# ANNUAL REPORT FOR 2024

Zagreb, March 2025

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***Jadranski naftovod, dioničko društvo***
*Zagreb, Miramarska cesta 24*

*Number: 2025-11-192*

# *Annual Management Report*

## *for 2024*

***Adopted by the Management Board as of 26 March 2025***

| | |
|---|---|
| ***President of the Management Board*** | ***Members of the Management Board*** |
| ***Msc. Stjepan Adanić*** | ***Vladislav Veselica*** |
| | ***Petar Todorić*** |

JADRANSKI NAFTOVOD
dioničko društvo
ZAGREB
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*Zagreb, March 2025*

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## *I. Summary of Report*




*In 2024, Jadranski naftovod, dioničko društvo, continues to record exceptional business results as regards operating and total revenues, as well as realized gross and net profits. Total revenues in the amount of EUR 136,137 thousand are 11.2 % lower as compared to the previous year and 9.6 % higher than planned.*

*Revenues from the core business, which includes transportation and storage of crude oil and petroleum products, amount to EUR 124,730 thousand and are 15.0 % lower as compared to the previous year and 4.5 % higher than planned. The largest decrease in revenues was recorded in the crude oil transportation segment, and, to a smaller extent, in the crude oil storage segment, while revenues from the petroleum products storage segment record a slight increase. As compared to the plan, there is an increase in revenues in the segments of crude oil transportation and storage, while the revenues in segment of petroleum product storage remains on the planned level.*

*Total expenses in the amount of EUR 77,133 thousand are lower by 14.2 % than those realized in the previous year, mostly due to last year's value adjustment of non-current assets. Total expenses are 10.8 % lower than those planned due to lower realization of material costs. The Group and the Company settle all their liabilities in accordance with the due dates.*

*The reported gross profit of EUR 59,004 thousand and net profit of EUR 48,372 thousand are 7.0 % lower as compared to previous year, while compared to the planned gross and net profit, they are 56.1% higher.*

*During 2024, investments amounted to EUR 18,745 thousand. The disclosed investments refer mostly to investments in pipelines, facilities and other infrastructure, reconstruction of tank space, IT solutions and digital transformation as well as investments in monitoring and control systems, system security and environmental protection, and investments in the electric power system at the Company's terminals and routes.*

*This Annual Management Report (Annual Report on the Company status) was prepared in accordance with article 250a of the Companies Act and article 21 of the Accounting Act.*

*In 2023, the subsidiary JANAF GEO d.o.o. za istraživanje i eksploataciju geotermalnih voda, Miramarska cesta 24, Zagreb, Republic of Croatia, registered with the Commercial court in Zagreb, registry number: 081498229, personal identification number (OIB): 40567154418, company number (MB): 05741076, was established. In 2024, the aforementioned company changed its name into JANAF OIE d.o.o. za obnovljive izvore energije. In May 2024, JANAF d.d. concluded a purchase contract via its related company JANAF OIE d.o.o., pertaining to the purchase of 100 % shares in the company Solar Energy Vođinci d.o.o. and investment in the solar power plant in Vođinci, near Vinkovci, which will have 14,2857 MW designed installed power and 9,99 MW connected power. The project is currently at the start of the construction phase and the solar power plant is expected to be put into operation on 1 March 2025.*

*In July 2024, JANAF d.d. purchased via its related company JANAF OIE d.o.o. 100 % shares in the company PRUDENS CONSILIUM - d.o.o., thereby acquiring the solar power plant Bulinec near Bjelovar with an installed power of 5,1796 MW.*

*The Company prepares consolidated financial statements for the Group, consisting of JANAF d.d. and its subsidiaries JANAF OIE d.o.o. za obnovljive izvore energije, and the companies Solar Energy Vođinci d.o.o. and PRUDENS CONSILIUM - d.o.o.*

*For 2024, the Company prepares consolidated and separate financial statements.*

*Business transactions of the subsidiaries in the reporting period are not material and refer mostly to intercompany transactions. The impact on the business success of the JANAF Group is insignificant and therefore the data in this report are disclosed for the Company, except for those positions where stated for the Group.*

*All key parts of the Company's business success in 2024 and the comparison with the previous period are elaborated in detail in this report and in the basic financial statements, which together constitute the Annual Report.*

*Although the Company is not obligated to publish a Non-Financial Report, the Company will publish a Sustainability Report for 2024 based on the Corporate Sustainability Reporting Directive, within the legally prescribed deadline, no later than 30 June 2025. The report will be published on the Company's website www.janaf.hr.*

*With the aim of informing the public and, above all, existing and future investors, we are pleased to present the most important business results of previous periods, with a special focus on business operations in 2024 and future expectations.*

*The Group's and Company's core business, transportation and storage of crude oil and petroleum products, occurred in the reporting period under complex geostrategic circumstances, marked by the continued Russian military operations on the territory of Ukraine and ongoing armed conflicts in the Near East. Despite the crisis environment, the Group's and Company's business operations were successful, which confirmed JANAF as a significant factor in energy supply security for the wider area of Central and Southeastern Europe.*

*Operating on a relatively restricted market and with a limited number of customers required paying special attention to customer relations, improving the quality of services, increased market research with the aim of increasing the number of customers, market shares and sales volume, taking into account mutual interests.*

*With the newly established balance of supply and demand in the global crude oil market and its adjustment to new regional supply routes, JANAF operated successfully in the crude oil transportation segment. A total transport of 6.84 million tons of crude oil was calculated, which is 9.3% less than the year before. At the same time, MOL Hungarian Oil and Gas PLC, which continued to utilize the temporary exemption from the import ban of Russian oil during the reporting year, transported 23.0% less quantities than the previous year. Crude oil transport for Naftna industrija Srbije a. d. was 11.3% lower than the year before, while transport for INA-Industrija Nafte increased by 18.8% due to the high stage of completion of the modernization of the Rijeka refinery.*

*JANAF continued its successful operations in the crude oil and petroleum products storage market, despite the fact that the market was predominantly in backwardation throughout the year (except in February and November, when contango was briefly recorded), which adversely affects crude oil and petroleum products storage companies. This success was driven by well-established business relations with long-term users, refiners and traders of crude oil and petroleum products. JANAF's total storage capacities for crude oil (2.1 million m$^3$) and petroleum products (of 242 thousand m$^3$) remained highly utilized.*

*Despite challenging conditions, the terminal Omišalj continued to function as a strategic Adriatic center for crude oil and petroleum products storage, with intensive use of storage capacities by regional crude oil refiners (INA and MOL) and large global and domestic oil companies (Vitol, Litasco, BP, Delta Oil and other). Storage capacities of petroleum products are mainly used by domestic companies (Lukoil Croatia, Rijeka Trans, Adria Oil, Petrol, INA and other). The Hydrocarbons Agency (AZU) remained a reliable partner of JANAF, as a user of crude oil and petroleum products storage for the needs of obligatory reserves.*

*The share of export in revenues from the core business, which in the reporting period amounted to 69.7%, shows that foreign users still consider JANAF a safe and reliable partner that meets high global standards in providing transportation and storage services of crude oil and petroleum products.*

*In the European environment there is growing awareness of global climate changes, the need to limit greenhouse gas emissions, and the necessity of introducing a low-carbon economy that includes an emphasized transition to renewable energy sources. In these circumstances, the activities of the Group and the Company were intensified towards the so-called green transition, which were foreseen by the valid Strategy of Transition and Development of JANAF in the period from 2022 to 2030, with a vision until 2050. The Strategy is based on an energy-climate policy and the regulatory framework of the European Union and the Republic of Croatia, the security of energy supply, trends in the consumption of crude oil and renewable energy sources in the world and the European Union, and the consequences of economic crisis in 2020 and 2022. With the expected decline in the consumption of crude oil and petroleum products in the world, in the European Union and in those countries for whose refineries JANAF transports and storages crude oil, the Strategy is based on the new vision of the Company: development through the transition from a crude oil transportation and storage company to a sustainable low-carbon energy company, with a* *significant position on the Croatian and European green energy market. The Croatian renewable energy market experienced significant dynamism during the reporting period. Consequently, the Company, through its subsidiary JANAF OIE d.o.o., acquired two solar power plant projects: SE Vođinci 1 (under development, with an installed capacity of 14.29 MW) and SE Bulinec (operational, with an installed capacity of 5.18 MW).*

*JANAF is persistently and dedicatedly taking account of sustainable development, which presupposes a balanced integration of economic, social and environmental factors in everyday business operations. Social factors of sustainable development comprise an efficient human resource management, continuous education of employees, social dialogue, preservation and adherence to ethical values, and building exemplary relationships and investments in local communities in the business environment and society as a whole, based on socially responsible business operations. Environmental factors of sustainable development include protection of health, safety and environment at all business locations, management of risk and circumstances related to climate change, with a focus on energy efficiency and reduction of greenhouse gas emissions. JANAF also pays special attention to fire protection, water conservation, management of environmental spills and rational waste management.*

## *II. Review of business activity in 2024*

*Total revenues generated in 2024 in the amount of EUR 136,137 thousand are 11.2 % lower as compared to the previous year, and 9.6 % higher than planned.*

*Revenues from crude oil transportation, in the amount of EUR 81,308 thousand, account for 65.2 % of the revenue of the Company's core business. Revenues from crude oil transportation are lower by 20.0 % as compared to the same period of the previous year, mostly due to a decrease in revenues from foreign customers. Revenues from transportation are by 3.3 % higher than planned.*

*Revenues from crude oil storage, in the amount of EUR 28,021 thousand, account for 22.5 % of the revenue of the core business. Revenues from crude oil storage record a decrease of 7.0 % as compared to the previous year and an increase of 11.0 % as compared to the planned amounts.*

*Revenues from petroleum product storage, in the amount of EUR 15,401 thousand, account for 12.3 % of the revenue of the core business. Revenues from petroleum product storage are higher by 3.1 % as compared to the previous year, and were in line with the planned values.*

*Total expenses in the amount of EUR 77,133 thousand are lower by 10.8 % than planned, and compared to the previous year, record a decrease of 14.2%, mainly due to the decrease in the price of electricity and last year's value adjustment of non-current assets.*

*Profit for the year of Jadranski naftovod d.d. in the amount of EUR 59,004 thousand is 7.0 % lower than the profit realized in the same period last year, and 56.1 % higher than the planned. After deducting the calculated corporate income tax, the remaining net profit amounts to EUR 48,372 thousand euros, which is 6.9% lower than last year's result but 56.1% higher than planned.*

*During 2024, cash and cash equivalents decreased by EUR 37,462 thousand (balance as at 31 December 2024 is EUR 86,827 thousand) due to higher expenditures for investing and financing activities (EUR 96,726 thousand) as compared to the positive cash flow from operating activities (EUR 59,264 thousand). Free cash funds are invested with the aim of achieving maximum possible yields with acceptable or very low risks. The Group and the Company protect themselves from currency risk by implementing the adopted internal Policy that defines financial risk management.*

*In 2024, EUR 18,745 thousand was invested in new tangible and intangible assets, while EUR 5,689 thousand was invested in maintaining existing assets.*

## *III. Key financial business indicators*

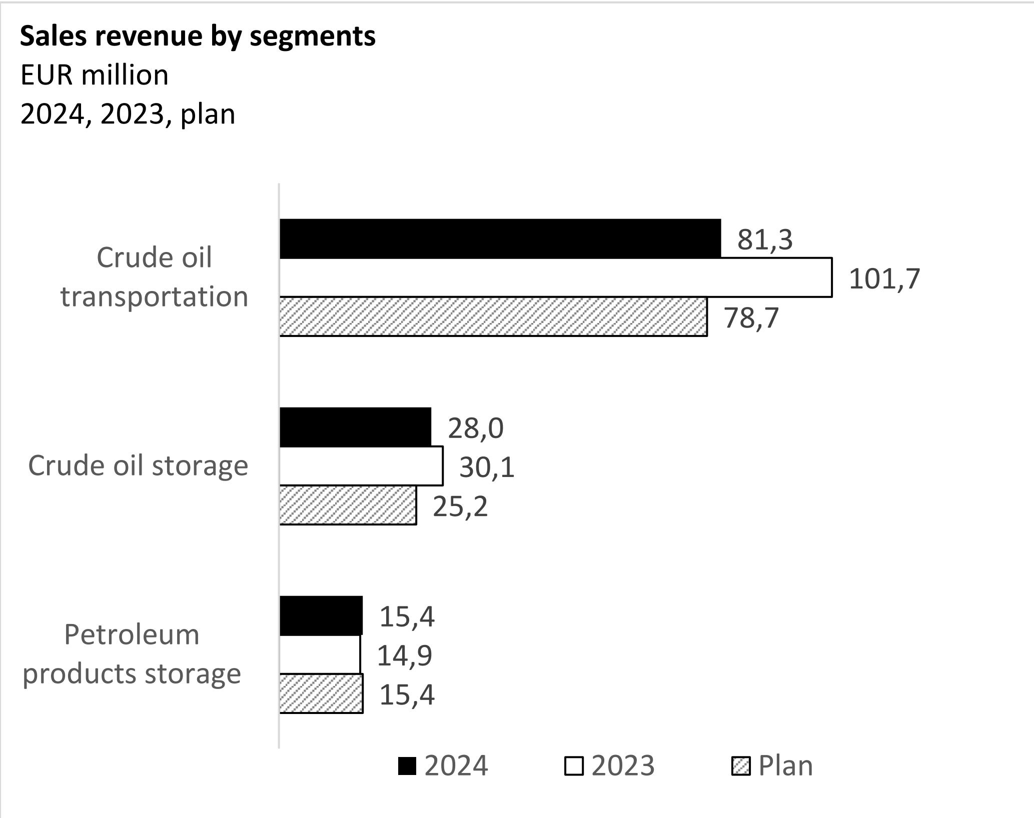
### *Business performance and financial indicators*

| *In thousands of EUR* | **2024** | **2023** | Index % 2024/2023 |
|---|---|---|---|
| *Total income* | *136,137* | *153,330* | *-11.2%* |
| *Operating income* | *126,959* | *147,329* | *-13.8%* |
| *Operating expense* | *76,243* | *87,073* | *-12.4%* |
| *Profit from operations* | *50,716* | *60,256* | *-15.8%* |
| *Net income* | *48,372* | *51,977* | *-6.9%* |
| *Total EBITDA (earnings before interest, taxes, depreciation, and amortization)* | *87,690* | *93,185* | *-5.9%* |
| *Sales revenue – core business* | *124,730* | *146,724* | *-15.0%* |
| *Total assets* | *744,756* | *732,893* | *1.6%* |
| *Capital and reserves* | *719,099* | *701,915* | *2.4%* |
| *Long-term liabilities* | *12,752* | *11,990* | *6.4%* |
| *Investments in tangible and intangible assets* | *18,745* | *20,000* | *-6.3%* |
| *Net profit rate* | *35.53%* | *33.90%* | *4.8%* |
| *Return on equity* | *6.89%* | *7.86%* | *-12.3%* |
| *Return on assets* | *6.50%* | *7.10%* | *-8.4%* |
| *Current liquidity ratio* | *21.44* | *12.47* | *71.9%* |
| *Debt ratio* | *0.03* | *0.04* | *-20.7%* |

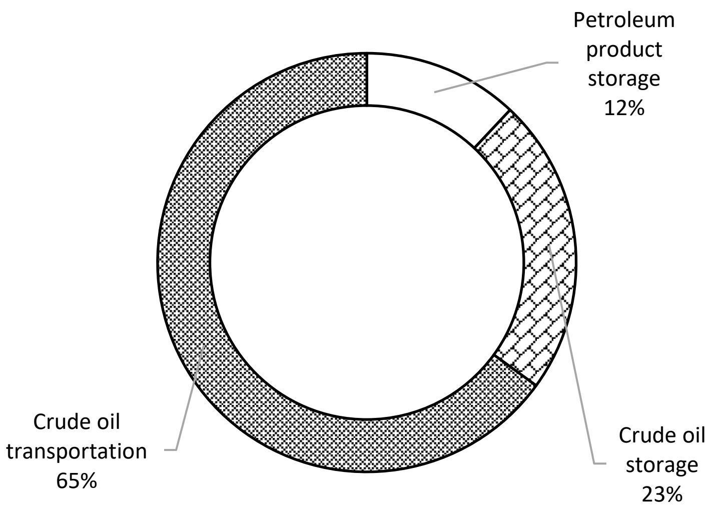
*Note: The net profit rate was established in relation to total income.*

