



HRVATSKA ELEKTROPRIVREDA d.d.

Condensed interim financial
statements for the period ended
30 June 2021

This version of the interim financial statements is a translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the interim financial statements takes precedence over translation.

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Responsibility for the interim financial statements

The Management Board of Hrvatska elektroprivreda d.d., Zagreb, Ulica grada Vukovara 37 (hereinafter: the Company) is required to ensure that the condensed financial statements of the Company as at 30 June 2021 are prepared following International Accounting Standard 34 - Interim Financial Reporting, to provide a true and fair view of the financial position, results of operations, changes in equity and cash flows of the Company for that interim period.

The Management Board of Hrvatska elektroprivreda d.d. is responsible for the condensed financial statements, including related disclosures. That includes:

- designing, introducing and maintaining internal controls relevant to the preparation and presentation of interim financial information that is free from material misstatement, whether due to fraud or error;
- selecting and applying appropriate accounting policies;
- making reasonable accounting estimates for the given circumstances.

Management is responsible for keeping proper accounting records, which disclose, with reasonable accuracy at any time, the financial position, results of operations, changes in equity and cash flows of the Company, and their compliance with International Accounting Standard 34 - Interim Financial Reporting. Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Company on 16 September 2021:

Marko Čosić

Member

Nikola Rukavina

Member

Petar Sprčić

Member

Tomislav Šambić

Member

Saša Dujmić

Member

Frane Barbarić

President

HRVATSKA ELEKTROPRIVREDA d.d.
ZAGREB
Ulica grada Vukovara 37

Independent auditor's report on review of condensed interim financial information

To the shareholder of the company Hrvatska elektroprivreda d.d.:

Introduction

We have reviewed the accompanying condensed financial statements for the period ended 30 June 2021 of the company Hrvatska elektroprivreda d.d., Zagreb (hereinafter: the Company) which comprise the condensed Statement of financial position as at 30 June 2021, the condensed Statement of profit or loss, the condensed Statement of other comprehensive income, the condensed Statement of changes in equity and the condensed Statement of cash flows for the half-year period then ended, as well as notes to the condensed financial statements, which together form the condensed financial statements of the Company's interim period.

The Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". It is our responsibility to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The review of interim financial information consists of asking inquiries, primarily to persons responsible for financial and accounting issues, and applying analytical and other review procedures. A review is significantly less in scope than an audit performed in accordance with International Standards on Auditing and, consequently, does not allow us to obtain assurance to become aware of any significant issues that may be identified during the audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has drawn our attention which would cause us to believe that the Company's condensed financial statements for the period ended 30 June 2021, have not been prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Independent auditor's report on review of condensed interim financial information (continued)***Emphasis of matter***

As described in Note 22 to the condensed financial statements, as at 30 June 2021, there is a stated liability for clearing debt in the amount of HRK 757,679 thousand (31 December 2020 in the amount of HRK 739.447 thousand) relating to the payment from the letter of credit and based on the Agreement concluded between the Government of the Republic of Croatia and the Government of Russian Federation on 24 July 2006, and the Consent of the Ministry of Finance on the use of funds under the interbank agreement. Considering that there is no other document that would regulate the relationship between the Company and the Ministry of Finance, and related to the said clearing debt, until the day of issuing this Report it was not defined whether it is a loan or some other legal relationship. Our conclusion has not been modified in relation to this issue.

As described in Note 27 to the condensed financial statements, with the entry into force of the Water Act on 1 January 2010, the property status of the Company's assets related to reservoirs and ancillary facilities used for the production of electricity from hydropower plants became questionable, as the act defines them as a public water resource in general use owned by the Republic of Croatia. Several proceedings are underway to register the ownership of the Republic of Croatia on these properties, part of which was carried out in favour of the Republic of Croatia, part of the request for registration of ownership of the Republic of Croatia was rejected by the competent courts, and one part is pending. In May 2018, the Act on Amendments to the Water Act (OG No. 46/18) entered into force, by which the Republic of Croatia establishes the right to build on public water resources - land on which water structures have been built in which the Company and its predecessors have invested, except on the land on which the reservoirs, inflow and outflow channels and tunnels were built. This right is for the benefit of the Company, free of charge for a period of 99 years. During the construction right in question, the Company obtains the right to manage the public good/land on which the buildings for electricity generation and reservoirs and supply and drainage canals and tunnels were built on behalf of the Republic of Croatia. In view of the above, it is necessary to initiate the relevant procedures for the registration of these rights in the land register. Our conclusion has not been modified in relation to this issue.

The Company has prepared condensed consolidated financial statements for the Company and its subsidiaries for the period ended 30 June 2021. In order to better understand the operations of the Company and the Group as a whole, users should read the condensed consolidated financial statements related to these condensed unconsolidated financial statements.

Zagreb, 16 September 2021

BDO Croatia d.o.o.
Radnička cesta 180
10000 Zagreb



BDO Croatia d.o.o.
Zagreb, Radnička cesta 180
OIB: 76394522236



Vedrana Stipić, Member of the
Management Board

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Vedrana Stipić, Certified Auditor

Condensed Statement of profit or loss
for the six-month period ended 30 June 2021

<i>in 000'HRK</i>	Note	For a six-month period ended	
		30 June 2021	30 June 2020
		<i>Unaudited</i>	<i>Unaudited</i>
Sales revenue	4	2,155,206	2,053,147
Sales revenue - affiliated companies	24	2,151,951	2,050,257
Other operating income	5	29,999	187,531
Other operating income - affiliated companies	24	97,092	104,217
Total operating income		4,434,248	4,395,152
Electricity procurement cost	6	(1,220,784)	(1,204,667)
Cost of electricity supply - affiliated companies	6, 24	(1,927,583)	(1,513,632)
Gas procurement costs - market supply		(34,358)	(193)
Costs of purchasing gas for sale in the wholesale market	7	(77,778)	(522,277)
Employee costs		(55,870)	(54,088)
Depreciation expense		(27,780)	(28,242)
Costs of fees and services - affiliated companies	24	(459,368)	(416,579)
Other operating expenses	8	(204,670)	(195,098)
Total operating expenses		(4,008,191)	(3,934,776)
Operating profit		426,057	460,376
Financial income	9	1,076,729	1,022,069
Financial expenses	9	(127,048)	(178,629)
Net profit from financial activities	9	949,681	843,440
Profit before tax		1,375,738	1,303,816
Corporate income tax	10	(96,390)	(90,536)
Profit for the current period		1,279,348	1,213,280

The accompanying notes form an integral part of these condensed financial statements.

Signed on behalf of the Company on 16 September 2021:

Marko Čosić
Member

Nikola Rukavina
Member

Petar Sprčić
Member

Tomislav Šambić
Member

Saša Dujnić
Member

Frane Barbarić
President

HRVATSKA ELEKTROPRIVREDA
ZAGREB
Ulica grada Vukovara 37

Condensed Statement of other comprehensive income – HEP d.d.
for the six-month period ended 30 June 2021

<i>in 000'HRK</i>	For a six-month period ended	
	30 June 2021	30 June 2020
	<i>Unaudited</i>	<i>Unaudited</i>
Profit for the current period	1,279,348	1,213,280
Other comprehensive income		
Changes in the value of financial assets at fair value through other comprehensive income	2,981	(27,760)
Total items that will not be reclassified to profit or loss	2,981	(27,760)
Other comprehensive income / (loss), net	2,981	(27,760)
Total comprehensive income for the current period, net	1,282,329	1,185,520

The accompanying notes form an integral part of these condensed financial statements.

Signed on behalf of the Company on 16 September 2021:

Marko Čosić
Member

Nikola Rukavina
Member

Petar Sprčić
Member

Tomislav Šambić
Member

Saša Dujmić
Member

Frane Barbarić
President

HRVATSKA ELEKTROPRIVREDA d.d.
ZAGREB
Ulica grada Vukovara 37

Condensed Statement of financial position – HEP d.d.

as at 30 June 2021

<i>in 000'HRK</i>	Note	30 June 2021 <i>Unaudited</i>	31 Dec 2020 <i>Audited</i>
ASSETS			
Fixed assets			
Property, plant and equipment	11	1,259,184	1,123,193
Investment property		19,804	19,804
Assets with the right of use		7,980	7,980
Intangible assets	11	125,489	133,636
Investments in subsidiaries and joint ventures and investments calculated using the equity method	12	9,993,617	9,962,011
Financial assets at fair value through other comprehensive income	13	235,818	232,605
<i>Financial assets measured at amortized cost</i>			
Long-term loans given	24	16,825,954	17,462,165
Other long-term receivables		173	207
Deferred tax assets	10	50,228	72,363
Total fixed assets		28,518,247	29,013,964
Current assets			
Inventories	14	406,251	717,899
<i>Financial assets measured at amortized cost</i>			
Trade receivables	15	39,971	104,619
Current maturities of long-term loans granted	24	1,381,690	1,380,928
Other current receivables	16	156,377	370,450
Receivables from affiliated companies	24	3,475,474	2,674,325
Financial assets at fair value through profit or loss		166,370	167,055
Cash and cash equivalents	18	2,478,239	1,579,060
Total current assets		8,104,372	6,994,336
TOTAL ASSETS		36,622,619	36,008,300






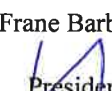
Condensed Statement of financial position – HEP d.d. (continued)

as at 30 June 2021

<i>in 000'HRK</i>	Note	30 June 2021 <i>Unaudited</i>	31 Dec 2020 <i>Audited</i>
EQUITY AND LIABILITIES			
Share capital	17	19,792,159	19,792,159
Fair value reserves		75,031	72,050
Retained earnings	17	8,294,811	7,015,351
Total equity		28,162,001	26,879,560
<i>Financial liabilities measured at amortized cost</i>			
Liabilities under issued bonds	19	3,453,340	3,497,668
Liabilities for long-term loans	20	509,607	483,202
Other long-term liabilities	22	940,459	1,046,686
Lease liabilities		6,641	7,241
Provisions	23	228,971	227,721
Deferred tax liability		13,669	13,175
Total long-term liabilities		5,152,687	5,275,693
<i>Financial liabilities measured at amortized cost</i>			
Current maturity of long-term loans	20	75,816	53,879
Liabilities to affiliated companies	24	2,632,527	3,220,359
Income tax liability		74,255	46,521
Other liabilities	25	524,224	531,199
Current maturity of lease liabilities		1,109	1,089
Total current liabilities		3,307,931	3,853,047
TOTAL EQUITY AND LIABILITIES		36,622,619	36,008,300

The accompanying notes form an integral part of these condensed financial statements.

