov d.d. average trading price of the stock in 2020

The average realised trading price of the share code IDPL during 2020 is HRK 9.36. The total amount of 38,674 shares was traded, which represents 2.36% of the total shares emitted, and turnover was realized in the total amount of HRK 362,371.



Chart 10. Vjesnik d.d. average trading price of the stock in 2020

Average realised trading price of the share code VJSN during 2020 amounts to HRK 6.22. The total amount of 1,805 shares was traded, which represents 0.17% of the total shares emitted, and turnover was realized in the total amount of HRK 11,233.



15. Portfolio overview



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)

Government representative in the

Gen. Assembly:

Oleg Butković,
Nikolina Brnjac

Audit committee:

Marijeta Hladilo (president),
Davor Vašiček (deputy),
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 and providing ancillary services to boating enthusiasts.

PERFORMANCE IN 2020

Key business events

In 2020, 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.

The year 2020 began with the global spread of the COVID-19 virus, which resulted in a significant decrease in traffic both in nautical tourism and in most other industries. The new situation has influenced business decisions and the direction in which marina operations are conducted. In accordance with the circumstances, decisions were taken to postpone the opening of the Rab, Žut, Piškera and Palmižana seasonal marinas, which normally started operating in early April. Thus these marinas started operating in mid-June, which left the company short of achieving a certain level of

income. Furthermore, during June the company provided ACI card holders with free daily berth in ACI marinas, while it enabled business partners carrying out ancillary activities to reduce their obligations for the period of reduced scope of activities, as well as benefits in the part of the dynamics of collection of receivables.

Despite the aforementioned, 1.4 million boat days were realized in 2020 based on services of annual, monthly and daily berths. The number of realized boat days on daily berth decreased by 41 thousand boat days or by 40% compared to the previous year, and there was a reduction in realised boat days for all types of berths (annual, monthly and daily berths) in the total amount of 73 thousand boat days.

Sales revenues decreased by HRK 41.5 million or 20% compared to 2019. The revenue from the service of annual berth was retained almost at the level of the previous year, while the loss of sales revenues was primarily recorded for the daily berth service (by HRK 32.2 million or 49%), primarily influenced by the restrictions of movement in the first quarter, and the continued spread of the epidemic in the second and third quarter of 2020. Following the reduced number of guests in marinas, other nautical services offered in marinas also declined.

Nevertheless, in 2020 a positive net financial result in the amount of HRK 198 thousand was achieved, and EBITDA in the amount of HRK 70.3 million. Total revenues amounted to HRK 185.5 million, while the

company's total expenditures amounted to HRK 185 million.

Also in 2020, the company continued its practice of supporting the local community, humanitarian campaigns and various events related to sports and science, donating a total of HRK 2.3 million (to a significant part based on previously undertaken commitments).

Following the undertaken activities for the extension of concession contracts, at the end of 2020 the company received a written statement from the competent ministry which confirmed and supported the request for extension of concession contracts and, after collection of all the required documents, agreed to propose to the Government of the Republic of Croatia the adoption of the application.

Investments

In 2020, the company invested a total of HRK 47.5 million. A part of the previously planned investments has been postponed for the forthcoming period, which will certainly also be impacted by the resolution of the issue of extending the concession duration, this being crucial for the consideration of the company's further strategic development.

Significant investments relate to the ACI SAIL project, primarily regarding the procurement of ClubSwan36 sailboats and SABA 50 catamarans, the construction of a charter terminal in Split, the execution of undersea survey works, works on the rehabilitation and maintenance of anchorage systems and piers, reconstruction and upgrading of seafarers' sanitary facilities in the marina Žut, extension of the dry berth plateau in the Dubrovnik marina, and other investments aimed at upgrading the standards and quality in marinas.

In late 2020, the company started the realization of the complete breakwater reconstruction on Korčula, with the contracted value of works amounting to HRK 24.6 million, and investment completion being planned in 2021.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)

	2019.	2020.
Long-term assets	514.604	493.114
Short-term assets	190.761	169.710
Future period prepaid expenses	2.212	1.482
Total Assets	707.577	664.306
Equity	505.417	486.510
Provisions	2.860	2.835
Long-term liabilities	100.156	88.162
Short-term liabilities	48.955	44.136
Deferred payment for expenses	50.189	42.663
Total Equity & Liabilities	707.577	664.306

INCOME STATEMENT (HRK 000)

Operating revenues	232.782	179.752
Operating expenditures	193.132	177.638
Financial revenues	4.657	5.780
Financial expenditures	5.132	7.377
Total revenues	237.439	185.532
Total expenditures	198.263	185.015
Profit/Loss before tax	39.176	517
Corporate tax	7.334	319
Net profit/loss	31.842	198

KEY INDICATORS

EBITDA (HRK 000)	103.640	70.336
EBITDA margin	44,5%	39,1%
Net profit margin	13,4%	0,1%
ROA	4,5%	0,03%
ROE	6,3%	0,04%
Current ratio	3,9	3,8
Financial stability ratio	0,8	0,9
Debt ratio	28,6%	26,8%
Number of employees	370	346
Investments (HRK 000)	49.416	47.512



AKD d.o.o.

Savska cesta 31, Zagreb

www.akd.hr

Management Board:
Jure Sertić (direktor)

Supervisory Board:
Zdravko Janić (president),
Sanda Šimić-Petrinjak (zamjenica),
Ante Gudelj (member),
Miljenko Radnić (member),
Duje Perdijić (member)

Government representative in the Gen. Assembly:
Deputy Prime Minister and Minister of the Interior doc.dr.sc. 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, provides services to the banking sector and fintech industry, and is specialised in producing identity cards, passports, visas and driver's licenses.

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

AKD also provides services in issuing qualified certificates, and is a legal entity authorised for performing tasks of 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 personal identity cards as well as projects based on other electronic identification of citizens.

PERFORMANCE IN 2020

Key business events

In 2020, AKD exceeded the pre-tax profit by 104.89% and the net business result by 94.76% as compared to the

crisis plan drawn up in accordance with the Guidelines for rationalisation of business operations of state-owned legal entities due to the outbreak of COVID-19 epidemic in April 2020.

AKD also exceeded the planned business revenues despite the impact of COVID-19 pandemic that directly affected the revenue segment. In this context, it is important to emphasize the amendments to the Act on Amendments to the Personal Identity Card Act (NN 42/20), whose was adopted to extend the period of validity of ID cards expired during the epidemic in the Republic of Croatia to a maximum of 30 days after the date of proclamation of epidemic cessation. Since the cessation of the epidemic has not yet been declared, citizens have, to a considerably lesser extent, extended their personal documents, which was largely reflected in AKD's business results. Moreover, the coronavirus and several large earthquakes that hit central Croatia had a direct influence on contracts whose execution and delivery deadlines, due to the impact of force majeure, were postponed for longer periods of time.

The corona crisis also caused disturbances in the market of specific intermediate materials, which has been directly reflected in expenditures. Production components used in the process of producing national identification documents are commissioned from renowned companies specialized and certified for their production. The situation in these markets has become additionally complex also because of the aggregation

trend - large international corporations buy smaller companies as well as divisions of larger ones. There have also been significant disruptions in transport, all of which directly affects delivery times and prices. Particularly complex is the situation with the disturbance of the market of semiconductors (chips), which are an integral part of all identification documents of the Republic of Croatia. All relevant international media reported about this.

Although AKD cooperates with renowned international companies, no group of materials has remained spared from these disturbances on the world market. Major changes were reflected in groups of materials including protective papers, Kinegram, hologram foil, protective colours, polycarbonate, PVC materials, chips, inlets, laminating panels and safety stickers - both through price increases and drastic extensions of delivery times.

Since the beginning of the pandemic until today, AKD has engaged significant material and financial resources to implement measures and instructions of the Civil Protection Headquarters and to ensure safety, health and sanitary conditions with the aim of ensuring continuity of production of national documents. Continuity of production processes and organization of production work has been ensured. Non-standard shift work and team work were implemented under special epidemiological conditions, resulting in additional costs for the company.

On 1 July 2020, the Croatian National Bank became the owner of all business shares of the Hrvatski novčarski zavod .o.o. (Croatian Monetary Institute), and AKD took over from the affiliated company Croatian Monetary Institute the business section for the production of license plates.

On 30 September 2020, all property was transferred to the facility owned by AKD and license plate production has been going on continuously. AKD took over 18 workers.

Investments

In 2020 AKD made investments worth HRK 47 million. In addition to real estate with land acquired through a merger transaction carried out with the division of the company Croatian Monetary Institute, AKD invested in property (printing machines, software, IT equipment,

capital investment and infrastructure works) with the aim of further optimization and modernization of business processes.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET
(HRK 000)

	2019	2020
Long-term assets	139.095	151.638
Short-term assets	365.434	370.956
Future period prepaid expenses.	1.302	1.256
Total Assets	505.831	523.850
Equity	472.412	497.069
Provisions	2.184	2.398
Long-term liabilities	766	762
Short-term liabilities	27.936	20.948
Deferred payment for expenses.	2.533	2.673
Total Equity & Liabilities	505.831	523.850

INCOME STATEMENT (HRK 000)

Operating revenues	277.646	242.284
Operating expenditures	192.787	181.826

Financial revenues	1.144	17.734
Financial expenditures	626	1.085
Total revenues	278.790	260.018
Total expenditures	193.413	182.911
Profit/Loss before tax	85.377	77.107
Corporate tax	15.763	14.250
Net profit/loss	69.614	62.857

KEY INDICATORS

EBITDA (HRK 000)	98.358	74.856
EBITDA margin	35,4%	30,9%
Net profit margin	25,0%	24,2%
ROA	13,8%	12,0%
ROE	14,7%	12,6%
Current ratio	13,1	17,7
Financial stability ratio	0,3	0,3
Debt ratio	6,6%	5,1%
Number of employees	360	367
Investments (HRK 000)	24.777	46.928



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 Matković (member)

Government representative in the Gen. Assembly:

Mario Banožić (president),
Tomislav Čorić (member),
Zdravko Marić (member),
Davor Božinović (member),
Gordan Grlić Radman (member)

Audit committee:
Tanja Major (predsjednica),
Milan Knežević (member),
Marina Klarica (member)

Auditor:
Grant Thornton d.o.o.

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 the Ministry of the Interior. The company's other activities include: sale of non-prospective weapons and military equipment for the needs of the Armed Forces of the Republic of Croatia and the Ministry of the 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 and Sustainable Development, 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 2020

Key business events

The structure of operations of Agencija Alan d.o.o. in 2020 consisted of several basic categories:

- representing Croatian producers and promoting products of the Croatian military industry abroad,
- export of weapons and military equipment of Croatian production,
- import of goods and services for the needs of the Ministry of Defence of the Republic of Croatia and the Armed Forces of the Republic of Croatia,
- issuing prior approvals for the production of weapons and military equipment for export purposes.

In an extremely difficult situation caused by the COVID-19 epidemic, in 2020 the company successfully executed the contracted activities and the following activities were performed:

- export and delivery of weapons and military equipment of Croatian production to the EU in the value of HRK 2,087,728.51,
- purchase within various public procurement procedures for the needs of the Ministry of Defence of the Republic of Croatia in the total value of HRK 15,709,111.47,
- imports and receipts from the EU, as well as

procurements on the domestic market of goods and services for the purposes of sales and production for export purposes, worth a total of HRK 15,049,462.13, - fees based on commission transactions for shipping abroad material and technical assets, various types of parts, materials, equipment and documentation for repair, overhauling, servicing and returning them back into the country, including donations from the US Department of Defence, and the consolidation of American goods for the purposes of the Ministry of Defence of the Republic of Croatia, on the basis of which compensation of value of HRK 425.010.81 was realised.

Pursuant to the Act on the Production, Repair and Traffic of Arms and Military Equipment, it is the responsibility of the Society to issue prior approvals for the production of weapons and military equipment for export purposes. In 2020, the company received 143 requests from arms and military equipment manufacturers and issued a total of 136 prior approvals for the production of weapons and military equipment for export purposes.

In order to strengthen the existing position and to expand into new markets, Agencija Alan d.o.o. tends to continue its activities in terms of developing the efficiency of the business system and promoting products of the Croatian military industry, while simultaneously following the trends in the international arms and military equipment market.

Agencija Alan d.o.o. will continue to invest maximum knowledge, experience and promotion in order to meet the objectives, promote and export products of the domestic military industry and meet the requirements and needs of the Ministry of Defence and the Armed Forces of the Republic of Croatia.

Investments

In 2020, the company invested HRK 37 thousand into procurement of business assets and equipment. The company finances all investments from its own earnings achieved through regular business operations.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)

	2019.	2020.
Long-term assets	7.133	6.826
Short-term assets	117.202	96.206
Future period prepaid expenses.	23	8
Total Assets	124.358	103.040
Equity	78.037	66.185
Provisions	0	0
Long-term liabilities	0	0
Short-term liabilities	46.321	36.855
Deferred payment for expenses.	0	0
Total Equity & Liabilities	124.358	103.040

INCOME STATEMENT (HRK 000)

Operating revenues	98.447	18.281
Operating expenditures	91.645	23.166
Financial revenues	1.778	899
Financial expenditures	227	1.261
Total revenues	100.225	19.180
Total expenditures	91.872	24.427
Profit/Loss before tax	8.353	-5.247
Corporate tax	1.748	0
Net profit/loss	6.605	-5.247

KEY INDICATORS

EBITDA (HRK 000)	7.241	-4.542
EBITDA margin	7,4%	-24,8%
Net profit margin	6,6%	-27,4%
ROA	5,3%	-5,1%
ROE	8,5%	-7,9%
Current ratio	2,5	2,6
Financial stability ratio	0,1	0,1
Debt ratio	37,2%	35,8%
Number of employees	21	18
Investments (HRK 000)	250	37

**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 (predsjednica),
Gordana Razum (member),
Mirka Jozić, (member),
Ana Stavljenić-Rukavina (member),
Tatjana Gruber (member)

Government representative in the

Gen. Assembly:
Zdravko Zrinušić

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**

For the past 56 years the Information Systems and Information Technologies Support Agency (APIS IT d.o.o.) has been providing strategic, expert and implementation services to the public sector in the Republic of 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 2020**Key business events**

The company's operation is almost exclusively directed to meet the needs of administrative bodies in the Republic of Croatia and the City of Zagreb, and their related business entities. In total revenues in 2020, receivables from buyers belonging to the group of entities under the control of the Republic of Croatia accounted for 92.9%, whereas those under the control of the City of Zagreb accounted for 7.6% of total revenue. In the period from 2017-2020, the average share of total revenues of the company was 90.7% from buyers under the control of the Republic of Croatia, and 8.4% for buyers under the control of the City of Zagreb. Revenue from other buyers is negligible.

During 2020, revenues are also generated on the basis of the Grant agreement concluded for the project Establishment of the Centre for Shared Services and the eBusiness Project in which the company is a partner to the Ministry of Administration, or the Central State Office for the Development of Digital Society respectively. These revenues are generated by European funds. Also in 2020, APIS IT participated in drafting the National Development Strategy, which will provide opportunities for participation in strategic projects of the Republic of Croatia within the above mentioned thematic areas of e-management and IT infrastructure of the state.

Investments in modern ICT equipment and construction and energy infrastructure have continued, which will enable the company to generate revenues from providing data centre services to state administrative bodies and other interested entities.

Apart from continuously working on improving existing services for all users, during 2020 the following projects are emphasised: providing support in the organization and implementation of the second round of presidential elections and the implementation of parliamentary elections, the role of IT coordinators and the paperless Croatian Presidency of the Council of the European Union, participation in the implementation of priority measures in the control and

mitigation of the economic crisis caused by the COVID-19 pandemic for Tax Administration purposes, as well as intervention measures of the Croatian Government, the Ministry of Health, the City of Zagreb and the Zagreb Holding company, and the development of a Register of compensations following the earthquakes in the City of Zagreb.

The earthquake and the COVID-19 pandemic at the beginning of the second quarter had an impact on the change in the mode and organisation of the company's business operation. The management of the company took all the recommended and prescribed measures to protect the health and safety of employees, ensuring that the restrictions imposed due to the epidemiological situation do not affect business partners, the contracted deliveries and the financial operations of the company. New crisis management measures have resulted in positive and optimal management of the company.

Revenues in the amount of HRK 322.6 million were generated, which is by 15.3% more than those generated during the same period of the previous year. Expenditures amounting to HRK 266.6 million were by 0.9% higher than those achieved in the same period of 2019. Pre-tax profit in the amount of HRK 45.9 million increased by 281.7% as compared to the same period of the previous year.

Investments

Investments in fixed assets in 2020 amounted to HRK 123.3 million. In addition to the HRK 93.7 million invested in 2018 and HRK 65.4 million invested in 2019, total investments over the last three years amounted to HRK 282.5 million.

The mentioned investments were carried out in line with the business plan and development strategy of APIS IT through the company's restructuring and solutions for the so called 'technological debt'. The goals achieved through these investments were: establishment of full functionality of the primary and secondary location of the data centre, expansion of capacities for the purpose of setting up a data centre in line with highest security and accessibility standards and adequate for all the public administrative bodies and the interested local self-government units, as well as creating business conditions at the highest standards of security and quality of data centres.

The company also invested in building infrastructure to provide optimal conditions for the company's overall functioning.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (hrk 000)

	2019.	2020.
Long-term assets	149.857	225.714
Short-term assets	260.909	245.560
Future period prepaid expenses	0	0
Total Assets	410.766	471.274
Equity	337.285	375.943
Provisions	9.693	9.954
Long-term liabilities	4.843	0
Short-term liabilities	58.945	85.377
Deferred payment for expenses	0	0
Total Equity & Liabilities	410.766	471.274

INCOME STATEMENT (hrk 000)

Operating revenues	278.335	320.660
Operating expenditures	263.679	264.888
Financial revenues	1.473	1.936
Financial expenditures	485	1.751
Total revenues	279.808	322.596
Total expenditures	264.164	266.639
Profit/Loss before tax	15.644	55.957
Corporate tax	3.628	10.089
Net profit/loss	12.016	45.868

KEY INDICATORS

EBITDA (HRK 000)	58.311	96.760
EBITDA margin	20,9%	30,2%
Net profit margin	4,3%	14,2%
ROA	2,9%	9,7%
ROE	3,6%	12,2%
Current ratio	4,4	2,9
Financial stability ratio	0,4	0,6
Debt ratio	17,9%	20,2%
Number of employees	453	467
Investments (HRK 000)	65.385	123.337



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

Management Board: Jasmin Bajić
(direktor)

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

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

Audit committee:
Nataša Munitić (predsjednica),
Zoran Barac (member)

Auditor:
KPMG Croatia d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

The company Croatia Airlines d.d. is a Croatian airline founded in 1989 under the name of *Zagal*. In 1990, the company changed its name to Croatia Airlines. It is a joint-stock company 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 2020

Key business events

For Croatia Airlines, 2020 was the worst business year in its thirty-year history, as a result of the global Covid-19 pandemic, which had a particularly negative impact on travel and tourism, and airlines and air traffic as a whole are among the most affected economic activities. Although the company continued to operate despite extraordinary circumstances, the significantly reduced demand for air transport services affected its operations in all segments. Consequently, a sharp decline in sales significantly jeopardised the company's operations, and the maintenance of liquidity under the resulting conditions was particularly challenging.

Croatia Airlines' operations in 2020 were characterized by the biggest civil aviation crisis in history with a

resulting decrease in passengers of 72% as compared to 2019.

In 2020, in regular international traffic Croatia Airlines connected Croatia with 19 destinations and 7 destinations in domestic traffic. In 2020, a total of 618.123 passengers were transported. Out of the total number of passengers carried, 172,077 were in domestic regular traffic, 437,373 in international regular traffic and 8,673 in charter traffic. The realized passenger load factor (PLF) of 49.6% is 24 percentage points lower than the one achieved in 2019.

Under the occurred market conditions, at the end of 2020, operating losses amounted to HRK 335.4 million, while the total net loss of the financial year amounted to HRK 358.2 million. The increase in net loss compared to the end of 2019 is a direct consequence of reduced demand for air transport services in the conditions of the coronavirus pandemic, which caused a reduction in capacity and traffic effects in passenger and freight transport.

The value of assets and liabilities at the end of 2020 was HRK 1,668 million. The total long-term assets decreased by 23% compared to 2019 as a result of the value adjustment of aircraft due to the decline in market value influenced by the Covid-19 crisis.

Only necessary investments were made in 2020, with the majority of investments directly related to flying, maintenance and operation of aircraft, i.e. maintenance of guaranteed safety. Total investment amounts to HRK 69.4 million, out of which more than 90 percent were invested in aircraft (HRK 65.2 million). A twelve-

year inspection was performed on the Airbus CTG AIRCRAFT with an ESG modification. An inspection of the rented engine and modifications on the chartered aircraft A320 CTJ was performed. Other investments included approximately HRK 4.2 million, with investments in software amounting to HRK 2.5 million, the procured equipment to HRK 1.3 million, whereas investments in other various equipment and infrastructure amounted to HRK 0.4 million.

Due to the Covid-19 pandemic, the European and world economies suffered severe consequences and the European Commission adopted a “Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak”, which was adopted on 19 March 2020. On 28 January 2021, the European Commission adopted the fifth amendment to the “Temporary Framework” prolonging the granting of the aid until 31 December 2021. Under this document, European airlines received large state aid from their governments, and aid packages included recapitalisation, state guarantees for loans, shareholder loans, etc. This approach contributed to the reduction of the negative effects of the Covid-19 crisis, so that aviation benefits could be regained vigorously once the pandemic is put under control.

In accordance with this document, funds were paid as state recapitalisation in the amount of HRK 350 million intended for the return of the capital level to the level before the beginning of the pandemic, i.e. to the value on 31 December 2019.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)

	2019.	2020.
Long-term assets	1.209.541	931.333
Short-term assets	181.532	726.581
Future period prepaid expenses.	16.046	9.614
Total Assets	1.407.119	1.667.528
Equity	224.890	215.931
Provisions	212.715	203.075
Long-term liabilities	467.245	820.798
Short-term liabilities	471.745	394.989
Deferred payment for expenses.	30.524	32.735
Total Equity & Liabilities	1.407.119	1.667.528

INCOME STATEMENT (HRK 000)

Operating revenues	1.728.289	759.495
Operating expenditures	1.783.673	1.094.868
Financial revenues	22.925	49.300
Financial expenditures	46.900	72.152
Total revenues	1.751.214	808.795
Total expenditures	1.830.573	1.167.020
Profit/Loss before tax	-79.359	-358.225
Corporate tax	0	0
Net profit/loss	-79.359	-358.225

KEY INDICATORS

EBITDA (HRK 000)	153.263	-125.337
EBITDA margin	8,9%	-16,5%
Net profit margin	-4,5%	-44,3%
ROA	-5,6%	-21,5%
ROE	-35,3%	-165,9%
Current ratio	0,4	1,8
Financial stability ratio	1,7	0,9
Debt ratio	84,0%	87,1%
Number of employees	981	992
Investments (HRK 000)	64.156	69.423

**Državne nekretnine d.o.o.**

Adresa: Planinska ulica 1, Zagreb

www.hr-nekretnine.hr

Management Board:
Renata Sabo (direktorka)

Supervisory Board:
Goran Gotal (president),
Ivana Leko (member),
Ilijana Krešić Rajič (member)

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

Audit committee:
Mihovil Anđelinović (president),
Antonija Rimac Gelo (zamjenica),
Damir Kaufman (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 which includes apartments, business premises having commercial value, residential premises including other properties transferred so as to be managed. The company's business operation ensured transparent, effective and professional management of properties, preserving their value for the living and work of future generations, and protecting the interests of the Republic of Croatia.

With a view to helping the economy due to the corona crisis in 2020 and its effects in 2021, the company showed solidarity in bearing the burden of the crisis and released until the second quarter of 2021, by means of assistance measures, the beneficiaries from paying more than HRK 14.5 million.

PERFORMANCE IN 2020**Key business events**

On 31 December 2020, the company managed a total of 6,630 properties, 4,918 of which were apartments, 1,698 office premises, five diplomatic and consular offices, eight residential properties and one special-purpose real estate.

Under exceptional circumstances caused by the natural disasters and the outbreak of the COVID-19 pandemic, the company showed an exceptional willingness to adapt business to new conditions both in working processes

and on the market. Consistent corporate policy of putting real estate into operation, operational improvement of business processes, digitization of part of business operations, regulation of the use of real estate, efficient management of claims as well as an adequate response in conditions of economic and health crisis have enabled the company not only to maintain stability but also a noticeable growth of revenues.

HRK 112.3 million in revenues were generated, that is, revenues increased by almost 9% in relation to the record pre-pandemic 2019, and at the same time the company participated with HRK 8.5 million in measures to assist economic entities and households affected by earthquakes and the coronavirus. In addition to the achieved growth of revenues, business expenditures grew as a result of a correction of the value of receivables caused by the impossibility of collection, but also by a significant increase in the costs of reserves resulting from earthquake-damages to real estates in 2020. The company also paid HRK 50 million to the state budget.