### *Sales revenue (core business)*

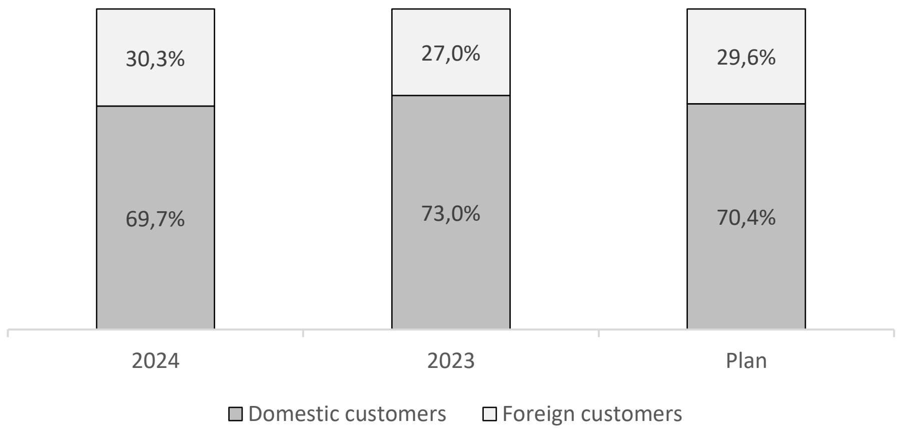
| *In thousands of EUR* | Current year | Previous year | Plan | Index 2024/2023 | Index 2024/Plan |
|---|---|---|---|---|---|
| Crude oil transportation | 81,308 | 101,648 | 78,717 | 80.0 | 103.3 |
| Crude oil storage | 28,021 | 30,139 | 25,239 | 93.0 | 111.0 |
| Petroleum products storage | 15,401 | 14,937 | 15,410 | 103.1 | 99.9 |
| **Total** | **124,730** | **146,724** | **119,366** | **85.0** | **104.5** |



**Share of profit from core business by segment**
2024




**Share of profit from core business by customers**
2024, 2023, plan



## *IV. Significant subsequent events*

*Jadranski naftovod, dioničko društvo, concluded agreements with the following customers:*

- *Hydrocarbons agency (AZU) – Agreement on storage of part of the mandatory oil derivative reserves in the storage installations of JANAF for the period until 31 December 2029.*
- *INA d.d. – Agreement on transport of 7,200,000 tons of crude oil with the JANAF system for the Rijeka Oil Refinery for the period until 31 December 2027 and an addendum to the Agreement on crude oil storage at the terminal Omišalj for the period from 1 April 2025 to 31 December 2025.*
- *MOL GROUP - Agreement on transport of 2,100,000 tons of crude oil with the JANAF system for the period until 31 December 2025 and an Agreement on crude oil storage at the terminal Omišalj and terminal Sisak for the period until 31 December 2027.*

*At the extraordinary General Assembly of JADRANSKI NAFTOVOD, dioničko društvo, held on 27 January 2025, Mr. Ante Šušnjar, Minister of Economy and a member of the Assembly representing the Republic of Croatia in the Assembly in accordance with Article 31 of the State Asset Management Act, was appointed President of the Assembly. The Assembly of the Company elected Ivica Nuić, Mario Rođak and Božica Makar as members of the Supervisory Board of the Company until the implementation of the procedure for the election of members of the Supervisory Board, and for a maximum period of six months starting from 27 January 2025.*

*In accordance with article 17 of the Regulation on conditions for the election and appointment of members of supervisory boards and boards of legal entities of special interest to the Republic of Croatia and the method of their election (Official Gazette No. 12/ 2019), while taking into account the Conclusion of the Republic of Croatia, class: 080-02/25-01/15, reg. no.: 50301-15/07-25-2, from 31 January 2025, the Supervisory Board of the Company appointed Mr. Petar Todorić as member of the Management Board at the session held on 14 February 2025, who represents the Company together with the President of the Management Board, until appointment of the members of the Management Board of JANAF d.d. through a public tender, for a maximum period of six months, starting on 15 February 2025. From 15 February 2025, the Management Board is composed of MSc. Stjepan Adanić, President of the Management Board, and Mr. Vladislav Veselica, and Mr. Petar Todorić, as members of the Management Board.*

*The U.S. Department of the Treasury introduced, on 10 January 2025, a sanctions package for the energy sector of the Russian Federation because of the military operations conducted by the Russian Federation on Ukrainian territory, aimed at further limiting the business and revenue of Russian energy companies. The full implementation of sanctions took place on 27 February 2025. The sanctions also include NIS a.d., with which JANAF d.d. has concluded a crude oil transport contract for the term from 1 January 2024 to 31 December 2026. The said contract reserves the transport capacities of JANAF d.d. on a 'take or pay' basis for a total of 10 million tonnes of oil for the contract term. JANAF has, through a U.S. law firm and with the support of the Government of the Republic of Croatia, obtained from OFAC a licence authorising it to perform the aforementioned crude oil transport contract concluded with NIS a.d. for a further period of 30 days, i.e. until 28 March 2025.*

*JANAF will continue to keep up to date with developments and is in constant contact with the transport system user and other key stakeholders. It will also continue to pursue all available steps with the competent authorities, as well as develop business models to ensure stable business operations, in order to maintain future business operations at a level that guarantees the satisfaction of shareholders, business partners and employees.*

## *V. Research and development*

*Research and development activities of the Group and the Company in respect of the core business include mainly: research and analyses of the crude oil and petroleum products market, energy policies and strategies and other analyses necessary for decision-making and business and development plans; creation of methodologies and price models of crude oil transportation services; preparation of project feasibility studies; research, analyses and forecasts of financial and economic business factors; research and analyses of technical-technological factors and foundations necessary for efficient construction, operative management and maintenance of facilities and infrastructure systems, and examination and assessment of the condition of pipelines, tanks and other.*

*Considering the current Transition and Development Strategy of JANAF in the period from 2022 to 2030, with a vision to 2050, research and development activities are carried out in the area of new low-carbon activities and technologies, especially in the market of renewable energy sources (wind power plants, solar and geothermal power plants).*

## *VI. Information on repurchase of own shares and existing branches*

*The Group and the Company do not hold own shares. The Group and the Company have no established branches.*

## *VII. Financial instruments*

*The financial instruments management policy of the Group and the Company defines fundamental principles which ensure short-term and long-term liquidity and investment reliability while achieving a maximum possible yield with minimal risk.*

*The Group's and Company's financial assets consist of cash funds at banks as well as loans and receivables. Of the total financial assets, 82.9 % refer to cash funds, ensuring short-term and long-term liquidity.*

*Financial liabilities consist of a long-term liability which is the subject of succession between the successor states of former Yugoslavia, as well as trade and other liabilities. The Group and the Company settle all their liabilities within maturities. The financial instruments management policy defines the exposure of the Group and the Company to risks and the methods of protection against the respective risks.*

## VIII. Risk exposure of the Group and the Company

*The Group and the Company are exposed to credit and currency risk, while the interest rate and price risk do not exist.*

### Credit risk

*At the date of the financial statements, the structure of financial assets is such that the exposure of the Group and the Company to credit risk is insignificant.*

### Currency risk

*Until the introduction of the Euro as the official currency in the Republic of Croatia, the Group and the Company were mainly exposed to fluctuations in the exchange rates of EUR and USD, as a significant portion of their trade receivables and sales, cash and long-term borrowings was denominated in those currencies. As of 1 January 2023, the currency risk is largely reduced as approximately 2/3 of inflows are generated in domestic currency. The management of this risk is carried out in accordance with the adopted internal Policy which defines financial risk management.*

### Liquidity risk and cash flow risk

*The Group and the Company manage liquidity risk by maintaining an adequate reserve of financial assets, by continuously monitoring forecasted and actual cash flows, and by monitoring the maturity profiles of assets and liabilities. The liquidity and cash flow risk analysis shows that the Group and the Company have a several times higher amount of financial assets available for the settlement of liabilities that are due in a certain period of time.*

## IX. Core objectives and planned strategy of the Group and the Company in the coming periods

*Based on existing strengths and opportunities for further development, assessment of the market and opportunities for increasing market shares in crude oil activities, then serious threats and risks related to the future demand for crude oil, and the Company's determination, in accordance with the European Green Deal and the National Clime and Energy Plan, for long-term sustainable development of the Croatian economy with a significant reduction in greenhouse gas emissions, the goals of the strategic development of the Group and the Company are:*

- *utilizing the geostrategic, transit and maritime position of the Republic of Croatia, along with the maintenance of the oil pipeline and storage infrastructure, providing safe and reliable services;*
- *increasing the safety of supply with crude oil and petroleum products by increasing the safety of transportation and storage of crude oil and petroleum products;*

- *growth of transportation and storage of crude oil and petroleum products in the transition period, along with better valuation of existing capacities and corridors, improvement of energy efficiency as well as implementation of projects for system maintenance and necessary upgrades;*
- *diversification of business through the green transition to renewable energy sources, with the aim of ensuring long-term development of the Group and the Company;*
- *increasing the profitability, efficiency and cost-effectiveness of business along with growing income, increasing the value of the Group and the Company while meeting the needs of users as fully as possible and increasing the satisfaction and standards of employees;*
- *further improvement of environmental protection, protection and safety of people and equipment.*

*Based on these strategic goals, the priority task is to find and implement projects that will ensure the stability and further development of the Group and the Company and contribute to the transition towards low-carbon energy and economy in the Republic of Croatia, while strengthening the energy sector and its strategic importance. In the forthcoming period, investments in supply security projects, projects for the safety and protection of environment, people and equipment, and especially in continuous inspection, renovation and rehabilitation of pipelines and general repairs of tanks are foreseen.*

*The Group and the Company thoroughly and comprehensively consider projects for non-oil activities and energy efficiency that would ensure long-term development, contribute to the reduction of CO2 emissions and increase the share of renewable energy sources in total energy consumption, but also to the realization of new revenues and values. The aim of the realization of the green transition is the transformation of the Group and the Company from a crude oil transportation and storage company into an energy company at the end of its development and transition period.*

*In their development strategy, the Group and the Company implement the principles of sustainable development, what presupposes a balanced integration of economic, social and ecological factors in business operations, whereby business results, social well-being, employee satisfaction and environmental protection have equal importance and impact, while consequently adhering to the principle of socially responsible behaviour.*

*Human resources management policies and programs support the strategic business goals of the Group and the Company. The human resources management strategy will focus in the next period on: preservation and development of intellectual capital of the Company by implementing specific strategies; creation of more flexible organizations capable of quick responses and adaption to changes; development of innovative human resource practices and a positive work environment through management of critical factors at the workplace.*

## X. Reports on individual activities

### X.1. Investments

*In 2024, the value of invoiced investments amounted to EUR 18,745 thousand. The value of contracted, started but unfinished works that are transferred to the next period amounts to EUR 18,764 thousand. Finished investments and assets ready to use that were activated or put in use during the current year amount to EUR 10,040 thousand.*

*At the date of the Report, the value of unfinished investments and investments in progress amounted to EUR 28,441 thousand.*

#### Investments in the pipeline system

*Investments in the pipeline system of EUR 6,575 thousand (35.1 % of total investments in 2024) referred mainly to renovation works of the buried operational pipeline at the Omišalj Terminal and the Pumping Station Melnice, as well as of the main pipeline on the section Sisak – Slavonski Brod in the amount of EUR 4,277 thousand.*

#### Investments in facilities and other infrastructure

*The stated investments in facilities and other infrastructure in the amount of EUR 3,525 thousand (18.8 % of total investments in 2024) referred mainly to investments in the modernization of the equipment of the main pumping station at the Omišalj Terminal in the amount of EUR 1,351 thousand.*

#### Investments in the tank space

*Investments in the modernization and maintenance of the tank space of EUR 3,468 thousand (18.5 % of total investments in 2024) referred mainly to general repairs of existing tanks on the Company's terminals in the amount of EUR 2,744 thousand. In the upcoming period, the Company plans a new investment cycle related to the construction and expansion of storage capacity for oil and petroleum products at the Omišalj Terminal.*

#### Investments in business IT, digital transformation and monitoring and control systems

*These investments of EUR 1,830 thousand (9.8 % of total investments in 2024) referred mainly to investments in the information and communication system safety.*

### *Investments in the safety and environmental protection system*

*These investments in the safety and environmental protection system of EUR 1,195 thousand (6.4 % of total investments in 2024) refer mainly to investments in the modernization and extension of the technical protection system.*

### *Investments in the electrical power system*

*Investments in the electrical power system of EUR 0,665 thousand (3.5 % of total investments in 2024) relate mainly to the replacement of high-voltage supply cables necessary for power supply and signal cables.*

### *Other investments*

*Investments in other investment material and equipment amounted in the current year EUR 1,487 thousand (7.9 % of total investments in 2024).*

**Overview of most significant investments in 2024**

| *in thousands of EUR*<br>**Name of investment** | **realized (invoiced) until 31.12.2024** |
|---|---|
| INVESTMENTS IN PIPELINE SYSTEM | 6,575 |
| INVESTMENTS IN FACILITIES AND OTHER INFRASTRUCTURE | 3,525 |
| INVESTMENTS IN TANK SPACE | 3,468 |
| BUSINESS IT, DIGITAL TRANSFORMATION AND MONITORING AND CONTROL SYSTEM | 1,830 |
| INVESTMENTS IN THE SAFETY AND ENVIRONMENTAL PROTECTION SYSTEM | 1,195 |
| INVESTMENTS IN ELECTRICAL POWER SYSTEM | 665 |
| OTHER INVESTMENTS | 1,487 |
| **TOTAL INVESTMENTS** | **18,745** |

*Note: These investments do not include given and charged advances for tangible fixed assets.*

## *X.2. Environmental protection*

*In JANAF, the transportation and storage of crude oil and petroleum products are enabled through a safe, continuously monitored and maintained system. Regular service and maintenance of the system, continuous monitoring of processes, training of employees and compliance with the legislation of the Republic of Croatia integrate environmental protection in all activities of JANAF. All the applied enables early recognition of system integrity violations and prevents or limits negative effects on environment in case of a sudden event.*

*The Group and the Company do not burden the environment with inadmissible emissions of harmful substances through their activities, which is confirmed by regular and extraordinary measurements by authorized companies. The collected data are submitted to the competent administrative bodies, data on quantities and types of waste, wastewater, air emissions and air conditions as potential pollutants are regularly submitted to the Register of Environmental Pollution (ROO).*

*Waste management is carried out in a way that at all locations of JANAF, waste is sorted and collected separately in appropriate containers and transported and disposed of through authorized companies/concessionaires. Records are kept on quantities and types of waste. During 2024, 25 types of waste were generated at JANAF locations, of which 8 types of non-hazardous waste and 17 types of hazardous waste.*

*During 2024, a joint safety exercise was conducted (fire exercise and evacuation and rescue exercise and environmental protection exercise) at the Terminals Omišalj, Sisak, Virje, and Žitnjak. The exercise examined the preparedness of workers to act in extraordinary situations.*

*In accordance with the plan for 2024, the oily internal drainage system of the new part of the Terminal Omišalj and one part of the sanitary drainage system was cleaned and tested. At the Sisak Terminal, the oily internal drainage system to the separator was cleaned and tested. At the terminals Virje and Slavonski Brod, the internal drainage system (oily and sanitary) was cleaned and tested, and the separators were cleaned and tested for water impermeability. Sampling and analysis of purified wastewater was carried out by an authorized company before discharging into the recipient in accordance with the water permits. The results of the analyses are within the prescribed, permitted limits.*

*In accordance with the measures prescribed in the impact assessment procedure, the monitoring of the sea in the area of underwater crude oil pipeline has been continued. For the purpose of tracking the environmental status, sea monitoring is carried out in the area of the docks and outlets at the terminal in Omišalj. At the terminal Žitnjak, the prescribed underground monitoring is carried out and the obtained data are submitted to Hrvatske vode (Croatian water management company).*

*Measurement of emissions at the device for recuperation of volatile hydrocarbons at the terminal Žitnjak was carried out. The reports have shown the efficiency of the devices and limited emissions of harmful substances into the air. In accordance with the legal obligation, the measurement of air quality and emissions from the boiler room at the terminal Sisak was carried out.*

*For health protection purposes, drinking water testing for ensuring sanitary compliance are carried out on all locations.*

*For the purposes of carrying out daily activities, and in accordance with JANAF's policy on reducing environmental impact, electric bicycles have been purchased at the terminals Virje and Žitnjak for employee use and site inspections.*

*Manual ECO sets, degreasers and crude oil collectors distributed by location are regularly supplemented.*

*During 2024, coordinated inspections at the terminals Žitnjak, Sisak, and Virje were carried out with no significant objections. The process of obtaining approval for the Safety Reports and Internal Plans for the terminals Žitnjak and Sisak is currently underway.*

## *X.3. Quality management*

*In 2005, Jadranski naftovod d.d. made the strategic decision to base its business operations and quality of its services on management systems. The main goals are customer satisfaction and continuous improvement in every respect. In the same year, JANAF successfully certified ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), and OHSAS 18001 (now ISO 45001 - Occupational Health and Safety Management System), and in December 2025, JANAF will mark 20 years since the first certification of its management systems.*

*Since then up to the end of 2024, JANAF passed six successful recertifications in continuity. In 2017, the new management systems ISO 29001 (Special Quality Management Systems - Petroleum, Petrochemical and Natural Gas Industry) and ISO 50001 (Energy Management Systems) were successfully implemented and certified. In 2021, JANAF additionally successfully certified ISO 37001 (Anti-Bribery Management Systems) and thus became the first trading company that is majority-owned by the Republic of Croatia that owns this certificate. JANAF successfully recertified its Anti-Bribery Management System in 2024.*