Signed on behalf of the Company on 16 September 2021:

					
Marko Čosić	Nikola Rukavina	Petar Sprčić	Tomislav Šambić	Saša Dujmić	Frane Barbarić
Member	Member	Member	Member	Member	President

HRVATSKA ELEKTROPRIVREDA G.Č.
 Z A G R E B 3.2
 Ulica grada Vukovara 37

Condensed Statement of changes in equity – HEP d.d.
as at 30 June 2021

<i>in 000'HRK</i>	Share capital	Fair value reserves	Retained earnings	Total
Balance at 1 January 2020	19,792,159	88,365	6,278,355	26,158,879
Profit for the current year	-	-	1,213,280	1,213,280
Other comprehensive income	-	(27,760)	-	(27,760)
<i>Total comprehensive income</i>	-	(27,760)	1,213,280	1,185,520
Merger effects	-	-	345	345
Balance at 30 June 2020 Unaudited	19,792,159	60,605	7,491,980	27,344,744
Balance at 1 January 2021	19,792,159	72,050	7,015,351	26,879,560
Profit for the current year	-	-	1,279,348	1,279,348
Other comprehensive income	-	2,981	112	3,093
		2,981	1,279,460	1,282,441
Balance at 30 June 2021 Unaudited	19,792,159	75,031	8,294,811	28,162,001

The accompanying notes form an integral part of these condensed financial statements.

Signed on behalf of the Company on 16 September 2021:

Marko Čosić
Member

Nikola Rukavina
Member

Petar Sprčić
Member

Tomislav Šambić
Member

Saša Dujmić
Member

Frane Barbarić
President

HRVATSKA ELEKTROPRIVREDA G.Č.
ZAGREB
Ulica grada Vukovara 37

Condensed Statement of cash flows - HEP d.d.
for the six-month period ended 30 June 2021

<i>in 000'HRK</i>	For a six-month period ended	
	30 June 2021	30 June 2020
	<i>Unaudited</i>	<i>Unaudited</i>
OPERATING ACTIVITIES		
Profit before tax	1,375,738	1,303,816
Interest income	(69,195)	(67,946)
Interest expenses	88,489	87,790
Net exchange rate differences	748	54,620
Depreciation of property, plant and equipment, intangible assets and right-of-use assets	27,780	28,242
Increase/(Decrease) in provisions	1,250	(9)
Change in the fair value of cross-currency swaps and financial assets through profit or loss	(123,354)	(127,193)
Dividend income	(850,787)	(804,704)
Value adjustment of receivables	(3,481)	(170,309)
Value adjustment of property, plant and equipment and intangible assets	2	117
<i>Cash flow from operating activities before changes in working capital</i>	<i>447,189</i>	<i>304,457</i>
Decrease in trade receivables	61,167	403,138
Decrease in receivables from associated companies	708,883	856,826
Inventory decrease	311,648	628,433
Decrease in other current assets	290,002	214,863
Decrease of trade payables	(84,071)	(49,811)
Increase/(Decrease) in other liabilities	87,968	(21,715)
Decrease of liabilities to subsidiaries	(587,832)	(771,369)
Increase in other long-term liabilities	17,127	72,402
Cash from operating activities	1,252,082	1,637,191
Income tax paid	(39,905)	(36,929)
Interest paid	(93,976)	(92,016)
NET CASH FROM OPERATING ACTIVITIES	1,118,202	1,508,246
INVESTMENT ACTIVITIES		
Interest receipts	1,248	154
Dividend receipts from affiliated companies	-	37,845
Expenditures for increasing the share capital of a subsidiary	(31,606)	(136,522)
Expenditures for the purchase of property, plant and equipment	(187,159)	(406,622)
Expenditures for acquisition of other fixed assets	34	28
Money gained by merger	-	1,654
Receipts from the collection of granted loans	314,897	141,548
Expenditures on loans granted	(339,135)	(528,796)
NET CASH FROM INVESTMENT ACTIVITIES	(241,721)	(890,711)

Condensed Statement of cash flows - HEP d.d.
for the six-month period ended 30 June 2021

<i>in 000'HRK</i>	For a six-month period ended	
	30 June 2021	30 June 2020
	<i>Unaudited</i>	<i>Unaudited</i>
FINANCING ACTIVITIES		
Receipts from received long-term loans	70,434	281,466
Expenditures for repayment of long-term loans	(18,267)	(18,426)
Lease principal repayment expenses	(697)	(623)
Receipts from cash funds	10,000	-
Expenditure on cash funds	(10,000)	-
Expenses for repayment of issued bonds	(28,771)	(76,173)
NET CASH FROM FINANCING ACTIVITIES	22,699	186,244
NET INCREASE / (DECREASE) OF CASH AND CASH EQUIVALENTS	899,179	803,779
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,579,060	1,375,389
	2,478,239	2,179,168

The accompanying notes form an integral part of these condensed financial statements.

Signed on behalf of the Company on 16 September 2021:

Marko Ćosić
Member

Nikola Bukavina
Member

Petar Sprčić
Member

Tomislav Šambić
Member

Saša Dužmić
Member

Frane Barbarić
President

HRVATSKA ELEKTROPRIVREDA d.d.
ZAGREB
Ulica grada Vukovara 37

1. BASIS OF PREPARATION

The condensed financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. The preparation of unaudited condensed financial statements for the half-year period ended 30 June 2021 requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and contingent liabilities at the date of the financial statements, as well as reported revenues and expenses during the reporting period. Estimates are based on information available at the date of preparation of the financial statements, and actual amounts may differ from those estimated. The estimates and assumptions from which the estimates are derived are continually revised. Changes in accounting estimates are recognized in the period in which the change affects the period if it affects only that period, or in future periods if it affects both current and future periods.

The Company's annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), which are accepted in the European Union. The condensed financial statements for the half-year period have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (IAS 34). The condensed financial statements for the half-year period ending on 30 June 2021 have been prepared in accordance with the same accounting policies that were used for the annual financial statements for the year ended 31 December 2020. New and amended standards and interpretations issued by the International Accounting Standards Board that will be applied for the first time in the following annual financial statements have no significant impact on the Company, are not relevant to the Company's activities or are consistent with the Company's applicable accounting policies.

Certain information otherwise disclosed in the financial statements prepared in accordance with IFRSs adopted in the European Union is summarized or omitted in accordance with IAS 34. The condensed statement of financial position/consolidated balance sheet as at 30 June 2021 is derived from the audited financial statements as at 31 December 2020, but does not contain all items that are mandatory to be disclosed in accordance with IFRS adopted in the European Union. The Company's Management believes that the information presented in these condensed financial statements is adequate in the sense that it does not lead to erroneous conclusions.

Leases

Property, plant and equipment and intangible assets are leased to subsidiaries from the Company at carrying amount. Leases of property, plant, equipment and intangible assets are classified as finance leases because the lessee accepts almost all the benefits and risks of ownership. The lease repayment period is equal to the remaining depreciation period of the leased property.

Lease liabilities in affiliated companies are stated within long-term liabilities. Leases bear interest up to the amount to which the Company has obtained funds to finance the funds in question from external sources. The fair value of leases has not been estimated due to the specific nature of the HEP Group's organization and with the aim of presenting the fixed assets in question at their original carrying amount at which the Group acquired them.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed financial statements have been prepared under the historical cost convention, except for certain financial instruments and investments in real estate that are measured at fair value. All amounts disclosed in the condensed financial statements are presented in thousands of Croatian kunas (HRK), unless otherwise stated. The Company keeps accounting records in the Croatian language, in HRK and in accordance with Croatian legal regulations and accounting principles and practices followed by companies in Croatia.

The condensed financial statements have been prepared on an accrual basis under the going concern assumption.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of new and amended International Financial Reporting Standards

There are a number of standards, amendments to existing standards issued by the International Accounting Standards and Interpretations Committee and published by the International Financial Reporting Interpretations Committee that are effective for periods beginning after 31 December 2020 (the date on which the Company will prepare its annual financial statements) and for which the Company has decided not to make an earlier application. The Company's Management anticipates that the application of these standards, amendments and interpretations will not have a material impact on the Company's financial statements in the period of their first application.