Business premises account for 25.61% of the total real estate portfolio managed by the company, while the share of apartments was 74.18%. Looking at the revenue achieved in 2020, the company generated 76.11% of business revenues in the business premises segment, while the share of realised business revenues in the apartment segment amounted to 22.91%.

Despite the pandemic, earthquakes and limiting business operations, a gross profit of HRK 38 million

was achieved and the company ranked high on place 76 out of 1,500 Croatian companies in terms of achieved revenues.

Through public tenders 154 office premises were offered for lease on the market throughout Croatia, which gave business entities the opportunity to lease premises at attractive locations with legal certainty of business operation due to ten-year contracts.

At the end of the financial year, the total value of the lease contracts amounted to almost HRK 400 million, out of which 271 new contracts worth a total of HRK 127 million were concluded in the current year.

By putting state property into function, the company indirectly contributes to the creation of preconditions for economic growth and development of the communities in which the offered business premises are located. In cooperation with the lessees, the premises become functional and recognizable, and the diversity of offer revives local environments and city districts.

For two years in a row, Državne nekretnine have been ranked among the 500 best companies in Croatia, which distinguished themselves by excellence and business results, and are also among the top ten companies in the sectoral “real estate” activity in terms of newly created value, business indicators and continuous income growth.

Investment in property, the achieved results, implementation of economic assistance and a sense of community in which the company operates confirm that Državne nekretnine have readily responded to the challenges so far and made necessary adjustments at the time of the pandemic to the satisfaction of both users and property owners.

Investments

The company continuously implements all necessary activities for capital and ongoing investment in the real estates managed by it with the aim of putting them into function, extending their life expectancy and increasing their value.

Despite the crisis conditions of 2020, the company has maintained a significant level of planned investments in order to stimulate economic activities and maintain the

investment cycle, and has invested HRK 7.3 million through activities aimed at drafting design documentation, technical support and investment and current maintenance of real estate.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET
(HRK 000)

	2019.	2020.
Long-term assets	17.017	17.941
Short-term assets	96.914	96.076
Future period prepaid expenses.	1.642	428
Total Assets	115.573	114.445
Equity	87.589	94.876
Provisions	732	530
Long-term liabilities	0	0
Short-term liabilities	26.865	18.267
Deferred payment for expenses.	387	772
Total Equity & Liabilities	115.573	114.445

INCOME STATEMENT (HRK 000)

Operating revenues	99.497	108.151
Operating expenditures	52.334	74.199

Financial revenues	3.698	4.179
Financial expenditures	21	35
Total revenues	103.195	112.330
Total expenditures	52.355	74.234
Profit/Loss before tax	50.840	38.096
Corporate tax	12.043	7.531
Net profit/loss	38.797	30.566

KEY INDICATORS

EBITDA (HRK 000)	49.413	38.399
EBITDA margin	49,7%	35,5%
Net profit margin	37,6%	27,2%
ROA	33,6%	26,7%
ROE	44,3%	32,2%
Current ratio	3,6	5,3
Financial stability ratio	0,2	0,2
Debt ratio	24,2%	17,1%
Number of employees	112	118
Investments (HRK 000)	10.277	4.842



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

Management Board:
 Dražen Čović (president)
 Vinka Ilak (member)
 Branko Malenica (member)

Auditor:
 Deloitte d.o.o.

OWNERSHIP



Supervisory Board:
 Ivana Radeljak Novaković
 (predsjednica)
 Milan Kovač (deputy)
 Davor Mikulić (member)
 Grozdana Perić (member)
 Zvonko Šakić (member)

GENERAL INFORMATION ON THE COMPANY

Financijska agencija (Financial Agency) (FINA) was established and operates under the Financial Agency Act of 2002. It is vested with public powers, among which the most important are enforcement of collection of funds, keeping public registers and enforcement of real estate and movable property. It also performs commercial activities, among which the most important tasks are in the financial services sector, digital solutions and IT support services in the work of public administration bodies.

PERFORMANCE IN 2020

Key business events

Under unprecedented health and social crisis conditions, the initially established business priorities for 2020 changed in March, and until the end of the year FINA focused on the organisation of work under the new circumstances ensuring the proper functioning of entrusted tasks and supporting the measures of the Government of the Republic of Croatia for economic activity preservation.

The accelerated digital transformation of all segments of the company confirmed the urgency of formulating a strategic plan for the 2021-2025 digital transformation of FINA. Therefore, this project was continued and its processes completed in mid-2020.

Adoption of the Act on Amendments to the Act on the Implementation of Enforcement of Financial Assets, which prescribes suspension of implementation of enforcement on funds for the duration of special circumstances, and of the Act on Amendments to the Accounting Act, which, among other things, abolishes the Ordinance on types and amount of fees to the Financial Agency for the service of public disclosure of documents from the Register of annual accounts, had a significant negative impact on the performance of FINA's operations in the second half of the reporting year. However, the measures taken to rationalize operations have had a positive effect on the final performance of operations, so that FINA ended 2020 with an achieved net profit in the amount of HRK 10.5 million.

In relation to sector indicators for 2019, the segment of implementation of enforcement on monetary funds recorded a decrease in the number of received basis for payment of 27% in 2020, i.e. a decrease in the number of basis for which a fee of 34% was collected. At the same time, the outbreak of the COVID-19 disease further reduced the number of clients' processed orders, which decreased by 10%, while the volume of processed cash in FINA's business units decreased by 20% compared to 2019.

In order to support the measures of the Government of the Republic of Croatia, FINA established a single point for electronic application for measures of the

Government of the Republic of Croatia through the portal Measures – a digital platform as a single point of contact enabling economic operators - companies, crafts and family farms whose business is endangered or completely disabled due to the outbreak of the coronavirus to apply for measures for the preservation of economic activity and liquidity. Also, with the aim of processing requests for support from the Government of the Republic of Croatia and crediting liquidity shortages of credit and development institutions, FINA has created a COVID score – a system for assessing the threat to business entities in order to assess the need for additional financing.

In 2020, a new payment system was established – NKSInst, which enables the clients of three banks to continuously make payments in HRK (24/7/365) in only a few seconds.

In 2020 FINA has an average of 2,854 workers, which is 1% more compared to the previous year, as a result of the establishment of IT development centres in Osijek and Virovitica.

Investments

Total investments by FINA for 2020 amounted to HRK 128.7 million, which is an increase of 13% compared to 2018. In the structure of the most significant investments in 2020, the largest share of investments was in IT equipment accounting for 68% (providing support to FINA's services and internal IT services), and the modernisation of business premises in FINA's business network.

Capital investments were fully financed from own resources.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)

	2019.	2020.
Long-term assets	1.194.927	1.332.106
Short-term assets	681.716	435.889
Future period prepaid expenses.	10.592	10.831
Total Assets	1.887.235	1.778.826
Equity	1.554.686	1.524.061
Provisions	104.733	75.681
Long-term liabilities	13.128	44.366
Short-term liabilities	163.067	109.084
Deferred payment for expenses.	51.621	25.634
Total Equity & Liabilities	1.887.235	1.778.826

INCOME STATEMENT (HRK 000)

Operating revenues	917.488	752.980
Operating expenditures	830.476	771.840
Financial revenues	22.018	25.221
Financial expenditures	3.021	3.895
Total revenues	939.506	778.201
Total expenditures	833.497	775.735
Profit/Loss before tax	106.009	2.466
Corporate tax	25.935	-8.033
Net profit/loss	80.074	10.499

KEY INDICATORS

EBITDA (HRK 000)	184.234	100.146
EBITDA margin	20,1%	13,3%
Net profit margin	8,5%	1,3%
ROA	4,2%	0,6%
ROE	5,2%	0,7%
Current ratio	4,2	4,0
Financial stability ratio	0,8	0,8
Debt ratio	17,6%	14,3%
Number of employees	2.833	2.853
Investments (HRK 000)	109.765	124.263



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 (predsjednica),
Ladislav Turčinović (deputy), Darko
Kasap (member),
Rudi Grubišić (member)

Auditor:

FACT Revizija d.o.o.
Audit d.o.o. and Crowe Horwath
revizija d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

The company Hrvatske autoceste d.o.o. (Croatian Motorways) was founded pursuant to the Act on Amendments to the Public Roads Act, by Decision of the Government of the Republic of Croatia on the division and transformation of the Croatian Road Administration into the companies Hrvatske autoceste d.o.o. and Hrvatske ceste d.o.o., and it started its activities on 11 April 2001.

Hrvatske autoceste operate, build, reconstruct and maintain motorways, except those motorways that are managed by the concessionaire according to the provisions of the Road Act. The company operates a network of 1,112,93 km of built motorways.

PERFORMANCE IN 2020

Key business events

During 2020, the company executed its obligations within its scope of business and competence responsibly and fully. The company's operation in 2020 was marked by the outbreak of the COVID-19 epidemic, and after the proclamation of the epidemic on 11 March 2020, the company operated under substantially changed, extraordinary circumstances. Activities were undertaken to adjust operation and maintain long-term stability with the aim of orderly fulfilling of credit obligations, paying salaries, settling basic and necessary operating costs and continuing the initiated investment activities. By

Decision of the Government of the Republic of Croatia of 21 May 2020 the procedure was initiated for the termination of the concession granted to the company Autocesta Rijeka - Zagreb d.d. and the merger of the company Autocesta Rijeka - Zagreb d.d. with the company Hrvatske autoceste d.o.o. The merger took place on 31 December 2020, and the entire operation of the merged company continued within the scope of the company Hrvatske autoceste d.o.o., which took over all assets, receivables and liabilities. The company now manages a total of 1,112,93 km of motorways. 187.03 km have been added under the management of Hrvatske autoceste, which until then constituted the concession area of Autocesta Rijeka-Zagreb d.d. In 2020, Hrvatske autoceste d.o.o. carried out the process of deferred payment of the principal loan amounts (moratorium) by 12 months without extending the repayment period for two loans that accounted for 55% of the company's total debt and refinanced part of its loan liabilities, thus ensuring the orderly servicing of loan liabilities in a situation when the company, due to the COVID-19 epidemic, had a significant reduction in receipts from its regular operations. For the purpose of implementing the merger procedure of Autocesta Rijeka-Zagreb d.d., a part of credit liabilities under two loans of the merged company has been refinanced.

Total revenues of the company in 2020 were realized in the amount of HRK 1.608 billion, and compared to 2019 there was a decrease of 30%, mostly due to a decrease in revenue from toll collection as a result of a

reduction in the number of vehicles on all routes by 28.6%, caused by a limitation of travel and movement due to the pandemic and the non-introduction of a seasonal increase in the prices of tolls for vehicle categories I.A, I and II.

The company's total operating expenditures amounted to HRK 1.608 billion, which is 11.1% less than in previous 2019.

Based on commitments made in the implementation of the project Modernisation and restructuring of the road infrastructure sector, the majority of the process of company reorganization based on functional analysis and rationalization of business activities has been completed, with the application of incentive measures to provide for redundant workers through voluntary termination of the employment contract, thus reducing operational expenditures compared to the starting 2016 by 7%.

Pursuant to the Road Act, due to the specific role of the company and the manner of evaluation and financing of fundamental activities, Hrvatske autoceste d.o.o. apply the capital approach in keeping its business books. This implies a parallel record of business events for Hrvatske autoceste d.o.o. as a company, and of business events for the public good - property of the Republic of Croatia under the management of Hrvatske autoceste d.o.o. This means that a portion of the depreciation of motorways under the management of Hrvatske autoceste d.o.o. that cannot be covered by revenues, is charged to public capital, while the company shows a result of operations in the amount of zero HRK.

Investments

Total capital investments in 2020 amounted to HRK 483 million, out of which HRK 226 million was invested in the construction of motorways, HRK 224 million in extraordinary maintenance, and HRK 33 million in the procurement of tangible and intangible assets of the company.

In project terms, but also financially, the most important projects in 2020 are: works on the construction of the Halasica bridge, viaduct and crossing points, and of the route on the subsection Halasica bridge – Beli Manastir, works on construction completion of the transnationala Sava bridge, all on the A5 motorway Beli Manastir-Osijek-Svilaj subsection, reconstruction works on the connection to the Goričan border crossing on the A4 motorway, which was put into operation in June 2020, works on extending the Dugopolje node (phase I) on A1 route, construction of noise protection walls according to the Action Plan, revitalization and reconstruction of road service areas, etc.

Extraordinary maintenance projects were related to asphalt pavement curtain rehabilitation works, repair of facilities, cuttings and landslides, rehabilitation of road drainage systems, works to improve traffic safety (signalling to prevent the entry of vehicles into the opposite direction, remediation of potentially dangerous places, replacement of variable traffic signalling, activities related to implementation of traffic signalling - "hold space" notifications), project to introduce intelligent transport systems in traffic maintenance and control centres (Crocodile 2 and Crocodile 3 projects).

Projects for digitization and automation of business processes have also been developed in 2020 and will be implemented in the following periods.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2019.	2020.
Long-term assets	37.811.450	41.984.314
Short-term assets	959.794	1.169.846
Future period prepaid expenses.	86.964	90.438
Total Assets	38.858.208	43.244.598
Equity	17.766.352	16.814.691
Provisions	71.584	75.732
Long-term liabilities	19.485.251	23.958.170
Short-term liabilities	1.174.022	1.486.833
Deferred payment for expenses.	360.999	909.172
Total Equity & Liabilities	38.858.208	43.244.598
INCOME STATEMENT (HRK 000)		
Operating revenues	2.284.632	1.597.130
Operating expenditures	1.803.724	1.597.846
Financial revenues	11.474	11.152
Financial expenditures	4.485	10.436
Total revenues	2.296.106	1.608.282
Total expenditures	1.808.209	1.608.282
Profit/Loss before tax	487.897	0
Corporate tax	89.353	-10.893
Net profit/loss	398.544	10.893
KEY INDICATORS		
EBITDA (HRK 000)	1.386.664	782.476
EBITDA margin	60,7%	49,0%
Net profit margin	17,4%	0,7%
ROA	1,0%	0,0%
ROE	2,2%	0,1%
Current ratio	0,8	0,8

Annual report for state-owned entities for 2020

Financial stability ratio	1,0	1,0	Investments (HRK 000)	338.371	483.349
Debt ratio	54,3%	61,1%			
Number of employees	2.798	2.700			



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),
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**

Hrvatske ceste d.o.o. (Croatian Roads) is responsible for the management, construction, reconstruction and maintenance of the network of state roads of a total length of 7,328,219 km. The company was founded with the aim of investing in road infrastructure in order to ensure safe traffic, improve the quality of life in the community and economic prosperity, and started operations on 11 April 2001 as one of the two legal successors of the Croatian Road Administration.

Business activities are planned in accordance with the Transport Development Strategy of the Republic of Croatia and in accordance with the four-year Public Roads Construction and Maintenance Programme.

The vision and mission of the company result in four strategic business objectives:

- road safety;
- further integration of the road network with European traffic flows and the existing network of the Republic of Croatia;
- traffic flow along with the development and integration of intelligent transport systems (ITS);
- establishing a national transport model and a numbering system.

The company is an extra-budgetary user of the State budget, defined in the Register of budgetary and extra-budgetary users.

PERFORMANCE IN 2020**Key business events**

In 2020, a new methodology for drafting the financial plan was applied, planned revenues and receipts and expenditures and expenses are expressed according to the monetary principle.

According to the Amendments to the Financial Plan of Hrvatske ceste d.o.o. for 2020 (OG 124/2020), total revenues is planned in the amount of HRK 2,418.45 million, total expenditures in the amount of HRK 2,527.85 million and a deficit in the amount of HRK 109.40 million. The realization of this plan resulted in a deficit of HRK 146.92 million, total revenues and receipts amounted to HRK 2,440.06 million, whereas expenditures on capital investments and expenses amounted to HRK 2,586.98 million.

Following the previous year, the preparation of projects for the absorption of available funds from EU funds was still underway. By the end of 2020, the total value of eligible costs for projects for which the company has signed a grant agreement amounts to HRK 4,261 billion.

In the future, the company will endeavour to realise the goals defined by the 2017-2020 Public Roads Construction and Maintenance Programme and

continuously invest in computerization of business processes and road data bases.

Investments

Total capital investments in 2020 were planned in the amount of HRK 1,547.47 million, and realized in the amount of HRK 1,654.39 million (according to the monetary principle). Expenditures for capital investments in construction were executed in the amount of HRK 1,023.58 million, i.e. 104.37% of the planned amount. Most of the state road construction works in 2020 were carried out on 5 capital projects: Road connection to southern Dalmatia, mainland-peninsula Pelječac bridge with access roads and the Ston bypass, connection road Zabok (D24) – Krapina (D1), connection road: Istrian Y (Rogovići node) – Lindarski Križ, multimodal platform of Split agglomeration Solin – Stobreč – Dugi rat – Omiš, construction of an express road though Karlovac, Split direction: section Mostanje - Vukmanički Cerovac.

Investment in the investment maintenance and reconstruction of state roads was made in the amount of HRK 600.09 million, i.e. 115.61% of the plan.

Among the projects of investment maintenance and reconstruction of state roads, the following should be pointed out as the most important in terms of realization in 2020:

Reconstruction of D2 through Martin and Našice, Reconstruction of D2 between Normanci settlement and D34, Reconstruction of D6 (section Stative - Borlin), Reconstruction of D1 from D205-Ž2195 (Zabok industrial zone), Road lighting and installation of protective earthing on Gromova bridge in Sisak on D37, Reconstruction of part of D8 (sections 003, 004 and 104 (Krešimir Street and Adamić Street, Rijeka)), Reconstruction and extension of the drainage system, Extraordinary maintenance of D55/003 hub with A3, Extraordinary maintenance of D255 (Brdovec), Extraordinary maintenance of road facilities (viaduct Ploče, Gornja Ozrna, Srednja Ozrna, Belinovača and Klis Grlo tunnel), Reconstruction of D3 on section Donji Pustakovec – Mala Subotica – Štefanec, Reconstruction of D8/027 from km 22+430 to 25+480, Reconstruction of the intersection between state road DC 8 and local road LC 65059 in Šibenik – nod Rokići, Remediation of AB elements and transition parts of the bridge Mainland – Island of Pag on D106, Extraordinary maintenance of

pavement in Baćin Dol, Reconstruction of D8/023 (Pećina – Čeveljuša).

Total investments in other fixed assets amounted to HRK 30.72 million, with the largest investments being made in IT projects, Crocodile II project and road equipment.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET
(HRK 000)

	2019.	2020.
Long-term assets	76.184.154	77.385.436
Short-term assets	471.554	368.955
Future period prepaid expenses.	89.662	80.915
Total Assets	76.745.370	77.835.306
Equity	65.791.184	66.221.026
Provisions	159.463	114.332
Long-term liabilities	9.005.245	8.762.012
Short-term liabilities	601.289	1.109.575
Deferred payment for expenses.	1.188.188	1.628.361
Total Equity & Liabilities	76.745.370	77.835.306

INCOME STATEMENT (HRK 000)

Operating revenues	201.770	202.132
Operating expenditures	196.732	201.120

Financial revenues	930	1.607
Financial expenditures	5.967	2.619
Total revenues	202.699	203.739
Total expenditures	202.699	203.739
Profit/Loss before tax	0	0
Corporate tax	356	390
Net profit/loss	-356	-390

KEY INDICATORS

EBITDA (HRK 000)	29.801	30.778
EBITDA margin	14,8%	15,2%
Net profit margin	-0,2%	-0,2%
ROA	0,0%	0,0%
ROE	0,0%	0,0%
Current ratio	0,8	0,3
Financial stability ratio	1,0	1,0
Debt ratio	14,3%	14,9%
Number of employees	460	466
Investments (HRK 000)	1.555.040	1.878.773


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 2020
Key business events

In 2020, net profit totalled HRK 1,401 million, which is HRK 294 million more than in 2019, when the realized profit amounted to HRK 1,107 million.

Total operating revenues amounted to HRK 8.4 billion, a decrease of HRK 918 million (10%) compared to 2019, due to a 11% decrease in revenues generated from the sale of electricity on the market and to related companies.

Revenues from the sale of electricity amounted to HRK 6.8 billion and decreased by HRK 820 million compared

to the previous year due to reduced sales to domestic customers of the category of entrepreneurship and lower sales on the foreign market.

In the wholesale of gas, which HEP d.d. carried out until 31 March 2021, 46% less gas was sold to suppliers under the public gas supply obligation, which, with a lower average sales price, resulted in lower revenues. The decrease in sales was mostly influenced by the reduction in the number of suppliers having the public service obligation who chose to purchase gas from HEP d.d. after 31 March 2020.

Total operating expenditures amounted to HRK 7.4 billion and decreased by HRK 1.4 billion (15%) compared to the previous year due to reduced costs of electricity supply on the market. These costs participate in business expenditures with 34%, amount to HRK 2.5 billion and are reduced by HRK 668 million due to lower electricity demand due to the coronavirus pandemic and slowdown in economic activity. In addition, the costs of purchasing electricity from renewable energy sources in the incentive system have also been reduced due to a reduction in the obligation to purchase electricity generated in the incentive system from 70% to 40%, and the costs of purchasing gas for sale on the wholesale market due to lower sales.

On 27 August 2020, the HEP d.d. assembly decided to pay dividends for 2019 in the amount of HRK 664.4 million (representing 60% of the profit after taxation of

the ruling HEP d.d. for 2019 – HRK 1.107 million). On 31 August 2020 HEP made a dividend payment to the State budget.

The company actively participates in the preparation and implementation, and provides support to HEP group members on energy projects that are fully or partially financed by EU funds. In November 2020, a contract for the allocation of HRK 421.5 million in grants from the European Structural and Investment Funds for the project of revitalization of the hot-water network in the City of Zagreb was signed (the total value of the project is HRK 700 million). Since July 2018, a pilot project for the introduction of advanced networks with a total value of HRK 177 million has been implemented with a grant amount of approximately HRK 150 million.

Investments

HRK 546 million was invested in 2020. Capital investments increased by 186% compared to 2019.

In the segment of renewable energy projects, a significant step forward is the construction of the first HEP wind power plant Korlat and the solar power plant Vis, as well as the beginning of construction of the solar power plants Cres, Obrovac, Marići, Kaštelir 2 and Stankovci.

The construction continued of a highly efficient combined cogeneration plant powered by a gas turbine aggregate at the site of Elektrana – toplana Zagreb, worth EUR 130 million.

Implementation of eMobility development projects continued, co-financed from EU funds, through 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)	2019.	2020.
Long-term assets	27.933.850	29.013.963
Short-term assets	7.153.051	6.978.207
Future period prepaid expenses.	19.800	16.129
Total Assets	35.106.701	36.008.299
Equity	26.158.880	26.879.561
Provisions	223.593	227.721
Long-term liabilities	4.617.933	5.047.971
Short-term liabilities	4.086.762	3.835.513
Deferred payment for expenses.	19.533	17.533
Total Equity & Liabilities	35.106.701	36.008.299

INCOME STATEMENT (HRK 000)

Operating revenues	9.315.238	8.396.884
Operating expenditures	8.780.044	7.423.234
Financial revenues	1.204.647	1.037.153
Financial expenditures	511.557	475.663
Total revenues	10.519.885	9.434.037
Total expenditures	9.291.601	7.898.897
Profit/Loss before tax	1.228.284	1.535.140
Corporate tax	120.977	134.104
Net profit/loss	1.107.307	1.401.036

KEY INDICATORS

EBITDA (HRK 000)	595.198	1.033.400
EBITDA margin	6,4%	12,3%
Net profit margin	10,5%	14,9%
ROA	3,2%	3,9%
ROE	4,2%	5,2%
Current ratio	1,8	1,8
Financial stability ratio	0,9	0,9
Debt ratio	25,5%	25,4%
Number of employees	485	498
Investments (HRK 000)	176.908	546.142



HRVATSKA KONTROLA
ZRAČNE PLOVIDBE

Hrvatska kontrola zračne plovidbe d.o.o.

Rudolfa Fizira 2, Velika Gorica

www.crocontrol.hr

Management Board:
Vlado Bagarić (direktor)

Supervisory Board:
Dora Matošić (predsjednica)
Vildana Megla, (zamjenica),
Saša Crnec (member),
Željko Gojko (member)

Government representative in the

Gen. Assembly:
Oleg Butković,
Zdravko Marić,
Mario Banožić

Audit committee:
Dora Matošić
Iskra Primorac
Ivana Dražić Lutilsky

Auditor: Audit d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

Hrvatska kontrola zračne plovidbe d.o.o. (Croatian Air Traffic Control) 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 2020

Key business events

The main factor with a decisive negative and strong impact on the society's operations in 2020 is the disease pandemic caused by the SARS-CoV-2 virus. The air transport sector is one of the most affected by the pandemics, and the company's management, aware of the high business uncertainty and emerging risks, has made the necessary decisions to mitigate the negative effects.

Air traffic, expressed through the realised number of controlled operations – flights, decreased significantly and generated -57.8% less flights compared to the same period last year, while at the same time +6.4% more than in the 2020 plan revision. The category of overflights contributes to the overall structure of operations amounting to 84.7%.