*In addition to the certified management systems, since 2017, JANAF also owns a Confirmation on compliance with the ISO 26000 guidelines (Social Responsibility).*

*The main objectives of JANAF's management systems are to ensure customer satisfaction, continuous improvement in every aspect, and business sustainability.*

## *X.4. Social Responsibility*


*JANAF implements the principles of social responsibility in its business operations and, through an open approach and collaboration with key internal and external stakeholders, invests in employee development, system and business modernization, workplace safety, environmental protection, and the development of local communities along the pipeline route, as well as society as a whole*

*JANAF continues to implement the principles of social responsibility in its business operations with the aim of strengthening the positive perception of the Group and the Company in the public as successful and at the same time socially responsible business entities of the Croatian economy. As a socially responsible company, JANAF does not merely strive to meet legal requirements, but also aims to raise standards and ethics towards partners and its own employees, paying attention to building a corporate culture, investing in human capital, and protecting and preserving the environment.*

*In 2024, JANAF prepared and published its third Sustainability Report, containing the second Carbon Footprint Report. As part of the annual financial statements, information is published on activities related to the areas of environmental protection, social responsibility and responsible practices related to human resources. The report has been prepared using the basic and general GRI (Global Reporting Initiative) standards while material matters were determined based on GRI 11 for the crude oil and gas sector. The GRI standards help organizations understand their external impact on economy, environment and society, including human rights. Their application increases the responsibility and transparency of organizations in contributing to sustainable development.*

*One of the integral parts of implementing socially responsible business operations at JANAF is the financial support of the social community through sponsorships and donations, through which the Group and the Company recognize the needs of the community in which they act and contribute to the development of society as a whole. Accordingly, in 2024 the Group and the Company granted again financial support to various programs and projects throughout Croatia. Also, a tender for allocating financial funds to environmental protection projects was held focused on activities related to cleaning the coast and the seabed of the Adriatic sea, as wall as riverbeds and lakes in the Company's area of operations. Through this tender, grants were awarded to a total of 20 projects.*

*Special attention is paid to the cooperation with local communities with the aim of strengthening "good neighbourly" relations in all areas along the crude oil pipeline route. In this regard, the Company, in cooperation with the Primorje-Gorski Kotar County Road Administration, concluded an Agreement on co-financing the increasingly impassable road leading to JANAF's Pumping Station Melnice.*

*By investing a portion of the revenue into the community where it was generated through socially responsible business practices, the Group and the Company are recognized as responsible partners.*

*Transparency and promptness as well as easy availability of information on the business operations of the Group and the Company constitute a crucial element in the relations with stakeholders, what is reflected in the timely publications of all important information and facts on the business operations of the Company on the Company's website, the Zagreb Stock Exchange, HANFA (Croatian Financial Services Supervisory Agency) as well as internal communication channels. Internal communication channels (mail, dashboards, Microsoft Teams, intranet and newsletter) are also used for a timely delivery of all important notifications to employees.*

*JANAF expresses its business affirmation also through active participation in national and international professional and expert associations.*

*In April 2024, the Company organized the 7th International Energy Conference titled "New Energy Paradigm of the EU: Are We Ready for Changes?". The conference brought together leading figures from key companies in the European energy sector and neighbouring countries, including energy and oil companies, regulators, non-governmental organizations, scientists, lecturers, representatives of the academic community, and members of the diplomatic corps.*

*Cooperation with the interested public continued through organized visits of the Company's locations and participation of representatives of JANAF in activities in educational institutions, professional and expert associations and on gatherings.*

### *X.5. Human resources management*

*Throughout 2024, the Human Resources Department continued implementing strategic initiatives aimed at enhancing operational processes, integrating new technologies, and strengthening organizational culture. Key focus areas included the ongoing technological optimization of HR processes, improvement of internal communication channels, increased organizational agility, and continuous enhancement of employee well-being. These measures were designed to foster a work environment that promotes professional growth, strengthens employee engagement, and supports the achievement of the Company's strategic goals. Given the dynamics of the labour market, the Company remains focused on developing talented personnel and enhancing the competitiveness of both the Group and the Company as an employer.*

*The total number of employees in the Group and the Company as at 31.12.2024 was 441 employees. Throughout the year, 18 employees were employed, whereof 25% in the Company's core activities (sale, technical works relating to receipt, storage, transportation and delivery of crude oil and petroleum products), 40% in functional areas for crude oil pipeline maintenance, and 35% in the area of safety, protection, and support of business functions.*

*12 employees left the Company during 2024, thereof 6 due to retirement. 18 new employees were employed. These figures reflect labour stability and a low fluctuation rate in the key areas of business.*

*The Company continuously invests in the professional development of its employees through developmental and mandatory training, mentoring programs, and specialized development programs focused on leadership and technical skills. In 2024, the following key educational initiatives were implemented:*

- *Leadership Skills Program: Training on leading engineering teams, managing employee resistance, motivation, and strategic decision-making.*
- *Executive Coaching: An individual support program for managers to develop leadership, decision-making, and people management skills.*
- *Project Management: A training program focused on project leadership, effective planning, risk management, and achieving business objectives.*
- *Mandatory Professional Development: Throughout the year, 31 mentoring programs and professional training sessions were conducted in line with job-specific requirements.*

*In 2024, the Company continued developing its human resources management system by adapting it to new legal regulations and improving employee time tracking and record-keeping. New functionalities were implemented to enable more precise payroll management, time tracking, and compliance with regulations that came into effect on 1 October 2024.*

*Challenges in recruitment, particularly in finding employees with specific competencies, professions, and qualifications, persisted throughout 2024. To ensure long-term stability and attract qualified talent, the Company implemented various measures to enhance its position as an employer in the labour market. These included partnerships with educational institutions, various development initiatives focused on better work-life balance, the implementation of innovative mentoring programs, and more.*

*By systematically taking care of workers, JANAF has positioned itself as one of the leading companies in the implementation of family and socially responsible policies. In order to provide support to all employees in establishing a balance between work and private life, through the MAMFORCE certification, numerous measures have been adopted to help employees balance private and work obligations, provide conditions for career development, better quality of everyday life, and create a stimulating business environment that results in increased motivation, productivity and satisfaction at the workplace.*

*Additionally, in 2024, the Company further strengthened its reputation as a desirable employer through the Best Inclusive Employer Awards, achieving top results in the categories of "Best State-Owned Company for Diversity and Inclusion" and "Best Large Company for Millennials."*

*In the upcoming periods, the Company plans to continue its development strategies focused on further enhancing the talent management system, improving employee development programs, and expanding talent attraction initiatives through scholarship programs and partnerships with educational institutions.*

## X.6. Renewable Energy Investments

*In the European environment, awareness has been built regarding global climate change, the need to limit greenhouse gas emissions, and the necessity of introducing a low-carbon economy that includes an emphasized transition to renewable energy sources. In this regard, the activities of the Group and the Company towards the so-called green transition have also been intensified, all in accordance with the current Transition and Development Strategy for the period 2022-2030, with a vision towards 2050.*

*The Group and the Company have so far realized projects of integrated solar power plans at the terminals Sisak, Žitnjak and Omišalj, while in the coming periods, additional investments in non-integrated solar power plants are planned at the Company's terminals in Slavonski Brod, Sisak and Omišalj*

*In 2023, the subsidiary JANAF GEO d.o.o. za istraživanje i eksploataciju geotermalnih voda was established, and in 2024, it changed its name into JANAF OIE d.o.o. za obnovljive izvore energije.*

*Through it related company JANAF OIE d.o.o., JANAF d.d. completed two acquisitions in May 2024:*

- *Share Purchase Agreement for 100% ownership of the company Solar Energy Vođinci d.o.o. and the investment in a solar power plant in Vođinci, near Vinkovci, with a planned installed capacity of 14.2857 MW and a grid connection capacity of 9.99 MW. The SE Vođinci 1 project is in the final stages of construction, with trial operation expected to begin soon, followed by the plant’s full commissioning.*
- *100% of business shares in the company PRUDENS CONSILIUM – d.o.o. were acquired, thereby gaining ownership of the solar power plant Bulinec near Bjelovar, with an installed capacity of 5.1796 MW and a grid connection capacity of 4.00 MW. The SE Bulinec plant is in operation.*

*The excellent operational results provide room and opportunity for investments in renewable energy sources. Through the acquisitions carried out in 2024, the Group and the Company reaffirm their intention and readiness to diversify their operations and create new value for the continued development and growth of both the Group and the Company.*

## *XI. Statement on the Corporate Governance Code*

*The Statement on the Corporate Governance Code was prepared under the provisions of article 272.p of the Companies Act.*

*As a public limited company whose shares are listed on the regular market of the Zagreb Stock Exchange, since 2007 the Company has been largely applying the recommendations of the Corporate Governance Code, developed by HANFA (Croatian Financial Services Supervisory Agency) and the Zagreb Stock Exchange, with deviation from some recommendations and guidelines of the Code.*

*In addition to the Code, JANAF, as a company majority-owned by the Republic of Croatia, is also obliged to comply with the provisions of the Corporate Governance Code of those companies in which the Republic of Croatia holds shares or stakes, adopted by the Government of the Republic of Croatia and published in the Official Gazette No. 132 of 29 December 2017. The requirements in both Codes are largely harmonized, which means that the deviations listed below apply to both documents.*

*The Supervisory Board of JANAF has not established a Commission for appointments and a Commission for Remuneration as members are appointed based on the results of a public tender, and salaries and awards are also conditioned by the acts of the Government of the Republic of Croatia. In June 2024, the Supervisory Board adopted the Policy on remunerations of members of the Management and Supervisory Board of Jadranski naftovod d.d. for the period 2024 – 2027, approved by the General Assembly of the Company on 24 July 2024. The Supervisory Board established the Audit Committee. Detailed explanations regarding non-compliance or deviations from individual recommendations of the Code in 2024 were set out by the Company in the annual compliance questionnaire which is an integral part of the Code and which is delivered to HANFA together with the Annual Financial Statements for public disclosure. The Company further completes and submits to HANFA the questionnaire providing detailed information on its corporate governance practices (Corporate Governance Practices Questionnaire). In addition to the recommendations of the Code, the Management and Supervisory Board of the Company put increased efforts into the implementation of an adequate level of corporate governance and transparent disclosure of information, taking into account the structure and organization of the Company, its strategy and business goals, schedule of authorizations and responsibilities with special emphasis on efficient procedures of identifying, measuring and monitoring and reporting on business risks, and implementation of adequate internal control mechanisms.*

*The Annual Financial Statements for the JANAF GROUP and for JANAF d.d. and the Annual Management Report (Annual Report on the Company Status) constitute a unique Annual Report.*

### XI.1. Significant shareholders and limitations to the rights of shares

*In the Company's shareholders' structure, the majority indirect shareholder is the Republic of Croatia (shares are held by the Ministry of Finance), through extra-budgetary funds (Croatian Pension Insurance Institute – shares are also managed by the Ministry of Finance), public limited company (HEP - Hrvatska elektroprivreda d.d.), and since 28 January 2014 the Restructuring and Sales Center (CERP). The Republic of Croatia indirectly holds more than 83.9 % of the share capital and voting rights at the General Assembly and based on this, entirely controls the Company.*

*All shares were paid entirely and there are no restrictions on rights of shares.*

### XI.2. Rules for the appointment and recall of the Management Board, for amending the Articles of Association and special powers of the Management Board

*In accordance with the Articles of Association of JANAF, the Management Board consists of one to three members, and the decision on the number of members is made by the Supervisory Board. The Supervisory Board appoints the Management Board for a period of four years following the selection procedure of candidates for members of the Management Board through a public tender conducted by the competent ministry, based on the act of the Government of the Republic of Croatia and which includes the selection procedure of candidates. After expiry of the term of office, the president/member of the Management Board may be reappointed as president/member of the Management Board. The Supervisory Board may revoke the president and members of the Management Board before expiry of the term for which they were appointed in those cases laid down by law.*

*Powers, obligations, responsibilities and limitations of the Management Board in operating the Company's business and the representation of the Company are determined by the Articles of Associations.*

### XI.3. Composition and functioning of the Supervisory Board

*In accordance with the Companies Act and the Company's Articles of Association, the fundamental duty of the Supervisory Board is the supervision of the Company's business operations and appointment of the president and members of the Management Board.*

*During 2024 until 18 December 2024, the composition of the Supervisory Board did not change and consisted of:*

*Nina Ban Glasnović, president*
*Ivica Nuić, deputy president*
*Jadranka Čengija Šarić, member*
*Marijo Rođak, member*
*Božica Makar, member*
*Melita Madžo, (employee representative on the Supervisory Board) member until 18 December 2024.*

*From 19 December 2024 to 25 January 2025, the members of the Supervisory Board were:*

*Nina Ban Glasnović, president*
*Ivica Nuić, deputy president*
*Jadranka Čengija Šarić, member*
*Marijo Rođak, member*
*Božica Makar, member.*

*From 26 January 2025 to 26 January 2025, the members of the Supervisory Board were:*

*Nina Ban Glasnović, president*
*Jadranka Čengija Šarić, member.*

*As of 27 January 2025, the members of the Supervisory Board are:*

*Nina Ban Glasnović, president*
*Ivica Nuić, deputy president*
*Jadranka Čengija Šarić, member*
*Marijo Rođak, member*
*Božica Makar, member.*

*In accordance with the authorizations defined by the provisions of the Companies Act and the Company's Articles of Association, the Supervisory Board continuously monitored the Company's business operations throughout 2024. During the year, it held nine meetings at which decisions and conclusions were adopted. Regarding attendance, the members Nuić and Madžo were present at all meetings, the members Rođak and Makar missed one meeting each, while the members Ban Glasnović and Čengija Šarić were absent from two meetings.*

*The Supervisory Board established the Audit Committee, whose members during 2024 and up until 25 January 2025, were:*

*Nina Ban Glasnović, president*
*Marijo Rođak, member*
*Božica Makar, member.*

*From 26 January 2025 to 26 January 2025, the members of the Audit Committee were:*

*Nina Ban Glasnović, president.*

*As of 27 January 2025, the members of the Audit Committee are:*

*Nina Ban Glasnović, president*
*Mario Rođak, member*
*Božica Makar, member.*

*During 2024, the Audit Committee held six meetings, whereof all members were present at two meetings. Regarding attendance at the remaining meetings, the members Ban Glasnović and Makar missed one meeting each, while the member Rođak was absent from two meetings. The Audit Committee regularly reported to the Supervisory Board on the recommendations made during its meetings.*

*The Supervisory Board conducted an annual evaluation of its work in 2024, led by the president of the Supervisory Board without the involvement of external evaluators. The annual evaluation of the Supervisory Board's work showed that the performance of the Supervisory Board was entirely satisfying.*

## *XI.4. Composition and functioning of the Management Board*

*The Company's Management Board consists of the president and members of the Management Board. The president of the Management Board represents the Company independently and individually, while a member of the Management Board represents the Company together with the president of the Management Board. In accordance with the Companies Act and the Company's Article of Association, the fundamental authorization of the Management Board is operating the Company's business and representing and presenting the Company to third parties.*

*The Management Board is obliged and authorized to undertake all actions and make decisions considered to be necessary for the successful management of the Company's business operations, what basically implies making decisions in order to implement the Company's business strategy, plans and programs with certain restrictions prescribed by the Articles of Association. Thus, the Company's Management Board may only with prior approval of the Supervisory Board decide on the establishment of a trading company, the sale and purchase of shares, the disposal of properties with a value exceeding EUR 530,891.23, obtaining guarantees and issuing securities exceeding EUR 1,061,782.40, adopting annual and multiannual business and investment plans of the Company, termination or cancellation of contracts for the storage of crude oil and petroleum product reserves, entering into transactions with related parties when prescribed by law and similar.*

*From 25 September 2020 to 14 February 2025, the Management Board of JANAF d.d. consisted of:*

*President of the Management Board, MSc. Stjepan Adanić*

*Member of the Management Board, Vladislav Veselica.*

*As of 15 February 2025, the Management Board of JANAF d.d. consists of:*

*President of the Management Board, MSc. Stjepan Adanić*

*Member of the Management Board, Vladislav Veselica*

*Member of the Management Board, Petar Todorić.*

### XI.5. Functions of the General Assembly

*The General Assembly of the Company consists of the shareholders. One share entitles to one vote at the General Assembly. The shareholders attend the General Assembly in person or through a representative, or proxy. The Company's General Assembly is summoned in those cases defined by law and the Company's Article of Association and on request, when required by the Company's interests. The Company's General Assembly is usually summoned by the Company's Management Board. The invitation and agenda for the meeting is published on the Company's website, the website of the court registry and the website of the Zagreb Stock Exchange, at least 36 days before the General Assembly, not counting the day the invitation is published and the day the meeting is held. The shareholders register for attending the Company's General Assembly at least 6 days before it is held.*

*The General Assembly of the Company can properly work and make decisions if the session is attended by shareholders who together own 50% + 1 vote of the total number of votes in the General Assembly. . The General Assembly is chaired by the President of the General Assembly, and in his absence by the President of the Supervisory Board. The President of the General Assembly is elected for four years. The President of the General Assembly opens the session, manages its work, opens and closes debates, puts proposals for decisions to the vote and closes the session. The voting is public, and the decision is considered to have been made if it is supported by the majority of the votes of the present shareholders, unless the Act or the Company's Articles of Association have established another majority for certain issues.*

*JADRANSKI NAFTOVOD, dioničko društvo*

*Zagreb, Miramarska cesta 24*

Pursuant to the provisions of article 462, paragraph 2, point 3 of the Capital Market Act and in accordance with the provision in article 19, paragraph 11 and 12 of the Accounting Act, the Management of the public limited company, Jadranski naftovod, issues the following

**Statement on persons responsible for the preparation of the Annual Report**

I. To the best of our knowledge, the annual financial statements for the period from 1 January to 31 December 2024, for JANAF d.d. and the JANAF GROUP, prepared under the applicable financial reporting standards, give a complete and true view of the Groups' and Company's assets and liabilities, its financial position, profit and loss and business operations.