Use of estimates in preparing the condensed financial statements

The preparation of condensed financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities. The estimates used in the preparation of these condensed financial statements relate to employee benefits, the amount of value adjustments to assets, the determination of the fair value of assets and liabilities and the estimated costs of removing assets. Future events are possible that will cause changes in the assumptions on the basis of which the estimates are given, and thus changes in the estimates themselves.

The effect of any change in estimate will be reflected in the financial statements when it can be determined. There were no changes in the use of estimates and critical judgments in the preparation of condensed financial statements compared to their use in the preparation of annual financial statements.

3. IMPACT OF COVID-19 ON COMPANY'S OPERATIONS

Since the beginning of the pandemic, the Company has been applying special measures to prevent the spread of coronavirus disease and protect the health of employees and business partners, in accordance with the decisions of the National Civil Protection Headquarters, and at the same time to ensure the health of employees and partners.

As the Company is a critical and strategic infrastructure system of the Republic of Croatia, and is one of the largest economic entities in Croatia with a large number of companies in the domestic market largely depending on it; maximum efforts have been made to ensure smooth operations in all business segments, primarily through regular production, transmission, distribution and supply of energy.

Since the beginning of the pandemic, the Company has been analysing energy consumption and modelling scenarios for the impact of the decline in total economic activity on consumption and revenues from the sale of energy from its product portfolio.

Despite the introduction of extraordinary measures of assistance to natural persons adopted by the Government of the Republic of Croatia, which relate, among other things, to the delay in the enforcement, trade receivables were mostly realized within the agreed deadlines and the adopted measures have not had a significant impact on business and financial position of the Company. The Company did not use State aid provided by the Government of the Republic of Croatia, since revenues did not decrease significantly despite the slowdown in economic activities.

Given that the duration of a pandemic is uncertain and it is impossible to predict what impacts it will have, both in domestic and foreign markets, it is not possible to fully assess all the negative impacts on the Company's operations at this time. Notwithstanding the above, the current level of indebtedness and secured level of liquidity of the Company, as well as a strong market position in all activities, show that the Company is prepared to face the challenges expected in the coming period.

The Company will continue to actively monitor economic trends and take all measures to protect the interests of all stakeholders while maintaining a stable financial position.

4. SALES REVENUE

<i>in 000'HRK</i>	Six-month period ended	
	30 June 2021	30 June 2020
	<i>Unaudited</i>	<i>Unaudited</i>
Revenue from the sale of electricity to customers of HEP Opskrba d.o.o.	1,568,266	1,519,430
Revenue from sales of electricity abroad	426,335	68,523
Revenue from electricity sales in the country	69,873	10,389
Revenue from electricity sales	2,064,474	1,598,342

<i>in 000'HRK</i>	Six-month period ended	
	30 June 2021	30 June 2020
	<i>Unaudited</i>	<i>Unaudited</i>
Revenue from gas sales - market supply	10	2,607
Revenue from gas sales in the wholesale market	90,722	452,198
Revenue from gas sales	90,732	454,805
Total sales revenue	2,155,206	2,053,147

Revenue from the sale of gas amounts to HRK 10 thousand related to the sale of gas to customers - market supply. The supply on the wholesale gas market in the Republic of Croatia amounts to HRK 90,722 thousand. The Gas Market Act (OG 18/18) prescribes the selection of suppliers in the wholesale market for the period from 1 August 2018 to 31 March 2021, after which the role of suppliers in the wholesale market was abolished. HERA conducted tenders for the selection of suppliers in the wholesale market for the period from 1 August 2018 to 31 March 2021 (15 May and 13 June 2018). As no bids were received for the tenders, in accordance with the provisions of the Act, on 27 June 2018, HERA, in consultation with the Ministry of Environmental Protection and Energy, appointed HEP d.d. as a supplier on the wholesale market for a shorter period of time than provided by law, i.e. from 1 August 2018 to 31 March 2019. Also, from 25 January 2019 to 5 February 2019, HERA conducted a public tender for the selection of OVT for the period from 1 April 2019 to 31 March 2021. No bids were received for the tender and HEP d.d. was again appointed for the period from 1 April 2019 to 31 March 2020. In October 2019, HERA made a decision to appoint HEP d.d. as a supplier for the period from 1 April 2020 to 31 March 2021.

Pursuant to the Act Amending the Gas Market Act, the Government of the Republic of Croatia, at its session held on 28 February 2017, adopted a Decision on the gas price according to which a supplier in the wholesale gas market is obliged to sell gas to suppliers in the public gas supply service, which amounted to 0.1809 kn/kWh. Until 31 July 2018, the selling price of gas was determined by the Decisions of the Government of the Republic of Croatia, and from 1 August 2018, it is determined through the Methodology for Determining Tariff Items for the Public Gas Supply Service and Guaranteed Supply (OG 34/18). In accordance with the Methodology, for the period from 1 August 2018 to 31 March 2019, the selling price did not change compared to the current one, being set at HRK 0.1809/kWh. In accordance with the Methodology, the selling price of gas for the period from 1 April 2019 to 31 March 2020 was HRK 0.1985/kWh. Pursuant to the Decision of the Management Board No. 5-14.1/2020 of 13 February 2020, the selling price of gas for the period from 1 April 2020 to 31 March 2021 was HRK 0.1825/kWh.

4. SALES REVENUE (continued)

As the supplier activity was abolished on 31 March 2021, after the closing of the public tender in December 2020, HERA made decisions by which suppliers were determined for all 33 gas distribution areas in the Republic of Croatia - for the period from 1 April 2021 to 30 September 2024. The public tender for the selection of suppliers, which was conducted as part of the 2nd phase of deregulation of the gas price for the public service, achieved its goal - gradual deregulation of the Croatian gas market. HEP-Plin d.o.o., Osijek has been designated as a supplier for the distribution areas of Osijek, Virovitica and Vukovar. As a result of the tender, the public gas supply service in the Republic of Croatia in the period from 1 April 2021 to 30 September 2024 will be provided by 13 suppliers. In the period from 1 April 2014 to 31 March 2015, as a supplier, HEP d.d. has contracted a lease of the capacity of 3,600 million kWh, in the period from 1 April 2015 to 31 March 2016 3,550 million kWh, in the period from 1 April 2016 to 31 March 2017 3,500 million kWh while in the period from 1 April 2017 to 31 March 2022 it contracted capacity of 3,050 million kWh. Amendments to the Rules for the Use of the Gas Storage System (OG 26/20) define the method of allocation of units for the needs of the public gas supply service on a proportional basis. Accordingly, the supplier was allocated 9,35 SBU for the period from 1 April 2020 to 31 March 2021.

5. OTHER OPERATING INCOME

<i>in 000'HRK</i>	30 June 2021	30 June 2020
	<i>Unaudited</i>	<i>Unaudited</i>
Collected value-adjusted receivables /i/	1,833	175,704
Calculated energy savings	-	2,305
Default interest from customers	4,695	4,684
Profit from sale of property, plant and equipment	165	264
Income from cancellation of long-term provisions	54	45
Revenue based on the use of own products and services	281	249
Other operating income /ii/	22,971	4,280
	29,999	187,531

/i/ In 2020, the reprogrammed receivable from Petrokemija d.d. was collected in the amount of HRK 173,000 thousand.

/ii/ In 2021, insurance funds were collected from Power Globe LLC, out of the LNG Hrvatska d.o.o deposit in the amount of HRK 12,070 thousand.

In 2021, an estimate of the fair value of property in the amount of HRK 6,000 thousand was recorded.

6. ELECTRICITY PROCUREMENT COSTS

Expenses for the purchase of electricity for the six-month period ended 30 June 2021, which also include purchases from associated companies, amount to HRK 3,148,367 thousand (in the same period last year - HRK 2,718,299 thousand).

Compared to the same period last year, costs are higher due to higher purchase prices, while imported quantities are lower. Also, the costs of purchasing electricity from NPP Krško due to regular overhaul and the costs of purchasing from retailers and producers in the Republic of Croatia due to lower procurement are lower.

7. COST OF PROCUREMENT OF GAS FOR SALE ON THE WHOLESALE MARKET

Pursuant to the Gas Market Act (OG 18/18), in October 2019 HERA issued a decision, appointing HEP d.d. as a supplier for the period from 1 April 2020 to 31 March 2021.

Pursuant to the Decision of the Management Board No. 5-14.1/2020 of 13 February 2020, the selling price of gas was HRK 0.1825/kWh for the period from 1 April 2020 to 31 March 2021.

Amendments to the Rules for the Use of the Gas Storage System (OG 26/20) define the method of allocation of units for the needs of the public gas supply service on a proportional basis. Accordingly, the supplier was allocated 9,35 SBU for the period from 1 April 2020 to 31 March 2021.