Total achieved revenues decreased by -25.5%, while total expenditures decreased by -15.5% compared to the previous year.

The generated loss caused by decreased traffic and business revenues reduced the company's liquidity compared to the beginning of 2020, but the company's management, in order to achieve the established efficiency goals, continuation of the investment cycle and preservation of the company's core values, follows recent traffic forecasts, drafts analyses and scenarios to minimise various economic and financial risks.

The global transport situation resulted in the adoption of Commission Implementing Regulation (EU) No 2020/1627 on exceptional measures for the third reference period (2020-2024), which will lead to a correction of the unit rate to a higher value over a period of five to seven years, starting in 2022.

As a priority of the management board and the company as a whole, under circumstances of the pandemic and earthquakes, the objective was achieved

of continuous provision of all services and functions, with special care for health protection of employees, on the basis of which in 2020 the company was awarded the recognition “Excellence in challenges”.

Investments

In order to raise the competitiveness, safety and quality of services, the company continuously invests in the development and modernisation of the technical and technological platform.

The investment cycle slowed down in 2020 due to the decrease of the company's turnover and liquidity, but nevertheless, investments amounting to HRK 92.1 million were made, most of which related to already initiated projects: air traffic management system (COOPANS), navigation and communication equipment in terms of replacing existing and installation of new navigation systems, as well as building an additional system for surveillance (new radar in Konavle).

The specific objectives and purpose of these investments are provision of services using a modern air traffic control system that continuously adheres to all requirements related to 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. In fact, the 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 Ilijin vrh was chosen as the place for the construction of the new radar station.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)

	2019.	2020.
Long-term assets	515.759	498.323
Short-term assets	839.638	489.509
Future period prepaid expenses.	6.043	223.680
Total Assets	1.361.441	1.211.513
Equity	761.152	714.544
Provisions	262.840	222.038
Long-term liabilities	112.373	69.429
Short-term liabilities	155.980	149.437
Deferred payment for expenses.	69.095	56.064
Total Equity & Liabilities	1.361.441	1.211.513

INCOME STATEMENT (HRK 000)

Operating revenues	841.359	618.950
Operating expenditures	810.282	682.799
Financial revenues	4.099	11.271
Financial expenditures	2.522	4.309
Total revenues	845.458	630.221
Total expenditures	812.804	687.108
Profit/Loss before tax	32.654	-56.887
Corporate tax	5.540	-10.279
Net profit/loss	27.114	-46.608

KEY INDICATORS

EBITDA (HRK 000)	142.218	51.703
EBITDA margin	16,9%	8,4%
Net profit margin	3,2%	-7,4%
ROA	2,0%	-3,8%
ROE	3,6%	-6,5%
Current ratio	5,4	3,3
Financial stability ratio	0,6	0,6
Debt ratio	44,1%	41,0%
Number of employees	753	748
Investments (HRK 000)	101.414	92.089



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 (predsjednica),
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. (Croatian Post) 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 that the company provides to private and commercial users is available across the entire territory of the Republic of Croatia. Croatian 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 2020

Key business events

In 2020, due to the impact of the COVID-19 virus pandemic and the earthquake in the City of Zagreb, Zagreb, Sisak-Moslavina County and a part of Karlovac County, the Croatian Post adapted its operations and manner of operation to new circumstances and focused even more strongly on parcel operations.

At the beginning of 2020, a new parcel service Paket24 was introduced that completely replaced the hpekspres service. The result of the service rebranding is a 9.3% growth in revenues compared to 2019, to which also

contributes to further growth and strengthening of internet commerce. At the end of November 2020, the Croatian Post achieved exclusive cooperation with Amazon in the part of parcel delivery to the Croatian market with the perspective of covering also markets of neighbouring countries.

A new, strategically important, delivery channel in which the Croatian Post invested significant funds in 2020 is a network of parcel lockers.

During 2020, the procurement of works for phase II of construction was launched at the location in Velika Gorica, which envisions the construction of an administrative building to which all remaining administrative functions of the company will be transferred. At the end of January 2020, the construction of the business facility Bakar-Kukuljanovo started, by the construction of which the investment cycle in the modernization of logistics centres according to the Pošta2022 Development Strategy is closed.

Despite a decrease in postal revenues of as much as 8.1% compared to the previous year, the Croatian Post ended 2020 with a net profit of HRK 35.9 million. In the postal services market – the primary market on which Croatian Post operates – there was a slight decrease in market share to 82.9% in 2020. EBITDA reached HRK 236.2 million year-on-year, which is an

improvement compared to the previous year. At the same time, net debt of HRK 223.6 million was lower than planned, but higher in relation to the situation at the end of 2019, when it amounted to HRK 192.7 million due to loan commitments for purposes of the investment cycle. A total of 310.0 million services were provided in 2020, which is a decrease by 59.8 million services compared to the previous year. The plan was realized at 86.2%, corresponding to the figure of 49.8 million services less. In comparison to the planned, the realisation of postal services provided is by 6.7 million services less, due to the smaller quantity of letters. Financial services were realized with 39.6 million items, which is 8.4 million items less than the previous year. Other services were realized with 26.4 million items, which is by 23.2 million items less compared to the Plan, due to smaller quantities of non-addressed mail. The sale of goods decreased by 2.8 million items compared to 2019, and by 2.0 million items compared to the Plan.

Investments

Total investments in 2020 amounted to HRK 190.8 million, with the Investment Plan being realized with 49.6% as a result of reduced investment intensity due to the crisis caused by the COVID-19 pandemic, and thus focus was placed on already initiated, i.e. priority investments.

HRK 59.2 million or 31.0% of total investments were invested in construction facilities, while the most important investment refers to the business facility Kukuljanovo, in which HRK 43.4 million was invested for the construction of business and auxiliary facilities and infrastructure.

HRK 98.9 million was invested in equipment and resources, or 51.9% of total investments, whereas HRK 37.5 million was invested in IT equipment and software. A total of HRK 35.4 million was invested in transportation for the purchase of light delivery, semi-cargo and freight vehicles. HRK 19.2 million was invested in equipment and devices for postal transport, out of which HRK 9.5 million refers to the purchase of parcel containers, and HRK 7.8 million to the purchase of packing machinery and integration with the system for automatic sorting of postal consignments.

During 2020, The projects were realized in the amount of HRK 32.7 million, with the largest share being related to the purchase of parcel lockers worth HRK 29.7 million.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)

	2019.	2020.
Long-term assets	1.402.134	1.434.119
Short-term assets	434.484	401.407
Future period prepaid expenses.	71.913	66.814
Total Assets	1.908.531	1.902.340
Equity	1.081.581	1.104.328
Provisions	127.933	129.288
Long-term liabilities	265.709	253.255
Short-term liabilities	363.139	331.336
Deferred payment for expenses.	70.168	84.132
Total Equity & Liabilities	1.908.531	1.902.340

INCOME STATEMENT (HRK 000)

Operating revenues	1.779.340	1.700.488
Operating expenditures	1.738.199	1.614.412
Financial revenues	123.865	5.385
Financial expenditures	24.793	46.939
Total revenues	1.903.205	1.705.873
Total expenditures	1.762.993	1.661.351
Profit/Loss before tax	140.212	44.522
Corporate tax	26.214	8.657
Net profit/loss	113.998	35.865

KEY INDICATORS

EBITDA (HRK 000)	170.382	236.179
EBITDA margin	9,6%	13,9%
Net profit margin	6,0%	2,1%
ROA	6,0%	1,9%
ROE	10,5%	3,2%
Current ratio	1,2	1,2
Financial stability ratio	1,0	1,1
Debt ratio	43,3%	41,9%
Number of employees	10.019	9.680
Investments (HRK 000)	302.415	190.772



Hrvatski operator tržišta energije d.o.o.

Ulica Grada Vukovara 284, Zagreb

www.hrote.hr

Management Board:

Boris Abramović (direktor)

Supervisory Board:

Dario Matanović (president)
Kata Sušac (zamjenica),
Mirjana Čižmešija (member),
Pavao Pavlić (member)

Government representative in the

Gen. Assembly:

Kristina Čelić

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) was founded for the purpose of providing the public service of organising the electricity and gas market in compliance with the provisions of energy regulations, specifically the Energy Act, the Electricity Market Act and the Gas Market Act. Pursuant to the Act on Renewable Energy Sources and High-efficiency Cogeneration, the company plans to produce and trade electricity from renewable sources, manages the incentive scheme for the production of electricity from renewable energy sources and highly efficient cogeneration, and keeps the Register of Guarantees of Electricity Origin.

PERFORMANCE IN 2020

Key business events

In 2020, the company achieved its business goals as set in the activities plan for 2019, 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 Programme in the Republic of Croatia.

The company generates 98% of revenues based on the rights and obligations as defined in the legal acts mentioned above and fees set as stipulated by Decisions of the Government of the Republic of Croatia.

In 2020, the company generated revenue amounting to HRK 25.5 million, whereas revenue totalled HRK 24 million in 2019, indicating a 5% increase compared to the previous year. In 2020, generated expenditures amounted to HRK 24 million, an increase of 12% compared to 2019, when expenditures amounted to

HRK 21.5 million. Net profit of the company in 2020 was HRK 1.4 million, a decrease of 33% compared to 2019.

The company records a significant increase in revenues compared to the previous year on the share of profits from the associated company, i.e. Hrvatska burza električne energije d.o.o. (Croatian Power Exchange).

The increase in total expenditures was mainly caused by the increase in personnel costs and other external costs.

The reduction of the overall balance sheet refers to the consequences of the 2020 pandemic and all the negative impacts it had on the electricity market. The market operator records about HRK 340 million less inflow than planned in 2017. The most significant parameters influencing the deficit of inflows, which could not be anticipated in projections, are a decrease in electricity consumption in the Republic of Croatia of about 6% compared to 2019 and a significant decrease in electricity prices on the market, about 30% compared to 2019. In addition, the implementation of the Regulation on criteria for payment of reduced compensation for energy-intensive economy started in 2020, which further reduced the market operator's inflow by approximately HRK 60 million.

Investments

Due to the specifics of company operation, most of the company's investments relate to investment in IT equipment required for regular business operations.

In 2020, the company spent HRK 567 thousand on investments, whereas in 2019 the company spent HRK 600 thousand, of which 80% was spent on licenses and digitalisation, including GDPR licenses. In 2020, the company invested in licences, computer software and computer equipment.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)

	2019.	2020.
Long-term assets	3.795	6.526
Short-term assets	981.749	589.965
Future period prepaid expenses.	463	160
Total Assets	986.007	596.651
Equity	21.311	21.529
Provisions	30.248	25.876
Long-term liabilities	731	1.679
Short-term liabilities	933.312	546.704
Deferred payment for expenses.	405	863
Total Equity & Liabilities	986.007	596.651

INCOME STATEMENT (HRK 000)

Operating revenues	24.002	24.368
Operating expenditures	21.268	23.583
Financial revenues	60	68
Financial expenditures	93	513
Total revenues	24.062	25.578
Total expenditures	21.550	24.096
Profit/Loss before tax	2.512	1.482
Corporate tax	504	59
Net profit/loss	2.008	1.423

KEY INDICATORS

EBITDA (HRK 000)	4.928	2.568
EBITDA margin	20,5%	10,5%
Net profit margin	10,4%	5,6%
ROA	0,3%	0,2%
ROE	11,8%	6,6%
Current ratio	1,1	1,1
Financial stability ratio	0,2	0,3
Debt ratio	97,8%	96,4%
Number of employees	40	44
Investments (HRK 000)	600	567



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),
 Radovan Fuchs (member)

Audit committee:

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

Auditor:

Audit d.o.o. za revizijske usluge

OWNERSHIP**GENERAL INFORMATION ON THE COMPANY**

2019. Hrvatska Lutrija d.o.o. (Croatian Lottery) is a company that organises games of chance and entertainment games. It has a market presence with a rich assortment of games such as various lottery games, betting games, slot machine games and casino games.

PERFORMANCE IN 2020**Key business events**

The priority project for 2020 was to complete the integration of a new platform for games, since the old platform reached its limit both in terms of performance and functionality. In addition, by implementing its new visual identity, Hrvatska Lutrija gained a new homogeneous image and a new position within the game portfolio was created which together contributed to the strengthening of company's perception both in the public and on the market.

After taxation, realised profits amounted to HRK 32.7 million (a 40.1% decrease compared to 2019). The profit reduction was dominantly influenced by the crisis caused by the COVID-19 pandemic, with total revenues showing a 2.8% decrease, whereas operating expenditures recorded an increase by 1.5%. The amount

of net profit envisaged in the 2020 Plan Amendment was exceeded by 2.3%.

Despite the difficult operating conditions caused by the COVID-19 epidemic and the fact that it was not possible for Hrvatska Lutrija to use the right to aid adopted by the Government of the Republic of Croatia for the preservation of working places (except for the compensation of fixed costs), during the period of implementation of measures of the Civil Protection Headquarters, Hrvatska Lutrija regularly fulfilled all its obligations to business partners and employees, and there was no reduction in the number of employees.

The turnover of lottery games decreased by 2.7% compared to last year, primarily as a result of the closure of the sales network in accordance with the Headquarter's decision in spring 2020. At the same time, the turnover achieved was 1.5% higher than the turnover envisaged by the 2020 Plan Amendment.

As in the previous year, Eurojackpot holds the position of the most important lottery game, while the Brzih 35 game recorded the biggest increase in turnover (8.9%) compared to last year, indicating the growing popularity of fast and dynamic games with a greater number of drawings.

The realised turnover from betting amounts to HRK 418 million and exceeds by 5.7% the amount foreseen by the 2020 Plan Amendment, at the same time recording a decrease of 22.1% compared to the previous year as a result of cancellation of numerous

sporting events and closing of the sales network in spring 2020.

Total revenues realised in the amount of HRK 619 million decreased by 2.8% compared to 2019 as a result of reduced business activity due to the COVID-19 pandemic. The realised revenue is by 2.1% higher than projected in the 2020 Plan Amendment. Revenue reductions were recorded by all segments except for casino games, which recorded a 9.2% growth in revenue compared to 2019, primarily due to the revenue growth of Cro casino online. The most significant reduction in revenues was recorded in games on gaming machines by 26.6%, which because of the Headquarters' decision did not work for 92 days (spring and autumn 2020). A decrease in revenues was also recorded by betting games by 11.9%, which nevertheless is less than the 22% decrease in turnover due to the fact that the rest realised from of betting (22.6%) was higher than the rest realised in 2019 (20%).

Total realized expenditures in 2020 amounted to HRK 578 million, which is an increase by 1.5% compared to the previous year, and an increase by 1.8% compared to the 2020 Plan Amendment. The most significant increase in the category of costs is recorded by the provisioning of cost, where the provisioning of severance grant costs for redundant workers has the greatest impact, which is conditioned by planned organizational changes in 2021. Material costs amounted to HRK 192 million and increased by 2.4% compared to the previous year, with the biggest impact on the increase by maintenance and protection services (rebranding and earthquake remediation), promotion and operating leasing costs directly linked to the increase in the revenue of Cro Casino online and the Brzih 35 games.

The contribution to the state budget amounted to HRK 257 million, which is a decrease compared to 2019, resulting from lower amount of paid concession fees due to lower turnover and less realised profits.

Investments

Realized capital investments in 2020 amount to HRK 56 million, which represents 83.3% of the planned total investments for 2020. The largest investments were made in the arrangement of new gaming clubs and existing business premises and machines for games of chance. A significant part of the funds was also invested

in computer equipment, development of a sport betting platform, additional retail network development, acquisition of Microsoft products for central servers and procurement of other equipment necessary for organising gambling events.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET
(HRK 000)

	2019.	2020.
Long-term assets	169.527	208.569
Short-term assets	148.603	129.960
Future period prepaid expenses.	20.379	25.762
Total Assets	338.510	364.290
Equity	110.167	87.101
Provisions	46.579	44.960
Long-term liabilities	20.154	21.038
Short-term liabilities	150.195	193.325
Deferred payment for expenses.	11.414	17.865
Total Equity & Liabilities	338.510	364.290

INCOME STATEMENT (HRK 000)

Operating revenues	633.902	618.416
Operating expenditures	568.348	575.867

Financial revenues	2.863	508
Financial expenditures	1.184	2.089
Total revenues	636.765	618.924
Total expenditures	569.532	577.956
Profit/Loss before tax	67.233	40.968
Corporate tax	12.714	8.292
Net profit/loss	54.519	32.676

KEY INDICATORS

EBITDA (HRK 000)	103.966	87.897
EBITDA margin	16,4%	14,2%
Net profit margin	8,6%	5,3%
ROA	16,1%	9,0%
ROE	49,5%	37,5%
Current ratio	1,0	0,7
Financial stability ratio	1,3	1,9
Debt ratio	67,5%	76,1%
Number of employees	1.426	1.479
Investments (HRK 000)	51.118	56.031



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 Mikočević (member), Milan Devčić (member), Željka Šikić (member)

Government representative in the Gen. Assembly: Marija Vučković

Audit committee: Edita Bukovac (predsjednica), Davor Filipović (member), Kristina Šulj (member)

Auditor: Audit d.o.o. i Iris Nova 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 an asset of general interest, including utilisation of forests, forest lands and plantations. The company's mission is to secure 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.

At the end of 2020, there were 7,907 employees employed in Hrvatske šume d.o.o. (Croatian Forests), or 104 workers less than a year earlier. Out of that number, 7,179 workers were permanently employed and 728 on a fixed-term basis.

Hrvatske šume d.o.o. manage 2,024,461 ha of forests and forest land owned by the Republic of Croatia. The timber stock in forests managed by the company amounts to 316 million m³ and the annual increment to 7.5 million m³. The average annual volume of wood intended for felling (etat) according to the Forest Management Basis of the area is 6.4 million m³.

PERFORMANCE IN 2020

Key business events

In mid-April, a crisis plan for Hrvatske šume d.o.o. was adopted in accordance with the *Guidelines for rationalization of business operations of state-owned*

companies due to the COVID-19 pandemic. In accordance with the circumstances and current findings of the company's Directorate and management, it has made a number of decisions and directives containing measures aimed at crisis management and reduction of its consequences.

Among other measures to protect health and prevent the spread of infection, technical adjustments have been urgently made in order to ensure conditions for work from home of a part of the workers whose nature of work permits such a form of performance of work tasks.

Within the measures for sustainable forest management in conditions of crisis, the dynamics of works and measures have been adjusted in order to prevent deterioration of developed tree sorts. Priority was given to cutting in sections where natural renewal began and in sections affected by drying and decay of trees due to plant diseases, pest attacks or adverse weather effects. The preference was also given to forest-growing works and forest protection works whose absence would have negative consequences on forest development.

Following government measures to assist the economy, the Assembly of Hrvatske šume d.o.o. issued a mandatory instruction for the adoption of a legal act on the basis of which a longer deadline for the fulfillment of financial obligations would be agreed. The management of the company acted according to that instruction and decided to grant a longer deadline for fulfilling the monetary obligation, increasing the payment period from 60 days from the date of issuing the invoice to 100 days. By coordination between the

company management, the forestry sector and the commercial sector, on the one hand, and the timber industry on the other, due to the new situation caused by the pandemic, production and sale dynamics were agreed according to customer needs. This adjusted production and sales dynamics has ensured the continuous operation of the timber industry in such a demanding situation. At the same time, adjustments to production activities for hiring private service providers in forestry have been introduced. In this way, many jobs have been preserved during the crisis.

Within the scope of measures of rationalization and optimisation of operations in crisis conditions, a cash flow estimate for the period April - June was developed in order to take into account the fiscal impact of the Decision on approving a longer deadline for fulfilling financial obligations by the company's contractual customers. In order to mitigate the impact of this Decision on the liquidity of the company, the expenditure side of the business operation has been reviewed and the following measures have been taken to stabilise the cash flow:

- adjustment of the public procurement plan;
- economisation of other operating costs;
- rationalisation of personnel costs;
- a dialogue with social partners was initiated with the aim of adapting the collective agreement for the duration of the crisis.

HRK 440.5 million was invested in forest management and forest land management operations in 2020. The largest part (76%) of the value of the completed works was financed by the company's own funds. 5.1 million m³ of timber sorts were produced for which 5.9 million m³ of gross timber volume was cut. Much of the felled timber mass (ca 1.2 million m³) was damaged due to disease, pest attack and various natural disasters.

Investments

The value of investment projects realized in 2020 amounted to HRK 120 million and decreased by approximately HRK 79 million compared to 2019. Significant funds were invested in construction facilities, i.e. HRK 69 million, the majority of which (HRK 44.6 million) was invested in the construction of forest roads. HRK 52 million, or 43% of total investments, were invested in machinery and equipment. Significant investments in this group of investments relate to the

purchase of two timber cableway installations worth HRK 9.5 million. HRK 6.7 million was invested in the purchase of new trucks and truck trailers, and a forwarder.

Investments in agricultural tractors and tractor connections in 2020 amount to HRK 6.5 million, and the purchase of heavy construction machinery, bulldozers and excavators with caterpillars in which HRK 5 million was invested is not negligible either.

Capital investments are financed mainly from own resources (78%), followed by leasing (12%) and from EU funds (10%).

FINANCIAL DATA AND INDICATORS

BALANCE SHEET

(HRK 000)	2019.	2020.
Long-term assets	1.709.589	1.685.972
Short-term assets	829.970	914.616
Future period prepaid expenses.	5.514	4.347
Total Assets	2.545.073	2.604.935
Equity	1.597.927	1.612.644
Provisions	263.393	296.211
Long-term liabilities	171.785	158.703
Short-term liabilities	417.487	445.727
Deferred payment for expenses.	94.481	91.650
Total Equity & Liabilities	2.545.073	2.604.935

INCOME STATEMENT (HRK 000)

Operating revenues	2.277.100	2.265.992
Operating expenditures	2.212.999	2.203.654
Financial revenues	6.402	6.895

Financial expenditures	6.275	6.105
Total revenues	2.283.502	2.272.851
Total expenditures	2.219.274	2.209.759
Profit/Loss before tax	64.228	63.092
Corporate tax	17.131	20.196
Net profit/loss	47.097	42.896

KEY INDICATORS

EBITDA (HRK 000)	199.100	199.955
EBITDA margin	8,7%	8,8%
Net profit margin	2,1%	1,9%
ROA	1,9%	1,6%
ROE	2,9%	2,7%
Current ratio	2,0	2,1
Financial stability ratio	1,0	1,0
Debt ratio	37,2%	38,1%
Number of employees	8.163	8.104
Investments (HRK 000)	198.739	119.665



HŽ Cargo d.o.o.
Heinzelova 51, Zagreb
www.hzcargo.hr

Management Board:
Dragan Marčinko (direktor)

Supervisory Board:
Damir Sesvečan (president),
Nikša Antica (deputy),
Diana Lukšić (member),
Nenad Mrgan (member)

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

Audit committee:
Ivan Pelivanski,
Diana Lukšić,
Branka Horvat

Auditor:
Mazars 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 the train towing service.

HŽ Cargo d.o.o. had for a series of years recorded losses in its business operation, and with the emergence of competition, it lost a significant market share over the last four years. The basic reasons for this situation were the company's obsolete fleet, poor computerization and low labour productivity.

When assuming office on June 1, the new management found a very poor financial situation and in the coming months measures were adopted to ensure liquidity, solvency and capital adequacy and financial consolidation of the company, as well as a plan for modernisation and efficiency of operations 2020-2025 with financial restructuring measures. The decline in market share has been halted, but the basic objectives of optimisation, modernisation, economy, profitability and business flexibility remain before society.

PERFORMANCE IN 2020

Key business events

On 11 March 2020, the World Health Organisation declared a global pandemic caused by the virus CID-19. On the same date, the Government of the Republic of Croatia adopted the Decision declaring an epidemic in

the entire territory of the Republic of Croatia. The management of the company reviewed the potential development of the outbreak of the disease and the expected impact on the society and the economic environment in which the company operates and adjusted the business in exceptional circumstances in accordance with the recommendations and measures of the Government of the Republic of Croatia. In comparison to other activities that are severely affected by the CID-19 pandemic, HŽ cargo d.o.o., with a smaller decline, managed to retain revenues and halt further reduction of market shares.

The European rail freight transport market decreased by 5% in tonnes and 7% in net tonne kilometres in 2020, with Croatia being one of only four countries where total transport grew - by 4% in tonnes and by 13% in net tonne kilometres. Although the total rail transport in the Republic of Croatia increased, the transport of HŽ Cargo in 2020 was by 10% lower in tonnes, but remained at the same level of net tonne kilometres.

The total revenue generated in 2020 amounted to HRK 460.6 million, which was by HRK 63.2 million or 12% less than in the previous year, whereas the revenue from transport services decreased by HRK 51 million or 11%. Total expenditures amounted to HRK 564.3 million and are by HRK 100.4 million or 15% lower than in the previous year. In 2020, HŽ Cargo reported a net loss of HRK 103.6 million, which is HRK 37 million less than the previous year.