II. The Annual Management Report (Annual Report on the Company Status) for the period from 1 January to 31 December 2024 contains an objective presentation of the development and business results and the position of the Group and the Company, along with a description of the most significant risks and uncertainties the Group and the Company are exposed to.

The Management Board of the Company consists of:

President of the Management Board

MSc. Stjepan Adanić

Members of the Management Board

Vladislav Veselica

Petar Todorić

JADRANSKI NAFTOVOD
dioničko društvo
ZAGREB
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Zagreb, 26 March 2025

**Consolidated and separate financial statements for the year ended 31 December 2024 together with the Independent Auditor's Report for the JANAF GROUP and for JANAF D.D.**

*Zagreb, 26 March 2025*

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## Responsibility for the consolidated and separate financial statements

Pursuant to the Accounting Act of the Republic of Croatia, the Management Board is obliged to ensure that the consolidated and separate financial statements for each fiscal year are prepared in compliance with the Accounting Act of the Republic of Croatia and the International Financial Reporting Standards (IFRS) as adopted by the European Union, insomuch that they give a true and fair view of the consolidated and separate financial position, consolidated and separate results of operations, consolidated and separate changes in equity, and consolidated and separate cash flows of the Group and the Company for the respective period.

After making inquiries, the Management Board reasonably expects the Group and the Company to have adequate resources to continue its business operations in the foreseeable future. For this reason, the Management Board continues to adopt the going concern basis in preparation of the consolidated and separate financial statements.

When preparing the consolidated and separate financial statements, the Management Board is responsible for:

- selection and application of the suitable accounting policies in accordance with the applicable financial reporting standards;
- making reasonable and prudent judgements and estimates;
- preparing the consolidated and separate financial statements on the going concern basis, unless it is inappropriate to presume that the Group and the Company will continue its business activities.

The Management Board is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the consolidated and separate financial position, the consolidated and separate results of operations, the consolidated and separate changes in equity and the consolidated and separate cash flows of the Group and of the Company, as well as its compliance with the Croatian Accounting Act. The Management Board is also responsible for safeguarding the assets of the Group and the Company, and hence for taking reasonable measures to prevent and detect fraud and other irregularities.

Signed for and on behalf of the Group and the Company:

MSc. Stjepan Adanić, President of the Management Board

Vladislav Veselica, Member of the Management Board

JADRANSKI NAFTOVOD
dioničko društvo
ZAGREB
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Petar Todorić, Member of the Management Board

26 March 2025

## INDEPENDENT AUDITOR'S REPORT

To the shareholders of JADRANSKI NAFTOVOD d.d., Zagreb

### Opinion

We have audited the consolidated and separate financial statements of Jadranski naftovod d.d., Miramarska cesta 24, Zagreb (the Company) and its subsidiaries (together – the Group), which comprise the consolidated and separate statement of financial position as at 31 December 2024, the consolidated and separate statement of comprehensive income, the consolidated and separate statement of cash flows, the consolidated and separate statement of changes in equity for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material aspects, the consolidated and separate financial position of the Company and the Group as at 31 December 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report.

We are independent of the Company and the Group in accordance with the International Code of Ethics for Professional Accountants, including the International Independence Standards (IESBA Code) issued by the International Ethics Standards Board for Accountants (IESBA), and in accordance with the ethical requirements relevant for our audit of the financial statements in the Republic of Croatia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that were, in our professional judgment, of greatest importance in our audit of the consolidated and separate financial statements of the current period. We dealt with these issues in the context of our audit of the consolidated and separate financial statements as a whole and when forming our opinion on them, and we do not give a separate opinion on these issues. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

| **Key audit matter** | **How we addressed the key audit matter** |
|---|---|
| **Fixed intangible assets and property, plant and equipment**<br><br>As stated in Note 2 Summary of Significant Accounting Policies and presented in Note 14 Intangible Assets and 15 Property, Plant and Equipment, impairment tests are conducted annually in order to identify impairment indicators.<br><br>As at 31 December 2024, fixed intangible assets and property, plant and equipment amount to EUR 496,281 thousand – 67% of total assets.<br><br>In 2024, purchases of intangible assets and property, plant, and equipment amounted to EUR 18,745 thousand and referred mainly to investments in pipelines, tanks, facilities, monitoring | Our audit procedures included, but were not limited to:<br><br>• obtaining an understanding of the internal control system, testing operative efficiency in the process of identification, calculation and recognition of impairment of current assets;<br><br>• assessment of compliance of the policy for recognition of intangible assets and property, plant and equipment with IFRS;<br><br>• assessment of the appropriateness of the methodology used for impairment testing and testing of key estimates used by Management in identifying indicators of impairment and consistency in applying the methodology with regard to last year;<br><br>• assessment of the rationality of the useful life of assets in calculating depreciation as well as the |

| | |
|---|---|
| and control systems, and other investments.<br><br>Considering the materiality of fixed intangible assets and property, plant and equipment, and their role as a key material resource in the functionality of the Company, and the complexity of recording (purchase, calculation of amortization/depreciation, measurement, cost capitalization, disposal), in our opinion these positions present a key audit matter in the Statement on Financial Position / Balance sheet. | beginning of calculation of depreciation for activated assets;<br><br>• new purchases of property, plant and equipment and intangible assets in 2024 were tested on a representative sample of purchase transactions;<br><br>• based on the representative sample we tested disposals and expenses of property, plant and equipment and intangible assets;<br><br>• review of capitalization of own costs;<br><br>• assessment of the appropriateness of relevant disclosures in the annual consolidated and separate financial statements and their compliance with the IFRS as adopted by the EU. |

## Other Information

Management is responsible for the other information. The other information comprises the Management Report and Corporate Governance Statement included in the Annual Report of the Company and the Group but does not include the consolidated and separate financial statements and our auditor's report thereon. Our opinion on the consolidated and separate financial statements does not cover the Other information.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

With respect to the Management Report and Corporate Governance Statement, we also performed procedures required by the Accounting Act. Those procedures include considering whether the Management Report was prepared as required by Article 21 and 24 of the Accounting Act, and whether the Corporate Governance Statement includes the information specified in Article 22 and 24 of the Accounting Act.

Based on the procedures undertaken, to the extent we are able to assess it, we report that:

1. the information given in the enclosed Management Report and Corporate Governance Statement are consistent, in all material respects, with the enclosed consolidated and separate financial statements,
2. the enclosed Management report is prepared in accordance with the requirements of Article 21 and 24 of the Accounting Act,

3. the enclosed Corporate Governance Statement includes the information specified in Article 22 and 24 of the Accounting Act.

In the light of knowledge and understanding of the Company's and Group's operations and its environment obtained in the course of the audit of the consolidated and separate financial statements, we are also required to report if we have identified material misstatements in the Management report and the Corporate Governance Statement. We have nothing to report in this respect.

## Responsibilities of Management and the Audit Committee for the consolidated and separate financial statements

The Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the IFRSs and for such internal control as Management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, Management is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Company's and Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated and Separated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our independent auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on other legal and regulatory requirements

In compliance with article 10, paragraph 2 of Regulation (EU) No. 537/2014 of the European Parliament and the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of ISAs:

### *Appointment of Auditor and Period of Engagement*

On 24 July 2024, based on the Resolution on appointment of the auditor of the Company and the Group for 2024 and 2025, the audit companies LeitnerLeitner REVIZIJA d.o.o. and ANTARES REVIZIJA d.o.o. were appointed as auditors.

As of the date of this report, we have been continuously engaged in conducting the statutory audits of the Company and the Group, from the audit of the consolidated and separate financial statements of the Company and the Group for the year 2023 to the audit of the consolidated and separate financial statements of the Company and the Group for the year 2024, which totals two years.

### *Consistence with Additional Report to Audit Committee*

We confirm that our audit opinion on the consolidated and separate financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 26 March 2025 in accordance with article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

***Materiality***

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated and separate financial statements as a whole.

| | |
|---|---|
| **Materiality for the financial statements as a whole** | EUR 2,950 thousand (2023: EUR 3,171 thousand) |
| **Determination** | 5% of profit before tax according to the auditor's estimation of Company risk |
| **Rationale for the materiality benchmark applied** | We consider that profit before tax is a key indicator in the Company's industry and represents the most commonly used benchmark of the Company's business performance by the shareholders. |

***Provision of Non-audit Services***

We declare that no prohibited non-audit services referred to in article 5, paragraph 1 of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided by us to the Company and its controlled undertakings within the European Union. In addition, there are no other non-audit services which were provided by us to the Company and its controlled undertakings and which have not been disclosed in the separate and consolidated financial statements.

Report based on the Delegated Regulation (EU) 2018/815 on supplementing Directive 2004/109/EC of the European Parliament and Council related to the regulatory technical standards for the specification of the single electronic reporting format.

**Report based on the Delegated Regulation (EU) 2018/815 on supplementing Directive 2004/109/EC of the European Parliament and Council related to the regulatory technical standards for the specification of the single electronic reporting format**

*Auditor’s assurance report on the compliance of the separate and consolidated financial statements (hereinafter: financial statements) prepared pursuant to article 462, paragraph 5 of the Capital Market Act (Official Gazette no. 65/18, 17/20, 83/21, 151/22, 85/24) applying the requirements of the Delegated Regulation (EU) 2018/815 on establishing of single electronic reporting format for issuers (hereinafter: the ESEF Regulation).*

We have conducted a reasonable assurance engagement on whether the consolidated and separate financial statements, as contained in the attached electronic file [jadranskinaftovod-2024-12-31-hr.zip], are prepared, for the purpose of public disclosure based on article 462, paragraph 5 of the Capital Market Act, in all material aspects, in accordance with the requirements of the ESEF Regulation.

***Responsibilities of the Management Board and the Audit Committee***

The Company's management is responsible for the preparation and content of the consolidated and separated financial statements in accordance with the ESEF Regulation.

Furthermore, the Company's Management is responsible for maintaining an internal control system that reasonably ensures the preparation of the consolidated and separated financial statements without material non-compliance with the reporting requirements of the ESEF Regulation, whether due to fraud or error.

The Management Board of the Company is also responsible for:

- public disclosure of the consolidated and separate financial statements contained in the annual report in the valid XHTML format;
- selection and use of XBRL codes in accordance with the requirements of the ESEF Regulation.

The Audit Committee is responsible for overseeing the preparation of the consolidated and separate financial statements in the ESEF format as part of the financial reporting process.

### *Auditor's Responsibilities*

Our responsibility is to express a conclusion, based on the audit evidence gathered, as to whether the consolidated and separate financial statements are free from material non-compliances with the requirements of the ESEF Regulation. We conducted our reasonable assurance engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000 (revised) - Assurance engagements other than audits or reviews of historical financial information.

### *Procedures performed*

The nature, timing and extent of the procedures selected depend on the auditor's judgment. Reasonable assurance is a high degree of assurance; however, it does not guarantee that the scope of testing will identify all significant (material) non-compliances with the ESEF Regulation.

As part of the selected procedures, we performed the following activities:

- we have read the requirements of the ESEF Regulation,
- we have gained an understanding of the Company's internal controls relevant to the application of the requirements of the ESEF Regulation,
- we have identified and assessed the risks of material non-compliance with the ESEF Regulation due to fraud or error; and
- based on this, devised and designed procedures to respond to the assessed risks and to obtain reasonable assurance for the purpose of expressing our conclusion.

The aim of our procedures was to assess whether:

• the consolidated and separate financial statements, which are included in the annual report, are prepared in the relevant XHTML format,

• the data included in the consolidated and separate financial statements required by the ESEF Regulation have been marked up and all the markups meet the following requirements:

- the XBRL markup language has been used,
- the core taxonomy elements listed in the ESEF Regulation with the closest accounting meaning have been used, unless an extension taxonomy element was created in accordance with Annex IV of the ESEF Regulation,
- the markups comply with the common rules on markups under the ESEF Regulation.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

## Conclusion

In our opinion, based on the procedures performed and evidence obtained, the consolidated and separate financial statements presented in the ESEF format, contained in the aforementioned attached electronic file and prepared for public disclosure purposes pursuant to article 462, paragraph 5 of the Capital Market Act, are prepared, in all material respects, in accordance with the requirements of articles 3, 4 and 6 of the ESEF Regulation for the year ended 31 December 2024.

Further to this conclusion, as well as the opinion contained in this independent auditor's report on the attached consolidated and separate financial statements and the annual report for the year ended 31 December 2024, we do not express any opinion on the information contained in these presentations or on other information contained in the aforementioned file.

The partners in charge of the audit resulting in this independent auditor's report are Pavo Djedović for LeitnerLeitner Revizija d.o.o. and Ivana Matovina for Antares Revizija d.o.o.

Zagreb, 26 March 2025

| | |
|---|---|
| Pavo Djedović | Ivana Matovina |
| Director and certified auditor | Director and certified auditor |
| LeitnerLeitner REVIZIJA d.o.o. | ANTARES REVIZIJA d.o.o. |
| Heinzelova 70 | Heinzelova 62a |
| 10000 Zagreb | 10000 Zagreb |
| Republic of Croatia | Republic of Croatia |

LeitnerLeitner revizija d.o.o., ZAGREB

Antares revizija d.o.o.

Consolidated Statement of Comprehensive Income of the **JANAF GROUP**

For the year ended 31 December 2024

*(all amounts are expressed in thousands of EUR)*

| | Note | 2024 | 2023 |
|---|---|---|---|
| **OPERATING INCOME** | | **127,589** | **147,328** |
| Sales income | 3 | 126,340 | 146,919 |
| Other income | 4 | 1,249 | 409 |
| **OPERATING EXPENSES** | | **(76,500)** | **(87,076)** |
| Material costs | 5 | **(20,319)** | **(21,712)** |
| Employee costs | 6 | **(16,597)** | **(15,235)** |
| Depreciation | 7 | **(28,811)** | **(29,750)** |
| Other expenses | 8 | **(6,625)** | **(5,535)** |
| **Value adjustment:** | 9 | **(2,539)** | **(14,465)** |
| Impairment losses of receivables | | (2,466) | (2,859) |
| Value adjustment of fixed and current assets | | (73) | (11,606) |
| Provisions | 10 | **(410)** | **(176)** |
| Other operating expenses | 11 | **(1,199)** | **(203)** |
| **PROFIT FROM OPERATING ACTIVITIES** | | **51,089** | **60,252** |
| **FINANCIAL INCOME** | 12 | **8,947** | **6,001** |
| **FINANCIAL EXPENSES** | 12 | **(993)** | **(2,845)** |
| **PROFIT/LOSS FROM FINANCIAL OPERATIONS** | 12 | **7,954** | **3,156** |
| **TOTAL INCOME** | | **136,536** | **153,329** |
| **TOTAL EXPENSES** | | **(77,493)** | **(89,921)** |
| **PROFIT FOR THE PERIOD** | | **59,043** | **63,408** |
| **CORPORATE INCOME TAX** | 13 | 10,662 | 11,435 |
| **PROFIT AFTER TAX** | | **48,381** | **51,973** |
| Exchange differences arising from the translation of foreign operations | | - | - |
| **TOTAL COMPREHENSIVE INCOME** | | **48,381** | **51,973** |
| **Earnings per share (in EUR)** | 23 | **48.01** | **51.58** |