As the supplier activity was abolished on 31 March 2021, after the closing of the public tender in December 2020, HERA made decisions by which suppliers were determined for all 33 gas distribution areas in the Republic of Croatia - for the period from 1 April 2021 to 30 September 2024. The public tender for the selection of suppliers, which was conducted as part of the 2nd phase of deregulation of the gas price for the public service, achieved its goal - gradual deregulation of the Croatian gas market. HEP-Plin d.o.o., Osijek has been designated as a supplier for the distribution areas of Osijek, Virovitica and Vukovar. As a result of the tender, the public gas supply service in the Republic of Croatia in the period from 1 April 2021 to 30 September 2024 will be provided by 13 gas suppliers. Other suppliers decided to procure gas for public service purposes on a market basis, i.e. from other gas suppliers and/or traders.

The cost of purchasing gas for sale on the wholesale market for the six-month period ended 30 June 2021 amounts to HRK 77,778 thousand (in the same period last year - HRK 522,277 thousand).

8. OTHER OPERATING EXPENSES

Notes to the condensed financial statements – HEP d.d.
for the six-month period ended 30 June 2021

<i>in 000'HRK</i>	30 June 2021 <i>Unaudited</i>	30 June 2020 <i>Unaudited</i>
Value adjustment of trade receivables	5,314	5,401
The cost of HEP d.d. for decommissioning NPP Krško	53,652	53,911
Costs of services and materials within subsidiaries	23,822	21,210
Cost of external services and materials	56,832	56,950
Calculated costs of selling energy savings	-	12,922
Taxes, contributions and fees	7,524	5,938
Bank charges, payment charges and loan fees	4,231	4,587
Receipts in kind	415	497
Per diems and transportation costs	1,653	1,657
Insurance premiums	2,325	2,851
Compensation based on a lawsuit	-	1,240
Non-enforced receivables written-off	3,297	290
Other material rights of employees	-	2,391
Material costs	2,449	-
Provisions for severance pay and other employee costs	1,303	36
Provisions for unused vacation days	1,178	1,018
Provisions for unrealized energy savings	14,828	7,463
Other operating expenses	23,606	16,736
	204,670	195,098

The Energy Efficiency Act (OG 127/14, 116/18, 25/20, 41/21), the Ordinance on the system for monitoring, measuring and verifying energy savings (OG 33/20) and the Ordinance on the system of energy efficiency obligations (OG41/19) prescribe the obligation to establish a system of energy-saving through the system and the manner of its implementation. Obligations arising from the above laws and regulations apply for the first time in 2019. Within the HEP Group, the companies that supply electricity, heat and gas are under the obligation to follow this system. Pursuant to legal provisions, and in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the Company has made estimates and allocated provisions for the costs of energy savings in the amount of HRK 14,828 thousand.

9. FINANCIAL INCOME AND EXPENSES

in 000'HRK

	30 June 2021	30 June 2020
	<i>Unaudited</i>	<i>Unaudited</i>
Financial income		
Interest income	69,195	67,946
Positive exchange rate differences	32,604	22,139
Dividends from subsidiaries and associates	850,787	804,704
Fair value of cross-currency swap	124,039	127,160
Other financial income	104	120
Total financial income	1,076,729	1,022,069
Financial expenses		
Interest expenses	(88,489)	(87,790)
Negative exchange rate differences	(31,356)	(76,759)
Unrealized losses	(314)	(2,646)
Other financial expenses	(6,389)	(11,434)
Total financial expenses	(127,048)	(178,629)
Net income from financial activities	949,681	843,440

10. CORPORATE INCOME TAX

The company is a taxpayer, in accordance with the tax laws and regulations of the Republic of Croatia. The tax base is determined as the difference between income and expenses for the period and is increased by expenses that are not tax-deductible. Income tax calculated by applying the legal income tax rate in the Republic of Croatia is 18%.

<i>in 000'HRK</i>	30 June 2021	31 Dec 2020
Current tax	(74,255)	(116,713)
Deferred tax recognized in profit or loss	(22,135)	(17,391)
Corporate income tax	(96,390)	(134,104)
Adjustments to deferred tax assets are as follows:		
Balance at 1 January	72,363	91,755
Increase in deferred tax assets	(22,135)	(19,392)
Balance at 30 June	50,228	72,363

10. CORPORATE INCOME TAX (continued)

A reconciliation between income tax and profit reported in the statement of profit or loss is shown as follows:

<i>in 000'HRK</i>	30 June 2021	31 Dec 2020
Profit before tax	1,375,738	1,535,140
Income tax determined by the tax rate applicable in the Republic of Croatia (18%)	(247,633)	(276,325)
The effect of non-taxable income	175,774	204,549
The effect of non-deductible expenses	(2,396)	(44,937)
Tax expense for the current year	(74,255)	(116,713)
Effective tax rate	(5,40)	(7,60)

The table below summarizes the changes in deferred tax assets during the year:

<i>in 000'HRK</i>	as at 31 Dec 2020	Debited/credited to profit or loss	as at 30 June 2021
Provisions for jubilee awards and severance pay	4,744	235	4,979
Fair valuations of JANAF	5,538	-	5,538
Provisions for the cost of wind power	3,894	-	3,894
Provision for fair value of swap	53,358	(22,327)	31,031
Provision for fair value of shares	206	(43)	163
Other	4,623	-	4,623
	72,363	(22,135)	50,228

11. PROPERTY, PLANT AND EQUIPMENT (PROPERTY UNDER CONSTRUCTION)

Ongoing investments as at 30 June 2021 amount to HRK 951,805 thousand, and the most significant relate to investments in EL-TO Zagreb - replacement of block "A" with a new KKE block "L" in the amount of HRK 498,240 thousand, construction of HES- Kosiinj in the amount of HRK 66,840 thousand, construction of SE Cres in the amount of HRK 24,558 thousand, investments in software and licenses in the amount of HRK 30,795 thousand, SAP EDM/ECM system upgrade project in the amount of HRK 44,299 thousand and e-mobility project in the amount of HRK 35,728 thousand.

Intangible assets in the amount of HRK 125,489 thousand mainly relate to the software application system (SAP) and licenses for computer software.

12. INVESTMENTS IN SUBSIDIARIES AND JOINT OPERATIONS AND INVESTMENTS CALCULATED USING THE EQUITY METHOD

in 000'HRK

	30 June 2021	31 Dec 2020
	<i>Unaudited</i>	<i>Audited</i>
Balance at the beginning of the period	9,962,011	9,735,948
HEP Telekomunikacije d.o.o.	-	74,800
Energetski park Korlat d.o.o. - capital reserves	11,000	-
IE Nekretnine d.d.	-	(19,661)
SUNČANA ELEKTRANA VIS d.o.o.	-	31,362
Male hidre d.o.o.	-	3,040
NPP Krško – share capital	20,606	136,522
	9,993,617	9,962,011

**12. INVESTMENTS IN SUBSIDIARIES AND JOINT OPERATIONS AND INVESTMENTS
CALCULATED USING THE EQUITY METHOD (continued)**

in 000'HRK

	30 June 2021	31 Dec 2020
	<i>Unaudited</i>	<i>Audited</i>
HEP - Proizvodnja d.o.o.	40	40
Hrvatski operator prijenosnog sustava d.o.o.	4,954,151	4,954,151
HEP - Operator distribucijskog sustava d.o.o.	1,802,041	1,802,041
HEP - Opskrba d.o.o.	20	20
HEP - Toplinarstvo d.o.o.	623,000	623,000
HEP - Plin d.o.o.	20	20
HEP ESCO d.o.o.	18,960	18,960
HEP - Upravljanje imovinom d.o.o.	14,297	14,297
HEP - Trgovina d.o.o.	40	40
HEP - Telekomunikacije d.o.o.	333,598	333,598
Plomin Holding d.o.o.	16,106	16,106
HEP - Elektra d.o.o.	20	20
Energetski park Korlat d.o.o.	42,092	31,092
SUNČANA ELEKTRANA VIS d.o.o.	31,362	31,362
	7,835,747	7,824,747
Investments in joint ventures		
NE Krško	1,911,547	1,890,941
LNG Hrvatska d.o.o.	243,283	243,283
Investments calculated using the equity method		
Male hidre d.o.o.	3,040	3,040
	9,993,617	9,962,011

13. INVESTMENTS CLASSIFIED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND OTHER INVESTMENTS

Changes in investments classified at fair value through other comprehensive income are shown as follows:

<i>in 000'HRK</i>	30 June 2021 <i>Unaudited</i>	31 Dec 2020 <i>Audited</i>
Opening balance	232,605	254,195
Fair valuation of investments through other comprehensive income (Janaf)	3,239	(21,592)
Fair valuation of investments through other comprehensive income and other	(26)	2
Closing balance	235,818	232,605

14. INVENTORIES

<i>in 000'HRK</i>	30 June 2021 <i>Unaudited</i>	31 Dec 2020 <i>Audited</i>
Wholesale gas supplies	51,353	48,047
Gas futures trading	(75,929)	(13,791)
CO2 futures trading	-	(16,971)
Inventories of emission allowances CO2	400,442	685,307
Stocks of energy savings in final consumption	28,499	13,070
Inventories of investment material	1,461	7,544
Inventories of other material	425	965
	406,251	724,171
Inventory value adjustment	-	(6,272)
	406,251	717,899

15. TRADE RECEIVABLES

<i>in 000'HRK</i>	30 June 2021 <i>Unaudited</i>	31 Dec 2020 <i>Audited</i>
Trade receivables in the country	153,384	130,343
Receivables from gas customers in the wholesale market	1,607	17,768
Receivables for electricity from abroad	12,426	84,414
	167,417	232,525
Expected credit losses	(127,446)	(127,906)
	39,971	104,619

15. TRADE RECEIVABLES (continued)

The table below shows the age structure of receivables and the corresponding rate of expected credit loss for each age group.