Due to the extremely difficult situation caused by systemic insolvency, the HŽ Cargo d.o.o. requested urgent financial assistance from the competent ministry. On 17 December 2020 the Government of the Republic of Croatia adopted the Decision on granting state aid for rehabilitation of HŽ Cargo d.o.o. in the form of a HRK 50 million loan with maturity of six months from the date of loan use with an agreed regular interest rate of 1% p.a.

On 31 December 2020, the number of employees amounted to 1,304, while on the same day of the previous year there were 1,470 employees, i.e., a decrease by 11%. The company OV Wagon Maintenance d.o.o., which on 31 December 2020 has a total of 557 employees, is also to 100% owned by HŽ Cargo.

Investments

Investment activity in 2020 decreased by 31% compared to 2019, amounting to HRK 54.6 million. The most important investments are the modernization of wagons in the amount of HRK 37.6 million., modernization of locomotives in the amount of HRK 14.8 million, and investments in facilities and assets in the amount of HRK 1.9 million.. Sources of financing are from the World Bank loan for investment in wagons, and the rest are the company's own sources. The company was adapting to market trends also through rental of modern electric locomotives that can respond to new challenges of higher total tonnage of wagons, thus increasing its competitiveness.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)

	2019.	2020.
Long-term assets	1.122.208	1.084.833
Short-term assets	146.495	185.044
Future period prepaid expenses.	13.720	11.170
Total Assets	1.282.423	1.281.047
Equity	290.139	188.084
Provisions	176.350	187.486
Long-term liabilities	394.501	124.047
Short-term liabilities	393.846	750.686
Deferred payment for expenses.	27.587	30.744
Total Equity & Liabilities	1.282.423	1.281.047

INCOME STATEMENT (HRK 000)

Operating revenues	521.486	455.748
Operating expenditures	646.333	550.776
Financial revenues	2.450	4.900
Financial expenditures	18.444	13.535
Total revenues	523.936	460.648
Total expenditures	664.777	564.311
Profit/Loss before tax	-140.841	-103.663
Corporate tax	0	0
Net profit/loss	-140.841	-103.663

KEY INDICATORS

EBITDA (HRK 000)	-35.596	-1.779
EBITDA margin	-6,8%	-0,4%
Net profit margin	-26,9%	-22,5%
ROA	-11,0%	-8,1%
ROE	-48,5%	-55,1%
Current ratio	0,4	0,2
Financial stability ratio	1,6	3,5
Debt ratio	77,4%	85,3%
Number of employees	1.487	1.388
Investments (HRK 000)	78.900	54.600



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),
Anto Iličić (member)

Government representative in the

Gen. Assembly:

Oleg Butković

Audit committee:

Ivana Varga (member),
Rudi Grubišić (member)

Auditor:

Audit d.o.o.
Iris Nova d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

HŽ Infrastruktura is a company for the management of 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.

The business year 2020 was marked by significantly changed economic circumstances due to the COVID-19 pandemic and the devastating earthquakes in March and December.

The pandemic resulted in the suspension of passenger railway traffic and the slowdown and change of the dynamics of the realization of business activities in the part of regular and investment operation.

The earthquake damaged the buildings of HŽ Infrastruktura, which additionally aggravated the existing circumstances and required business reorganization in order to move to other working premises.

Despite these aggravated circumstances, HŽ Infrastruktura maintained business stability in all business segments, which enabled the implementation of planned activities related to safe operation of railway traffic and regular maintenance of railway infrastructure, as well as continuation of activity on the preparation and realization of investment projects.

PERFORMANCE IN 2020

Key business events

In 2020, there was a decrease in railway traffic measured by basic train kilometres indicators of the use of railway infrastructure, showing interruption in the trend of continuous growth since 2014.

During 2020, railway undertakings realized 20,023 thousand train kilometres, which was by 8.3% less than in 2019. Freight transport recorded a 10.4% increase in train kilometres, while passenger traffic dropped by 16.3% as a result of traffic interruption.

The traffic of 120 freight and 650 passenger trains was monitored and managed daily.

Furthermore, 30.96 km of railway tracks were renovated and modernised, which is by 14.7% more than in 2019. The allowed average infrastructure speed on the lines in service was kept at the achievement level of the previous year and amounted to 78.9 km.

In the business year 2020, HŽ Infrastruktura d.o.o. achieved regular operating profits in the amount of HRK 706 thousand, which indicates business operations in accordance with the budgetary principles of balance of income and expenditures.

Operating revenues amounted to HRK 1,228.17 million, which is a decrease by 6.8% compared to 2019, and included revenues from the state budget (HRK 894.22 million), revenues from sales (HRK 174.89 million), of which 78.9% and 14.2% respectively refer to revenues from the provision of railway services and other business revenues (HRK 159.06 million).

Total operating expenditures amounted to HRK 1,231.35 million out of which 89.6% or HRK 1,103.61 million respectively relate to operating costs, and 10.4% or HRK 127.74 million respectively, relate to

depreciation, value adjustments and provisioning for costs and risks.

On 31 December 2020, there were 4,888 employees employed in the company, which was a decrease of 156 employees compared to 31 December 2019.

Investments

Despite unfavourable economic circumstances, the company continued the trend of intensive capital investment in railway infrastructure. The value of capital investments in 2020 amounted to HRK 951.3 million, which is at the level of realisation in 2019. Out of the total value of realized investments, 55.6% or HRK 529.24 million respectively refer, to investment projects co-financed by EU funds.

The financial realisation of investments in 2020, in terms of reconstruction, modernisation and construction programmes and projects, is as follows:

HRK 417.3 million in railway lines for international transport

HRK 302.4 million in regional transport lines

HRK 168.7 million in the construction of new lines and tracks

HRK 53.2 million in the programme of activities in the function of infrastructure and traffic on the network as a whole

HRK 9.7 million in local transport lines

In 2020, works on the project “Development of the multimodal platform in the port of Rijeka and connection to the container terminal Jadranska vrata”, which was realised in co-operation with the Port of Rijeka Authority, were completed; as well as on the project “Preparation of projects and other project documentation for reconstruction and construction of railway line/second track on the railway line section Hrvatski Leskovac-Karlovac. Furthermore, works were carried out on the projects Dugo Selo-Križevci, Zaprešić-Zabok, Zagreb landing station, Vinkovci-Vukovar, Križevci-Koprivnica-state border.

During 2020, carrying out of works for several investment projects was contracted, out of which we single out the contract for the execution of works on the project “Reconstruction of the existing and construction of the second track on the railway line section Križevci-Koprivnica-state border” worth HRK 2 billion and 418 million, as well as the contract for the implementation of works on the project “Reconstruction of the section

Savski Marof-Zagreb-Zapadni kolodori” worth HRK 365.7 million.

Numerous public procurement procedures were prepared and implemented, singling out the public procurement for the works on the project “Reconstruction of the existing and construction of the second track on the section Hrvatski Leskovac-Karlovac”. Activities related to designing or drafting study documentation for large infrastructure projects were intensively implemented in 2020. (Dugo Selo-Novska 2nd and 3rd phases, Škrljevo-Rijeka-Jurdani, Okučani-Vinkovci, Oštarije -Škrljevo, Karlovac-Oštarije, Central Croatia-Lepoglava connector section).

FINANCIAL DATA AND INDICATORS

BALANCE SHEET
(HRK 000)

	2019.	2020.
Long-term assets	12.482.946	12.814.612
Short-term assets	880.076	672.108
Future period prepaid expenses.	8.995	3.064
Total Assets	13.372.017	13.489.784
Equity	8.128.527	7.295.261
Provisions	155.664	156.125
Long-term liabilities	866.997	1.323.337
Short-term liabilities	1.872.607	2.030.983
Deferred payment for expenses.	2.348.221	2.684.078
Total Equity & Liabilities	13.372.017	13.489.784

INCOME STATEMENT (HRK 000)

Operating revenues	1.318.410	1.228.164
Operating expenditures	1.310.824	1.231.349

Financial revenues	3.912	14.102
Financial expenditures	11.031	10.211
Total revenues	1.322.322	1.242.266
Total expenditures	1.321.856	1.241.560
Profit/Loss before tax	467	706
Corporate tax	0	0
Net profit/loss	467	706

KEY INDICATORS

EBITDA (HRK 000)	7.586	-3.185
EBITDA margin	0,6%	-0,3%
Net profit margin	0,0%	0,0%
ROA	0,0%	0,0%
ROE	0,0%	0,0%
Current ratio	0,5	0,3
Financial stability ratio	1,4	1,5
Debt ratio	39,2%	45,9%
Number of employees	4.898	4.985
Investments (HRK 000)	950.900	951.316



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 (predsjednica),
Gordan Hanžek (deputy),
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 viable services in urban-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, to the satisfaction of the owner, users of transport services and employees.

PERFORMANCE IN 2020

Key business events

Business activities in 2020 were affected by the spread of COVID-19 and the complete suspension of public transport of passengers in international traffic as of 17 March and in domestic traffic as of 22 March 2020. Transport has been restored in national traffic since 11

May, and in international traffic on 22 June 2020, however, transport services took place to a somewhat reduced extent.

In 2020, 13,103 thousand passengers were transported, which is 6.1% more than planned, and 6,751 thousand passengers, or 34.0% less than in the previous year. 449.4 million passenger kilometres were realized, which is 1.9% less than planned, and 284.1 million passenger kilometres (38.7%) less than in 2019.

The average commercial train speed in 2020 was 45.5 km/h. Low speeds on the lines cause greater need for vehicles to realise the timetable, i.e. operational operation (as a minimum 30% more vehicles) and are one of the key obstacles to demand growth. Official places intended for passengers play an important role in perception of the quality of transport services and, in general, the railway as public transport. Most stations and stops are not in a satisfactory infrastructure condition, requiring improvements by passengers. Most of the passengers' complaints relate to the state of platforms, access to platforms and urban equipment, as well as the cleanliness and condition of official locations.

In 2020, a total of HRK 730,002 thousand of revenues and 725,870 thousand of expenditures were generated. In 2020, the company completed its net operating profits of HRK 3,085 thousand.

In November 2020, the contract on the sale of 21 electric motor trains was signed with Končar-Electric

vehicles factory; 11 electric motor trains for urban-suburban transport and 10 electric motor trains for regional transport.

This project continues the modernization of the railway stock of HŽ Putnički prijevoz in order to improve local and regional connectivity and mobility, which will ensure more efficient and competitive railway passenger transport, this also contributing to the sustainability of the transport system in the Republic of Croatia.

On 31 December 2020, 1789 workers were employed in HŽPP.

Investments

Investments worth HRK 96,207 thousand were realized in 2020. Investments in transport capacities amount to HRK 61,332 thousand, out of which HRK 20,991 thousand relates to investments in passenger cars and HRK 40,341 thousand to investments in locomotives and trains. The fourth diesel-electric motor train financed from the IBRD loan was delivered.

Investments in the maintenance of facilities amount to HRK 78 thousand, while investments in the computerization of the company amount to HRK 2,167 thousand and are financed from own resources, including the World Bank loan (IBRD).

Also, in April 2020, an agreement was signed with EUROFIMA to finance eleven electric trains. The new investment in the fleet is the continuation of cooperation with Končar – električna vozila d.o.o. with which the third supplement to the basic contract for the procurement of 32 electric trains was signed. Končar received an advance of 30% of the total contract value, which amounts to HRK 127.9 million.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)

	2019.	2020.
Long-term assets	1.936.815	2.144.126
Short-term assets	112.977	98.806
Future period prepaid expenses.	3.534	3.534
Total Assets	2.053.326	2.246.466
Equity	786.535	789.621
Provisions	112.151	110.490
Long-term liabilities	437.001	620.963
Short-term liabilities	238.348	190.256
Deferred payment for expenses.	479.291	535.136
Total Equity & Liabilities	2.053.326	2.246.466

INCOME STATEMENT (HRK 000)

Operating revenues	834.927	729.031
Operating expenditures	818.625	710.101
Financial revenues	981	971
Financial expenditures	11.436	15.769
Total revenues	835.908	730.002
Total expenditures	830.061	725.870
Profit/Loss before tax	5.847	4.132
Corporate tax	2.444	1.047
Net profit/loss	3.403	3.085

KEY INDICATORS

EBITDA (HRK 000)	152.823	150.143
EBITDA margin	18,3%	20,6%
Net profit margin	0,4%	0,4%
ROA	0,2%	0,1%
ROE	0,4%	0,4%
Current ratio	0,5	0,5
Financial stability ratio	1,6	1,5
Debt ratio	61,7%	64,9%
Number of employees	1.861	1.825
Investments (HRK 000)	200.288	96.207


INA – Industrija nafte d.d.

Avenija V. Holjevca 10, Zagreb

www.ina.hr
Management Board:

Sándor Fasimon (president),
Niko Dalić (member),
Barbara Dorić (member),
Darko Markotić (member),
Zsolt Pethő (member),
Ákos Székely (member)

Supervisory Board:

Damir Vandelić (president),
József Molnár (deputy),
Luka Burilović (member),
Damir Mikuljan (member),
Zsuzsanna Ortutay (member),
Jasna Pipunić (member)
Domokos Szollár (member)
Gabriel Szabó (member),
László Uzsoki (member)

Government representative in the Gen. Assembly:

Tomislav Ćorić

Audit committee:

Judit Szilágyi predsjednica),
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-sized European petroleum company with a leading role in the oil business in Croatia, and a significant 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 (an oil and gas exploration and production company) and the oil refineries in Rijeka and Sisak. Major 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 2020
Key business events

In 2020, INA Group managed to maintain a stable financial situation and continue with strategic projects, despite the fact that the year was unpredictable and challenging for many segments of the world economy, and the oil and gas industries were among the more affected.

The unforeseen drop in the price of hydrocarbons, initially prompted by disagreements between OPEC+ members and then deepened by the COVID-19 pandemic, affected even the biggest players in the oil and gas industries. A timely response by INA's management, including a delay in uncritical investments and numerous internal optimisation activities, enabled the company to secure the company's financial position. This reaction protects long-term strategic investments, such as the construction of a plant for the treatment of heavy residues in Rijeka, which will ensure the sustainability of operations in the future.

As regards the results for 2020, they were mainly affected by external factors, with a decrease in product prices and market demand. During the summer months, a positive result was achieved due to a slightly better tourist season than expected, however the overall impact on 2020 resulted in worse results. Research and production achieved hydrocarbon prices that were lower by 32%, and this was additionally impacted by lower production. In such an environment, a 16% reduction in retail sales volumes can be considered a solid result, since INA has maintained its market share in the main markets.

By economy adaptation to the ongoing pandemic, oil and gas prices began to recover at the end of 2020, however the return of the oil and gas industries to pre-

crisis levels will not be quick. Therefore, INA will continue its strategic projects and adapt to a new environment, strengthening future growth potential.

Investments

Capital investments were adapted to preserve the company's financial stability, while INA at the same time remained committed to strategic projects. The total level of investment was HRK 1,282 million.

The lower level of investments in the research and production segment compared to 2019 is a consequence of the postponement of projects due to the Brent decline and the COVID-19 pandemic.

Capital investments in the operations of the Refinery and Marketing were HRK 622 million, dominantly as part of the project to upgrade the Oil Refinery Rijeka, while capital investments in retail sales during 2020 amounted to HRK 126 million, with an emphasis on reconstruction and development of the Fresh Corner concept.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)

	2019.	2020.
Long-term assets	17.380.000	16.617.000
Short-term assets	4.663.000	3.097.000
Future period prepaid expenses.	43.000	30.000
Total Assets	22.086.000	19.744.000
Equity	11.894.000	10.331.000
Provisions	3.893.000	3.879.000
Long-term liabilities	480.000	412.000
Short-term liabilities	5.705.000	5.022.000
Deferred payment for expenses.	114.000	100.000
Total Equity & Liabilities	22.086.000	19.744.000

INCOME STATEMENT (HRK 000)

Operating revenues	21.430.000	13.952.000
Operating expenditures	20.656.000	15.066.000
Financial revenues	173.000	175.000
Financial expenditures	155.000	202.000
Total revenues	21.613.000	14.221.000
Total expenditures	20.811.000	15.268.000
Profit/Loss before tax	802.000	-1.047.000
Corporate tax	146.000	-114.000
Net profit/loss	656.000	-933.000

KEY INDICATORS

EBITDA (HRK 000)	2.408.000	493.000
EBITDA margin	11,2%	3,5%
Net profit margin	3,0%	-6,6%
ROA	3,0%	-4,7%
ROE	5,5%	-9,0%
Current ratio	0,8	0,6
Financial stability ratio	1,4	1,5
Debt ratio	46,1%	47,7%
Number of employees	3.863	3.536
Investments (HRK 000)	1.950.000	1.239.000



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,
Nikolina Brnjac

Supervisory Board:

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

Audit committee:

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

Auditor:

Iris nova d.o.o.

OWNERSHIP**GENERAL INFORMATION ON THE COMPANY**

Jadrolinija is a company for the regular maritime transport of passengers and freight with a centuries-old tradition. It was founded in Rijeka on 20 January 1947 and is the successor of various associations of small coastal seafarers since 1872.

The Jadrolinija fleet currently has 55 ships, of which 10 high-speed passenger ships, 4 classical passenger ships and 41 ro-ro passenger ships, of which three for international navigation.

By connecting the islands with the mainland on the Croatian side of the Adriatic, Jadrolinija realizes its basic task. Jadrolinija's activities, the transport of passengers and vehicles, are highly seasonal and highly impacted by tourism.

PERFORMANCE IN 2020**Key business events**

The achieved natural indicators in 2020 at the level of all lines show a decrease by 39.6% in the number of passengers carried and 28.3% in the number of vehicles carried, compared to the record year 2019. In 2020, there were 7,557,038 passengers (12,513,616 passengers in 2019) and 2,306,831 vehicles (3,215,727 vehicles in 2019).

The decrease in the number of passengers and vehicles transported was influenced by the occurrence and spread of the COVID-19 virus and by epidemiological measures adopted in order to prevent the spread of the virus.

Pursuant to the Decision of the Civil Protection Headquarters of the Republic of Croatia of 21 March 2020, all high-speed lines and the ship line Zadar-Preko were suspended, and since 23 March 2020, the number of departures on most ferry lines were reduced, and the ferry lines Brestova-Porozina and Makarska-Sumartin were completely suspended. On 11 March 2020, the international line Split-Ancona was also suspended. The beginning of navigation of other international lines was postponed, as well as the commercial high-speed Split-Hvar line, and the commercial high-speed Dubrovnik-Korčula-Hvar-Bol-Split line was suspended.

Based on the Headquarters' decision, and upon the recommendation of the Ministry of the Sea, Transport and Infrastructure of 26 April 2020, an extraordinary international cargo line Zadar (Gaženica) – Ancona was established and maintained until 16 July 2020.

In mid-May almost all high-speed lines under state-concessions were re-established. Since 21 June 2020 international passenger traffic on the Split-Ancona line was partially established, and since 29 June 2020 also on the Dubrovnik-Bari line. The international high-speed line Zadar (Gaženica) – Ancona was maintained between 31 July and 23 August 2020.

Due to additional restrictive COVID-19 measures imposed by the Republic of Italy and reduced demand, the Dubrovnik-Bari line was suspended on 29 October 2020, which was a month earlier than planned. The Split-Ancona line continued without interruption.

In 2020, the company achieved a total revenue of HRK 668.7 million, which represents a decrease of 35.7% compared to the same period in 2019. Total expenditures for the observed period in 2020 amounted to HRK 764.4 million and were 20.7% lower than in the previous year. The company's gross losses in the period from January to December 2020 amounted to HRK 135.6 million, while in the same period of the previous year the company earned HRK 14.1 million of gross profit.

It is important to note that the reduction of revenues on local lines in 2020 was significantly influenced by the maintenance of the non-seasonal price list throughout the year.

In view of the emerging emergency situation, an amendment of the business plan for 2020 was initiated at the end of March and estimates of the reduction of passenger and vehicle numbers per each line were made.

Exceptional efforts by Jadrolinija administration and all employees under exceptional circumstances in 2020, in relation to the business plan amendment the result of 118.0% of the planned number of passengers, and 136.0% of the planned number of vehicles was realised.

Investments

In 2020, total investments amounted to HRK 101.3 million, out of which HRK 76.7 million were invested in the new fleet (purchase of the ships Ugljan and Lošinj, and investments in the ships Ugljan, Lošinj and Faros for introduction into the fleet), HRK 10.1 million were invested in the existing fleet, investments in equipment on ships amounted to HRK 11.5 million, whereas other investments in equipment amounted to HRK 2.9 million.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2019.	2020.
Long-term assets	1.352.997	1.362.910
Short-term assets	291.101	107.393
Future period prepaid expenses.	8.196	33.368
Total Assets	1.652.294	1.503.671
Equity	1.070.893	956.352
Provisions	147.069	151.657
Long-term liabilities	267.011	248.216
Short-term liabilities	141.883	111.629
Deferred payment for expenses.	25.439	35.817
Total Equity & Liabilities	1.652.294	1.503.671
INCOME STATEMENT (HRK 000)		
Operating revenues	974.422	624.262
Operating expenditures	948.932	755.015
Financial revenues	3.327	4.475
Financial expenditures	14.727	9.338
Total revenues	977.749	628.737
Total expenditures	963.658	764.353
Profit/Loss before tax	14.090	-135.616
Corporate tax	5.582	0
Net profit/loss	8.508	-135.616
KEY INDICATORS		
EBITDA (HRK 000)	135.569	-16.801
EBITDA margin	13,9%	-2,7%
Net profit margin	0,9%	-21,6%
ROA	0,5%	-9,0%
ROE	0,8%	-14,2%
Current ratio	2,1	1,0
Financial stability ratio	1,0	1,1
Debt ratio	35,2%	36,4%
Number of employees	1.788	1.770
Investments (HRK 000)	81.676	105.150


Jadranski naftovod d.d.

Miramarska cesta 24, Zagreb

www.janaf.hr
Management Board:

 mr.sc. Stjepan Adanić (president),
 Vladislav Veselica (member)

Government representative in the
Gen. Assembly:
 Tomislav Ćorić

Supervisory Board:

 Biljana Bukić (predsjednica),
 Žarko Stilin (deputy),
 Nina Ban Glasnović (member),
 Nikolina Balen (member)

Audit committee:

 Biljana Bukić (predsjednica),
 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 pipeline and 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 continuous improvement 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 2020
Key business events

The Jadranski naftovod stock company achieved remarkable business results in 2020, realising the highest level of total revenue in company history. Total revenues in the amount of HRK 790.0 million were by 10.6% higher than those achieved in the previous year and by 11.6% higher than planned.

Revenues from the core activity, which includes oil transport, oil storage and storage of oil derivatives, amounted to HRK 757.9 million and are by 14.3% higher than in the previous year and by 8.2% higher than the planned amounts. There is an increase in revenues from all segments of the core activity, and most of all from the

oil storage segment based on realized investments in capacity increase, business cooperation with new foreign customers and the exploitation of market opportunities.

Total expenditures in the amount of HRK 438.5 million are 2.6% lower than planned, and since the previous year, there has been an increase of 11.1% due to the increase in the amount of depreciation resulting from completed investment projects and their putting into function, as well as the growth of production services and electricity due to higher volume of activities. The company meets all its liabilities in accordance with the due dates.

The reported gross profit of HRK 351.6 million and net profit of HRK 288.1 million increased by 10.0% from the previous year, and by 36.2% from the plan.

The share of exports of more than 65% in revenues from the core activity shows that foreign users have recognised JANAF as a safe and reliable partner, who is able to meet high world standards in providing transport services and storing oil and petroleum products.

The orientation towards the realisation of the long-term low-carbon development strategy was symbolically inaugurated in December 2020 by putting into operation the first JANAF integrated solar photovoltaic power plant with a rated power of 90 kW. This first JANAF renewable energy project, located on 600 m² on Žitnjak terminal, will produce 108,540 kWh of

electricity annually, and reduce CO₂ emissions by 65 tonnes.

Investicije

On 31 December 2020, the total value of fixed tangible and intangible assets in preparation amounted to HRK 768.9 million.

During 2020, the value of invoiced investments amounted to HRK 492.5 million. The value of investments put into service in 2020 amounted to HRK 411.5 million.

Investments in the reconstruction and extension of the container area of HRK 199,0 million (40.4% of total investments in 2020) were related to the continuation of construction of the tanks for crude oil at the Sisak terminal, construction of a derivative container at the Žitnjak terminal and general refurbishing of existing tanks at the company's terminals. In 2020, investments in two 80,000 m³ tanks for crude oil with accompanying equipment and infrastructure amounted to HRK 149.7 million, investments in a 20,000 m³ derivative tank with the accompanying equipment and infrastructure amounted to HRK 29.5 million, while investments in general refurbishing of existing tanks at the terminals of Omišalj, Sisak and Žitnjak amounted to HRK 19.8 million.

Investments in facilities and other infrastructure of HRK 100.2 million were mostly related to investments in the modernization of the Žitnjak terminal.