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

Separate Statement of Comprehensive Income of **JANAF D.D.**

For the year ended 31 December 2024

*(all amounts are expressed in thousands of EUR)*

| | Note | 2024 | 2023 |
|---|---|---|---|
| **OPERATING INCOME** | | **126,959** | **147,329** |
| Sales income | 3 | 125,717 | 146,919 |
| Other income | 4 | 1,242 | 410 |
| **OPERATING EXPENSES** | | **(76,243)** | **(87,073)** |
| Material costs | 5 | **(20,271)** | **(21,711)** |
| Employee costs | 6 | **(16,585)** | **(15,235)** |
| Depreciation | 7 | **(28,631)** | **(29,750)** |
| Other expenses | 8 | **(6,616)** | **(5,533)** |
| **Value adjustment:** | 9 | **(2,539)** | **(14,465)** |
| Impairment losses of receivables | | (2,466) | (2,859) |
| Value adjustment of fixed and current assets | | (73) | (11,606) |
| Provisions | 10 | **(410)** | **(176)** |
| Other operating expenses | 11 | **(1,191)** | **(203)** |
| **PROFIT FROM OPERATING ACTIVITIES** | | **50,716** | **60,256** |
| **FINANCIAL INCOME** | 12 | **9,178** | **6,001** |
| **FINANCIAL EXPENSES** | 12 | **(890)** | **(2,845)** |
| **PROFIT/LOSS FROM FINANCIAL OPERATIONS** | 12 | **8,288** | **3,156** |
| **TOTAL INCOME** | | **136,137** | **153,330** |
| **TOTAL EXPENSES** | | **(77,133)** | **(89,918)** |
| **PROFIT FOR THE PERIOD** | | **59,004** | **63,412** |
| **CORPORATE INCOME TAX** | 13 | 10,632 | 11,435 |
| **PROFIT AFTER TAX** | | **48,372** | **51,977** |
| Exchange differences arising from the translation of foreign operations | | **-** | **-** |
| **TOTAL COMPREHENSIVE PROFIT** | | **48,372** | **51,977** |
| **Earnings per share (in EUR)** | 23 | **48.00** | **51.58** |

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

Consolidated Statement of Financial Position of the **JANAF GROUP**

As at 31 December 2024

*(all amounts are expressed in thousands of EUR)*

| ASSETS | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **FIXED ASSETS** | | **556,270** | **548,627** |
| INTANGIBLE ASSETS: | | 17,962 | 15,994 |
| Concessions, patents, licenses, software and other rights | 14 | 13,118 | 15,342 |
| Goodwill | 14 | 4,095 | - |
| Right-of-use assets | 14 | 749 | 652 |
| PROPERTY, PLANT AND EQUIPMENT | 15 | 495,965 | 494,025 |
| FINANCIAL ASSETS: | 16 | 38,238 | 35,000 |
| Long-term deposits | | 30,400 | 30,000 |
| Other non-current financial assets | | 7,838 | 5,000 |
| RECEIVABLES | | 3 | 4 |
| DEFERRED TAX ASSETS | 13 | 4,102 | 3,604 |
| **CURRENT ASSETS** | | **190,134** | **183,942** |
| INVENTORIES | 17 | 6,794 | 3,275 |
| RECEIVABLES: | 18 | 31,004 | 26,377 |
| Trade receivables | | 26,068 | 24,718 |
| Receivables from employees and shareholders | | - | 1 |
| Receivables from the state and other institutions | | 2,479 | 39 |
| Other receivables | | 2,457 | 1,619 |
| FINANCIAL ASSETS | 16,32 | 63,796 | 30,000 |
| CASH AND CASH EQUIVALENTS | 19 | 88,540 | 124,290 |
| **OTHER ASSETS** | | **400** | **320** |
| | | 190,534 | 184,262 |
| **TOTAL ASSETS** | | **746,804** | **732,889** |
| **EQUITY AND LIABILITIES** | | | |
| **CAPITAL AND RESERVES** | | **719,104** | **701,911** |
| SHARE CAPITAL | 20 | 391,979 | 391,979 |
| CAPITAL RESERVES | 21 | 7 | 7 |
| RESERVES FROM PROFIT | 21 | 160,121 | 160,121 |
| RETAINED EARNINGS | 22 | 118,616 | 97,831 |
| PROFIT FOR THE YEAR | 23 | 48,381 | 51,973 |
| **PROVISIONS** | 24 | **2,137** | **2,505** |
| **LONG-TERM LIABILITIES:** | 25 | **14,398** | **11,990** |
| Non-current portion of liabilities for right-of-use assets | 14 | 520 | 428 |
| Loan liabilities | | 1,646 | - |
| Other long-term liabilities | | 12,232 | 11,562 |
| **SHORT-TERM LIABILITIES** | | **9,186** | **14,748** |
| Current portion of liabilities for right-of-use assets | 14,26 | 252 | 242 |
| Loan liabilities | 26 | 372 | - |
| Trade and other liabilities | 26 | 8,562 | 14,506 |
| Other liabilities and deferred income | 27 | 1,979 | 1,735 |
| | | ***11,165*** | ***16,483*** |
| **TOTAL EQUITY AND LIABILITIES** | | **746,804** | **732,889** |

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

Separate Statement of Financial Position of **JANAF D.D.**

As at 31 December 2024

*(all amounts are expressed in thousands of EUR)*

| **ASSETS** | Note | **31.12.2024** | **31.12.2023** |
|---|---|---|---|
| **FIXED ASSETS** | | **555,957** | **548,632** |
| INTANGIBLE ASSETS: | | 13,867 | 15,994 |
| Concessions, patents, licenses, software and other rights | 14 | 13,118 | 15,342 |
| Right-of-use assets | 14 | 749 | 652 |
| PROPERTY, PLANT AND EQUIPMENT | 15 | 482,414 | 494,025 |
| FINANCIAL ASSETS: | 16 | 55,571 | 35,005 |
| Investments in subsidiaries | | 5 | 5 |
| Loans to subsidiary | 16, 31 | 17,728 | - |
| Long-term deposits | | 30,000 | 30,000 |
| Other non-current financial assets | | 7,838 | 5,000 |
| RECEIVABLES | | 3 | 4 |
| DEFERRED TAX ASSETS | 13 | 4,102 | 3,604 |
| **CURRENT ASSETS** | | **188,399** | **183,941** |
| INVENTORIES | 17 | 6,794 | 3,275 |
| RECEIVABLES: | 18 | 30,983 | 26,377 |
| Trade receivables | | 26,051 | 24,718 |
| Receivables from employees and shareholders | | - | 1 |
| Receivables from the state and other institutions | | 2,478 | 39 |
| Other receivables | | 2,454 | 1,619 |
| FINANCIAL ASSETS | 16,32 | 63,795 | 30,000 |
| CASH AND CASH EQUIVALENTS | 19 | 86,827 | 124,289 |
| **OTHER ASSETS** | | **400** | **320** |
| | | 188,799 | 184,261 |
| **TOTAL ASSETS** | | **744,756** | **732,893** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| **CAPITAL AND RESERVES** | | **719,099** | **701,915** |
| SHARE CAPITAL | 20 | 391,979 | 391,979 |
| CAPITAL RESERVES | 21 | 7 | 7 |
| RESERVES FROM PROFIT | 21 | 160,121 | 160,121 |
| RETAINED EARNINGS | 22 | 118,620 | 97,831 |
| PROFIT FOR THE CURRENT YEAR | 23 | 48,372 | 51,977 |
| **PROVISIONS** | 24 | **2,137** | **2,505** |
| **LONG-TERM LIABILITIES:** | 25 | **12,752** | **11,990** |
| Non-current portion of liabilities for right-of-use assets | 14 | 520 | 428 |
| Other long-term liabilities | | 12,232 | 11,562 |
| **SHORT-TERM LIABILITIES:** | | **8,789** | **14,748** |
| Current portion of liabilities for right-of-use assets | 14,26 | 252 | 242 |
| Trade and other liabilities | 26 | 8,537 | 14,506 |
| Other liabilities and deferred income | 27 | 1,979 | 1,735 |
| | | *10,768* | *16,483* |
| **TOTAL EQUITY AND LIABILITIES** | | **744,756** | **732,893** |

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

Consolidated Statement of Cash Flows of the **JANAF GROUP**

For the year ended 31 December 2024

*(all amounts are expressed in thousands of EUR)*

| | Note | 2024 | 2023 |
|---|---|---|---|
| **Operating activities** | | | |
| Profit for the current year | | 48,381 | 51,973 |
| *Adjusted for:* | | | |
| Corporate income tax | 13 | 10,662 | 11,434 |
| Depreciation of property, plant and equipment | 7 | 25,495 | 25,851 |
| Amortization of intangible assets | 7 | 3,012 | 3,629 |
| Depreciation of right-of-use assets | | 304 | 270 |
| Surpluses and carrying amount of fixed assets | 9,14,15 | (797) | 11,575 |
| Value adjustment of trade receivables | 9 | 2,466 | 2,859 |
| Value adjustment of non-current financial assets | 12 | - | 1,636 |
| Change in provisions, net | 22 | 1,195 | 983 |
| Interest income | 12 | (7,617) | (4,564) |
| Lease interest expenses | 12 | 39 | 21 |
| Exchange rate differences in loans | 12 | 671 | (416) |
| **Cash flow from operating activities before changes in working capital** | 9 | **83,811** | **105,251** |
| Increase of receivables | 18 | (4,627) | (7,883) |
| Decrease of liabilities | 14,26,27 | (5,265) | 4,015 |
| Increase in inventories | 17 | (3,519) | (329) |
| Other increases/decreases | | (4,037) | (5,413) |
| **Cash generated from business** | | **66,363** | **95,641** |
| Income tax advances paid | | (13,160) | (8,943) |
| **Net cash generated from operating activities** | | **53,203** | **86,698** |
| **Investing activities** | | | |
| Interest receipts | | 6,744 | 3,454 |
| Expenditures for the purchase of property, plant and equipment | 15 | (27,068) | (18,073) |
| Expenditures for the purchase of intangible assets | 14 | (510) | (1,263) |
| Increase in deposits and other financial assets | | (33,796) | (22,030) |
| Expenditures for the purchase of other financial assets | 16,32 | (2,838) | - |
| **Net cash used in investing activities** | | **(57,468)** | **(37,912)** |
| **Financing activities** | | | |
| Dividend payment expenses | | (31,188) | (11,608) |
| Lease liabilities | | (297) | (276) |
| **Net cash used in financing activities** | | **(31,485)** | **(11,884)** |
| **Net decrease/(increase) in cash and cash equivalents** | 19 | **(35,750)** | **36,902** |
| **Cash and cash equivalents at the beginning of the year** | 19 | **124,290** | **87,388** |
| **Cash and cash equivalents at the end of the year** | 19 | **88,540** | **124,290** |

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

Separate Statement of Cash Flows of **JANAF D.D.**

For the year ended 31 December 2024

*(all amounts are expressed in thousands of EUR)*

| | Note | 2024 | 2023 |
|---|---|---|---|
| **Operating activities** | | | |
| Profit for the current year | | 48,372 | 51,977 |
| *Adjusted for:* | | | |
| Corporate income tax | 13 | 10,632 | 11,434 |
| Depreciation of property, plant and equipment | 7 | 25,315 | 25,851 |
| Amortization of intangible assets | 7 | 3,012 | 3,629 |
| Depreciation of right-of-use assets | | 304 | 270 |
| Surpluses and carrying amount of fixed assets | 9,14,15 | (797) | 11,575 |
| Value adjustment of trade receivables | 9 | 2,466 | 2,859 |
| Value adjustment of non-current financial assets | 12 | - | 1,636 |
| Change in provisions, net | 22 | 1,201 | 983 |
| Interest income | 12 | (7,847) | (4,564) |
| Lease interest expenses | 12 | 39 | 21 |
| Exchange rate differences in loans | 12 | 671 | (416) |
| **Cash flow from operating activities before changes in working capital** | | **83,368** | **105,255** |
| Increase of receivables | 18 | (4,606) | (7,883) |
| Decrease of liabilities | 14,26,27 | (5,661) | 4,015 |
| Increase in inventories | 17 | (3,519) | (329) |
| Other increases/(reductions) | | 2,832 | (5,418) |
| **Cash generated from business** | | **72,414** | **95,640** |
| Income tax advances paid | | (13,150) | (8,943) |
| **Net cash generated from operating activities** | | **59,264** | **86,697** |
| **Investing activities** | | | |
| Interest receipts | | 6,665 | 3,454 |
| Expenditures for the purchase of property, plant and equipment | 15 | (17,347) | (18,073) |
| Expenditures for the purchase of intangible assets | 14 | (510) | (1,263) |
| Increase in deposits and other financial assets | 16,32 | (33,795) | (22,030) |
| Expenditures for the purchase of other financial assets | | (2,838) | - |
| Loans to entities within the group | | (17,416) | - |
| **Net cash used in investing activities** | | **(65,241)** | **(37,912)** |
| **Financing activities** | | | |
| Dividend payment expenses | | (31,188) | (11,608) |
| Lease liabilities | | (297) | (276) |
| **Net cash used in financing activities** | | **(31,485)** | **(11,884)** |
| **Net increase/(decrease) in cash and cash equivalents** | 19 | **(37,462)** | **36,901** |
| **Cash and cash equivalents at the beginning of the year** | 19 | **124,289** | **87,388** |
| **Cash and cash equivalents at the end of the year** | 19 | **86,827** | **124,289** |

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

Consolidated Statement of Changes in Equity of the **JANAF GROUP**

For the year ended 31 December 2024

*(all amounts are expressed in thousands of EUR)*

| | Share capital | Legal reserves | Capital reserves | Other reserves | Profit for the year | Retained earnings | Total |
|---|---|---|---|---|---|---|---|
| **1 January 2023** | **391,856** | **18,319** | **7** | **120,426** | **40,717** | **90,221** | **661,546** |
| Profit after tax | - | - | - | - | 51,973 | - | 51,973 |
| Dividend paid | - | - | - | - | (11,608) | - | (11,608) |
| Allocation of profit from 2022 | 123 | 2,035 | - | 19,341 | (29,109) | 7,610 | - |
| **1 January 2024** | **391,979** | **20,354** | **7** | **139,767** | **51,973** | **97,831** | **701,911** |
| Profit after tax | - | - | - | - | 48,381 | - | 48,381 |
| Dividend paid | - | - | - | - | (31,188) | - | (31,188) |
| Allocation of profit from 2023 | - | - | - | - | (20,785) | 20,785 | - |
| **31 December 2024** | **391,979** | **20,354** | **7** | **139,767** | **48,381** | **118,616** | **719,104** |

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

Separate Statement of Changes in Equity of **JANAF D.D.**

For the year ended 31 December 2024

*(all amounts are expressed in thousands of EUR*

| | Share capital | Legal reserves | Capital reserves | Other reserves | Profit for the year | Retained earnings | Total |
|---|---|---|---|---|---|---|---|
| **1 January 2023** | **391,856** | **18,319** | **7** | **120,426** | **40,717** | **90,221** | **661,546** |
| Profit after tax | - | - | - | - | 51,977 | - | 51,977 |
| Dividend paid | - | - | - | - | (11,608) | - | (11,608) |
| Allocation of profit from 2022 | 123 | 2,035 | - | 19,341 | (29,109) | 7,610 | - |
| **1 January 2024** | **391,979** | **20,354** | **7** | **139,767** | **51,977** | **97,831** | **701,915** |
| Profit after tax | - | - | - | - | 48,372 | - | 48,372 |
| Dividend paid | - | - | - | - | (31,188) | - | (31,188) |
| Allocation of profit from 2023 | - | - | - | - | (20,789) | 20,789 | - |
| **31 December 2024** | **391,979** | **20,354** | **7** | **139,767** | **48,372** | **118,620** | **719,099** |

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

## 1. GENERAL INFORMATION

### *History and incorporation*

Jadranski naftovod dioničko društvo, Miramarska cesta 24 („the Company", „JANAF D.D."), Zagreb, Republic of Croatia, was established upon the transformation of the socially owned enterprise into a public limited company in 1992 in the Republic of Croatia and is registered at the Commercial Court in Zagreb under the registration number: 080118427, personal identification number (OIB): 89018712265, and company number (MB): 03334171.

The Group consists of JANAF d.d. and the subsidiaries:

JANAF OIE d.o.o. za obnovljive izvore energije, Miramarska cesta 24, Zagreb, Republic of Croatia, registration number: 081498229, personal identification number (OIB): 40567154418, company number (MB): 05741076.

Solar Energy Vođinci d.o.o. za proizvodnju električne energije, Miramarska cesta 24, Zagreb, Republic of Croatia, registration number: 081387427, personal identification number (OIB): 84401412771, company number (MB): 05454905.

PRUDENS CONSILIUM - društvo s ograničenom odgovornošću za poslovno savjetovanje, Ulica Frana Supila 7a, Varaždin, Republic of Croatia, registration number: 070068448, personal identification number (OIB): 60321493630, company number (MB): 01879723.

In 2023, the subsidiary JANAF GEO d.o.o. za istraživanje i eksploataciju geotermalnih voda was established. In 2024, the company changed its name from JANAF GEO d.o.o. za istraživanje i eksploataciju geotermalnih voda to JANAF OIE d.o.o. za obnovljive izvore energije.

In May 2024, JANAF d.d. concluded a purchase contract via its related company JANAF OIE d.o.o., pertaining to the purchase of 100 % shares in the company Solar Energy Vođinci d.o.o. za proizvodnju električne energije.