31 Dec 2020	not yet due	up to 30 days	31-60 days	61-90 days	91-180 days	181-365 days	over 365 days	Total
Gross book value of trade receivables	97,304	5,235	2,141	5	9	28	127,803	232,525
Expected credit losses	(19)	(57)	(32)	-	(1)	(8)	(127,789)	(127,906)

30 June 2021	not yet due	up to 30 days	31-60 days	61-90 days	91-180 days	181-365 days	over 365 days	Total
Gross book value of trade receivables	36,148	20	8	1,573	2,461	27	127,180	167,417
Expected credit losses	(7)	-	-	(47)	(221)	(8)	(127,163)	(127,446)

Changes in allowance for impairment were as follows:

in 000'HRK

	30 June 2021 <i>Unaudited</i>	31 Dec 2020 <i>Audited</i>
Balance at 1 January	127,906	457,337
Increase/decrease in impairment of receivables	184	(1,070)
Postings	-	(1,300)
Write-off of uncollected receivables	-	(1,061)
Collected receivables in the pre-bankruptcy settlement	(644)	-
Reprogrammed receivables collected	-	(326,000)
Balance at 30 June	127,446	127,906

16. OTHER CURRENT RECEIVABLES

in 000'HRK

	30 June 2021 <i>Unaudited</i>	31 Dec 2020 <i>Audited</i>
Advances to suppliers	73,874	261,072
Short-term guarantees given	17,995	41,157
Interest receivables	29	15
Receivables for given deposits	49,746	50,457
Prepaid costs	11,871	16,130
Receivables from the state	145	104
Receivables for taxes and contributions	-	-
Other receivables	2,717	1,515
	156,377	370,450

17. CAPITAL AND RESERVES

On the date of the first registration on 12 December 1994, the Company's capital was subscribed in German marks (DEM) in the amount of DEM 5,784,832 thousand. Following the registration of the Company on 19 July 1995, the capital was denominated in Croatian kuna in the amount of HRK 19,792,159 thousand. The share capital consists of 10,995,644 ordinary shares, each with a nominal value of HRK 1,800.00.

Retained earnings in the amount of HRK 8,294,811 thousand consists of profit for the current period in the amount of HRK 1,279,348 thousand, retained earnings in the amount of HRK 5,071,249 thousand and reserves in the amount of HRK 1,944,102 thousand.

18. CASH AND CASH EQUIVALENTS

<i>in 000'HRK</i>	30 June 2021	31 Dec 2020
Giro accounts in HRK	1,470,690	926,293
Short-term funds (daily deposits)	763,517	371,852
Foreign currency accounts	110,768	192,784
Deposits with a maturity of up to 90 days	132,591	87,992
Allocated funds	61	124
Cash in hand - HRK	32	15
	2,478,239	1,579,060

19. LIABILITIES UNDER ISSUED BONDS

in 000'HRK

	30 June 2021	31 Dec 2020
	<i>Unaudited</i>	<i>Audited</i>
Value of bonds abroad from 2015	3,645,961	3,583,024
Exchange rate difference	(22,166)	45,793
Discount value	3,721	7,144
	3,627,516	3,645,961
Cost allocation	(4,630)	(6,365)
Bonds issued in 2015	3,622,886	3,639,596
Value of repurchased bonds	(141,928)	(64,482)
Investments in bonds	(28,771)	(76,172)
Exchange rate difference	1,153	(1,274)
Repurchased bonds	(169,546)	(141,928)
Total liabilities under issued bonds	3,453,340	3,497,668

Bonds issued abroad

In November 2012, the Company issued bonds in the amount of USD 500,000 thousand, with a maturity of 5 years and a fixed interest rate of 6.00% per annum. The bond was listed on the Luxembourg Stock Exchange and was actively traded. In November 2017, the bonds were repaid in full.

Refinancing

In October 2015, bonds issued in 2012 were refinanced from a new bond issue and 83.37% of the principal or USD 416,852 thousand was repaid.

New bond issue

In October 2015, the Company issued new corporate bonds in the amount of USD 550,000 thousand with a maturity of 7 years, a fixed interest rate of 5.875% per annum and an issue price of 98.594%.

Bonds issued in 2015 were mostly used for repurchase of 83.37% bonds issued in 2012 (i.e. repurchase of USD 416,852 thousand). The remaining amount of the issue was intended to finance the Company's business activities. The bond is listed on the Luxembourg Stock Exchange and is actively traded with.

Cross-currency swap

In order to reduce the exposure to currency risk, i.e. to protect the exposure to dollar exchange rates, the Company concluded a Cross-Currency Swap Agreement by which the dollar liability was converted into a euro liability for the entire duration, i.e. until the final maturity on 23 October 2022. According to this cross-currency swap agreement from 2015, the annual interest rate paid by the Company is fixed and amounts to 4.851% (weighted interest rate) and is payable semi-annually (the interest rate includes the swap cost).

Investment in bonds

The possibility of purchasing own bonds as defined in the 2015 Bond Prospectus, enables the Company or any of its subsidiaries to purchase bonds and any time. The bonds so purchased may be held or resold. Bonds purchased in the name and for the account of the Company may be cancelled, i.e. the principal may be reduced. In March 2021, the Company repurchased 0.83% of its own bonds issued in 2015, in the amount of USD 4,540 thousand.

19. LIABILITIES UNDER ISSUED BONDS (continued)

Derivative financial instruments

Cross-currency swap

In order to reduce the exposure to currency risk, i.e. to protect the exposure to the movement of the dollar exchange rate, the Company concluded cross-currency swap agreement, converting dollar liabilities on bonds issued abroad in 2015 into euro liabilities until their final maturity.

The purpose of the cross-currency swap agreement is to reduce currency risk. It was concluded upon credit agencies' recommendations on the importance of strategic currency risk management in order to reduce their impact on the Company's business results.

The annual interest rate paid by the Company is fixed and amounts to 4.851%.

The Company links the fair value of derivative financial instruments to the calculation of Mark to market value (MTM), based on official bank calculations for the reporting period.

The positive value of MTM is recorded as a receivable and financial income of the period, and the negative value of MTM is recorded as a liability and financial expense of the reporting period.

Upon the final maturity of derivative financial instruments, the receivables or liabilities in question will be eliminated against expenses or in favour of income.

As at 30 June 2021, the calculated fair value of receivables issued in 2015 showed a negative fair value of receivables in the amount of HRK 172,391 thousand, which represents the majority of other long-term receivables (31 December 2020, the value of liabilities in the amount of HRK 296,430 thousand).

20. LONG-TERM LOAN LIABILITIES

<i>in 000'HRK</i>	Interest rates	30 June 2021	31 Dec 2020
		<i>Unaudited</i>	<i>Audited</i>
Loans with foreign banks	Fixed	588,209	540,015
Total non-current loan liabilities		588,209	540,015
Cost allocation		(2,786)	(2,934)
Total non-current loan liabilities		585,423	537,081
Current maturities		(75,816)	(53,879)
Non-current portion		509,607	483,202

20. LONG-TERM LOAN LIABILITIES (continued)

The Company contracted loans with domestic and foreign banks with applicable variable and fixed interest rates, which in 2021 ranged from 0.44% to 2.47%.

Loans from domestic banks are secured by bills of exchange and promissory notes. As at 30 June 2021, the Company does not have any debt which is covered by the guarantee of the Republic of Croatia.

New sources of financing

From 1 January 2020 to 30 June 2021, the Company used its own funds to finance the investment plan and regular operations.

Loans in use

As at 30 June 2021, the Company has 2 (two) loans in use: from EBRD in the amount of EUR 87,000 thousand and from EIB in the amount of EUR 43,000 thousand. These loans are used to finance the EL-TO Zagreb project.

The Company started using loans in December 2018, and as of 30 June 2021, the balance of used funds amounts to EUR 44,790 thousand (EBRD) and EUR 21,541 thousand (EIB)

The loan funds can be used until 20 July 2021 and in accordance with the agreed project implementation dynamics.

The repayment plan for the principal of non-current loans maturing in the next five years:

	Amount in 000'HRK
2021	37,908
2022	75,816
2023	79,596
2024	49,702
2025	50,645
after 2025	291,756
	585,423

Loans from domestic banks are secured by bills of exchange and promissory notes, while the EBRD loan of EUR 87,000 thousand and the EIB loan of EUR 43,000 thousand have contracted financial guarantees; financial indicators which the Company is obliged to meet at certain prescribed levels on an annual and semi-annual basis. These indicators are net financial debt to EBITDA, the ratio of EBITDA to net financial expenses and the ratio of total net borrowing to net tangible assets.

The main objective of the Company related to the risks posed by financial indicators is to protect the Company from possible breach of contractual obligations, i.e. premature maturities of contracted credit liabilities.

Contracted financial indicators are monitored and calculated for annual and interim financial statements.

The Company prepares preliminary calculations of financial indicators based on the projected statement of financial position and statement of profit or loss for the coming interim period and monitors their trend.