Investments in the pipeline system worth HRK 83.8 million included investments in main pipelines on the Omišalj-Sisak and Sisak-Slavonski Brod sections.

Investments of HRK 66.0 million in safety and environmental protection facilities were made in order to achieve greater security of oil supply and environmental protection, protection of people and equipment with special emphasis on modernization of fire alarm and fire protection systems and modernisation of technical protection systems.

Investments in business informatics and software solutions were mostly related to modernization and upgrade of the supervision and management system, while in the current year they amounted to HRK 23.2 million.

Investments in the electricity system were mostly related to the replacement of medium voltage cables for the power supply of substations and the replacement of signalling, control and power cables at the Omišalj

terminal in the amount of HRK 7.6 million. During the current year, total investments in the electricity system amounted to HRK 14.5 thousand.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET
(HRK 000)

	2019.	2020.
Long-term assets	4.022.012	4.324.265
Short-term assets	600.808	470.780
Future period prepaid expenses.	1.463	3.794
Total Assets	4.624.283	4.798.839
Equity	4.353.363	4.566.822
Provisions	14.655	17.447
Long-term liabilities	88.203	83.117
Short-term liabilities	161.270	128.542
Deferred payment for expenses.	6.792	2.911
Total Equity & Liabilities	4.624.283	4.798.839

INCOME STATEMENT (HRK 000)

Operating revenues	696.005	778.647
Operating expenditures	390.751	421.304

Financial revenues	18.320	11.390
Financial expenditures	3.755	17.182
Total revenues	714.325	790.037
Total expenditures	394.506	438.486
Profit/Loss before tax	319.819	351.551
Corporate tax	57.909	63.445
Net profit/loss	261.910	288.106

KEY INDICATORS

EBITDA (HRK 000)	452.505	534.949
EBITDA margin	65,0%	68,7%
Net profit margin	36,7%	36,5%
ROA	5,7%	6,0%
ROE	6,0%	6,3%
Current ratio	3,7	3,7
Financial stability ratio	0,9	0,9
Debt ratio	5,9%	4,8%
Number of employees	381	385
Investments (HRK 000)	408.603	492.549



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

Management Board:

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

Supervisory Board:

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

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

Darko Horvat

Audit committee:

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

Auditor:

BDO Croatia d.o.o.

OWNERSHIP**GENERAL INFORMATION ON THE COMPANY**

Narodne novine d.d. (Official Gazette) is a company with 185 years long tradition and has existed independently since 1950. In 1990 it became a public enterprise, and in 2000, according to a special law, it was registered as a 100% stock company owned by the Republic of Croatia. The Official Gazette is a company of special interest to the Republic of Croatia.

The basic activity of the company is the publishing and printing of the official journal of the Republic of Croatia, official and other printed matter and the trading of school and office accessories. Business activities of the company are carried out through three basic activities: publishing, printing and trading activities which make up a functional whole.

PERFORMANCE IN 2020**Key business events**

The company's operations in 2020 were marked by the COVID-19 pandemic, which led to the closing of the economy in spring 2020 and a significant reduction in business activities - closing of retail stores in one period and reduced business activities in all business segments. In addition to the pandemic, in March 2020 Zagreb was struck by a strong earthquake that also caused a drop in revenues especially in the retail sector. In accordance with the Guidelines for business rationalisation, a Contingency Plan was adopted which encompassed

urgent measures aimed at preserving business and liquidity.

The opening of the economy in May saw a gradual resumption of the company's economic activity.

In addition to the official journal of the Republic of Croatia, which is prepared, edited and published in printed and electronic edition, the company takes care of the development and security of the e-bulletin of public procurement, publishes professional literature on legal subjects, maintains legal education and is a leader on the Croatian market of office and school stationery with its own retail and wholesale network. The sales assortment consists of about 30,000 items, and in addition to its own brand, the company is the representative of 15 distinguished world brands of office and school stationery. A part of the sales assortment is produced in its own printing house.

During 2020, the second round of presidential elections and parliamentary elections were held.

Improvements were made in the business information system and a new information system for the operation of publishing activities were introduced, and the implementation of the EU project - Upgrade of Croatian National eProcurement Platform OJN is currently under way.

A high quality school season was performed in the commercial part, and a partial reorganization was carried out in the wholesale segment and logistics.

A retail store in Dugo Selo was opened, the retail store in Osijek was relocated and a new web shop project was realised.

Despite all the challenges that marked the year 2020, the Narodne novine achieved a net profit in the amount of HRK 1.554 million. The realized total revenues amounted to HRK 263.230 million, which is by 13% less than in 2019, whereas the realized total expenditures amounted to HRK 261.482 and were 12% less than in the previous year.

Investments

Capital investments in the current year amount to HRK 8.783 million, which is 14% less than in the previous year. The largest part relates to the purchase of delivery and personal vehicles, investments in information technology, and the adaptation of business premises in Zagreb and the sales premises in Bjelovar and Poreč.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)

	2019.	2020.
Long-term assets	190.049	181.962
Short-term assets	161.348	164.348
Future period prepaid expenses.	1.414	1.363
Total Assets	352.811	347.672
Equity	292.909	291.146
Provisions	12.907	10.963
Long-term liabilities	5.030	6.511
Short-term liabilities	35.505	33.160
Deferred payment for expenses.	6.461	5.892
Total Equity & Liabilities	352.811	347.672

INCOME STATEMENT (HRK 000)

Operating revenues	300.585	262.286
Operating expenditures	295.169	260.831
Financial revenues	754	944
Financial expenditures	330	651
Total revenues	301.338	263.230
Total expenditures	295.499	261.482
Profit/Loss before tax	5.839	1.748
Corporate tax	20	194
Net profit/loss	5.819	1.554

KEY INDICATORS

EBITDA (HRK 000)	22.235	18.281
EBITDA margin	7,4%	7,0%
Net profit margin	1,9%	0,6%
ROA	1,6%	0,4%
ROE	2,0%	0,5%
Current ratio	4,5	5,0
Financial stability ratio	0,6	0,6
Debt ratio	17,0%	16,3%
Number of employees	458	468
Investments (HRK 000)	10.172	8.783



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

Management Board:

Mate Botica (member Uprave - direktor)

Supervisory Board:

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

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

Oleg Butković, ministar MMPI

Audit committee:

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

Auditor:

Zajednica revizora: Audit d.o.o. i
 Crowe Horwath Revizija d.o.o.

OWNERSHIP**GENERAL INFORMATION ON THE COMPANY**

The company Odašiljači i veze d.o.o. (Transmitters and Communications Ltd.) is the leading service provider of terrestrial and satellite transmission of radio and television programmes and the developer of the national strategic communication infrastructure. The company provides leasing services for electronic communication networks, relays, transmitters, antenna transmission systems and other telecommunications infrastructures. OIV offers multimedia services as well as other professional and communication services in the field of electronic communications, taking into account the quality of services and customer satisfaction, sustainable development, energy efficiency and environmental protection and social responsibility, as well as tasks it has as a company of special interest to the Republic of Croatia.

PERFORMANCE IN 2020**Key business events**

Winning an open international tender, and based on the issued 10-year license, during 2020, OIV ensured the transition to a new television transmission system in DVB-T2/HEVC technology.

Following the completion of the independent quality review of the EC Jaspers body and issued IQR certificate, a contract was signed on the implementation

of the National Programme for Broadband Infrastructure Development in areas where there is insufficient commercial interest in investments, and the implementation of the € 101.4 million strategic project of the Republic of Croatia - connecting 540 rural and suburban settlements of Croatia with the optical fibre infrastructure started.

Two daughter companies have been established. OIV towers Com d.o.o. has been established with the aim of maximising the utilization of OIV assets for the development of non-core activities. OIV Spectrum Lab d.o.o., based in Osijek, has been established and accredited to provide protection services against electromagnetic fields and professional protection activities against non-ionizing radiation.

The introduction of the new SAP business system started a new phase of digital transformation and the process of optimization of costs and internal processes.

Research and development activities have been created by improving IOP services on the LoRaWAN platform, and by the continued development of smart traffic management services (ITS systems)

Due to bad macroeconomic developments caused by the epidemic, during 2020 OIV allowed its customers - TV and radio broadcasters significant discounts and delays in payments, and donated significant funds to help earthquake victims in Zagreb and Banovina, as well as pandemic victims.

FINANCIAL DATA AND INDICATORS

Despite the decline in business activities and difficulties in doing business caused by the COVID-19 pandemic, an excellent business result was achieved.

Investments

In addition to investments in the business IT system, research and development, investments in infrastructure continued during 2020, including investments in the reconstruction of OIV's most important transmission facility, the tower on Sljeme.

The new transmission facility Petrova gora (65 m antenna pole, two equipment containers 2.4 × 6 m and a reserve power generating aggregate) was built and put into operation, and the project for the construction of a radar station, electronic communications infrastructure and a substation at the Ilin vrh site in Konavle was completed.

Antenna towers at the locations of Uljenje (36 m), Crni Lug (30 m), Novigrad near Zadar (30 m) and Srb (36 m) were replaced, foundations on more than ten antenna towers were renovated, the facilities were fenced and access routes to significant facilities were repaired.

**BALANCE SHEET
(HRK 000)**

	2019.	2020.
Long-term assets	327.626	341.878
Short-term assets	166.965	152.166
Future period prepaid expenses.	11.103	9.199
Total Assets	505.693	503.242
Equity	422.957	436.629
Provisions	4.835	5.057
Long-term liabilities	11.323	5.201
Short-term liabilities	48.547	39.676
Deferred payment for expenses.	18.031	16.680
Total Equity & Liabilities	505.693	503.242

INCOME STATEMENT (HRK 000)

Operating revenues	247.150	246.246
Operating expenditures	186.931	191.215
Financial revenues	4.640	1.818
Financial expenditures	775	1.921
Total revenues	251.791	248.065
Total expenditures	187.706	193.136
Profit/Loss before tax	64.084	54.929
Corporate tax	11.872	9.929
Net profit/loss	52.212	45.000

KEY INDICATORS

EBITDA (HRK 000)	111.580	106.274
EBITDA margin	45,1%	43,2%
Net profit margin	20,7%	18,1%
ROA	10,3%	8,9%
ROE	12,3%	10,3%
Current ratio	3,4	3,8
Financial stability ratio	0,8	0,8
Debt ratio	16,4%	13,2%
Number of employees	305	304
Investments (HRK 000)	84.665	67.051



Pomorski centar za elektroniku d.o.o.

Zrinsko-Frankopanska 209, 21000 Split

www.pce.hr

Management Board:
Branko Lubina (direktor)

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

Government representative in the Gen. Assembly:
Mario Banožić,
Darko Horvat

Audit committee:
Tanja Major (predsjednica)
Sani Ljubunčić (deputy)
Ivan Beneta (member)

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

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

Pomorski centar za elektroniku d.o.o (Maritime Centre for Electronics) is a company of special interest to the Republic of Croatia established in 1992 by the Government of the Republic of Croatia with the basic task of performing technical maintenance and developing highly sophisticated electronic devices and systems for the requirements of the Croatian Army and the civilian market.

The company employs certified engineers and technicians who are highly qualified for installation, repair, commissioning, maintenance and servicing of navigation and communication systems and have extensive work experience in developing, integrating and maintaining systems on vessels as well as stationary facilities.

PERFORMANCE IN 2020

Key business events

Until 2020, company revenues were generated mainly through public procurement and contracting activities mainly with ordering entities from the state sector, and the share of revenues generated from business with state institutions in the total revenue realised in 2019 amounted to 81%.

Due to the COVID-19 pandemic, in accordance with guidelines and Decisions of the Government of the

Republic of Croatia and the limitation of use of state budget funds to support the economy, all state institutions have to the utmost reduced their requirements and the share of revenues generated from business with state institutions in the total revenue generated in 2020 amounted to 33.64%, which is a decrease compared to 2019 by 47.36%.

While in 2019 the greatest impact on realised revenues was by the sale of own development products, from which revenue in 2019 amounted to 30% of the total realised revenue, in 2020, due to the COVID-19 pandemic, revenues from the sale of own development products decreased by 77% compared to the realised sale in 2019, and in the total realised revenue in 2020 they amounted to only 8%.

In 2020, the company generated revenue in the amount of HRK 8,177,366.47, which is a decrease by 14% compared to the realization in 2019, and it incurred a loss in the amount of HRK 3,777,839,98 resulting from previously explained unrealised transactions as a direct consequence of the impact of the COVID-19 pandemic.

In this extremely difficult year, a contract was made for the delivery and installation of navigation equipment on coastal patrol ships, enabling the utilization of labour capacities for years 2022 and 2023. Since it is a project whose share of materials and equipment in the total project value is 90%, expenditures incurred in

2020 include the procurement of part of the material and equipment for this project.

Investments

In 2020, the company invested in computer software and equipment in the amount of HRK 83,595.00 for greater and faster control of business processes.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET

(HRK 000)	2019.	2020.
Long-term assets	14.900	14.163
Short-term assets	9.930	13.029
Future period prepaid expenses.	12	18
Total Assets	24.842	27.210
Equity	22.412	18.634
Provisions	0	0
Long-term liabilities	0	0
Short-term liabilities	2.430	8.576
Deferred payment for expenses.	0	0
Total Equity & Liabilities	24.842	27.210

INCOME STATEMENT (HRK 000)

Operating revenues	9.451	8.150
Operating expenditures	9.406	11.934
Financial revenues	6	28
Financial expenditures	21	21
Total revenues	9.457	8.178
Total expenditures	9.427	11.955
Profit/Loss before tax	30	-3.777
Corporate tax	0	0
Net profit/loss	30	-3.777

KEY INDICATORS

EBITDA (HRK 000)	812	-2.971
EBITDA margin	8,6%	-36,5%
Net profit margin	0,3%	-46,2%
ROA	0,1%	-13,9%
ROE	0,1%	-20,3%
Current ratio	4,1	1,5
Financial stability ratio	0,7	0,8
Debt ratio	9,8%	31,5%
Number of employees	32	29
Investments (HRK 000)	176	84



Plovput d.o.o.

Obala Lazareta 1, 21000 Split

www.plovput.hr

Management Board:

Mate Perišić

Supervisory Board:

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

Government representative in the

Gen. Assembly:

Oleg Butković

Audit committee:

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

Auditor:

BDO Croatia d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

The 1997 Plovput 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 navigation safety) pursuant to the Maritime Code (Official Gazette 181/04, 76/07, 146/08, 61/11, 56/13, 26/15 and 17/19) and the Plovput Split Act (Official Gazette 73/97) is of public interest to the Republic of Croatia, and is carried out as public authority 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 2020

Key business events

In order to ensure as safe as possible navigation, at the end of 2020 there were 1,207 safety navigation facilities in operation on the internal sea waterways and the territorial sea of the Republic of Croatia, out of which 783 are owned by the company and 424 facilities are owned by third parties. During 2020, there were no maritime accidents or life threats caused by the failure of maritime signalling or maritime radio facilities. The global maritime transport market has a dominant influence on the company's operations, since 99% of the turnover in gross tonnes is made up of international shipping companies. The trends of the euro exchange rate significantly affects the company's operations, since the fee for the use of navigation safety facilities for international shipping companies is calculated and charged in euros. In order to manage these risks more effectively, the company has focused its development strategy on improving operational excellence by improving the performance of the internal value chain and the value system of the company. The company derives 83% of its total revenues from sales on foreign markets, whereby navigation safety services are contracted in EUR. Total revenues amounted to HRK 69 million, which is by 6% less than in 2019. The company's most significant revenues are achieved by compensation for the use of navigation safety facilities for domestic and foreign vessels that are charged pursuant to the Ordinance on fees for the use of navigation safety facilities and the Ordinance amending the Ordinance on fees for the use of

navigation safety facilities (revenues from domestic and foreign vessels). In the structure of total revenue, the revenue from fees for the use of navigation safety facilities participates with 85% and are by 3% lower compared to the same period in 2019. In 2020, due to the emerging situation caused by the global epidemic of the Covid-19 virus, traffic in gross tonnes (GT) in national and international navigation decreased significantly, about 12%, resulting in a decrease in revenues generated by the invoicing of fees for the use of safety facilities.

Operating costs in the reporting period decreased by 6% compared to 2019, because with the occurrence the first Covid-19 cases austerity measures were introduced within the limits that do not interfere with the core activity, taking into account the savings of raw materials, materials, spare parts, rational organisation of planning trips and service costs. In the second quarter of 2020, measures of the Government of the Republic of Croatia regarding postponed payment of fiscal charges were used. In 2020, the company earned net profits in the amount of HRK 175,604.

Investments

In 2020, the company invested HRK 4.3 million, out of which HRK 3.2 million for investment works and HRK 1.6 million for the procurement of capital assets. Priorities in realisation of investments were directly related to the safety of navigation at sea (construction and installation of new maritime signalling facilities, installation of new electronic equipment, electronic labels and investments in the radio service).

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)

	2019.	2020.
Long-term assets	134.366	128.082
Short-term assets	25.541	31.351
Future period prepaid expenses.	314	314
Total Assets	160.221	159.747
Equity	133.933	133.812
Provisions	0	162
Long-term liabilities	3.190	2.143
Short-term liabilities	6.454	8.751
Deferred payment for expenses.	16.644	14.879
Total Equity & Liabilities	160.221	159.747

INCOME STATEMENT (HRK 000)

Operating revenues	73.674	69.092
Operating expenditures	73.531	69.008
Financial revenues	240	237
Financial expenditures	368	171
Total revenues	73.914	69.329
Total expenditures	73.899	69.179
Profit/Loss before tax	15	150
Corporate tax	-25	-26
Net profit/loss	40	176

KEY INDICATORS

EBITDA (HRK 000)	9.847	9.788
EBITDA margin	13,4%	14,2%
Net profit margin	0,1%	0,3%
ROA	0,0%	0,1%
ROE	0,0%	0,1%
Current ratio	4,0	3,6
Financial stability ratio	1,0	0,9
Debt ratio	6,0%	6,9%
Number of employees	273	265
Investments (HRK 000)	6.335	4.356



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 operating 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 2020

Key business events

The company's business during 2020 was marked by the COVID-19 pandemic, an event unprecedented in recent history that had a significant impact on the course of everyday life throughout the world and on the closure of borders and the disruption of basic principles such as the free movement of people and goods.

Consequently, the COVID-19 pandemic caused significant disturbances in air traffic and Dubrovnik Airport was closed to all civil traffic from 19 March to 2 May 2020. The continuation of the summer flight season was marked by a significant decline in passenger traffic due to travel restrictions imposed by all countries in order to contain the pandemic.

The total traffic of passengers in 2020 amounted to 330,147 and decreased by 88.60% compared to 2019, with a traffic of 241,805 international passengers (a decrease of 90.79% compared to the previous year), 84,975 domestic passengers (a decrease of 66.12%

compared to the previous year) and transit passengers amounting to 3,367 (a decrease of 81.97% compared to the previous year).

Domestic airlines participated with a share of 25.74% in the number of passengers carried in 2020 (in 2019: 14.77%), while foreign air carriers accounted for a share of 74.26% of the (in 2019: 85.23%).

In 2020, the number of passengers carried by domestic air carriers increased, whereas the number of passengers carried by foreign air carriers decreased as a direct result and as a consequence of the coronavirus pandemic.

In 2020, there was a total of 8,486 aircraft landing and take-off (2019: 25,962), which represents a decrease of 67.31%.

Due to the pandemic, during 2020 the company recorded negative business results and had a loss of HRK 136 million (2019: profit in the amount of HRK 114 million), while the total company revenues in 2020 amounted to HRK 154 million (2019: HRK 485 million), which is a decrease by 68.2% compared to the previous year.

The negative impact of the pandemic is even more pronounced if we look at sales revenue, since the total revenues contain also other revenues related to the recognition of revenue from the refund of funds received from EU funds for the Project, and support received from the Croatian Employment Institute that significantly increased other business revenues in 2020.

Sales revenues directly related to the decrease in passenger traffic are by 84.5% lower, while the rest

Operating revenues increased by 47.5%.

In comparison to the three-year period, Total revenues companies decreased by 36.57% in 2020 compared to 2018.

In order to mitigate the impact of the pandemic, the Society took a number of measures during 2020 with the aim of rationalising business operations and preserving stability and liquidity. Despite the difficult circumstances, Dubrovnik Airport continues to work on achieving strategic goals such as year-round connecting Dubrovnik and Dubrovnik-Neretva County with Europe and the world, and achieving profitable and sustainable business.

Investments

During 2020, the company managed to achieve one of the main strategic objectives and to complete the “Development of Dubrovnik Airport” project. The total value of this project was more than HRK 2 billion and a total of HRK 1.1 billion of grants were paid to the company.

During 2020, the company signed a grant contract for the DANOVA project, whose main objective was to improve the accessibility of airports and other infrastructure of the project partners to the blind and partially sighted. The total value of the project was EUR 2.2 million, while the company’s share was EUR 402 thousand. The project consortium consisted of 14 project partners and 4 associate partners, with Dubrovnik Airport being the leading partner.

During 2020, the company invested about HRK 16 million, which was covered by own resources (2019: HRK 562 million was invested). These investments referred to the transfer of already contracted investments during 2019, as well as the most necessary investments launched during 2020, which were indispensable for the company's operations.

The investments were mainly related to the updating of existing software and network infrastructure (HRK 3.2 million), the completion of activities related to the Project (HRK 5.6 million) and the purchase of self-

propelled belts (HRK 1.5 million) and parking ramps (HRK 2.8 million).

Due to the COVID-19 pandemic, the company conducted business rationalisation and postponed most of the investments for 2021, whereby the 2020 procurement plan rebalance reduced the total amount of planned purchases launched during 2020 to HRK 5.2 million.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET
(HRK 000)

	2019.	2020.
Long-term assets	2.083.986	1.957.328
Short-term assets	268.511	198.859
Future period prepaid expenses.	0	0
Total Assets	2.352.497	2.156.187
Equity	1.041.448	906.996
Provisions	23.435	22.417
Long-term liabilities	215.587	210.491
Short-term liabilities	93.669	53.738
Deferred payment for expenses.	978.358	962.545
Total Equity & Liabilities	2.352.497	2.156.187

INCOME STATEMENT (HRK 000)

Operating revenues	478.232	151.043
Operating expenditures	339.151	274.862

Financial revenues	6.469	2.991
Financial expenditures	7.111	12.203
Total revenues	484.701	154.034
Total expenditures	346.262	289.729
Profit/Loss before tax	138.439	-135.695
Corporate tax	24.444	0
Net profit/loss	113.995	-135.695

KEY INDICATORS

EBITDA (HRK 000)	257.082	20.108
EBITDA margin	53,8%	13,3%
Net profit margin	23,5%	-88,1%
ROA	4,8%	-6,3%
ROE	10,9%	-15,0%
Current ratio	2,9	3,7
Financial stability ratio	1,7	1,8
Debt ratio	55,7%	57,9%
Number of employees	521	474
Investments (HRK 000)	562.358	16.480



Zračna luka Osijek d.o.o.
 Vukovarska ulica 67, 31207 Klisa
www.osijek-airport.hr

Management Board:
 Davor Forgić (direktor)

Supervisory Board:
 Ivica Bilac (president)
 Silvestar Vargek (deputy)
 Tatjana Grganović (member)

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

Audit committee:
 Milena Kordi
 Suzana Tretinjak

Auditor:
 Grant Thornton revizija d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

The company Zračna luka Osijek d.o.o. (Osijek Airport) was founded in 1978 as a regional airport of the Republic of Croatia for providing air traffic services, ground-handling of aircrafts, passengers and things. The aim of the business is to establish regular and charter lines in domestic and international traffic. Osijek Airport is the operator and only handling agent at Osijek Airport. The company provides service and individual access to each carrier: handling of all general aviation aircraft, traffic coordination (flight announcement, confirmation and organisation of ground-handling) and operational activities (service control, aircraft movement messages, connecting with dispatch, sanitary and veterinary inspection, loading/unloading planning, charging of services, transport and accommodation of crew).

The mission of the company is active involvement in Croatian, European and world transport and economic flows, with continuous investment in infrastructure (adapting it to the needs of traffic growth and requirements of safe and regular transport), implementation of new technologies, especially education and training of all employees with the aim of achieving expert and professional implementation of basic activities.