In July 2024, JANAF d.d. purchased via its related company JANAF OIE d.o.o. 100 % shares in the company PRUDENS CONSILIUM - d.o.o., thereby acquiring the solar power plant Bulinec near Bjelovar with an installed power of 5,1796 MW.

The Company prepares and presents consolidated financial statements for 2024.

## 1. GENERAL INFORMATION (CONTINUED)

***Management Board of the Company***

From 25 September 2020 to 14 February 2025, the Management Board consisted of:
President of the Management Board, MSc. Stjepan Adanić
Member of the Management Board, Vladislav Veselica

From 15 February 2025 onwards, the Management Board consists of:
President of the Management Board, MSc. Stjepan Adanić
Member of the Management Board, Vladislav Veselica
Member of the Management Board, Petar Todorić.

***Supervisory Board of the Company***

From 24 July 2023 to 18 December 2024, the members of the Supervisory Board were:
Nina Ban Glasnović, president
Ivica Nuić, deputy president
Jadranka Čengija Šarić, member
Marijo Rođak, member
Božica Makar, member
Melita Madžo, member.

From 19 December 2024 to 25 January 2025, the members of the Supervisory Board were:
Nina Ban Glasnović, president
Ivica Nuić, deputy president
Jadranka Čengija Šarić, member
Marijo Rođak, member
Božica Makar, member.

From 26 January 2025 to 26 January 2025, the members of the Supervisory Board were:
Nina Ban Glasnović, president
Jadranka Čengija Šarić, member.

From 27 January 2025 onwards, the members of the Supervisory Board are:
Nina Ban Glasnović, president
Ivica Nuić, deputy president
Jadranka Čengija Šarić, member
Marijo Rođak, member
Božica Makar, member.

## 1. GENERAL INFORMATION (CONTINUED)

***Supervisory Board of the Company (continued)***

During 2024, nine sessions of the Supervisory Board were held, four of which were attended by all members. Regarding attendance, the members Nuić and Madžo were present at all meetings, the members Rođak and Makar missed one meeting each, while the members Ban Glasnović and Čengija Šarić were absent from two meetings

One resolution was passed in writing, without holding a formal meeting.

***Audit Committee of the Company***

From 24 July 2023 to 25 January 2025, the members of the Audit Committee were:

Nina Ban Glasnović, president

Mario Rođak, member

Božica Makar, member.

From 26 January 2025 to 26 January 2025, the members of the Audit Committee were:

Nina Ban Glasnović, president

From 27 January 2025 onwards, the members of the Audit Committee are:

Nina Ban Glasnović, president

Mario Rođak, member

Božica Makar, member.

During 2024, six sessions of the Audit Committee were held, two of which were attended by all members. Regarding attendance, the members Ban Glasnović and Makar missed one meeting each, while the member Rođak missed two meetings.

## 1. GENERAL INFORMATION (CONTINUED)

***Related parties***

Related parties are the subsidiaries and other related companies.

The subsidiaries of JANAF d.d. are JANAF OIE d.o.o. za obnovljive izvore energije, Solar Energy Vođinci d.o.o. za proizvodnju električne energije, PRUDENS CONSILIUM - društvo s ograničenom odgovornošću za poslovno savjetovanje.

***Affiliated companies***

Affiliated companies are companies with which the Company has joint management or owners, and which are neither an investment nor an associated company and refer to entities covered by the Decision on Legal Entities of Special Interest to the Republic of Croatia.

Affiliated companies comprise the following:

AKD d.o.o.

Croatia Airlines d.d.

HEP d.d.

Financijska agencija (FINA)

Hrvatske autoceste d.o.o.

Hrvatske ceste d.o.o.

HP - Hrvatska pošta d.d.

Hrvatske šume d.o.o.

INA - Industrija nafte d.d.

Narodne novine d.d.

Odašiljači i veze d.o.o.

HRT - Hrvatska radiotelevizija

HŽ Putnički prijevoz d.o.o.

Hrvatska poštanska banka d.d.

Hrvatske vode.

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Declaration of compliance***

The financial statements are prepared in accordance with the provisions of International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Company prepares separate financial statements to reflect the operations of the Company and consolidated financial statements for the Group. The Company prepares the following consolidated and separate annual financial statements:

- Statement of comprehensive income,
- Statement of financial position,
- Statement of cash flows,
- Statement of changes in equity,
- Notes to the financial statements.

The Group and the Company operate through the segment of transportation and storage of crude oil and the storage of petroleum products in the Republic of Croatia. The core business of the subsidiaries is the production of electricity from renewable energy sources.

In addition to the annual financial statements, the Company prepares its Annual Management Report/Annual Report on the Company Status.

Pursuant to International Accounting Standard 34 (IAS 34), the provisions of the Capital Market Act and the accompanying regulations, the Company presents financial statements for quarterly and semi-annual periods.

The Company prepares consolidated financial statements for the Group which consists of JANAF d.d. and JANAF OIE d.o.o. za obnovljive izvore energije, Solar Energy Vođinci d.o.o. za proizvodnju električne energije, PRUDENS CONSILIUM - društvo s ograničenom odgovornošću za poslovno savjetovanje.

Balances between the subsidiaries and the parent company, all unrealized gains and losses, and income and expenses arising from mutual transactions are eliminated on consolidation.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Consolidation basis**

The accompanying consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when:

• the Company has dominance in the entity;

• the Company is exposed to yield variability or has rights based on its participation in the entity and is able to influence its return based on its dominance.

The Company reassesses the existence of its control when facts and circumstances indicate that one or more of the above elements of control have changed.

When the Company has less than the majority of voting rights in an entity in which it owns a certain share, it exercises dominance in the entity if the voting rights that the Company has are sufficient to enable it to unilaterally direct the relevant activities of that entity. In assessing the sufficiency of its voting rights for dominance in the entity, the Company considers all relevant facts and circumstances, including:

• share of their voting rights in relation to the share and division of voting rights of other persons with voting rights

• potential voting rights of the Company, other voting rights holders or other persons

• rights arising from other contractual relationships and

• all additional facts and circumstances that indicate that the Company has or does not have the current ability to direct relevant affairs at the time when decisions need to be made, which includes the method of voting at previous general meetings.

Subsidiaries are consolidated, i.e. are ceased to be consolidated from the moment the Company acquires or loses control over them. Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date on which the Company acquired control until the date of loss of control over the subsidiaries.

Profit and loss and each item of other comprehensive income are divided into the part that belongs to the owners of the Company and the part that belongs to the owners of non-controlling interests. The total comprehensive income of subsidiaries is attributed to the owners of the Company and the owners of non-controlling interests, even if this results in a negative balance of non-controlling interests.

Adjustments were made to the financial statements of subsidiaries as necessary to reconcile their accounting policies with those of the Group.

Consolidation eliminates all assets and liabilities, as well as all equity (i.e. all capital), all income, expenses and cash inflows and outflows related to transactions between Group members.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Consolidation basis (continued)

On 27 February 2023, the Management Board of the Company adopted the Articles of Association of JANAF GEO d.o.o., personal identification number (OIB): 40567154418, 100% owned by the Company. From 27 February 2023 to 15 April 2024, the director of the Company was Vid Ferlež, and from 15 April 2024 to 9 January 2025 Dražen Primorac. From 10 January 2025, the director of the Company is Astrid Werbolle, representing the company independently and individually. All directors of the related company are employed by JANAF d.o.o.

The Management Board of the Company, acting as the assembly of the related company JANAF GEO d.o.o., made a decision on 15 April 2024 to change the name of the related company to JANAF OIE d.o.o. Given that the company name is an essential element of the articles of incorporation, the Articles of Associations were also amended. The change of the company name was registered in the court register on 24 April 2024, from which date the related company participates in legal transactions under the company name JANAF OIE d.o.o.

As at 31 December 2024, JANAF OIE D.o.o. is the sole owner of the company PRUDENS CONSILIUM d.o.o., personal identification number (OIB): 60321493630 and SOLAR ENERGY VOĐINCI d.o.o., personal identification number (OIB): 84401412771. The director of both companies is Vid Ferlež, representing the companies independently and individually, while in the company SOLAR ENERGY VOĐINCI d.o.o. Toni Vlaić is also a director, representing the company jointly with another director.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The preparation of financial statements in accordance with the IFRS as adopted by the European Union requires the use of certain key accounting estimates. The Management Board is also required to make certain judgments in the application of the Group's and the Company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where the assumptions and estimates are significant for the financial statements, are presented in the notes.

The following new standards and revised existing standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee are outlined below:

*(a) New standards effective for annual periods beginning on or after 1 January 2024:*

- Amendments to IAS 1 - Presentation of Financial Statements
    - The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current;
- Amendments to IAS 1 - Non-current Liabilities with Covenants
    - The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability;
- Amendments to IFRS 16 – Leases
    - The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale;
- Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments: Disclosures
    - The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*(b) Standards and interpretations issued by IASB, not yet approved by the European Union:*

- Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates
    - Expected date of application: 1.1.2025
    - The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

- Amendments to IFRS 7 - Financial Instruments: Disclosures and IFRS 9 - Financial Instruments
    - Expected date of application: 1.1.2026
    - The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.

The Company is currently assessing the impact of the new standards and guidelines on its financial statements. The new standards and interpretations are not expected to have a material effect on the Company's financial statements. The Company has decided not to apply these standards, revisions and interpretations before their effective date.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Basis of preparation***

These financial statements have been prepared on the historical cost basis, except for certain financial instruments measured at fair value.

The accounting policies have been consistently applied by the Company and the Group, unless stated otherwise.

***Functional and presentation currency***

The financial statements are presented in the Croatian currency, euro (EUR), rounded to the nearest thousand (unless stated otherwise), which is the Group's and the Company's functional currency.

***Foreign currencies***

In the financial statements of the Group and the Company, transactions in foreign currencies are presented initially by translating them into the functional currency of each entity at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies, in the financial statements, are retranslated at the rates prevailing on the balance sheet date. Exchange differences arisen on the retranslation are included in the Statement of comprehensive income.

In the consolidated financial statements, the results and financial position of each Group entity are expressed in euro (EUR), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

***Reporting on operating segments***

Operating segments are presented in accordance with the internal reports that are submitted to the entity's chief operating decision maker. The chief operating decision maker is the Company's Management Board which is entrusted with allocating funds to operating segments.

***Revenue recognition***

Revenue is the gross inflow of economic benefits over the period deriving from the ordinary activities of the Group and the Company which results in capital increase, in addition to the increase in capital relating to the inputs of participants in capital.

In accordance with IFRS 15, the Group and the Company recognize revenue when (or to the extent) the Group and the Company fulfil their execution obligation by transferring the promised goods or service (i.e. the asset) to the customer. Assets have been transferred when (or to the extent) the buyer obtains control over that asset. An entity transfers control over the service over time and therefore, over time, fulfils the execution obligation and recognizes revenue, given that the client simultaneously receives and uses the benefits that arise from the execution of the entity while the entity performs the execution.

The Group and the Company use the output method to measure progress towards full completion of their obligations.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Revenue recognition (continued)***

Output methods recognize income on the basis of a direct measurement of the value that the goods or services transferred until a certain date have for the buyer, in relation to the remaining goods or services promised by the contract.

The Group and the Company use a practical solution from IFRS 15.B16 since they have the right to a client's compensation in the amount that directly corresponds to the value; recognize revenue in the amount they are entitled to invoice.

When (or to the extent to which) the execution obligation is met, the Group and the Company recognize the transaction price (excluding the limited variable rate estimates) as revenue that is allocated to that execution obligation. The transaction price is the amount of compensation the entity is expecting to exercise the right to, in return for the transfer of the promised goods or services to the buyer, excluding the amounts charged on behalf of third parties. The compensation promised in the contract with the buyer may include fixed amounts, variable amounts or both.

*Provision of services*

When the outcome of a transaction involving the provision of services could be reliably estimated, the revenues associated with that transaction were recognized by the degree of completion of the transaction on the date of the Statement of financial position.

The outcome of a transaction could be reliably estimated, when all of the following conditions were met:

(a) the amount of revenue could be reliably measured,

(b) it was probable that the economic benefits associated with the transaction would flow to the Group and the Company,

(c) the degree of completion of the transaction at the date of the statement of financial position could be measured reliably, and

(d) transaction costs incurred and transaction completion costs could be measured reliably.

When the outcome of a transaction involving the provision of services could not be estimated reliably, revenue was recognized only in the amount of recognized recoverable expenses.

Interest income is recognized in the statement of comprehensive income as it occurs, taking into account the effective interest rate of the asset or the applicable variable rate. Interest income includes the depreciation of any discount or premium and other differences between the initial carrying amount of the interest-bearing financial instrument and the amount at maturity, with the application of the effective interest rate.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***Net financing costs***

Net financing cost consists of interest expense on borrowings, default interest expenses, interest income on receivables and cash balances, foreign exchange gains and losses, gains or losses on financial assets at fair value through profit and loss, gains and losses on sale of shares, and dividends.

***Borrowing costs***

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.
All other borrowing costs are charged to the statement of comprehensive income in the period in which they are incurred.

***Retirement benefit costs***

The Group and the Company have no defined post-retirement benefit plans for their employees or management. Accordingly, the Group and the Company have no outstanding liabilities for either their present or former employees based on post-retirement payments.
Provisions for severance pay and jubilee awards were determined in the amount of the present value of benefits using a discount rate of 2.60% (2023: 2.82%) and taking into account the employee turnover rate of 1.38 (2023: 1.41), which was determined based on the departure of employees from the Group and the Company in the previous five years. The discount rate of 2.60% was determined on the basis of average interest rates on Croatian government bonds.

***Taxation***

The Company and its subsidiaries assess taxes in accordance with Croatian laws. Income tax expense comprises the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year, using the tax rates that have been enacted or substantively enacted at the date of the financial statements, including adjustments to the tax liability in respect of prior years. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is the tax expected to be payable or recoverable on the differences between the carrying amount of assets and liabilities using the tax rates that have been enacted or substantively enacted at the date of the financial statements. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized to the extent that future taxable profits will be sufficient to allow those temporary differences and unused tax losses to be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be utilized.

(all amounts are expressed in thousands of EUR)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *Property, plant and equipment*

Property, plant and equipment are recognized initially at cost, less accumulated depreciation and accumulated impairment losses. Cost includes the purchase price and directly associated cost of bringing the asset to a working condition for its intended use. Maintenance and repairs costs, replacements and improvements of minor importance are expensed as incurred. Significant improvements and replacement of assets are capitalized. Gains or losses on the retirement or disposal of property, plant and equipment are included in the statement of comprehensive income in the period they occur.

Depreciation is recognized in the statement of comprehensive income on a straight-line basis over the estimated useful life of each item of property, plant and equipment. Land and assets under construction are not depreciated.

The estimated useful lives for individual categories of assets are as follows:

| | **2024** | **2023** |
|---|---:|---:|
| Buildings | 40 years | 40 years |
| Oil pipelines and tanks | 40 years | 40 years |
| Plant and equipment | 10-20 years | 10–20 years |
| Office furniture | 5 years | 5 years |
| Telecommunication and IT equipment | 2-5 years | 2-5 years |
| Personal vehicles | 4 years | 4 years |

Additional investments in tanks, pipelines and other assets are depreciated over the remaining or estimated useful life of the related assets. Capitalized cost of pipeline testing using the intelligent PIG are depreciated over a period of five years.

### *Technological crude oil*

Technological crude oil is oil owned by the Group and the Company, which is located in oil pipelines and tanks for the purpose of facilitating crude oil transportation and carrying out the core business of the Group and the Company. The value of the operational crude oil is stated at cost, i.e. at historical book value. The amount of technological crude oil in circulation is estimated annually. Excess or deficit is recognized as profit or loss of the period.

### *Intangible assets*

Intangible assets with an estimated useful life are recognized at acquisition cost less accumulated depreciation.

In the statement of comprehensive income, the depreciation is recognized using the straight-line method over the estimated useful life of each item of intangible assets. Assets with an indefinite useful life are not depreciated but tested for impairment in accordance with IAS 36.

*(all amounts are expressed in thousands of EUR)*

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Intangible assets (continued)***

The estimated useful life of individual groups of intangible assets is as follows::

| | 2024 | 2023 |
|---|---|---|
| Licenses and software applications | 4 years | 4 years |
| Grid connection power permit | 40 years | 40 years |
| Monitoring and control system software | 15 years | 15 years |
| Production process monitoring systems | 10 years | 10 years |

Currently, the Group and the Company have access to maritime demesne and assets thereon based on the concession agreement concluded with the State. Properties, plant and equipment covered by the agreement are recognized at acquisition cost less value adjustments.
Assets under the concession agreement are depreciated using the straight-line method over the estimated useful life of the asset, taking into account the period of the concession agreement.

Goodwill represents the difference between the fair value of cost and the fair value of the Group's shares in the net identifiable asset of the acquired subsidiary at the acquisition date. Goodwill arising from the acquisition of subsidiaries is presented in the consolidated statement of financial position of the JANAF GROUP within intangible assets. Separately recognized goodwill is tested annually for impairment and is stated at acquisition cost less accumulated impairment losses. The recoverable amounts of cash-generating units are determined based on value-in-use calculations using estimates of future revenues and a weighted average cost of capital rate. Impairment losses on goodwill are not reversed. Gains and losses on sale of a business entity include the carrying amount of goodwill relating to the sold entity.