If the projections in the financial statements at the end of the financial year show the possibility of failing to meet the contracted value of a certain financial indicator, the Company is obliged to inform the bank about the possibility of breach of contract and promptly request the waiver from the bank.

In case the bank does not approve the waiver, the possible scenario is the early maturity of the debt, which poses a liquidity risk for the Company.

The Management Board believes that in case of failing to meet a certain indicator value, the Company may obtain a waiver from creditors, given that the payment of liabilities to financial institutions is a priority liability of the Company, and that the Company has never defaulted in payment of liabilities to financial institutions.

Due to all the above mentioned, the Management Board estimates that the possibility of premature maturity of loan liabilities arising from failing to meet a certain indicator value, as well as the Company's exposure to credit risk, liquidity risk and market risk that may arise as a result of this failure, is minimal.

As of 31 December 2020, the Company met all contracted financial indicators.

The total exposure based on contracted loan liabilities related to financial indicators amounts to EUR 66,331 thousand at 30 June 2021.

20. LONG-TERM LOAN LIABILITIES (continued)

Loan liabilities in foreign currencies (in thousands) are as follows:

Currency <i>in 000' eur</i>	30 June 2021	31 Dec 2020
EUR	78,520	71,650

For the purpose of securing liquidity reserves in the next medium-term period, the Company has concluded multi-purpose framework agreements with domestic banks, in the total amount of approximately HRK 1,000,000 thousand.

The Company may use the funds from these frameworks for short-term loans and the issuance of guarantees, letters of credit and letters of intent in accordance with the needs of the Group.

There was no need to conclude short-term loans from these medium-term multi-purpose frameworks in the period from 1 January 2020 to 30 June 2021; due to good liquidity.

As of 30 June 2021, the total amount of available funds from the short-term frameworks amounts to HRK 729,228 thousand.

21. DEBT INDICATORS

The year-end debt-to-equity ratio can be shown as follows:

<i>in 000'HRK</i>	30 June 2021	31 Dec 2020
Debt	4,038,762	4,043,079
Cash and cash equivalents	(2,478,239)	(1,579,060)
Net debt	1,560,523	2,464,019
Equity	28,162,001	26,879,560
Debt-to-equity ratio	6 %	9 %

22. OTHER LONG-TERM LIABILITIES

<i>in 000'HRK</i>	30 June 2021 <i>Unaudited</i>	31 Dec 2020 <i>Audited</i>
Non-current liabilities for assets financed from clearing debt	757,679	739,447
Derivative financial liabilities under swap transactions	172,391	296,430
Non-current liabilities to the state	637	659
Other	9,752	10,150
Total	940,459	1,046,686

As at 30 June 2021, the Company has a stated liability for clearing debt in the amount of HRK 757,679 thousand (31 December 2020 in the amount of HRK 739,447 thousand) relating to the payment from the letter of credit and based on the Consent of the Ministry of Finance on the use of funds under the interbank agreement

Since there is no other document that would regulate the relationship between the Company and the Ministry of Finance, related to the said clearing debt, it is not defined whether it is a loan or some other legal relationship.

23. PROVISIONS

The total amount of provisions as at 30 June 2021 amounts to HRK 228,971 thousand (in the same period last year HRK 227,721 thousand), and consists of provisions for litigation HRK 179,378 thousand, provisions for severance pay and jubilee awards HRK 27,962 thousand and other long-term provisions HRK 21,631 thousand.

24. RELATED PARTY TRANSACTIONS

As at 30 June 2021, the Company owned the following subsidiaries:

Subsidiary	Country	Ownership (%)	Activity
HEP - Proizvodnja d.o.o.	Croatia	100	Electricity and heat production
Hrvatski operator prijenosnog sustava d.o.o.	Croatia	100	Electricity transmission
HEP - Operator distribucijskog sustava d.o.o.	Croatia	100	Electricity distribution
HEP ELEKTRA d.o.o.	Croatia	100	Electricity supply
HEP - Opskrba d.o.o.	Croatia	100	Electricity supply
HEP - Toplinarstvo d.o.o.	Croatia	100	Production and distribution of thermal energy
HEP - Plin d.o.o.	Croatia	100	Gas distribution
HEP ESCO d.o.o.	Croatia	100	Financing energy efficiency projects
Plomin Holding d.o.o.	Croatia	100	Infrastructure development of the surrounding area of Plomin
HEP Upravljanje imovinom d.o.o.	Croatia	100	Hospitality and recreation services
HEP - Trgovina d.o.o.	Croatia	100	Electricity trade and power plant operation optimization
HEP - Telekomunikacije d.o.o.	Croatia	79.94	Telecommunications
Energetski park Korlat d.o.o.	Croatia	100	Production of electricity
LNG Hrvatska d.o.o.	Croatia	84.18	Liquefied natural gas business
Nuklearna elektrana Krško d.o.o.	Slovenia	50	Production of electricity
Other related parties within HEP Group:			
CS Buško Blato d.o.o.	BiH	100	Hydropower equipment maintenance
HEP NOC Velika	Croatia	100	Accommodation and education services
HEP Energija d.o.o. Ljubljana	Slovenia	100	Electricity trading
HEP Energija d.o.o.	BIH	100	Electricity trading
HEP Energija sh.p.k.	Kosovo	100	Electricity trading
HEP Energija d.o.o.	R Serbia	100	Electricity trading
SUNČANA ELEKTRANA POREČ d.o.o.	Croatia	100	Production of electricity
SUNČANA ELEKTRANA VIS d.o.o.	Croatia	100	Production of electricity
Ornatus d.o.o.	Croatia	100	Production of electricity
Male hidre d.o.o.	Croatia	49	Production of electricity
HEP - VHS Zaprešić d.o.o.	Croatia	100	Design and construction of a multipurpose hydraulic system
Gradska plinara Krapina d.o.o.	Croatia	100	Gas distribution and supply

Most of these subsidiaries were established as part of the reorganization and restructuring of the core business under the new energy laws, which entered into force on 1 January 2002.

During the first half of 2020, the company Energetski park Korlat d.o.o. (whose sole owner since April 2019 is HEP d.d.) entered the consolidation of the HEP Group for the first time.

IE-Nekretnine d.d. was merged with HEP d.d. on 31 May 2020. Companies Prvo Plinarsko Društvo - Distribucija plina d.o.o. and Prvo Plinarsko Društvo - Opskrba kućanstava d.o.o. were merged with HEP-Plin d.o.o. during July 2020.

The company Male hidre d.o.o. was established in July 2020 as a joint project company by HEP d.d. and Končar-obnovljivi izvori d.o.o. HEP's investment in the share capital of the new company (49%) was in kind, and the investment of Končar-renewable sources d.o.o. in the share capital of the new company (51%) was in cash.

In June 2021, HEP Plin d.o.o. bought a 100% stake in Darkom distribucija plina d.o.o. which will enter into consolidation in July 2021.

24. RELATED PARTY TRANSACTIONS (continued)

Relationships with these companies are listed below:

- /i/ The Company's revenues arise from the sale of electricity, pre-invoiced revenues of the associated company from the sale of electricity, fees for the provision of accounting, legal and similar services as well as from the lease of business premises. The amount of these revenues from affiliated companies is determined on the basis of the following values: the value of the assets of the affiliated company, employee costs and total costs of the affiliated company.
- /ii/ Interest on long-term leases of property, plant and equipment and intangible assets are charged to lessees based on interest rates on loans used for the construction of assets and is reported as interest income with affiliated companies.
- /iii/ Costs with affiliated companies are incurred for electricity taken over from HEP Proizvodnja d.o.o., procurement of electricity from renewable sources and cogeneration plants, and balancing electricity. Costs for the above services and losses on the network are invoiced monthly in accordance with the provisions and tariffs prescribed by HERA.
- /iv/ Non-current receivables from affiliated companies arise from the financial lease of real estate, plant and equipment to affiliated companies other than HOPS d.o.o. and HEP Telekomunikacija d.o.o. The rent is paid monthly according to the depreciation of the leased property. The Company also has receivables from affiliated companies for apartments sold to employees.
- /v/ Current receivables from affiliated companies arise from the sale of fuel, materials and spare parts, the sale of electricity to HEP ODS d.o.o., HEP Elektra d.o.o. and for customers of HEP Opskrba d.o.o., electricity and gas trading, administrative services provided by the Company to affiliated companies and for ongoing investments financed by the Company. Upon completion of construction, these assets are transferred to affiliated companies as a finance lease.