PERFORMANCE IN 2020

The 40th anniversary of Osijek Airport was marked by the coronavirus pandemic, which greatly influenced the company's operations. Air traffic was suspended

between March and June 2020. After the continuation of air traffic, the company recorded a decrease in the number of passengers and aircraft operations, whereas there was no cargo traffic at all. In international traffic only four rotations were carried out of Eurowings on the international route Stuttgart-Osijek-Stuttgart. In the domestic route transport, only domestic air carriers operated according to the PSO programme. Throughout the year (except in the period March-June), Trade Air carried out double rotations from Osijek to Zagreb during three days a week and held full-year connections twice a week between Osijek, Rijeka, Split and Dubrovnik, as well as Osijek, Pula and Split by airplane type Turbolet L410 with a capacity of 18 seats. During the summer season, Croatia Airlines operated the Osijek-Dubrovnik-Osijek and Osijek-Split-Osijek routes once a week with a Dash 8-Q400 aircraft with a capacity of 76 seats. The London-Osijek-London route, to be established by the air carrier Ryanair, was not realised and the planned results were not achieved on the already mentioned Stuttgart-Osijek-Stuttgart route. In 2020, there were 86% less passengers and 41% less aircraft operations compared to 2019. Despite the company's efforts to establish new routes, a total of 6,627 passengers were transported in 2020, which was by 39,756 passengers less than in 2019. A decrease in the number of passengers was also recorded on non-scheduled routes and general aviation (63%). The discontinuation of air traffic and the decrease in the number of passengers and aircraft operations also negatively affected the services from the company's secondary activities. A total of HRK 11,923,580 of

revenues and HRK 12,964,282 of expenditures were generated in 2020. The result of the company's operations is a loss in the amount of HRK 1,040,702. Despite a significant decline in business activities, the preparedness and functionality of all capacities of Osijek Airport was maintained.

Investments

During 2020, HRK 1,198,236 was invested in Osijek Airport, out of which the Ministry of the Sea, Transport and Infrastructure participated in financing capital investments for protection purposes: the purchase of RTG devices, for safety purposes - development of a study and measurements of TOR for the intersection from SV to A and B, the procurement of equipment for defrosting of USS and the purchase of aircraft engine blade heaters and the elimination of non-compliance according to the finding of HACZ - development of a study and relocation of the target point. With its own funds of HRK 98,236, Osijek Airport invested in the lighting control computer to the USS, the extension of video surveillance and access control systems, the LAN network in the passenger building was expanded and a part of the heating system changed.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)

	2019.	2020.
Long-term assets	91.569	90.642
Short-term assets	8.205	7.651
Future period prepaid expenses.	0	0
Total Assets	99.774	98.293
Equity	14.557	13.516
Provisions	0	154
Long-term liabilities	22.000	22.000
Short-term liabilities	63.217	62.623
Deferred payment for expenses.	0	0
Total Equity & Liabilities	99.774	98.293

INCOME STATEMENT (HRK 000)

Operating revenues	15.921	11.896
Operating expenditures	14.825	12.474
Financial revenues	13	28
Financial expenditures	540	490
Total revenues	15.934	11.924
Total expenditures	15.365	12.964
Profit/Loss before tax	569	-1.041
Corporate tax	0	0
Net profit/loss	569	-1.041

KEY INDICATORS

EBITDA (HRK 000)	2.979	1.388
EBITDA margin	18,7%	11,7%
Net profit margin	3,6%	-8,7%
ROA	0,6%	-1,1%
ROE	3,9%	-7,7%
Current ratio	3,7	0,1
Financial stability ratio	2,5	2,6
Debt ratio	85,4%	86,2%
Number of employees	50	50
Investments (HRK 000)	3.492	1.100

**Zračna luka Pula d.o.o.**

Ližnjan, Valtursko polje 210

www.airport-pula.hr**Management Board:**

Nina Vojnić Žagar (member)

Supervisory Board:

Ivan Glušac (president),
 Vildana Megla (zamjenica),
 Mladen Stepanić (member),
 Boris Bulatović (member),
 Elizabeta Berbakov (member),
 Marino Golob (member),
 Donald Schiozzi (member)

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

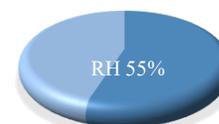
Oleg Butković

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 d.o.o. (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/gate' 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 2020**Key business events**

The company's operations in 2020 were marked by the SARS-CoV-2 coronavirus pandemic and the disease it causes, which led to the World Health Organisation's proclamation of a global pandemic on 30 January 2020.

This pandemic severely affected air traffic, i.e. 2020 is marked by the sharpest drop in traffic in aviation history. Thus, worldwide demand for international traffic was by 75.6% lower than demand in 2019, the capacity of seats in international traffic decreased by 68.1% and the occupancy of aircraft amounted to 62.8% compared to 2019.

Pula Airport, whose operations are highly seasonal, was marked by the following figures in 2020:

- total passenger traffic of 83,502 passengers, which in relation to the traffic of 777,568 passengers in 2019 represents the achievement of only 10.74% of the traffic since the record year 2019;
- total number of aircraft operations 4,464, which represents 42.1% of the number of operations in 2019 when there were 10,428.

Out of 35 airline companies operating on 67 destinations in 2019, 12 airline companies operated in 2020 with far reduced number of destinations (19) and flight frequencies. Many flights had only one frequency at a weekly level, and the flight period was significantly reduced.

The structure of passengers by country was as follows:

1. Great Britain	31.90
2. Germany	22.12
3. Croatia	11.36
4. Ukraine	9.64
5. Belgium	7.60
6. Netherlands	6.57
7. Switzerland	6.23
8. Other	4.58

Total revenues in 2020 amounted to HRK 27.7 million, representing a decrease by 68.6% compared to 2019, in which HRK 88.2 million of revenues were generated. Total expenditures amounted to HRK 45.6 million,

which represents a decrease by 39.3% compared to 2019. The net losses of the period were HRK 17.9 million, and the overall losses of the period amounted to HRK 17.6 million.

The loss of the financial year will be covered by retained profits realised in previous periods.

Investments

In 2020, Pula Airport invested HRK 11.1 million into tangible and intangible fixed assets. The most important investments, the realisation of which started already in previous periods, were:

- 1) replacement of the asphalt layers of the apron for aircraft (Phase I) HRK 7,193.8 million;
- 2) charging station for electric vehicles with solar panels 1,203.3 million HRK;
- 3) installation of lighting in the commercial parking lot HRK 547.8 million;

The investment for the charging station for electric vehicles with solar panels is financed under the project ADRIGREEN. This project is co-financed by the European Union through INTERREG V-A Italy Croatia Transnational Cooperation Programme 2014-2020 from the European Regional Development Fund.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)

	2019.	2020.
Long-term assets	153.039	153.555
Short-term assets	55.804	32.100
Future period prepaid expenses.	166	198
Total Assets	209.009	185.853
Equity	155.163	137.601
Provisions	5.689	2.031
Long-term liabilities	13.220	13.173
Short-term liabilities	10.064	7.004
Deferred payment for expenses.	24.873	26.044
Total Equity & Liabilities	209.009	185.853

INCOME STATEMENT (HRK 000)

Operating revenues	87.774	27.044
Operating expenditures	74.809	45.330
Financial revenues	425	653
Financial expenditures	271	279
Total revenues	88.199	27.697
Total expenditures	75.080	45.609
Profit/Loss before tax	13.119	-17.912
Corporate tax	2.601	0
Net profit/loss	10.518	-17.912

KEY INDICATORS

EBITDA (HRK 000)	20.632	-10.399
EBITDA margin	23,5%	-38,5%
Net profit margin	11,9%	-64,7%
ROA	5,0%	-9,6%
ROE	6,8%	-13,0%
Current ratio	5,5	4,6
Financial stability ratio	0,9	1,0
Debt ratio	25,8%	26,0%
Number of employees	170	127
Investments (HRK 000)	8.381	8.454



Zračna luka Rijeka d.o.o.

Hamec 1, 51513 Omišalj

www.rijeka-airport.hr

Management Board:
Tomislav Palalić (direktor)

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

Government representative in the Gen. Assembly:
Oleg Butković

Audit committee:
Nataša Zrilić (predsjednica),
Vedrana Čubranić (deputy)
Mario Jelčić (member),
Darinka Brusić (member),

Auditor: Alpha Audit d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

2019. 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 2020

Key business events

A key event marking the year 2020 worldwide is certainly the COVID-19 pandemic that caused the closure of borders of countries, the closure of all tourism-related businesses and the introduction of measures to restrict the movement of all people. The COVID-19 pandemic, a public health crisis that hit citizens and societies worldwide, strongly affected the entire economy, particularly the air industry due to its specificity. Since the global coronavirus pandemic has an exceptional impact on the tourist movements of the population, this resulted in a drastic decrease in air transport demand leading to an unprecedented decline in air traffic in 2020. Namely, Rijeka Airport generated traffic of only 27,680 passengers, which is by 86.2% less than the realised number of passengers in 2019, when a

record number of passengers was achieved in Rijeka Airport operations until that time (200,841).

The proclamation of the COVID-19 pandemic in March 2020 halted air traffic and the regular and charter traffic at Rijeka Airport did not take place until the second half of June 2020.

In 2020, only 3,360 aircraft operations were performed, which is by 32.0% less than in 2019, and 256,340 kg of freight, which is by 75.0% less than the realised freight traffic in 2019.

In accordance with the aforementioned exceptional disturbance in the air traffic market caused by the COVID-19 pandemic, significantly lower revenues were achieved compared to the record year 2019, and a negative business result, i.e. loss, was achieved in the amount of HRK 6,809,514.73.

Total revenues in 2020 amounted to HRK 10,112,773.68, which was by 60.7% less (HRK 15,594,164.29 less) than in 2019 when total revenues amounted to HRK 25,706,937.97. However, despite the decrease in passenger traffic by 86.2%, revenues did not decrease to such an extent due to an increase in the number of private flights caused by a lack of regular airlines.

In 2020, total expenditures amounted to HRK 16,922,288.41, which was by 34.0% less (HRK 8,706,639,17 less) than in 2019, when total expenditures amounted to HRK 25,628,927.58, with the remark that expenditures were retained during Q1 2020 precisely because of keeping a minimum number of trained staff with the 2020 season plan, with projections of increased traffic compared to 2019.

FINANCIAL DATA AND INDICATORS

Investments

In the initial investment plan adopted in December 2019, investments were planned totalling more than HRK 46 million, but due to the proclamation of the COVID-19 pandemic in March 2020, by the 1st amendments to the investment plan investments were limited to the realisation of the most necessary investments to ensure safety and traffic standards, which are financed from capital assistance from the Ministry of the Sea, Transport and Infrastructure and Primorje-Gorski Kotar County.

In accordance with the reduction of allocated funds by the previously mentioned co-owners of Rijeka Airport due to the pandemic, investments in the total amount of HRK 3,565,882.61 were made in 2020. With funds of capital assistance from the Ministry of the Sea, Transport and Infrastructure (HRK 2,999,999.60) and the County of Primorje-Gorski Kotar (HRK 400,000) and own resources (HRK 165,882.61), Rijeka Airport carried out the following procurements in 2020: 3 metal detector, doors, 2 explosive detection devices, 2 X-ray devices for inspection of checked-in luggage, thermal camera, the reconstruction of the day horizontal signalling system at Rijeka Airport was carried out, as well as an upgrade of the video surveillance system, reconstruction and upgrading of the IT system was performed.

**BALANCE SHEET
(HRK 000)**

	2019.	2020.
Long-term assets	175.440	176.791
Short-term assets	4.251	6.079
Future period prepaid expenses.	305	255
Total Assets	179.996	183.125
Equity	134.342	128.433
Provisions	385	1.981
Long-term liabilities	35	6.522
Short-term liabilities	12.664	13.474
Deferred payment for expenses.	32.571	32.716
Total Equity & Liabilities	179.996	183.125

INCOME STATEMENT (HRK 000)

Operating revenues	25.670	10.095
Operating expenditures	25.358	16.617
Financial revenues	37	18
Financial expenditures	271	305
Total revenues	25.707	10.113
Total expenditures	25.629	16.922
Profit/Loss before tax	78	-6.810
Corporate tax	38	0
Net profit/loss	40	-6.810

KEY INDICATORS

EBITDA (HRK 000)	4.510	-2.339
EBITDA margin	17,6%	-23,2%
Net profit margin	0,2%	-67,3%
ROA	0,0%	-3,7%
ROE	0,0%	-5,3%
Current ratio	0,3	0,5
Financial stability ratio	1,3	1,3
Debt ratio	25,4%	29,9%
Number of employees	73	41
Investments (HRK 000)	5.611	3.566



Zračna luka Split d.o.o.

Kaštel Štafilić (Grad Kaštela),
Cesta dr. Franje Tuđmana 1270
www.split-airport.hr

Management Board:

Lukša Novak (member)

Supervisory Board:

Josip Marković (president), Mirjana Čagalj (zamjenica), Marko Parčina (member), Vlade Matijašević (member), Miro Maretić (member), Slaven Jažo (member), Zoran Maršić (member)

Government representative in the Gen. Assembly: Oleg Butković

Audit committee:

Ivan Matić (president), Silvana Ševo (member), Mirjana Čagalj (member)

Auditor:

BAŠREVIZOR 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 2020

Key business events

The conditions of the economic crisis and high uncertainties caused Split airport to operate in extremely complex conditions in 2020. The coronavirus pandemic severely affected the entire world economy, especially tourism and air traffic, which suffered a drastic decline in the number of flights and passengers carried.

After the declaration of the global Covid-19 pandemic, a business crisis plan was drafted in April in order to implement the necessary rationalization of operations, i.e. reduce all costs and capital investments. Business activities were focused on liquidity and cost optimization in order to preserve the financial potential and long-term sustainability of the system.

In 2020, 674,366 passengers passed through Split Airport, which represents an 80% drop in passenger traffic compared to the previous year, a 68% drop in aircraft tonnage was also recorded and a 59% drop in aircraft traffic. According to data published by ACI Europe, the decrease in passenger traffic in 2020 within the EU was 73%, whereas in the Republic of Croatia there was a decrease of 81% compared to the previous year.

The total revenue generated in 2020 amounted to HRK 121 million, which is 73% less than in 2019. This drop in revenues was caused by the global coronavirus pandemic, which led to a low level of economic activity at the global level, with the biggest negative impact on tourism and air transport.

Total expenditures in 2020 amounted to HRK 219 million, which is 24% less than in 2019. In order not to threaten stable operations, the greatest attention was paid to maintaining liquidity and rationalising costs. The above mentioned data resulted in a loss of HRK 98 million in 2020.

Since it is difficult to predict the duration of the crisis in the forthcoming period, business will be focused on maintaining liquidity and rationalising business operations, while maintaining all achieved standards in business and air transport safety.

Investments

The total capital investments realised by Split Airport in 2020 amounted to HRK 111 million, out of which HRK 103 million were realized before the proclamation of the coronavirus pandemic.

The most significant capital investment relates to the purchase of land from Kaštelanski staklenici in bankruptcy in the amount of HRK 88 million. The land purchase was realised through an electronic public auction (the offer was submitted in February 2020 and was accepted according to the Decision on award of 06 March 2020). After occurrence of the specific situation, a postponement of the purchase payment was requested in accordance with the procedure, but it was not approved.

Other capital investments related to investments in a new terminal in the amount of HRK 13 million and other equipment in the amount of HRK 5 million, the purchase of which was contracted before the crisis began.

Split Airport finances all capital investments from its own resources without state guarantees and subsidies from the state budget.

FINANCIAL DATA AND INDICATORS**BALANCE SHEET
(HRK 000)**

	2019.	2020.
Long-term assets	957.344	1.028.856
Short-term assets	409.425	234.134
Future period prepaid expenses.	307	369
Total Assets	1.367.076	1.263.359
Equity	1.017.215	919.247
Provisions	13.377	13.634
Long-term liabilities	268.546	284.598
Short-term liabilities	57.321	35.648
Deferred payment for expenses.	10.617	10.232
Total Equity & Liabilities	1.367.076	1.263.359

INCOME STATEMENT (HRK 000)

Operating revenues	446.403	116.074
Operating expenditures	283.214	206.400
Financial revenues	4.126	5.104
Financial expenditures	5.905	12.452
Total revenues	450.529	121.178
Total expenditures	289.119	218.852
Profit/Loss before tax	161.410	-97.674
Corporate tax	29.902	0
Net profit/loss	131.508	-97.674

KEY INDICATORS

EBITDA (HRK 000)	192.385	-48.825
EBITDA margin	43,1%	-42,1%
Net profit margin	29,2%	-80,6%
ROA	9,6%	-7,7%
ROE	12,9%	-10,6%
Current ratio	7,1	6,6
Financial stability ratio	0,7	0,9
Debt ratio	25,6%	27,2%
Number of employees	456	388
Investments (HRK 000)	161.663	111.319



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 (zamjenica),
Mario Pešut (member),
Jure Buljat (member),
Marija Blagojević (member)

Audit committee:
Nada Brekalo (predsjednica),
Tamara Perić (zamjenica),
Željko Ivković (member)

Auditor:
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.

PERFORMANCE IN 2020

Key business events

From the very outbreak and beginning of the pandemic of the new coronavirus (COVID-19), Zadar Airport has been paying full attention to the development of the situation on the global and local level. Special attention was paid to the measures of the Government of the Republic of Croatia and all competent institutions that provided recommendations and guidelines for the implementation of measures for prevention of virus spread in order to protect health while maintaining key business processes and the company's work.

Due to the new extraordinary circumstances of the epidemiological and pandemic spreading of the disease COVID-19, from 22 March to 20 June 2020 there was no regular international scheduled air traffic at Zadar Airport, and no revenue from the core activity was generated. The COVID-19 pandemic adversely affected Zadar Airport's operations in 2020. As a result of pandemic strict protective measures, air traffic sharply

decreased, which also caused a sharp drop in Zadar Airport's revenues.

In 2020, passenger traffic decreased by 85% compared to 2019 (2020 = 120,975 passengers, 2019 = 801,349 passengers), resulting in a 66% decrease in revenue compared to 2019 and a loss in 2020 in the amount of HRK 17,810,190.

In order to minimise negative impacts on operations, i.e. to ensure that the liquidity and continuity of operations do not become questionable due to the current circumstances, already at the end of March 2020 Zadar Airport:

- reduced and eliminated all expenditures that are not essential for regular operations under current conditions;
- adjusted public procurement plans in accordance with the first mentioned item,
- material rights of employees from the Collective Agreement were reduced by abolishing holiday and Christmas allowances, severance bonuses,
- payment of donations and sponsorships was suspended.

Investments

During 2020, the company continued to invest in infrastructure and equipment in order to meet all required safety standards.

FINANCIAL DATA AND INDICATORS

A total of HRK 10.1 million was invested, i.e., HRK 4.6 million of own funds and HRK 5.5 million of state budget funds.

Most of the funds in 2020 were invested in the preparation of the main design and the implementation of geotechnical research works for the reconstruction and upgrading of the USS 13-31 and the taxiway in the amount of HRK 4.9 million. This investment was financed from state budget funds in the amount of HRK 4.8 million, while the remaining part of HRK 0.1 million was financed from own funds.

In 2020, investments were made in the displacement of check point lines with all related equipment and devices, works on the information desk and coffee bar, and other related equipment and works for resumption of the coffee bar function, information desk and check-in totalling HRK 929 thousand. This investment was financed from own resources.

In 2020 investments were made into the second phase of reconstruction and upgrading of the main apron in the total amount of HRK 780 thousand, and they refer to the preparation of the main execution design, the study of main design compliance with environmental protection measures and the environmental monitoring programme for the 2nd phase of the apron construction project. This investment was financed from own resources.

In 2020, equipment worth HRK 1.7 million was procured: device for regeneration of batteries in the amount of HRK 47 thousand, zebra scanner (3 pcs), IER 602 reader (6 pcs), OCR Neptun keyboard (4 pcs) in the total amount of HRK 162 thousand, mobile ecological storage in the amount of HRK 25 thousand, Ryanair containers in the amount of HRK 172 thousand. Computing equipment was procured in the total amount of HRK 318 thousand, air conditioning equipment (3 pcs) in the amount of HRK 118 thousand, explosive trace detection devices (2 pcs) in the amount of HRK 489 thousand that were financed with state budget funds, devise for inspection of liquids in the amount of HRK 250 thousand financed with state budget funds, and other equipment. This equipment was financed from own resources in the amount of HRK 963 thousand, whereas with state budget funds equipment in the amount of HRK 738 thousand was financed.

**BALANCE SHEET
(HRK 000)**

	2019.	2020.
Long-term assets	87.507	84.793
Short-term assets	57.256	36.286
Future period prepaid expenses.	283	317
Total Assets	145.046	121.396
Equity	118.316	101.627
Provisions	16.026	15.432
Long-term liabilities	31	0
Short-term liabilities	9.587	3.571
Deferred payment for expenses.	1.086	766
Total Equity & Liabilities	145.046	121.396

INCOME STATEMENT (HRK 000)

Operating revenues	84.713	28.475
Operating expenditures	75.984	46.897
Financial revenues	553	737
Financial expenditures	694	125
Total revenues	85.266	29.212
Total expenditures	76.678	47.022
Profit/Loss before tax	8.588	-17.810
Corporate tax	1.831	0
Net profit/loss	6.757	-17.810

KEY INDICATORS

EBITDA (HRK 000)	14.773	-11.368
EBITDA margin	17,4%	-39,9%
Net profit margin	7,9%	-61,0%
ROA	4,7%	-14,7%
ROE	5,7%	-17,5%
Current ratio	6,0	10,2
Financial stability ratio	0,7	0,8
Debt ratio	18,4%	16,3%
Number of employees	198	136
Investments (HRK 000)	26.087	10.116



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

Management Board:
 Ranko Ilić (direktor)

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

Auditor:
 Audit d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

The company's core business is the provision of expert and technical assistance to the Government of the Republic of Croatia as the concession provider for supervising implementation of the Concession Agreement for the Construction and Operation of Zagreb Airport. In addition, in the event of any termination or expiry of the Concession Agreement, and due to the strategic importance of Zagreb Airport (managed by MZLZ d.o.o. – International Zagreb Airport), the company must be prepared to continue providing airport services at any time, by taking over activities and employees.

- creating institutional, organisational, personnel and other conditions (competences) for the reorganisation of company business activities of Zagreb Airport, and ensuring sustainable business operations in the coming period as well as developing the company's management systems 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 services (consulting, education);
- development of new projects (Zagreb Airport City).

PERFORMANCE IN 2020

Key business events

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

- fulfilling obligations inherited from the period prior to the taking up by the concessionaire on 5 December 2013;
- providing expert and technical assistance to the Grantor in supervising the implementation of the Concession Agreement;

In the period from 1 January – 31 December 2020, the company Zagreb Airport generated total revenue in the amount of HRK 6,112 million and total expenditures in the amount of HRK 6,024 million. Within the framework of total revenues, the operating revenues amounted to HRK 5,302 million or 86.75%, whereas revenues from financial assets amounted to HRK 810 thousand or 13.25%. In comparison to the 2020 plan, total revenues decreased by HRK 1.83 million or 13.08%.

Total expenditures amounted to HRK 6.024 million. Within the framework of total expenditures, material costs amounted to HRK 1.334 million or 22.14%, personnel costs amounted to HRK 2.311 million or 38.36% and they were by 1.11% lower than in the same period in 2019, when they amounted to HRK 2.337

million. Depreciation costs amounted to HRK 605 thousand or 10.04%, while other operating expenditures amounted to HRK 911 thousand or 15.12%. Financial expenditures amounted to HRK 25 9 thousand or 4.30% of total expenditures. Other costs amounted to HRK 606 thousand or 10.04% of total expenditures. In comparison to the 2020 plan, total expenditures decreased by HRK 1.872 million or 23.71% of the planned amount of HRK 7.896 million.

A profit of HRK 57 thousand was achieved in 2020, which is 35.71% more than in 2019, when profits of HRK 42 thousand were achieved.

Investments

In 2020, the company Zagreb Airport realized investments in the amount of HRK 748 thousand.

This refers to the execution of obligations of the Republic of Croatia as concession grantor, i.e. financing the construction of a satellite fire station, based on the conclusions of the Government of the Republic of Croatia. Compared to 2019, investments made in 2020 were by HRK 595 thousand higher or by 388%.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)

	2019.	2020.
Long-term assets	843.416	843.136
Short-term assets	79.882	82.000
Future period prepaid expenses.	455	1.731
Total Assets	923.753	926.867
Equity	922.563	925.388
Provisions	474	474
Long-term liabilities	0	0
Short-term liabilities	553	909
Deferred payment for expenses.	163	96
Total Equity & Liabilities	923.753	926.867

INCOME STATEMENT (HRK 000)

Operating revenues	10.114	5.302
Operating expenditures	9.018	5.764
Financial revenues	333	810
Financial expenditures	1.339	260
Total revenues	10.447	6.112
Total expenditures	10.357	6.024
Profit/Loss before tax	90	88
Corporate tax	48	31
Net profit/loss	42	57

KEY INDICATORS

EBITDA (HRK 000)	1.704	140
EBITDA margin	16,8%	2,6%
Net profit margin	0,4%	0,9%
ROA	0,0%	0,0%
ROE	0,0%	0,0%
Current ratio	144,5	90,2
Financial stability ratio	0,9	0,9
Debt ratio	0,1%	0,2%
Number of employees	5	5
Investments (HRK 000)	153	748

**3.MAJ STM d.o.o.**

Pulska 8A, Rijeka

www.stm.hr

Management Board:
Mirjana Šunjić (member)

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

OWNERSHIP**GENERAL INFORMATION ON THE COMPANY**

The company 3 MAJ STM d.o.o. was founded in 1990 by the founder BI 3. MAJ d.d. Until 2013, the company was part of the 3. MAJ Group. Since 2013, by signing the contract on transfer of business shares, the company is fully owned by the Republic of Croatia.