***Impairment of assets***

At each balance sheet date, the Group and the Company review the carrying amounts of its intangible assets and property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If such indications exist, the recoverable amount of the asset is estimated to determine the extent of potential impairment loss. If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

***Leases (IFRS 16)***

The Group and the Company have adopted IFRS 16 with the date of initial application on 1 January 2019. At the beginning of the contract, the Group and the Company estimate whether the contract is a lease contract, i.e. whether it contains elements of a lease.

A contract is a lease contract, i.e. contains elements of a lease, if it grants the right to control the use of certain assets during a given period in exchange for a fee.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Leases (IFRS 16) (continued)***

In order to determine whether a contract contains a lease, the Group and the Company estimate whether:

- the contract explicitly defines the asset, but can also be determined by implicit reference at the time it is leased to the lessee. The asset should be physically specified or substantially represent the entire capacity of an asset. If the lessor has a significant right to substitute the asset, the asset is considered non specified;
- has the right to acquire substantially all the economic benefits from the use of certain assets;
- has the right to determine the purpose and manner of using the asset.

The right to determine the manner and purpose of using the asset exist if the Group and the Company, within the scope of their right of use set out in the contract, can change the manner and purpose of use of that asset throughout the period of use. In rare cases, the manner and purpose of the use of the asset is determined in advance and it is considered that the Group and the Company have the right to determine the purpose and manner of the use of the asset if:

i) the user has the right to manage the asset (i.e. direct others to manage it in the manner that is determined) throughout the entire period of use, whereas the supplier does not have the right to change these management instructions; or

(ii) the user has designed the asset (or some of its aspects) in a way that the manner and purpose of its use throughout the whole period of use are predetermined.

***i) The Group and the Company as lessee***

The Group and the Company recognize right-of-use assets and lease liabilities from the first day of the lease.

The initial measurement of right-of-use assets is at cost. Cost of right-of-use assets includes:

(a) the amount of the initially measured lease liability;

(b) all lease payments made on or before the first day of the lease term, less any received lease aid;

(c) any initial direct costs incurred by the lessee; and

(d) cost estimate that the lessee will incur in dismantling and removing the underlying asset, restoring the location of the asset or restoring the asset to the state required by the terms of the lease contract, unless those costs have been incurred for the purpose of producing inventory.

The liability for the stated costs for the Group and the Company arises on the first day of the lease term or as a consequence of the use of the underlying asset during a specified period.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***Leases (IFRS 16) (continued)***

*Subsequent measurement of the right-of-use assets*

After the first day of the lease, the Group and the Company measure right-of-use assets using the cost model:

(a) less any accumulated depreciation and impairment losses; and

(b) adjusted for any remeasurement of the lease liability.

If the lease transfers the ownership of the asset to the Group and the Company until the end of the lease term, the Group and the Company depreciate the underlying asset from the first day of the lease term until the end of the useful life of the asset. In all other cases, the Group and the Company shall depreciate the right-of-use assets from the first day of the lease term until the end of its useful life or until the end of the lease period, whichever is earlier.

*Initial measurement of the lease liability*

On the first day of the lease, the Group and the Company measure the lease liability at the present value of all lease payments that were not made on that date. These payments are discounted at the incremental borrowing rate.

Lease payments included in the measurement of a lease liability on the first day of its lease term include the following payments for the underlying right-of-use assets during the lease term that were not paid on the first day of the lease term:

(a) fixed payments (including essentially fixed payments), less any received lease aid;

(b) variable payments that depend on a particular index or rate and are initially measured at that index or rate on

the first day of the lease term;

(c) amounts expected to be payable to the lessee within the guaranteed residual value;

(d) cost of using the surrender option if there is a probability that the lessee will exercise that option; and

(e) penalties for termination of the lease, if the lease term indicates that the lessee has exercised that option.

*Subsequent measurement of the lease liability*

After the first day of the lease term, the Group and the Company measure the lease liability by:

(a) increasing book values, in order to take in account the interest on the lease obligation;

(b) decreasing book values, in order to take in account the lease payments made; and

(c) remeasuring book values, in order to take in account any reassessment or change in lease or fixed lease

Payments.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***Leases (IFRS 16) (continued)***

The Group and the Company remeasure their lease liability by discounting the revised lease payments at a revised discount rate in the event of:

(a) changes in the lease term, in which case the Group and the Company determine the revised lease payments based on the revised lease term; or

(b) changes in the assessment of the option of repurchasing the underlying asset, by taking into account the events and circumstances in the context of the repurchase option. In this case, the Group and the Company establish revised lease payments to reflect changes in the amount payable under the option of repurchasing.

The Group and the Company remeasure their lease liability by discounting revised lease payments if:

(a) there is a change in the amount expected to be received under the guaranteed residual value, in which case the lessee establishes revised lease payments to reflect this change in the amount expected to be received under the guaranteed residual value;

(b) there is a change in future lease payments as a result of a change in the index or rate used to determine them, including, for example, acknowledging changes in market lease prices. The Group and the Company remeasure their lease obligations to take into account changes in lease payments only when there are changes in cash flows. The Group and the Company determine revised lease payments until the end of the lease term based on revised contractual payments.

*Reassessment of a lease liability*

After the first day of the lease, the Group and the Company remeasure the lease obligation to acknowledge changes in the lease payments. The Group and the Company recognize the value of the lease liability determined by this remeasurement as an adjustment of the right-of-use assets. However, if the book value of right-of-use assets is reduced to zero and there is a further decrease in the measurement of the lease liability, the Group and the Company recognize any remaining amount of that new measured value in the income statement.

*Short-term leases and low-value asset leases*

The Group and the Company have chosen not to recognize short-term lease contracts (12 months or less) and low-value lease contracts as right-of-use assets and lease obligations. The Group and the Company recognize payments on these leases as an expense in the statement of profit or loss on a straight-line basis over the duration of the contract.

***ii) The Group and the Company as lessor***

The Group and the Company classify each lease at the beginning of the contract as a business lease or a financial lease. A lease is classified as a financial lease if it transfers substantially all the risks and benefits of ownership of the underlying asset. A lease is classified as an operating lease if it does not transfer substantially all of the risks and benefits of an ownership of the underlying asset.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***Leases (IFRS 16) (continued)***

*Recognition and measurement*

The Group and the Company recognized payments from operating leases as income on a straight-line basis under the item "Other income“.

The lessor recognizes costs incurred in obtaining the lease income, including depreciation costs, as an expense. The lessor adds the initial direct costs incurred in obtaining the operating lease to the book value of the underlying asset and recognizes it as an expense over the lease term on the same basis as the lease income.

The Group and the Company lease business premises, land, and telecommunications infrastructure. The Group and the Company have classified these leases as operating leases as substantially all the risks and benefits of ownership of the asset are not transferred.

***Inventories***

Inventories are valued according to acquisition cost or net market value, whichever is lower. Acquisition cost comprises costs directly attributable to purchase of inventories and bringing them to their present condition and to their present location. Cost is determined using the weighted average method.

***Financial instruments***

As of 1 January 2018, the Group and the Company classify financial instruments in three categories: amortized cost, fair value through other comprehensive income or the fair value through profit or loss.

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

In the ordinary course of operations, the Group and the Company use the following primary financial instruments:

- investments in subsidiaries, and
- investments in other financial instruments, which are presented in the balance sheet.

The Group and the Company recognize financial liabilities initially at their fair value plus transaction costs directly attributable to the acquisition or delivery of a financial liability. They are measured subsequently at amortized cost using the effective interest method.

***Investments in subsidiaries***

Investments in subsidiaries are carried initially at the nominal value of the investments in the separate financial statements. Subsequently, the method of cost less any impairment losses is applied.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***Investments in subsidiaries (continued)***

The Group consists of the Company and its subsidiaries. The Company prepares separate financial statements and consolidated financial statements for the Group.

In its separate financial statements, the Company recognizes and presents dividend receivables from its subsidiaries once the right to receive the dividend has been established.

***Investments in other financial instrument***

Investments in other financial instruments comprise financial assets and financial liabilities and they refer to the following categories:

- financial assets or financial liabilities at fair value through profit and loss,
- held-to-maturity investments,
- loans and receivables, and
- financial assets available for sale, depending on the intent at the point of their acquisition.

***Financial assets or financial liabilities at fair value through profit and loss***

The Group and the Company recognize financial assets and financial liabilities in the statement of financial position if and only if the Group and the Company become a party to the contractual provisions of the instrument.

Financial assets are designated as fixed in the case of financial investments for a period longer than one year for the purpose of earning or profit. Investments over a period of less than one year represent short-term financial assets.

A financial instrument is any contract resulting in the formation of a financial asset of a company and a financial liability or equity instrument of another company.

Financial assets are any assets that are:

a) cash,

b) equity instruments of another company,

c) contractual rights to:

i) receive cash or other financial assets from another company, or

ii) exchange financial assets or financial liabilities with another company under conditions that are potentially more favourable to the Group and the Company, or

d) a contract that will be settled or can be settled by the Group’s and the Company's own equity instruments and which represents:

i) non-derivative instrument for which the Group and the Company are or may be required to receive a variable number of its own equity instruments of another company, or

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Financial assets or financial liabilities at fair value through profit and loss (continued)***

ii) derivative that will be settled or can be settled in a manner different from the exchange of fixed amounts of money or other financial assets for the fixed number of the Group's and the Company's own equity instruments.

In the ordinary course of operations, the Group and the Company use the following primary financial instruments:

- Investments in subsidiaries
- Trade receivables
- Loans given
- Cash and deposits
- Investments in other financial instruments as shown in the balance sheet.

Except for trade receivables, at initial recognition, the Group and the Company measure the financial asset or financial liability at its fair value.

At initial recognition, the Group and the Company measure trade receivables that do not have a significant financial component (determined in accordance with IFRS 15) at their transaction price.

After initial recognition, the entity measures the financial assets by:

(a) amortized cost;

(b) fair value through other comprehensive income, or

(c) fair value through profit or loss.

*Classification of financial assets*

The classification and measurement of financial assets is based on the characteristics of contracted cash flows of financial assets and, for financial assets, whose contractual cash flows represent the remaining principal and interest payments, on the business model of the Group and the Company related to asset management. Depending on the business model, financial assets are classified as "held for collection" contractual cash flows (measured at amortized cost), assets "held for collection and sale" (measured at fair value through other comprehensive income) or "held for other purposes" (measured at fair value through profit or loss).

*Impairment of financial assets:*

At each reporting date, the Group and the Company measure the impairment allowance for a financial instrument in the amount equal to the expected credit losses if the credit risk for that financial instrument has increased significantly from the initial recognition.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***Financial assets or financial liabilities at fair value through profit and loss (continued)***

If, on the reporting date, the credit risk on the financial instrument has not increased significantly from the initial recognition, the Group and the Company shall measure the loss adjustment for this financial instrument in the amount equal to the 12-month expected credit losses.

The Group and the Company recognize in profit or loss, as the profit or loss on impairment, the amount of expected credit losses (or cancellations).

At each reporting date, the Group and the Company estimate whether there has been a significant increase in credit risk for financial instruments from initial recognition. When making an estimate, the Group and the Company use the changes in the risk of non-payment occurred during the expected life of the financial instrument instead of the change in expected credit losses. To make an estimate, the Group and the Company compare the risk of non-payment occurred for the financial instrument on the reporting date with the risk of non-payment occurred for the financial instrument on the date of initial recognition and takes into account reasonable and acceptable information.

*Expected future trends*

The Group and the Company will include forward-looking information when assessing whether the credit risk of the instrument has increased significantly from the initial recognition and when calculating the expected credit loss.

*Derecognition of financial assets*

The Group and the Company cease to recognize financial assets when:

(a) contractual rights to cash flows from financial assets expire, or

(b) they transfer financial assets and the transfer fulfils the terms for the termination of recognition.

*Transfer of financial assets*

An entity transfers financial assets when:

(a) it transfers contractual rights to receive cash flows from financial assets, or

(b) it retains contractual rights to receive cash flows from financial assets, while assuming a contractual obligation to pay cash flows to one or more recipients in the arrangement.

*Financial liabilities and equity instruments*

A financial liability is any obligation that is:

a) a contractual obligation to:

i) deliver cash or other financial assets to another company, or

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Financial assets or financial liabilities at fair value through profit and loss (continued)***

ii) exchange financial assets or financial liabilities with another company under conditions that are potentially less favourable to the Group and the Company; or

b) a contract that will be or can be settled with the Group and the Company's own equity instruments and represents:

i) non-derivative instrument for which the Group and the Company will be or may be required to deliver a variable number of the Group's and the Company's own equity instruments, or

ii) derivative that will be or can be settled in a manner different from the exchange of fixed amounts of money or other financial assets for the fixed number of own equity instruments of the Group and the Company. For this purpose, the entity's own equity instruments do not include instruments that are contracts for the future receipt or delivery of the equity instruments of the entity.

At initial recognition, the Group and the Company measure a financial asset or financial liability at its fair value plus the transaction costs that are directly related to the acquisition or delivery of a financial asset or a financial liability. The initial recognition of a financial asset is made on the date of the contract.

***Hedge accounting***

The Group and the Company do not apply any forms of hedge accounting other than natural hedge.

***Provisions***

Provisions are recognized in the statement of comprehensive income and the statement of financial position when the Group and the Company have a legal or contractual obligation as a result of past events and when it is probable that an outflow of resources will be required to settle the obligation.

***Comparative data***

Where necessary, comparative data have been reconciled to reflect this year's view. The presentation is in accordance with the stated accounting policies.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's and the Company's accounting policies, which are described above, the Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on past experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Critical accounting judgements and key sources of estimation uncertainty (continued)**

*Useful life of property, plant, and equipment*

The determination of the useful life of assets is based on past experience involving similar assets, as well as on anticipated changes in the economic environment and industry-specific factors. The useful life is reviewed annually or whenever there are indications of significant changes in the underlying assumptions. We believe this accounting estimate is significant given the considerable share of depreciable assets in the total assets. Therefore, any change in the underlying assumptions could be material for the Group’s and the Company's financial position and the results of its operations.

*Impairment of financial assets*

At each reporting date, the Group and the Company estimate whether there has been a significant increase in credit risk for financial instruments from initial recognition. When making an estimate, the Group and the Company use the changes in the risk of non-payment occurred during the expected life of the financial instrument instead of the change in expected credit losses. To make an estimate, the Group and the Company compare the risk of non-payment occurred for the financial instrument on the reporting date with the risk of non-payment occurred for the financial instrument on the date of initial recognition and take into account reasonable and acceptable information.

A simplified approach is applied to trade receivables, where expected credit losses are recognized for the entire period of receivables.

*Actuarial estimates used in determining the retirement benefits*

The cost of defined benefits is determined using actuarial estimates. Actuarial estimates involve assumptions about discount rates, future salary increases and the mortality or fluctuation rates. Due to the long-term nature of those plans, there is uncertainty surrounding those estimates.

*Consequences of certain legal actions*

The Group and the Company are involved in lawsuits and proceedings arising in the ordinary course of business. Management uses estimates when the most likely consequences of those activities have been assessed and provisions are recognized on a consistent basis (see notes 24 and 29).

*Technological crude oil*

Technological crude oil is owned by the Group and the Company and it comprises the oil in pipeline and tanks which facilitates the transportation of commercial oil. Management estimates the amount of oil in circulation annually, according to an independent agency assessment.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Critical accounting judgements and key sources of estimation uncertainty (continued)**

*Corporate income tax*

Tax calculations are performed based on interpretations of current tax laws and regulations. Such calculations that support tax refunds must be reviewed and approved by local tax authorities.

*Regulation on elimination of disturbances on the domestic energy market*

On 9 September 2022, the Government of the Republic of Croatia adopted the Decree on Elimination of Disruptions in the Domestic Energy Market (Official Gazette 104/2022) and on 14 September 2022, the Decree on Amendments to the Regulation on Elimination of Disruptions on the Domestic Market (Official Gazette 106/2022) regulating special measures for electricity trade, the method and conditions of price formation for certain categories of electricity and thermal energy buyers, supervision over the application of prices determined by the Decree, and special conditions for performing energy activities. The specified special measures are temporary and are prescribed for the period from 1 October 2022 to 31 March 2024. On the basis of the aforementioned regulation, the Group and the Company reduced material costs of the period in the amount of EUR 52 thousand in the statement of comprehensive income.

*The impact of the conflict in Ukraine on the Company's operations*

The start of Russian military activities on the territory of Ukraine in February 2022 and the introduction of sanctions by the European Union against Russia will consequently have a significant direct or indirect impact on the economy of the Republic of Croatia. Given that the Group and the Company represent an infrastructure system that is of strategic importance for the Republic of Croatia as one of the largest economic entities in Croatia, it is extremely important in crisis conditions to ensure regular operations and orderly production, distribution, and supply of energy products to the full extent.