Receivables and liabilities and income and expenses of the Company with its related parties are listed in the table below:

24. RELATED PARTY TRANSACTIONS (continued)

in 000'HRK

	30 June 2021	30 June 2020
	Unaudited	Unaudited
Revenues from electricity sales		
Revenues from the sale of electricity to HEP Elektra d.o.o.	1,159,186	1,088,306
Revenues from invoiced electricity to cover losses in the transmission network	24,881	35,695
Revenues from invoiced electricity to cover losses in the distribution network	294,901	268,760
Revenues from balancing electricity	2,609	-
Revenues from the sale of electricity to other companies within the HEP Group	28,390	29,282
Revenues from the sale of electricity HEP Energija d.o.o. Ljubljana	130,395	124,784
Revenues from the sale of electricity HEP Energija sh.p.k. Kosovo	-	21,612
Revenues from the sale of electricity HEP Energija d.o.o. Belgrade	8,169	4,351
Revenues from the sale of electricity HEP-Trade d.o.o. Mostar	6,862	3,918
Revenues from electricity sales - affiliated companies	1,655,393	1,576,708
Revenue from gas sales - HEP Plin d.o.o.	69,171	79,663
Other sales revenue-related companies		
Revenue from sales to companies - other	25	5,235
Revenue based on services and sales of materials within the group	622	679
Revenues based on services within the group - restaurant	25	54
Income from futures trading on the stock exchange - CO2	-	2,249
Revenue from sales of CO2 emission units	426,714	385,669
	427,387	393,886
Sales revenues - affiliated companies	2,151,951	2,050,257
Other operating income-affiliated companies	89,546	83,745
Revenues from the performance of administrative services	7,546	7,551
Income from renting office space	-	12,921
Revenues from the sale of energy savings to companies	97,092	104,217
Cost of electricity supply - affiliated companies		
Procurement of electricity - HEP Proizvodnja d.o.o.	1,760,102	1,339,585
Procurement of electricity from RES - HEP Opskrba d.o.o.	142,871	147,116
Procurement of electricity E.p. Korlat d.o.o.	-	21
Electricity balancing - HOPS d.o.o.	21,442	20,202
HEP Energija d.o.o. Ljubljana	78	5,694
HEP-Trade d.o.o. Belgrade	-	7
HEP-Trade d.o.o. Mostar	3,090	1,007
HEP-Energija Sh.p.k. Kosovo	-	-
	1,927,583	1,513,632
Costs of fees and services - affiliated companies		
Costs of selling CO2 emission units	426,714	385,669
Electricity supply fee - HEP Opskrba d.o.o.	22,662	21,290
Fee for gas supply services - HEP Trgovina d.o.o.	848	1,737
Gas purchase service fee	991	-
Fee for electricity and gas trading services - HEP Trgovina d.o.o.	8,153	7,883
	459,368	416,579

24. RELATED PARTY TRANSACTIONS (continued)

in 000'HRK

	30 June 2021 <i>Unaudited</i>	31 Dec 2020 <i>Audited</i>
Non-current receivables		
Receivables for long-term lease assets		
HEP Operator distribucijskog sustava d.o.o.	7,729,992	8,053,189
HEP Proizvodnja d.o.o.	7,865,390	8,142,283
HEP Toplinarstvo d.o.o.	891,769	920,482
HEP Upravljanje imovinom d.o.o.	157,356	150,934
HEP Plin d.o.o.	178,106	183,700
HEP Noc d.o.o.	10,818	11,143
HEP Opskrba d.o.o.	1,216	1,669
HEP Trgovina d.o.o.	714	863
HEP Esco d.o.o.	1,399	2,060
HEP Elektra d.o.o.	4,264	5,105
HEP VHS Zaprešić d.o.o.	-	-
	16,841,024	17,471,428
Receivables for apartments sold		
HEP Operator distribucijskog sustava d.o.o.	4,091	4,290
HEP Proizvodnja d.o.o.	2,730	2,800
Hrvatski operator prijenosnog sustava d.o.o.	364	428
HEP Toplinarstvo d.o.o.	84	89
	7,269	7,607
	16,848,293	17,479,035
Current lease maturity	(1,250,945)	(1,250,945)
Receivables for non-current leases from affiliated companies	15,597,348	16,228,090

24. RELATED PARTY TRANSACTIONS (continued)

Receivables for non-current leases from affiliated companies

in 000'HRK

	30 June 2021	31 Dec 2020
	<i>Unaudited</i>	<i>Audited</i>
HEP - Toplinarstvo d.o.o.	7,900	15,800
Hrvatski operator prijenosnog sustava d.o.o.	265,478	226,335
Plomin Holding d.o.o.	75,086	67,848
Energetski park Korlat d.o.o.	429,890	426,890
HEP - Plin d.o.o.	83,566	91,561
HEP Opskrba d.o.o.	13,014	13,014
Ornatus d.o.o.	15,844	15,844
SUNČANA ELEKTRANA VIS d.o.o.	1,687	1,687
LNG Hrvatska d.o.o.	-	36,218
	892,465	895,197
Current maturity	(128,271)	(127,494)
	764,194	767,703

Receivables for sub-loans to affiliated companies

Receivable for sub-loan - HEP ESCO d.o.o. – non-current portion	39,900	41,388
Receivable for sub-loan HOPS d.o.o.	425,309	427,473
	465,209	468,861
Current maturity	(2,474)	(2,489)

Receivables for loans to companies related by the participating interest

Male hidre d.o.o.	1,677	-
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Long-term loans given

	16,825,954	17,462,165
Total current maturities of long-term loans	(1,381,690)	(1,380,928)

24. RELATED PARTY TRANSACTIONS (continued)

in 000'HRK

	30 June 2021	31 Dec 2020
	<i>Unaudited</i>	<i>Audited</i>
Current receivables		
Receivables from HEP Elektra d.o.o. for electricity sold	426,332	413,848
Receivables from HEP Distribution System Operator d.o.o. for losses in the distribution network	53,884	175,622
Receivables from HEP Opskrba d.o.o. for electricity sold	536,162	461,548
Receivables from HOPS d.o.o. for transmission network losses	4,649	4,996
Receivables from HEP Energija d.o.o. Ljubljana	60,832	69,406
Receivables from HEP Energija d.o.o. Belgrade for sold electricity	4,849	3,358
Receivables from HEP Energija d.o.o. Mostar for sold electricity	5,548	3,366
Receivables of HEP d.d. from HEP- Energije sh.p.k. Kosovo for electricity	-	5,997
Receivables for balancing electricity - HOPS d.o.o.	-	24,196
Other receivables	11,296	11,004
	1,103,552	1,173,341
Receivables for cost of joint services		
HEP Proizvodnja d.o.o.	14,668	-
HEP Operator distribucijskog sustava d.o.o.	18,404	29,694
HEP Toplinarstvo d.o.o.	1,406	1,337
HEP Plin d.o.o.	4,790	5,509
HEP Upravljanje imovinom d.o.o.	2,617	365
HEP Trgovina d.o.o.	1,243	436
HEP Opskrba d.o.o.	9,884	3,736
HEP NOC	286	-
HEP ESCO d.o.o.	333	795
HEP Telekomunikacije d.o.o.	287	-
HEP Elektra d.o.o.	1,401	2,546
VHS Zaprešić d.o.o.	69	56
Energetski park Korlat d.o.o.	40	55
	55,428	44,529

24. RELATED PARTY TRANSACTIONS (continued)

in 000'HRK

	30 June 2021	31 Dec 2020
	<i>Unaudited</i>	<i>Audited</i>
Current receivables for non-current lease of assets		
HEP Proizvodnja d.o.o.	124,611	30,526
HEP Toplinarstvo d.o.o.	13,032	3,101
HEP Operator distribucijskog sustava d.o.o.	145,672	18,462
HEP Plin d.o.o.	9,721	14,237
HEP Upravljanje imovinom d.o.o.	1,460	348
HEP NOC	406	-
HEP Trgovina d.o.o.	39	-
HEP Opskrba d.o.o.	593	-
HEP Esco d.o.o.	183	105
HEP Elektra d.o.o.	212	-
	296,929	66,779
Other current receivables	151,643	319,492
Receivables for investments paid and other receivables		
HEP Proizvodnja d.o.o.	364,534	191,632
Hrvatski operator prijenosnog sustava d.o.o.	28,297	31,531
HEP Operator distribucijskog sustava d.o.o.	785,571	323,919
HEP Toplinarstvo d.o.o.	98,272	59,656
HEP Plin d.o.o.	61,109	34,498
HEP ESCO d.o.o.	2,446	11,473
HEP Noc d.o.o.	1,461	1,235
HEP Trgovina d.o.o.	42	41
HEP Upravljanje imovinom d.o.o.	10,284	5,350
HEP Opskrba d.o.o.	22,583	22,528
HEP Elektra d.o.o.	299	-
	1,374,898	681,863

24. RELATED PARTY TRANSACTIONS (continued)

in 000'HRK

	30 June 2021	31 Dec 2020
	<i>Unaudited</i>	<i>Audited</i>
Receivables for investment and other material sold		
HEP Operator distribucijskog sustava d.o.o.	313,473	313,473
HEP Plin d.o.o.	2,680	2,680
	316,153	316,153
 Other receivables		
HEP Plin d.o.o.	50,567	22,210
HOPS d.o.o.	59,101	-
HEP Telekomunikacije d.o.o.	1,600	-
HEP Trgovina d.o.o.	8,684	-
HEP Opskrba d.o.o.	401	-
SUNČANA ELEKTRANA VIS d.o.o.	221	-
	120,574	22,210
 Receivables for current loans		
HEP Energija d.o.o. Beograd	1,348	1,357
HEP Energija sh.p.k. Kosovo	749	603
HEP ESCO d.o.o.	55,200	47,998
	57,297	49,958
 Total current receivables from affiliated companies	3,475,474	2,674,325

24. RELATED PARTY TRANSACTIONS (continued)

in 000'HRK

	30 June 2021	31 Dec 2020
	<i>Unaudited</i>	<i>Audited</i>
Short-term liabilities		
HEP Proizvodnja - for electricity	794,341	820,639
Energetski park Korlat d.o.o. - for electricity	2,461	5,335
SUNČANA ELEKTRANA VIS d.o.o. for electricity	227	49
HEP Opskrba - for compensation of procurement from RES	19,679	30,141
HEP Opskrba for electricity supply compensation	-	166
HEP Trgovina - for trading fee	4,335	6,151
HOPS d.o.o. - balancing energy	11,024	2,464
Liabilities under for guarantees for electricity origin - HEP Proizvodnja d.o.o.	187	123
HEP Proizvodnja - liability under the assignment agreement	810,952	810,952
Other	21,765	15,318
	1,664,971	1,691,338

Other liabilities

HEP Operator distribucijskog sustava d.o.o.