The company's core activity is real estate management. Most of the company's operations, from which it generates more than 90% of its revenues, are related to the provision of accommodation services in Prenočište Kantrida (Kantrida Guest House), a property owned by 3. MAJ brodogradilište d.d. (3. MAJ Shipyard), which it manages under a business cooperation agreement. The primary purpose of the Guest House is to provide accommodation to subcontractors and Shipyard workers, but due to the decrease in production in the Shipyard, the number of workers employed in construction companies have prevailed in recent years. During the summer months, regardless of the poor equipment, accommodation in the guest house becomes attractive also guests/tourists in transit because of its location (proximity to the sea and beaches) and reasonable prices.

The rest of the company's income is generated by providing services of managing residential and residential and business buildings and renting space in the guest house.

PERFORMANCE IN 2020**Key business events**

During 2020, there were a total of 41,039 overnight stays in Kantrida Guest House, which represents a decrease of approximately 10% compared to 2019, when a total of 45,231 overnight stays were realized. There was no significant increase in the need for accommodation services to Shipyard subcontractors partly due to the still insufficient production in the shipyard, partly due to competition from private renters.

Total revenues in 2020 increased by 4.4% compared to 2019, while total expenditures of HRK 3,380,000 represent an increase by 4.5% compared to 2019.

Some of the announced overnight stays were cancelled due to the COVID-19 situation, while some of the revenues from rental of Guest House annexes decreased due to restrictions in the work of fitness centres.

The increase in revenue of the company, regardless of the reduction in the number of overnight stays, was influenced by the rental of one floor of the Guest House to the city of Rijeka for the purpose of organizing quarantine/self-isolation (COVID-19), starting from July up to December.

The increase in company expenditures was significantly influenced by the financial obligations due in the amount of HRK 200,000 based on a judgement from previous years.

The expected additional revenues from the management of projects of energy renovation of residential buildings were not realized due to the cancellation/postponement of the announcement of a call by the Ministry of Physical Planning, Construction and State Assets and the Energy Efficiency and Environmental Protection Fund for co-financing energy renovation of residential buildings.

Investments

During 2020, nor during 2019, the company had no significant investments.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)

	2019.	2020.
Long-term assets	488	466
Short-term assets	765	453
Future period prepaid expenses.	0	0
Total Assets	1.253	919
Equity	-804	-1.131
Provisions	0	0
Long-term liabilities	120	120
Short-term liabilities	1.924	1.923
Deferred payment for expenses.	13	7
Total Equity & Liabilities	1.253	919

INCOME STATEMENT (HRK 000)

Operating revenues	2.919	3.053
Operating expenditures	3.228	3.380
Financial revenues	4	0
Financial expenditures	5	0
Total revenues	2.923	3.053
Total expenditures	3.234	3.380
Profit/Loss before tax	-310	-328
Corporate tax	0	0
Net profit/loss	-310	-328

KEY INDICATORS

EBITDA (HRK 000)	-288	-309
EBITDA margin	-9,9 %	-10,1 %
Net profit margin	-10,6%	-10,7%
ROA	-24,7%	-35,7%
ROE	0	0
Current ratio	0,4	0,2
Financial stability ratio	-0,7	-0,5
Debt ratio	163%	222%
Total assets activity ratio	2,3	3,3
Number of employees	18	18
Investments (HRK 000)	0	0



AGRODUHAN d.o.o.
za poljoprivrednu proizvodnju i usluge
Slatina, N. Š. Zrinskog 30
www.agroduhan.hr

Management Board:

Tomislav Tomić (president),
Krešimir Hrgović (direktor)

Supervisory Board:

Luka Birčić (president),
Marinko Rakić (deputy),
Suzana Domjanić (member),
Saša Bukovac (member),
Josip Job (member)

**Zastupnik RH, HZMO u
Skupštini: Government
representative in the Gen.
Assembly**
CERP

Auditor:
Ažurnost d.o.o. Osijek

OWNERSHIP**GENERAL INFORMATION ON THE COMPANY**

AGRODUHAN d.o.o. (limited liability company) (hereinafter: company) is specialised in the manufacture, processing and trade of tobacco and tobacco raw material. The company was founded on 16 December 1996.

The company is in majority state ownership.

The company's core activity is the cultivation of tobacco through cooperation with individual producers, processing of tobacco leaves obtaining tobacco strips as the basic product, and secondary products in the form of tobacco root.

The entire production is sold on foreign markets.

PERFORMANCE IN 2020**Key business events**

The company's operations during 2020 took place under very complex operating conditions that were negatively affected by the COVID-19 pandemic. This partly resulted in difficulties in the sale of finished products during the first half of 2020 and ultimately led to a decrease in the average sale prices and thus in the company's revenues.

Extremely complex operating conditions, and carried out adjustments in accounts during 2020, resulted in losses in the amount of HRK 15,381,487.

Despite the complex terms and conditions of operation in 2020, the main reason for loss is the consequence of the carried out adjustment of property value, carried out in accordance with the provisions of the HSF1 (Croatian Financial Reporting Standards). The cost of real estate value adjustment debiting the income statement (profit and loss account) for 2020 amounted to HRK 14,331 thousand.

The total reduction of the value of tangible assets (real estate and land) during 2020 amounted to HRK 49,948 thousand, of which HRK 28,441 thousand were recorded on the revaluation reserve, HRK 7,176 thousand were deferred tax liabilities, and HRK 14,331 thousand were charged to the profit and loss account.

The adjustment of assets value in question is one of the activities on the implementation of the Decision of the Government of the Republic of Croatia of 13 February 2020, on the creation of previously necessary conditions for securing the recapitalisation procedure of Agroduhan d.o.o.

In 2019, 1,682,529 kg of tobacco leaves were purchased and 1,565,550 kg of finished products produced, and in 2020, 1,513,851 kg of tobacco leaves were purchased and 1,390,620 kg of finished products produced.

Investments

There were no significant investments in 2020, except for the ongoing investment in the production plant.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET

(HRK 000)	2019.	2020.
Long-term assets	76.553	25.807
Short-term assets	36.740	47.339
Future period prepaid expenses.	14	49
Total Assets	113.307	73.195
Equity	58.128	21.965
Provisions	1.945	1.978
Long-term liabilities	20.495	15.968
Short-term liabilities	32.734	33.092
Deferred payment for expenses.	5	0
Total Equity & Liabilities	113.307	73.195

INCOME STATEMENT (HRK 000)

Operating revenues	45.291	41.393
Operating expenditures	43.711	55.816
Financial revenues	762	609
Financial expenditures	2.013	1.568
Total revenues	46.053	42.002
Total expenditures	45.724	57.383
Profit/Loss before tax	131	-15.381
Corporate tax	199	0
Net profit/loss	131	-15.381

KEY INDICATORS

EBITDA (HRK 000)	2.943	-13.273
EBITDA margin	6,5%	-32,1%
Net profit margin	0,3%	-36,6%
ROA	0,1%	-21,0%
ROE	0,2%	-70,0%
Current ratio	1,1	1,4
Financial stability ratio	1,0	0,7
Debt ratio	48,7%	69,7%
Total assets activity ratio	0,4	0,6
Number of employees	115	93
Investments (HRK 000)	0	0



Borovo d.d.
 Dr. Ante Starčevića 2/D
 32010 Vukovar
 www.borovo.hr

Management Board:

Gordana Odor (Predsjednik)
 Vanda Tomić Đaković (member)

Government representative in the Gen. Assembly:

CERP

OWNERSHIP**Supervisory Board:**

Tomislav Šota (president),
 Goran Miličević (deputy),
 Miroslava Miličević (member),
 Antonija Rimac Gelo (member),
 Đuro Babić (member)

Auditor:

Revizorska tvrtka Vozetić d.o.o.,
 Vinkovci

**GENERAL INFORMATION ON THE COMPANY**

Borovo d.d. is a company based in Vukovar and specialized in the production and trade of footwear, gum and other products. It is registered in the Republic of Croatia at the Commercial Court in Osijek with MBS 03001511. The company is wholly owned by the Republic of Croatia, and on 31 December 2020 it had 592 employees. The production of own footwear takes place at the company's headquarters in Vukovar, and in addition the company has 74 stores in the Republic of Croatia in which it distributes and sells its own products and merchandise.

commitments to all creditors except companies that were liquidated. Borovo's financial situation is burdened by loans from HBOR and Croatia banka, and Borovo d.d., due to its reduced liquidity as a consequence of Covid, is unable to service its liabilities within deadlines.

In the second half of 2020, the company KPMG Croatia d.o.o. was hired with the aim of helping the company to prepare a framework plan for financial and operational restructuring. The aim of restructuring was to refinance existing liabilities to financial institutions and achieve long-term stability of the company.

PERFORMANCE IN 2020**Key business events**

Key business events in 2020 are based on bridging the negative consequences of Covid-19, which directly affected the decline in company revenues, since our company stores were closed during March and April. The decline in revenues was followed by a fall in expenditures, however the operational maintenance costs affected the final result and Borovo d.d. recorded a loss in business operations in 2020. In the same year, wholesale growth was recorded in relation to the previous and reference year 2019, due to the fact that the delivery of ballistic vests for the needs of the Ministry of Defence increased the planned revenues and thus returned business into the field of ballistics. In 2020, Borovo d.d. paid off pre-bankruptcy settlement

FINANCIAL DATA AND INDICATORS

BALANCE SHEET

(HRK 000)	2019.	2020.
Long-term assets	333.797	326.471
Short-term assets	78.333	77.733
Future period prepaid expenses.	44	43
Total Assets	412.174	404.247
Equity	280.176	273.190
Provisions	13.839	13.583
Long-term liabilities	97.046	90.519
Short-term liabilities	20.978	26.862
Deferred payment for expenses.	135	93
Total Equity & Liabilities	412.174	404.247

INCOME STATEMENT (HRK 000)

Operating revenues	102.216	89.487
Operating expenditures	96.934	90.924
Financial revenues	48	98
Financial expenditures	5.169	5.646
Total revenues	102.264	89.585
Total expenditures	102.102	96.570
Profit/Loss before tax	162	-6.985
Corporate tax	0	0
Net profit/loss	162	-6.985

KEY INDICATORS

EBITDA (HRK 000)	13,79%	6,45%
EBITDA margin	13,50%	7,2%
Net profit margin	0,1%	-7,8%
ROA	0,03%	-1,73%
ROE	0,05%	-2,5%
Current ratio	3,7	2,9
Financial stability ratio	0,9	0,9
Debt ratio	32,02%	32,4%
Number of employees	625	592
Investments (HRK 000)	331	452



BRIJUNI RIVIJERA

Brijuni Rivijera d.o.o.

Marulićeva 1, Pula

www.brijunirivijera.hr**Management Board:**

Sanja Bežan (president)

Government representative

in the Gen. Assembly:

CERP

Supervisory Board:

Marcel Medak (president),

Slavko Fornažar (deputy),

Branimir Fleković (member),

Ivo Bašić (member)

OWNERSHIP**GENERAL INFORMATION ON THE COMPANY**

Brijuni Riviera d.o.o. is a company in majority ownership of the Republic of Croatia that deals with hotel, business consulting and management activities with special emphasis on the development concept of the entire area of the Riviera and development of conceptual solutions for individual locations from its portfolio such as Muzil, Hidrobaza, Sv. Katarina – Monumenti and Pineta, in order to revitalize former military property and to better position the Republic of Croatia as a high-quality tourist destination.

For this purpose, the company performs all required property rights and spatial planning activities necessary for the preparation, announcement and implementation of international tenders for the selection of investors.

PERFORMANCE IN 2020**Key business events**

Brijuni Riviera d.o.o. is entirely financed from the provision of commercial tourist services on the market, since its portfolio includes also the Pineta camp in Fažana.

Taking into account the COVID-19 pandemic, in the period 2019-2020 the achieved operating revenues decreased from HRK 10.1 million to HRK 5.8 million, while the operating expenditures decreased from HRK

9.7 million to HRK 7.1 million. Consequently, EBITDA amounted in 2019 to HRK 0.8 million, whereas in 2020 it was negative in the amount of HRK 1 million due to loss-making operation.

However, regardless of the COVID-19 crisis, the company maintained exceptionally good indicators of liquidity and financial stability in 2020, so that the current liquidity ratio, despite COVID, was 24.41 and the financial stability coefficient was 0.08. The company has no long-term debts and the indebtedness ratio is 0.04 percent.

Investments

Major investments in 2020 were made in a part of the business facility in the Pineta camping-site. The conversion was carried out in order to ensure categorization requirements for 3*, enabling the use of sanitary facilities (sinks, toilets and shower cabins). Control of entry into sanitary facilities was introduced by introducing the RFID bracelet system. The total value of these investments was HRK 2.2 million.

Given the situation caused by the COVID-19 pandemic, carrying out of other planned investment activities was abandoned, as well as participating in international investment fairs and tourist congresses to find potential investors for investing in projects from the Brijuni Riviera portfolio.

FINANCIAL DATA AND INDICATORS**BALANCE SHEET**

(HRK 000)	2019.	2020.
Long-term assets	478	463
Short-term assets	7.063	5.751
Future period prepaid expenses.	0	0
Total Assets	7.556	6.213
Equity	7.301	5.977
Provisions	0	0
Long-term liabilities	0	0
Short-term liabilities	255	235
Deferred payment for expenses.	0	0
Total Equity & Liabilities	7.556	6.213

INCOME STATEMENT (HRK 000)

Operating revenues	10.146	5.769
Operating expenditures	9.652	7.132
Financial revenues	20	45
Financial expenditures	1	5
Total revenues	10.166	5.814
Total expenditures	9.653	7.137
Profit/Loss before tax	513	-1.323
Corporate tax	96	
Net profit/loss	416	-1.323

KEY INDICATORS

EBITDA (HRK 000)	845	-1.016
EBITDA margin	0,08%	-0,18%
Net profit margin	0,04%	-0,23%
ROA	0,06%	-0,21%
ROE	0.06%	-0,22%
Current ratio	27.64	24,41
Financial stability ratio	0,07	0.08
Debt ratio	0,03%	0,04%
Total assets activity ratio	1.35	0.94
Number of employees	19	17
Investments (HRK 000)	2.634	2.203



HRVATSKA BRODOGRADNJA - JADRANBROD d.d.

Avenija V. Holjevca 20, Zagreb
www.hb.hr

Management Board:
Ruđer Friganović (direktor)

Supervisory Board:
Robert Blažinović (president),
Niko Kuliš (deputy),
Anita Deverić (member)

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

Auditor za 2020. godinu:
RSM CROATIA d.o.o.

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

The company Hrvatska brodogradnja-Jadranbrod d.d., Zagreb was founded in 1997 by merging the company Hrvatska brodogradnja d.o.o. with the company Jadranbrod Hrvatska brodograđevno društvo d.o.o. The company Hrvatska Brodogradnja d.o.o. was founded by Decision of the Government of the Republic of Croatia dated 28 July 1994 with the aim of: - conducting the restructuring process of the shipyards, which were majority state-owned; and management of ship-building projects involving the state, as well as control over the use of these state resources in shipyards.

The company's role and tasks have changed from its establishment to the present, depending on the needs of the state and the competent Ministry of Economy and Sustainable Development in the shipbuilding industry. The company actively participated in the restructuring process of large state-owned shipyards.

PERFORMANCE IN 2020

Key business events

During 2020, the main tasks of the company were: keeping a register of contracted production of shipbuilding companies: Brodograđevna industrija Split, shipbuilding industry 3. Maj and Brodotrogir (according to the decision of the competent Ministry of Economy and Sustainable Development); monitoring the readiness of ships, costs and earmarked use of funds for ships for which advance payments were made by buyers and for the bridging of financing state guarantees are granted

(according to certain decisions of the Government of the Republic of Croatia); performing professional tasks in the field of the shipbuilding industry for the needs of the competent Ministry of Economy and Sustainable Development, and performing specific tasks for shipyards, all in accordance with the signed contracts.

For the third year in a row (from 2018 to 2020), the company achieved a negative financial result (loss), partly due to the value adjustment of claims from shipyards regarding to which bankruptcy/pre-bankruptcy proceedings were opened, and partly due to a significant reduction in revenues from compensation for performing professional tasks in the field of the shipbuilding industry for the competent Ministry of Economy and Sustainable Development, compared to earlier periods.

Despite the negative result of its operations, the company provided sufficient liquidity resources from accumulated profits in earlier periods and continued to perform all of its obligations in a smooth and timely manner: to suppliers, to employees, the state, etc.

In order to reduce costs, the company reorganized its operations at the beginning of April 2020, significantly reducing costs, the effects of which are visible since the second half of 2020.

Investments

During 2020, the company spent only HRK 2 thousand for investments.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET

(HRK 000)	2019.	2020.
Long-term assets	7.095	6.692
Short-term assets	10.533	10.748
Future period prepaid expenses.	28	24
Total Assets	17.656	17.464
Equity	17.233	17.048
Provisions	0	0
Long-term liabilities	0	0
Short-term liabilities	388	376
Deferred payment for expenses.	35	40
Total Equity & Liabilities	17.656	17.464

INCOME STATEMENT (HRK 000)

Operating revenues	3.402	4.244
Operating expenditures	4.589	4.433
Financial revenues	209	5
Financial expenditures	1	1
Total revenues	3.611	4.249
Total expenditures	4.590	4.434
Profit/Loss before tax	-979	-185
Corporate tax	0	0
Net profit/loss	-979	-185

KEY INDICATORS

EBITDA (HRK 000)	-929	53
EBITDA margin	-27,3%	1,3%
Net profit margin	-27,1%	-4,35%
ROA	-5,5%	-1,06%
ROE	-5,7%	-1,1%
Current ratio	27,1	28,6
Financial stability ratio	0,4	0,4
Debt ratio	2,4%	2,4%
Number of employees	10	9
Investments (HRK 000)	16	2



INSTITUT ZA SIGURNOST ZAGREB

d.d.

Čakovečka 11, Zagreb
www.institutzasigurnost.hr/

Management Board:

Marinko Papuga, direktor

Supervisory Board:

Inga Žic (predsjednica),
Vesna Tudek (deputy),
Bisera Marčiuš (member)

Government representative in the

Gen. Assembly:
CERP

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

INSTITUT ZA SIGURNOST ZAGREB d.d. (Safety Institute) offers a unique, overall risk management system in the areas of occupational safety, fire protection and environmental protection, as well as review of existing systems in these areas.

The Institute also highlights the service of testing and assistance in carrying out conformity assessment i.e. CE marking for the purpose of developing more efficient products in projects, such as 'Product certification a way to the market'.

PERFORMANCE IN 2020

Key business events

In 2020, the INSTITUT ZA SIGURNOST ZAGREB d.d. generated a total annual revenue in the amount of HRK 3,891,819.00, which represents a relative change in total revenues by HRK 1,114,632.00 compared to the previous period, when the business entity generated total annual revenues in the amount of HRK 2,777,187.00. The Safety Institute was profitable for the past two years and achieved a net operating result of HRK 922,952.00 in 2020. The Safety Institute decreased the number of employees in 2020 and had 11 employees. The Institute successfully completed business and financial consolidation last year.

The business model is efficient and optimized, taking into account and stimulating the employees and the interest of the owner.

During 2020, equipment was modernised and in synergy with highly professional, highly skilled and dedicated workers, preconditions were created for better market positioning.

It is estimated that current and future investments in our employees will further help in expanding and deepening long-term cooperation with existing and new clients.

At this point, the company does not have operational cash flow difficulties and manages to cover total costs, and the necessary and key investments in working conditions and equipment are completed.

The company has no long-term debts, has not benefited from any state incentives and has prematurely repaid deferred taxes and contributions.

The general assessment of the company's condition is relatively favourable, as can be seen from financial indicators, but there are certain risks arising from the pandemic, inflationary pressures, as well as trends in the labour market.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2019.	2020.
Long-term assets	3.115	2.612
Short-term assets	428	1.617
Future period prepaid expenses.	3	21
Total Assets	3.547	4.250
Equity	2.763	3.686
Provisions	0	0
Long-term liabilities	0	0
Short-term liabilities	782	542
Deferred payment for expenses.	2	23
Total Equity & Liabilities	3.547	4.250
INCOME STATEMENT (HRK 000)		
Operating revenues	2.777	3.892
Operating expenditures	2.722	2.942
Financial revenues	0	0
Financial expenditures	16	7
Total revenues	2.777	3.892
Total expenditures	2.738	2.949
Profit/Loss before tax	39	943
Corporate tax	-	20
Net profit/loss	39	923
KEY INDICATORS		
EBITDA (HRK 000)	157	1.050
EBITDA margin	5,4%	27,0%
Net profit margin	1,4%	23,7%
ROA	1,1%	21,7%
ROE	1,4%	25,0%
Current ratio	0,6	3
Financial stability ratio	1,13	0,71
Debt ratio	22,10%	13,28%
Number of employees	14	11
Investments (HRK 000)	0	0



Jadroplov d.d.
Obala kneza Branimira 16, Split
www.jadroplov.hr

Management Board:

Branimir Kovačić (president),
Mario Radačić (member)

Supervisory Board:

Vesna Gudelj (predsjednica),
Ksenija Košćević Čuvalo
(zamjenica),
Siniša Prnjak (member),
Goran Matešić (member),
Tibor Konjevod (member)

Government representative in the

Gen. Assembly:
CERP

Audit committee:

Vesna Gudelj (president),
Slavica Strinić (member),
Zvonko Kasalo (member)

Auditor:

Deloitte d.o.o.

OWNERSHIP**GENERAL INFORMATION ON THE COMPANY**

Jadroplov d.d. is a joint stock company in majority state ownership, founded in 1947. The company is based in Split. The core activity of the company is international maritime transport of goods.

The company and its branches own and operate a group of 6 bulk carriers flying the Croatian flag. The total capacity of the fleet is DWT 292,939, and the average age of ships is 14.75 years. Out of the total fleet, five ships were built in Croatian shipyards, while one was built in Japan.

PERFORMANCE IN 2020**Key business events**

During 2020, international maritime transport took place in the context of the downturn of the world economy due to the impact of the Covid-19 pandemic. The negative impact on world trade was also reflected in the maritime transport of goods, and there was a significant drop in operational revenues, which dropped by 40% in the first quarter, and were 25% lower in year-round terms compared to the previous year.

Due to the crisis on the shipping space market and the additional fall in freight rates since 2015, which has jeopardised the operations of many world companies,

including Jadroplov, the company initiated talks with the majority owner (CERP as the representative of the Republic of Croatia) and the line ministry on long-term stabilization of the company in a situation of crisis. During 2017, agreements were reached on the preparation and implementation of a restructuring plan.

After analysis and approval by the competent ministry and other institutions, a restructuring plan was prepared in March 2018 and submitted to the European Commission, which adopted it in early May 2018. Based on the approved restructuring plan, the company completed its financial restructuring during 2020. In 2020, new loans amounting to HRK 274,221 thousand were taken out and obligations under existing loans amounting to HRK 361,982 thousand were closed, out of which HRK 198,156 thousand was paid and HRK 163,827 thousand was written off.

By realizing the refinancing of most loans for a period of seven to ten years, better solvency of the group was achieved and time-unlimited business operation was preserved.

Also, in the observed period activities related to further possible financing with foreign creditors were carried out in order to reduce interest rates and improve the overall maturity of credit debts.

In 2020, operating losses in the amount of HRK 48 million were incurred, while the profit achieved with the included net effect of financial activities amounted to HRK 101 million.

Revenues from boat rental, which represent the only operating income, amounted to HRK 83 million, and were by 26% lower than in 2019. This reduction is the consequence of lower fares due to problems related to the pandemic and decreased traffic of ships.

Operating expenditures amounted to HRK 145 million, which represents a 64% decrease from the previous year. Material costs were reduced by 30%, given the difficulties in purchasing consumables and spare parts, and ship repairs were been delayed for a more appropriate period.

Additional problems in this situation, especially at the beginning of the pandemic, were created by the fact that many countries decided to close their ports for a period of several weeks, which completely prevented the regular shifts of seafarers. Furthermore, travel costs increased due to restrictive measures in air transport.

In this period of difficult business operation and decrease in revenues, the company also faced liquidity problems and efforts were made to secure additional funds in order to regularly settle current liabilities.

Investments

Due to the entry into force of new regulations on the compulsory treatment of ballast waters, the company started preparatory works for the installation of pipelines and devices for the ballast water treatment system on the ships Peristil and Sv. Dujam. The total investment per ship should amount to about USD 350,000, and the planned deadline for the completion of works is in 2022.