- for paid connection fees	166,067	167,739
- for funds paid into the treasury	174,214	9,207
- for customer payments and paid investments from sub-accounts	16,318	19,152

HEP Elektra d.o.o. for cash

paid into the treasury	597,303	782,141
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HEP Proizvodnja d.o.o. remitted advance profit for 2018..

	-	550,000
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Liabilities to other companies for customer payments and investments paid from sub-accounts	13,654	782
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967,556 **1,529,021**

Total liabilities to affiliated companies

2,632,527 **3,220,359**

Receivables and liabilities and income and expenses for NE Krško d.o.o. (the Company has which is 50% of ownership) are shown in the following table:

NE Krško d.o.o. (NPP Krško)

in 000'HRK

	30 June 2021	31 Dec 2020
	<i>Unaudited</i>	<i>Audited</i>
Liabilities for purchased electricity	56,164	61,458
Costs of purchased electricity	325,703	742,042

The produced electricity in NPP Krško is delivered to the Company in the amount of 50% of the total produced quantities at a price determined by the total production costs.

24. RELATED PARTY TRANSACTIONS (continued)

<i>in 000'HRK</i>	Sales revenues		Procurement costs	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
Companies that are majority owned by the State				
Croatian Railways Group	39,977	36,547	-	-
Hrvatska pošta d.d.	4,638	5,842	5,314	4,069
Hrvatske šume d.o.o.	1,458	1,081	1,536	3,313
Jadrolinija d.o.o.	404	347	-	-
Narodne novine d.d.	946	905	140	64
Hrvatska radiotelevizija	3,004	3,150	57	38
Plinacro d.o.o.	1,515	959	27,129	27,199
Plovput d.d.	-	367	-	-
Croatia Airlines d.d.	247	197	-	-
Ministry of Interior	8,144	7,258	-	-
Primary and secondary schools	9,660	10,062	-	-
Judicial institutions	2,774	2,484	-	-
Universities and colleges	7,167	6,704	343,387	402
Legislative bodies of the Republic of Croatia	4,895	5,951	-	-
Health facilities	23,874	24,966	-	-
Other users	-	-	-	-
HROTE d.o.o.	-	354	93,706	133,412
TOTAL	108,703	107,174	471,269	168,497
	Receivables		Liabilities	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
	<i>Unaudited</i>	<i>Audited</i>	<i>Unaudited</i>	<i>Audited</i>
Companies that are majority owned by the State				
Hrvatska pošta d.d.	-	-	17	12
Narodne novine d.d.	-	-	60	4
Plinacro d.o.o.	-	-	3,273	1,171
HROTE d.o.o.	2,649	-	9,797	9,934
Others	114	63	128	22
	2,763	63	13,275	11,143

24. RELATED PARTY TRANSACTIONS (continued)

Remuneration to the members of the Management Board and executive directors

<i>in 000'HRK</i>	30 June 2021 <i>Unaudited</i>	30 June 2020 <i>Unaudited</i>
Gross salaries	4,386	3,725
Contributions to pension insurance	971	803
Other (benefits in kind)	467	291
	5,824	4,819

There were no other payments to the members of the Management Board other than the regular salary and benefits in kind.

25. OTHER CURRENT LIABILITIES

<i>in 000'HRK</i>	30 June 2021 <i>Unaudited</i>	31 Dec 2020 <i>Audited</i>
Other liabilities		
Trade payables	369,615	453,686
Liabilities for taxes and contributions	3,160	6,921
Interest liabilities	22,135	27,520
Liabilities to employees	8,567	9,105
Other liabilities	120,747	33,967
	524,224	531,199

26. FAIR VALUE INDICATORS RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION

The fair value of financial assets and financial liabilities is determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and traded in active liquid markets is determined according to the quoted market price,
- The fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from existing market transactions,
- The fair value of derivative instruments is calculated using listed prices. Where such prices are not available, discounted cash flow analysis is used, using the applicable yield curve for the life span of the non-derivative instruments

26. FAIR VALUE INDICATORS RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION (continued)

Fair value indicators recognized in the balance sheet/statement of financial position

The table analyses financial instruments that, after initial recognition, have been reduced to fair value, classified into three groups in accordance with IFRS 13:

Tier 1 of available indicators - fair value indicators are derived from (unadjusted) prices quoted in active markets for identical assets and identical liabilities

Tier 2 of available indicators - fair value indicators are derived from data other than quoted prices from level 1, and relate to the observed asset or liability (i.e. their prices) or indirectly (derived from prices), and

Tier 3 of indicators - indicators derived by applying valuation methods in which data on assets or liabilities that are not based on available market data (unavailable input data) were used as input data.

The Company has decided that the measurement of the fair value of the cross-currency swap is linked to the value of "Mark To Market (MTM)" in accordance with the calculation of commercial banks. Positive MTM is recorded as a receivable and also forms the financial income of the reporting period; while the negative MTM is recorded as a liability and forms the financial expense for the period. Upon final maturity of the derivative financial instrument, the receivable or liability in question will be eliminated against Company's expenses or in favour of the Company's income.

The measurement of the fair value of a currency swap is linked to the "Mark To Market (MTM)" value as calculated by commercial banks and the value is adjusted at each reporting date through profit or loss.

Fair value indicators in the statement of financial position/balance sheet:

<i>in 000'HRK</i>	Tier 1	Tier 2	Tier 3	Total
31 Dec 2020, Audited				
Financial assets classified at fair value through other comprehensive income	232,605	-	-	232,605
Financial assets at fair value through profit or loss	167,055	-	-	167,055
Derivative financial liabilities	-	-	296,430	296,430
Investment property	-	19,804	-	19,804
30 June 2021, Unaudited				
Financial assets classified at fair value through other comprehensive income	235,818	-	-	235,818
Financial assets at fair value through profit or loss	166,370	-	-	166,370
Derivative financial liabilities	-	-	172,391	172,391
Investment property	-	19,804	-	19,804

27. CONTINGENT LIABILITIES

The Water Act

The Water Act, which entered into force on 1 January 2010, raised the issue of the legal status of the property, accumulation lakes and ancillary facilities (canals, embankments, etc.), which are used for the production of electricity from hydropower plants. These assets are defined as a public water resource in general use owned by the Republic of Croatia. HEP Group acquired these assets through their previous owners, uniting an extremely large number of plots, which were submerged by the construction of the dam and thus the accumulation was created. Several proceedings are underway for the registration of ownership of the Republic of Croatia on the said real estate. Some of them were carried out in favour of the Republic of Croatia, some were rejected and the rest is ongoing.

In May 2018, the Law on Amendments to the Water Act (OG 46/18) entered into force. According to this regulation, the Republic of Croatia establishes the construction rights in favour of HEP d.d. free of charge for a period of 99 years to build water structures for electricity production, which were built and invested in by HEP d.d. or its predecessors. An exemption is provided for parts of water structures consisting of reservoirs, inflow and outflow channels and tunnels. While the construction right period, HEP d.d. has the right to manage public property/land on which these facilities were built on behalf of the Republic of Croatia. The right of management includes, inter alia, the right to use the real estate in question.

In order to implement the provisions of the Law on Amendments to the Water Act (OG 46/18), HEP d.d. is obliged to initiate relevant procedures for registration of these rights in the land register and obtain an appropriate study which must be harmonized with Hrvatske vode and which will be the basis for issuing a tabular document for registration of construction rights over the buildings in question. The appropriate study will also be the basis for the correct classification of fixed assets between groups of intangible and tangible assets; which are currently classified in full amount as tangible assets.

All of the above could have an impact on the classification of assets within the groups of intangible and tangible assets and, accordingly, on the change in the useful life of the assets that consequently affects the present value of assets in the statement of financial position and depreciation expense in the statement of profit or loss. However, it is not expected that this will have a material impact on the financial statements as a whole.

28. EVENTS AFTER THE REPORTING DATE

After 30 June 2021, there were no events that would significantly affect the condensed interim financial statements, which should, consequently, be published.

29. APPROVAL OF CONDENSED FINANCIAL STATEMENTS

These condensed financial statements for the six-month period ending on 30 June 2021 were adopted by the Management Board and approved for issue on 16 September 2021.

Signed on behalf of the Company on 16 September 2021:



Marko Čosić
Member


Nikola Rukavina
Member


Petar Sprčić
Member


Tomislav Šambić
Member


Saša Dujmić
Member


Frane Barbarić
President




HRVATSKA ELEKTROPRIVREDA d.d.
ZAGREB
Ulica grada Vukovara 37