The total investment cost in 2020 was HRK 315,814.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)

	2019.	2020.
Long-term assets	413.016	359.095
Short-term assets	17.700	29.126
Future period prepaid expenses	18.263	17.689
Total Assets	448.979	405.910
Equity	-54.133	42.948
Provisions	181	155
Long-term liabilities	171.134	275.965
Short-term liabilities	326.671	80.433
Deferred payment for expenses	5.126	6.409
Total Equity & Liabilities	448.979	405.910

INCOME STATEMENT (HRK 000)

Operating revenues	138.066	96.501
Operating expenditures	403.457	145.371
Financial revenues	1.950	202.798
Financial expenditures	31.347	52.568
Total revenues	140.016	299.299
Total expenditures	434.804	197.939
Profit/Loss before tax	0	101.360
Corporate tax	0	0
Net profit/loss	(294.788)	101.360

KEY INDICATORS

EBITDA (HRK 000)	-222.807	-27.768
EBITDA margin	-1,61	-0,29
Net profit margin	-2,11	0,34
ROA	-0,66	0,25
ROE	5,45	2,36
Current ratio	0,05	0,34
Financial stability ratio	3,53	1,13
Debt ratio	1,12	0,89
Total assets activity ratio	0,31	0,74
Broj Number of employees	32	34



LUKA-VUKOVAR d.o.o.
Dunavski prilaz 8, Vukovar
www.luka-vukovar.hr/

Management Board:

Marijan Kuprešak (member)

Supervisory Board:

Ljiljana Blažević (president),
Marijana Grubišić (deputy),
Zoran Turuk (member),
Tanja Kral (member),
Vinko Rezo (member)

Government representative in the

Gen. Assembly:

CERP

Auditor:

Revizorska tvrtka Vozetić d.o.o.

OWNERSHIP**GENERAL INFORMATION ON THE COMPANY**

Luka-Vukovar d.o.o. (Port of Vukovar) is the only river port in the Republic of Croatia situated on the right bank of the Danube River, which, with its navigability class VIc, makes navigation possible on 365 days a year.

Luka-Vukovar d.o.o. has the technical characteristics of an E port according to the European Agreement on Main Waterways of International Importance (AGN; OG 16/98), the status of an international port, is of economic importance to the Republic of Croatia and is protected by it.

Current capacities allow for an annual transshipment of goods of about 1,200,000-1,500,000 t, depending on the type of cargo. In intermodal European traffic, Luka-Vukovar d.o.o. has become the most important part of the bridge between inland European waterways, from the Danube River through Croatian territory to the Mediterranean, gaining on that account immeasurable economic and transport importance, not only for the Republic of Croatia but also for Europe.

PERFORMANCE IN 2020**Key business events**

In 2020, the company recorded a decrease in cargo transshipment of 14% compared to the same period in 2019, i.e., it achieved 308,244 tonnes of transshipment. In 2020, the company operated with a profit of HRK 130,312, while EBITDA was HRK 1,432,005. Total

revenues amounted to HRK 12,977,401, and total expenditures amounted to HRK 12,847,089, or 7% less than in 2019.

Revenues from freight transshipment on the domestic market accounted for 50% of total revenue, which is 21% less than in the same period in 2019. Revenues from transshipment of freight on the foreign market also accounted for 50% of sales revenue, which is 7% more than in 2019. The average transshipment price of freight was by 0.6% higher than in 2019.

Investments

The largest investments were aimed at purchasing new assets: grabs for cranes, server, auxiliary boat, reinforced concrete barriers, and electric-powered car co-financed by the Environmental Protection and Energy Efficiency Fund for a total value of HRK 654,611.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET

(HRK 000)	2019.	2020.
Long-term assets	16.632	15.891
Short-term assets	17.438	18.067
Future period prepaid expenses.	135	105
Total Assets	34.205	34.063
Equity	30.904	31.034
Long-term liabilities	0	0
Short-term liabilities	935	979
Deferred payment for expenses.	2.365	2.050
Total Equity & Liabilities	34.205	34.063

INCOME STATEMENT (HRK 000)

Operating revenues	14.041	12.767
Operating expenditures	13.583	12.836
Financial revenues	109	210
Financial expenditures	304	11
Total revenues	14.150	12.977
Total expenditures	13.887	12.847
Profit/Loss before tax	262	130
Corporate tax	0	0
Net profit/loss	262	130

KEY INDICATORS

EBITDA (HRK 000)	1.662	1.435
EBITDA margin	12%	11%
Net profit margin	2%	1%
ROA	0,77%	0,38%
ROE	0,85%	0,42%
Current ratio	18,64	18,45
Financial stability ratio	0,47	0,44
Debt ratio	3%	3%
Number of employees	70	66
Investments (HRK 000)	1.373	655



Pleter - usluge d.o.o.

Čerinina 23, Zagreb

www.pleter-usluge.hr

Management Board:

Marijan Mareković (president)
Martina Puljić (member),
Denis Skubic (member),

Government representative in the

Gen. Assembly:
CERP

OWNERSHIP

Supervisory Board:

Ivica Krizmanić (president),
Velimir Anić (deputy),
Zvonko Peternel (member),
Željko Dvekar (member)

Auditor:

Reconsult d.o.o.
Audit d.o.o.



GENERAL INFORMATION ON THE COMPANY

The company Pleter-usluge d.o.o. (Pleter-services Ltd.) started operating in 2007 as an outsourcing project for the separation of service activities of the Ministry of Defence and Armed Forces of the Republic of Croatia.

The company's mission is to actively support the activities of the Ministry of Defence, the Armed Forces of the Republic of Croatia and NATO partners, and to place surplus capacities on the open market.

The company performs a wide range of activities and in this regard we emphasize the provision of catering services as the company's most important activity. In addition, the company also provides services of accommodation, catering, cleaning, laundry, rental and maintenance of laundry and protective clothing, retail, wholesale, horticultural landscaping and food production services.

The Ministry of Defence and the Armed Forces of the Republic of Croatia are the strategic partner and biggest customer of services of the company Pleter-usluge d.o.o., which on 31 December 2020 employed a total of 145 employees and conducted its operations in the entire territory of the Republic of Croatia.

During 2020, the circumstances related to the COVID-19 pandemic had the greatest impact on the organisation and profitability of the company's operation. Thus, a 21% drop in sales revenues in relation to 2019 was recorded, and this applies mainly to the revenues of catering activities, so that the company restaurants recorded a 19% drop in revenues, retail sales 26%, while accommodation activities recorded as much as a 70% drop in revenues.

Total company revenues decreased by 14.2% compared to 2019, while expenditures in the same period decreased by 13.5%, and at the end of the year the company recorded operating losses.

Due to the mentioned decrease in revenue in 2020, the company's main priorities were to ensure continuity of performing contracted activities under new circumstances and reduced volumes, and to ensure liquidity of cash flow and general stability of company operations.

In order to achieve this, the company undertook a number of activities in terms of obtaining aid for economic activities affected by the COVID-19 pandemic, reducing the number of employees, and reducing other expenditures of the company.

PERFORMANCE IN 2020

Key business events

An additional aggravating circumstance represents an increase in the minimum wage in accordance with the

Regulation of the Government of the Republic of Croatia (growth of gross salary by 8.3% in 2020), which resulted in an increase in the costs of salaries of employees in 2020 by 2.4% despite a decrease in the total number of employees. Total expenditures for employees were retained at the level of 2019 due to the reduction of costs of other material rights of employees. Trends in salary growth continued in the coming year, since the minimum gross salary in the Republic of Croatia for 2021 increased by 4.6%.

Regarding support for the activities of the Republic of Croatia in the fight against the pandemic, the company was mobilised to provide accommodation services (isolation of patients), patient nutrition, and infirmary cleaning services (Arena Zagreb).

Despite the difficult conditions of operation, the company was liquid, solvent and not indebted, and as such duly fulfilled all its obligations to the government, as well as to customers, suppliers and employees.

Investments

Since the company does not have real property in its portfolio, investment activities related primarily to technological equipment in order to increase the quality and efficiency of services.

In these terms, in 2020 the company made investments in the total amount of HRK 4.918 million, of which HRK 2.672 million refer to the project of equipping military restaurants in the Armed Forces in order to improve the quality of life and work of Armed Forces members. We would like to emphasize that this was a joint project of the Ministry of Defence and the company, and the said amount of investment is a part of a longer investment cycle in which the company has invested a total of HRK 8.63 million so far.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)

	2019.	2020.
Long-term assets	11.085	10.331
Short-term assets	74.109	68.831
Future period prepaid expenses.	0	0
Total Assets	85.194	79.162
Equity	60.158	59.404
Provisions	553	553
Long-term liabilities	0	0
Short-term liabilities	24.483	19.205
Deferred payment for expenses.	0	0
Total Equity & Liabilities	85.194	79.162

INCOME STATEMENT (HRK 000)

Operating revenues	213.003	182.251
Operating expenditures	212.321	183.367
Financial revenues	644	959
Financial expenditures	311	597
Total revenues	213.647	183.210
Total expenditures	212.632	183.964
Profit/Loss before tax	1.015	-754
Corporate tax	552	-
Net profit/loss	463	-754

KEY INDICATORS

EBITDA (HRK 000)	6.949	4.282
EBITDA margin	3,3%	2,3%
Net profit margin	0,2%	-0,4%
ROA	0,5%	-1%
ROE	0,8%	-1,3%
Current ratio	3	3,6
Financial stability ratio	0,18	0,17
Debt ratio	29,4%	24,9%
Number of employees	1125	1106
Investments (HRK 000)	3.895	3.019



Plinacro d.o.o.
Savska c. 88a, Zagreb
www.plinacro.hr

Management Board:

Ivica Arar (president),
Darija Krstičević (member),
Marin Zovko (member)

Supervisory Board:

Igor Vuković (president),
Ilijana Krešić Rajič (member),
Dražen Arnold (member),
Tomislav Barada (member),
Dalibor Antić, predstavnik radnika

Government representative in the Gen Assembly:

Tomislav Ćorić

Audit committee:

Ivica Smiljan (president),
Ilijana Krešić Rajič (member),
Lajoš Žager (member),
Mihovil Anđelinović (member),
Srećko Prusina (member)

Auditor:

FACT revizija d.o.o.

OWNERSHIP**GENERAL INFORMATION ON THE COMPANY**

Plinacro performs energy activities of gas transmission as its core activity and guarantees safe, reliable and quality delivery of natural gas from entrance to the gas transport system to the delivery to reduction and metering stations of gas distributors and direct and privileged customers. It is responsible for managing supervision, maintenance, development and construction of the entire transport system, as well as all other tasks necessary for the technical functioning of the system.

As of the end of 2020, Plinacro had 2,548.66 km of high pressure gas pipelines of the 50-bar, 75-bar and 100-bar systems, more than 450 above ground transport system facilities, 7 input metering stations, 156 output metering and reduction stations and a modern National Dispatching Centre, remote control centre and control of the entire gas transport system.

By continuous supervision, management, maintenance and development of the transport system along with further rationalisation of operations and adjustments, the company ensured reliable and secure gas delivery also in 2020.

PERFORMANCE IN 2020**Key business events**

At the beginning of 2020, the first compressor station (X-1 in Velika Ludina) worth HRK 218 million was commissioned on the gas transport system of the Republic

of Croatia, which significantly increased the safety of gas deliveries to users in the Republic of Croatia, and in compliance with EU legislation, enables a two-way constant flow of gas at interconnections among member states. This project was high on the list of priorities of the European Commission, and was included as a priority project within the CESEC Group initiative (Central and South Eastern Europe Energy Connectivity).

Also, in 2020, despite the very complex circumstances during the COVID-19 pandemic, the HRK 440 million gas pipeline project from the LNG terminal in the direction of Zlobin – Omišalj was successfully completed (HRK 367.6 million of investments were realized during 2020). By completion of these projects, preconditions for the delivery of gas from the LNG terminal to the countries of the catchment region (Hungary, Slovenia) as well as to third countries were achieved. The construction of the Donji Miholjac-Belišće gas pipeline and the reconstruction of the Ivanić Grad-Zagreb gas pipeline were also completed in 2020, while the main design was completed for the Zagvozd-Imotski gas pipeline, which is envisaged as part of the southern interconnection with Bosnia and Herzegovina.

During 2020, 32,481 million kWh of gas was imported into the transmission system, which is by 5.43% more than in 2019. In the total quantities of gas taken over, the share of gas produced in the Republic of Croatia amounted to 21%, the share of gas imported amounted to 64%, and the share of gas taken over from the natural gas underground storage facility Okoli was 15%.

During 2020, 32,481 million kWh of gas were delivered from the transport system, which is by 5.43% more than in 2019. Gas deliveries to distribution systems increased by 3.61% and gas deliveries to final customers connected to the transmission system increased by 9.84%.

In 2020, the company generated HRK 381.9 million of total revenues. Operating revenues were realized in the amount of HRK 366.3 million, which is by 6.46% less than in 2019. A significant reduction in the amount of tariff items for two years in a row resulted in a continuation of the decline in income from the basic activity, which decreased by HRK 93.7 million compared to 2018, and by as much as HRK 198.7 million compared to 2017. Taking into account the fact that revenue is expected to decline as a result of a decrease in the amount of tariff items, a negative financial result has already been projected in the preparation of the business plan for 2020. However, through timely rationalization of operations and undertaken business measures, the realised loss is significantly lower than projected and does not affect the stability of operations and the development of Plinacro in the forthcoming period.

Based on the new Methodology for determining the amount of tariff items of July 2020 and Plinacro's request for determining tariff items in accordance with the new Methodology, in December 2020 HERA (Croatian Energy Regulatory Agency) adopted a Decision on the amount of tariff items for transporting gas for the years of the third regulatory period 2021-2025. Taking into account this Decision, it is expected that in 2021, as well as in the following periods, Plinacro's operation will be positive and stable.

Despite the very challenging business year, which was additionally marked by the COVID-19 pandemic and catastrophic earthquakes, taking into account the protection of workers' and partners' lives and health and socially responsible business operations, the company successfully responded to all business challenges and met the set targets in 2020.

Investments

In 2020, the company made investments in fixed assets amounting to HRK 438.1 million. Important projects were:

- completion of the construction of a gas pipeline for the LNG terminal on the island of Krk, the Zlobin-Omišalj gas pipeline (in the amount of HRK 367.6 million)

- completion of reconstruction of the gas node Slobodnica for the purpose of connecting the Brod Refinery (in the amount of HRK 4.3 million)
- the reconstruction of the Ivanić Grad-Zagreb gas pipeline (in the amount of HRK 14.1 million)
- improving cyber security of Plinacro business systems in compliance with legal provisions (in the amount of HRK 10 million)

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)	2019.	2020.
Long-term assets	3.983.799	4.315.137
Short-term assets	535.709	328.352
Future period prepaid expenses.	2.226	2.749
Total Assets	4.521.734	4.646.238
Equity	3.070.685	3.092.930
Provisions	8.910	17.121
Long-term liabilities	1.011.545	1.146.651
Short-term liabilities	352.468	284.529
Deferred payment for expenses.	78.127	105.007
Total Equity & Liabilities	4.521.734	4.646.238
INCOME STATEMENT (HRK 000)		
Operating revenues	391.572	366.269
Operating expenditures	328.620	345.828
Financial revenues	7.804	15.668
Financial expenditures	53.283	59.616
Total revenues	399.376	381.937
Total expenditures	381.903	405.445
Profit/Loss before tax	17.473	-23.507
Corporate tax	2.384	6.294
Net profit/loss	15.089	-17.214
KEY INDICATORS*		
EBITDA (HRK 000)	198.450	170.766
EBITDA margin	50,7%	46,6%
Net profit margin	3,8%	0%
ROA	0,3%	0%
ROE	0,5%	0%
Current ratio	1,5	1,2
Financial stability ratio	1,0	1,0
Debt ratio	32,1%	33,4%
Koef. aktiv.ukupne imov.	0,1	0,1
Number of employees	275	272
Investments (HRK 000)	368.582	438.082



VJESNIK d.d.
Slavonska avenija 4, Zagreb

Management Board:

Ilija Nedić, Management Board member - director

Supervisory Board:

Diana Krčmar (president)
Jasmina Raić (member)
Ivo Ramljak (member)
Krešimir Maretić (member)
Tvrтко Gretić (member)

Government representative in the

Gen. Assembly:
CERP

Audit committee:

Aljoša Šestanović (president)
Ivo Ramljak (member)
Tamara Mateljić (member)

Auditor:

BDO Croatia d.o.o.

**GENERAL INFORMATION ON THE COMPANY**

The company VJESNIK d.d. was created by merging the VJESNIK d.d. company registered in the court register of the Commercial Court in Zagreb under MBS 080044727 and HRVATSKA TISKARA d.d. (Croatian Printing Plant) registered in the court register of the Commercial Court in Zagreb MBS 080012306, based on the Merger Agreement of 13 November 1998, and the Decisions to grant approval to the Merger Agreement and the Annex to the Merger Agreement of 06 March 1999, adopted at the assemblies of the merging companies.

The basic activity of the company is publishing and printing activities and reproduction of recorded media.

The company's portfolio of products consists mainly (about 50%) of editions of one print publisher (HANZA MEDIA d.o.o.) and includes dailies, weeklies and periodicals (magazines) and various occasional supplements. The following category are retail chains and marketing design agencies that make graphic preparation of marketing materials based on the "turnkey" principle and represent retail chains. This market segment refers to the production (printing) of large circulations of marketing leaflets. This is followed by smaller (regional) print publishers in the Republic of Croatia, and to a lesser extent by magazines or promo leaflets for customers abroad.

PERFORMANCE IN 2020**Key business events**

The biggest impact on the company's business in 2020 was the occurrence of the COVID-19 pandemic, through cancellation of orders by individual buyers or the decrease in circulation by other buyers.

These events affected the financial performance of operations by reducing the revenue from basic activities by 21.35% compared to 2019, while the total operating revenues compared to 2019 decreased by 15.93%. Total expenditures in 2020 decreased by 17.13% compared to 2019.

In 2020, EBITDA amounted to HRK 2,009,000, while the net profit amounted to HRK 150,829.92.

Long-term assets in 2020 amounted to HRK 37,613,293.70 and accounted for 73.11% of total assets, while short-term assets accounted for HRK 13,701,755.20, i.e. 26.63% of total assets.

In 2020, total liabilities were reported in the amount of HRK 145,145,748.62 and were by 24% lower than in the previous year.

The company's operations were exposed to major risks and problems related to the following facts:

- accumulated losses from previous periods reached the level of equity, and in addition to the existing operating conditions and the situation in the printing business market, it was impossible to recover them from current operations, nor to meet the conditions for the necessary start-up of the investment cycle;
- high production costs related to the existing micro-location and dysfunctional co-ownership community in terms of high costs of the VJESNIK complex;
- an outdated technology park that had been under-maintained for years;
- high exposure to one customer (HANZA MEDIA d.o.o.);
- age structure of employees.

Investments

In 2020, the company had no significant investments in fixed and other assets, however HRK 1.8 million was invested in the ongoing maintenance of machines and equipment.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)

	2019.	2020.
Long-term assets	39.166	37.613
Short-term assets	15.858	13.837
Future period prepaid expenses.	230	135
Total Assets	55.254	51.450
Equity	34.772	34.923
Provisions	1.760	2.290
Long-term liabilities	6.667	6.213
Short-term liabilities	11.961	7.932
Deferred payment for expenses.	94	92
Total Equity & Liabilities	55.254	51.450

INCOME STATEMENT (HRK 000)

Operating revenues	61.393	49.414
Operating expenditures	61.713	49.069
Financial revenues	31	42
Financial expenditures	383	236
Total revenues	61.424	49.456
Total expenditures	62.097	49.305
Profit/Loss before tax	-673	151
Corporate tax	-	-
Net profit/loss	-673	151

KEY INDICATORS

EBITDA (HRK 000)	1.394	2.009
EBITDA margin	2,27%	4,07%
Net profit margin	-1,10%	0,31%
ROA	-1,22%	0,29%
ROE	-1,94%	0,43%
Current ratio	1,33	1,74
Financial stability ratio	0,95	0,91
Debt ratio	37,07%	31,94%
Number of employees	1,11	0,90
Investments (HRK 000)	189	188



ZRAKOPLOVNO-TEHNIČKI CENTAR

d.d.

Sisačka 39E, Velika Gorica

www.ztc-atc.hr

Management Board:

Ivica Grebenar (president),
Zdravko Klanac (member)

Supervisory Board:

Vildana Megla (predsjednica),
Josip Štimac (deputy),
Branko Borković (member),
Kristina Tučkar (member),
Renato Bratković (member)

Zastupnik u Skupštini:

CERP

Komisija za reviziju:

Vlado Jaguljnjak (president),
Nada Brekalo zamjenica

Auditor:

BDO Croatia d.o.o., Zagreb

OWNERSHIP



GENERAL INFORMATION ON THE COMPANY

The core activity of the company is maintenance, refurbishing and repair of aircraft in order to maintain and achieve technical and functional validity, testing for approval of a new type of aircraft and aircraft devices, modernisation, modification and equipping of aircraft, as well as provision of import and export services of goods for aero-technical means and equipment.

The main business activity of the company is the maintenance of aircraft and aircraft components under the competence of the Ministry of Defence of the Republic of Croatia, where preventive and corrective works, overhauls, calibrations, repairs and interventions are carried out at the premises of the company, as well as at all locations in the units of the Ministry of Defence of the Republic of Croatia. The company is a specific company that has strategic importance in the military and civil aviation sector, since by aircraft maintenance primarily citizens are protected, as well as property, and all other interests of the Republic of Croatia.

PERFORMANCE IN 2020

Key business events

In 2020, the company generated total revenue in the amount of HRK 75,046,246, with HRK 23,591,061 generated from its main business activity, more specifically: 49,285.24 norm hours of work per all aircraft types (26,515.00 preventive norm hours,

17,988.60 corrective norm hours, and 4,781.64 norm hours for engineering work).

Based on the company's annual contract and framework agreements with the Defence Ministry, integrated logistical support was provided in the procurement of services and parts from the international, mainly eastern, market, whereby the company generated revenues in the amount of HRK 27,580,868.

At the beginning of 2020, a partnership agreement was concluded with Češka letečka servisni d.d. for providing services to the Defence Ministry, on the project of modifying Canadair CL-415 fire fighting planes in the part of communication and navigation equipment (6 aircrafts in total). The completion of works was completed on 4 aircraft with revenues of HRK 11,851,238, while completion of the project for the remaining two aircraft is planned for the first quarter of 2021.

The partnership with Češka letečka servisni d.d. continued on the modernization project of the Slovenian Pilatus PC-9 for modification on communication devices and modifications on the transponder for one prototype and eight other aircraft to be realized in 2021. Revenues achieved by the end of 2020 amounted to HRK 482,758.

For the purposes of the Ministry of Defence, the company also performed commission activities, as well

as works under the M+ programme which are an integral part of the contract on regular maintenance.

Pursuant to the decision of the Government of the Republic of Croatia, a recapitalisation of the company was carried out in January 2020 with a total value of HRK 122,628,428.15, and the company's share capital amounts to HRK 370,093,500.

Based on the Memorandum of Understanding signed by the Ministry of Economy and Sustainable Development with Patria ISP (Finland) and Kongsberg Defence and Aero Space (Norway), the company worked on potential strategic cooperation in the field of capacity development, aircraft repair and modernization.

FINANCIAL DATA AND INDICATORS

BALANCE SHEET (HRK 000)

	2019.	2020.
Long-term assets	216.278	216.827
Short-term assets	154.495	158.890
Future period prepaid expenses.	0	0
Total Assets	370.773	375.717
Equity	251.804	360.898
Provisions	950	950
Long-term liabilities	170	0
Short-term liabilities	9.832	13.171
Deferred payment for expenses.	108.017	698
Total Equity & Liabilities	370.773	375.717

INCOME STATEMENT (HRK 000)

Operating revenues	153.811	74.419
Operating expenditures	151.493	79.792
Financial revenues	507	627
Financial expenditures	523	472
Total revenues	154.318	75.046
Total expenditures	152.016	80.263
Profit/Loss before tax	2.302	-5.217
Corporate tax	0	0
Net profit/loss	2.302	-5.217

KEY INDICATORS

EBITDA (HRK 000)	7439	799
EBITDA margin	4,84%	1,07%
Net profit margin	1,49%	-6,95%
ROA	0,62%	-1,39
ROE	0,91%	-1,45%
Current ratio	15,71	12,06
Financial stability ratio	0,86	0,6
Debt ratio	0,03%	0,04%
Number of employees	208,8	201,4
Investments (HRK 000)	136	747

16. Sources

The following sources were used for drafting the report:

- <http://rgfi.fina.hr>
- <https://sudreg.pravosudje.hr>
- <https://infobiz.fina.hr>
- official websites of legal entities of special interest and other companies that are majority-owned by the State
- information on business performance submitted for the purpose of publishing the public report

The information in the report is of 31 December 2020, except in cases where indicated otherwise.

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

17. Financial KPIs

The table below shows the unified method used in calculating particular KPIs in this report¹.

Table 15. 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 ration	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 the legal entities operate. For a full understanding of business results it is recommended to observe the 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, Regulations,
EU Affairs and Reporting in the State Property Management System
Ulica Ivana Dežmana 10, 10000 Zagreb**

mpgi.gov.hr

korporativno@mpgi.hr