Considering the overall operations of the Group and the Company, the current conflict on the territory of Ukraine will not have a major impact on the continuation of the Group’s and the Company's operations in terms of loss of own assets or assumption of new liabilities, since the Group and the Company do not have own assets in that area and do not carry out significant commercial activities in that area.

From the beginning of the aforementioned conflict, the Group and the Company have been analysing energy procurement and consumption and modelling energy procurement optimization scenarios due to the increase in prices of input parameters, a possible decline in overall economic activity and poorer collection of receivables. Thanks to the previous successful operations and the implemented optimization measures, the Group and the Company have a sufficient amount of cash resources that enable regular operations in the short term.

Regarding Russia's military actions on the territory of Ukraine and the effects of sanctions on Russia and exposure to Russia, the Group and the Company monitor the development of events on a daily basis and are in constant contact with system users and other key participants.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Critical accounting judgements and key sources of estimation uncertainty (continued)

*The impact of the conflict in Ukraine on the Company's operations (continued)*

The Group and the Company are able to adapt their operations to the demands of users and alternative business scenarios in the market of crude oil transportation and storage of crude oil and petroleum products.

On 10 January 2025, the US Department of Treasury introduced a sanctions package targeting the energy sector of the Russian Federation due to the military actions of the Russian Federation in Ukraine, aimed at further restricting the operations and revenues of Russian energy companies. The anticipated commencement date of the sanctions, including also the company NIS a.d., with which JANAF d.d. has a crude oil transportation agreement for the period from 1 January 2024 to 31 December 2026, was 27 February 2025. This Agreement reserves transport capacities of JANAF on a "ship-or-pay" basis for a total quantity of 10 million tons of crude oil. In coordination with a U.S. law firm and with the support of the Government of the Republic of Croatia, the Company obtained a license from OFAC, the agency of the U.S. Department of the Treasury responsible for the implementation of sanctions, which permits JANAF d.d. to continue executing the Crude Oil Transportation Agreement concluded with NIS a.d. for a further period of 30 days, i.e., until 28 March 2025.

The Company will continue to undertake all available activities with the competent authorities, and to develop business models to ensure stable operations, in order to maintain business at a level that guarantees the satisfaction of shareholders, business partners, and employees in the future period as well.

The Group and the Company are actively monitoring the situation and are taking all available measures to maintain business at a level that guarantees the satisfaction of shareholders, business partners, and employees in the future period as well.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Segment information**

Based on the management approach of IFRS 8, operating segments are reported in accordance with internal reporting to the Company's Management, whose function is to make major business decisions and the responsibility for allocating resources to reporting segments and evaluating their results.

The Company monitors its business operations by types of services it performs, comprising three main operating segments: transportation of crude oil, storage of crude oil and petroleum products.

Information on individual operating segments for the year ended 31 December 2024 are as follows:

Domestic sales, accounting for 30.5% of operating income of the current accounting period, are by 2.8% lower than previous year, and by 8.0% higher than planned due to higher income from the storage of crude oil than the amounts planned. Foreign sales, accounting for 68.5% of operating income of the reporting period are by 18.8% lower than the previous year's amounts due to less income from the transportation of crude oil for foreign customers, and as compared to the planned amounts, they are by 3.5% higher.

In the reporting period, the Group and the Company generated income from the transportation of crude oil in the amount of EUR 81.3 million (65.2% of income from the core business), income from the storage of crude oil in the amount of EUR 28.0 million (22.5% of income from the core business), and income from the storage of petroleum products in the amount of EUR 15.4 million (12,3% of income from the core business).

*(all amounts are expressed in thousands of EUR)*

**3. SALES REVENUE**

The core activities of the Company are divided into crude oil transportation and storage of crude oil and petroleum products.

| | **JANAF GROUP** | | **JANAF D.D.** | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| Crude oil transportation | 81,308 | 101,648 | 81,308 | 101,648 |
| Crude oil storage | 28,021 | 30,139 | 28,021 | 30,139 |
| Storage of petroleum products | 15,401 | 14,937 | 15,401 | 14,937 |
| Revenue from electricity generation | 623 | - | - | - |
| Other | 987 | 195 | 987 | 195 |
| | **126,340** | **146,919** | **125,717** | **146,919** |

Operating income is generated from the core activities of the Group and Company on the domestic and international markets.

| | **JANAF GROUP** | | **JANAF D.D.** | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| Domestic market | | | | |
| Crude oil storage | 17,018 | 18,990 | 17,018 | 18,990 |
| Storage of petroleum products | 15,401 | 14,937 | 15,401 | 14,937 |
| Crude oil transportation | 5,349 | 5,744 | 5,349 | 5,744 |
| Revenue from electricity generation | 623 | - | - | - |
| Other | 969 | 176 | 969 | 176 |
| **Total domestic market** | **39,360** | **39,847** | **38,737** | **39,847** |
| International market | | | | |
| Crude oil transportation | 75,959 | 95,904 | 75,959 | 95,904 |
| Crude oil storage | 11,003 | 11,149 | 11,003 | 11,149 |
| Other | 18 | 19 | 18 | 19 |
| **Total international market** | **86,980** | **107,072** | **86,980** | **107,072** |
| | **126,340** | **146,919** | **125,717** | **146,919** |

### 3. SALES REVENUE (CONTINUED)

***Revenue from contracts with customers***

In the operations of JANAF GROUP and JANAF d.d., invoicing is carried out monthly for services rendered in the previous month. Clients usually pay within 15 to 30 days.

The Group and the Company transfer control of the service over a period of time and therefore fulfil their obligation over a period of time and recognize income as the customer simultaneously receives and uses the benefits arising from the service that the customer receives from the Group and the Company. The Group and the Company use the output method to measure progress towards full completion of their obligations. Through output methods the income is recognized on the basis of direct measurement of the value that the services transferred up to a given date have for the customer, in relation to the remaining services promised by the contract. The Group and the Company use a practical solution from IFRS 15.B16 since they have the right to a client's compensation in the amount that directly corresponds to the value; recognize revenue in the amount that they have the right to invoice.

***Nature, time of fulfilment of obligations and significant payment conditions***

Below is a description of the services provided by the Group and the Company, which form the basis for generating their revenue:

| Type of service | Nature, time of fulfilment of obligations and significant payment conditions |
|---|---|
| **Crude oil transportation** | The Group and the Company fulfil their obligations regarding revenues from crude oil transportation services while the services are provided in the month preceding the invoicing. Customers reserve transportation capacities on a "lot for empty" principle for contracted oil tonnage. The transportation service includes: the receipt of oil with characteristics falling within the limit values individually agreed upon, and its transport through the Group's and the Company's system to the agreed-upon location. Contracts do not have a significant funding component; the payment time frame explicitly agreed by the contracting parties does neither allow the customer nor the Group or the Company to benefit significantly from the financing of the transfer of services to the customer. Usual payment terms are within 15 to 30 days. The amount of the fees is variable in the case of overpassing the limits contracted and listed in the technical conditions for access to the Group's and the Company's transport capacities. Contracts with customers are usually concluded for a period of one or more years. |
| **Crude oil storage** | The Group and the Company fulfil their obligations related to the revenues from the crude oil storage services while the services are provided in the month preceding the invoicing. Customers of the Group and the Company reserve the capacities on the "lot for empty" principle for contracted capacity in cubic meters. The storage service includes: receipt, storage, and delivery of crude oil at customer's request (handling). Contracts do not have a significant funding component; the payment time frame explicitly agreed by the contracting parties does neither allow the customer nor the Group or the Company to benefit significantly from the financing of the transfer of services to the customer. Usual payment terms are within 30 days. Contracts with customers are usually concluded for a period of one or more years. |

### 3. SALES REVENUE (CONTINUED)

***Nature, time of fulfilment of obligations and significant payment conditions (continued)***

| Type of service | Nature, time of fulfilment of obligations and significant payment conditions |
|---|---|
| **Storage of petroleum products** | The Group and the Company fulfil their obligations related to the revenues from the storage of petroleum product services while the services are provided in the month preceding the invoicing. Customers of the Group and the Company reserve the capacities on the "lot for empty" principle for contracted capacity in cubic meters. The storage service includes: receipt, storage, and delivery of petroleum products at customer's request (handling). Contracts do not have a significant funding component; the payment time frame explicitly agreed by the contracting parties does neither allow the customer nor the Group or the Company to benefit significantly from the financing of the transfer of services to the customer. Usual payment terms are within 30 days. Contracts with customers are usually concluded for a period of one or more years. |
| **Electricity generation services** | The Group and the Company fulfil their obligations related to the revenue from electricity generation using photovoltaic panels of a non-integrated solar power plant. Services are provided in the month preceding the invoicing. The customer is obligated to receive and pay for all electricity supplied to the power grid. The schedule for electricity delivery is determined by the producer, who is required to notify in advance of any planned unavailability or reduction in the production plant's capacity. Contracts do not have a significant funding component; the payment time frame explicitly agreed by the contracting parties does neither allow the customer nor the Group or the Company to benefit significantly from the financing of the transfer of services to the customer. Usual payment terms are within 30 days. Contracts with customers are usually concluded for a period of one year. |

*(all amounts are expressed in thousands of EUR)*

## 4. OTHER INCOME

Other income generated by the Group and the Company representing intragroup transactions are eliminated in the Group's consolidated financial statements.

| | JANAF GROUP | | JANAF D.D. | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| Income from inventory surpluses | 814 | 51 | 814 | 51 |
| Rental income | 194 | 203 | 194 | 204 |
| Subsequent revenues from previous periods | 29 | 5 | 29 | 5 |
| Revenues from cancellation of provisions and adjustment of long-term liabilities | 28 | 62 | 28 | 62 |
| Revenues from collected written-off receivables and litigations | 4 | 58 | 4 | 58 |
| Other operating income | 180 | 30 | 173 | 30 |
| | **1,249** | **409** | **1,242** | **410** |

## 5. MATERIAL EXPENSES

| | JANAF GROUP | | JANAF D.D. | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| Costs of raw materials and supplies: | | | | |
| Operating electricity costs | 4,361 | 9,148 | 4,359 | 9,148 |
| Costs of materials and spare parts | 657 | 655 | 656 | 655 |
| Fuel and lubricant for vehicles | 224 | 234 | 224 | 234 |
| Other energy costs | 244 | 277 | 242 | 277 |
| | **5,486** | **10,314** | **5,481** | **10,314** |
| Other costs: | | | | |
| Maintenance services | 5,039 | 3,303 | 5,033 | 3,303 |
| Costs of production services | 3,519 | 2,973 | 3,514 | 2,973 |
| Advertising, public relations and sponsorship costs | 2,152 | 1,768 | 2,152 | 1,768 |
| Other external services (Intellectual services) | 2,013 | 1,687 | 1,998 | 1,687 |
| License maintenance costs | 481 | 361 | 481 | 361 |
| Leases | 319 | 279 | 320 | 279 |
| Right of easement | 246 | 131 | 245 | 131 |
| Business premises cleaning services | 208 | 174 | 208 | 174 |
| Vehicle inspection, vehicle maintenance and other maintenance costs | 139 | 151 | 139 | 151 |
| Environmental protection services | 107 | 89 | 107 | 89 |
| Transport and postal services | 98 | 95 | 98 | 95 |
| Physical examinations and other health services | 3 | 4 | 3 | 4 |
| Other material costs | 509 | 383 | 492 | 382 |
| | **14,833** | **11,398** | **14,790** | **11,397** |
| | **20,319** | **21,712** | **20,271** | **21,711** |

Other external services include the fee for the statutory audit of annual financial statements in the amount of EUR 33 thousand (2023: EUR 22 thousand). Tax consulting services in the current year amounted to EUR 19 thousand (2023: EUR 35 thousand). Other consulting services, except audit and tax services amounted to EUR 607 thousand (2023: EUR 206 thousand).

*(all amounts are expressed in thousands of EUR)*

## 6. EMPLOYEE COSTS

| | JANAF GROUP | | JANAF D.D. | |
|---|---|---|---|---|
| | **2024.** | **2023.** | **2024.** | **2023.** |
| Gross salaries | 14,793 | 13,673 | 14,782 | 13,673 |
| Salary contributions | 2,506 | 2,253 | 2,505 | 2,253 |
| | **17,299** | **15,926** | **17,287** | **15,926** |
| Capitalized personnel costs | (702) | (691) | (702) | (691) |
| Total personnel costs | **16,597** | **15,235** | **16,585** | **15,235** |
| Thereof, gross salary costs are divided into: | | | | |
| Net salaries | 10,079 | 9,409 | 10,071 | 9,409 |
| Taxes and contributions from salaries | 4,714 | 4,264 | 4,711 | 4,264 |
| | **14,793** | **13,673** | **14,782** | **13,673** |

As at 31 December 2024, the Group and the Company had 441 employees (31 December 2023: 435 employees).

The average actual number of employees in the current year was 438 employees (2023: 429 employees). The average number of employees based on working hours was 427 employees (2023: 418 employees).

Of the stated amounts of employee costs of EUR 17,287 thousand (2023: EUR: EUR 15,926 thousand), EUR 702 thousand (2023: EUR 691 thousand), were capitalized, and in the statement of comprehensive income, personnel costs were reduced by the stated amounts and recognized as investments.

Based on the reward system, total employee costs of the current year are increased by a short-term provision for a liability arising from the Collective agreement in the amount of EUR 820 thousand which will be paid in the following year. (2023: EUR 869 thousand).

Employee costs for the Group include EUR 2.891 thousand (2023: EUR 2,636 thousand) and for the Company EUR 2,890 thousand (2023: EUR 2,636 thousand) paid pension insurance contributions to mandatory pension funds, calculated as a percentage of the employee's gross salary. In 2024, 18 new employees were hired, and at the same time, 12 employees left the Group and the Company.

## 7. DEPRECIATION

| | JANAF GROUP | | JANAF D.D. | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| Property, plant, and equipment | 25,495 | 25,851 | 25,315 | 25,851 |
| Intangible assets | 3,012 | 3,629 | 3,012 | 3,629 |
| Right-of-use assets | 304 | 270 | 304 | 270 |
| | **28,811** | **29,750** | **28,631** | **29,750** |

In 2024, depreciation for the Group amounted to EUR 28,811 thousand (2023: EUR 29,750 thousand) and for the Company EUR 28,631 thousand (2023: EUR 29,750 thousand). Depreciation is calculated using the straight-line method on the individual cost of intangible assets, property, plant, and equipment, without adjustment for residual value, at depreciation rates determined by the accounting policies of the Company.

*(all amounts are expressed in thousands of EUR)*

## 8. OTHER EXPENSES

| | JANAF GROUP | | JANAF D.D. | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| Insurance | 2,144 | 1,562 | 2,139 | 1,562 |
| Severance pay and other employee benefits | 1,653 | 1,255 | 1,653 | 1,255 |
| Utility and concession fees | 1,476 | 1,482 | 1,476 | 1,482 |
| Travel expenses | 395 | 418 | 395 | 418 |
| Education | 354 | 238 | 354 | 238 |
| Transport to work | 331 | 297 | 331 | 297 |
| Membership fees to associations | 49 | 56 | 49 | 56 |
| Remuneration to members of the Supervisory and Audit Boards | 48 | 50 | 48 | 50 |
| Reserve costs | 42 | 37 | 42 | 37 |
| Bank charges | 32 | 28 | 32 | 27 |
| Other expenses | 101 | 112 | 97 | 111 |
| | **6,625** | **5,535** | **6,616** | **5,533** |

Severance pays and other employee benefits include all the obligations under the Collective Agreement and Decisions adopted.

## 9. VALUE ADJUSTMENT

| | JANAF GROUP<br>JANAF D.D. | |
|---|---|---|
| | **2024** | **2023** |
| Impairment losses on receivables | 2,466 | 2,859 |
| Value adjustment of fixed and current assets | 73 | 11,606 |
| | **2,539** | **14,465** |

The value adjustment of fixed and current assets in the amount of EUR 73 thousand (2023: EUR 11,606 thousand) refers to the present value of fixed tangible and intangible assets, value adjustment of inventories during the year, and identified inventory deficits and expenses.

In the current year, a value adjustment of due but unpaid trade receivables in the amount of EUR 2,466 thousand (2023: EUR 2,859 thousand) was carried out, the collectability of which is estimated to be doubtful.

*(all amounts are expressed in thousands of EUR)*

**10. PROVISIONS**

| | JANAF GROUP JANAF D.D. 2024 | 2023 |
|---|---|---|
| Provisions for unused vacation days | 179 | 18 |
| Provisions for severance pay | 111 | - |
| Provisions for contractual obligations towards employees | 78 | 60 |
| Provisions for legal and other litigations | 28 | 98 |
| Provisions for jubilee awards | 14 | - |
| | **410** | **176** |

Provision costs are equal for the Company and the Group.

**11. OTHER OPERATING EXPENSES**

Other operating expenses of the Group in the amount of EUR 1,199 thousand and of the Company in the amount of EUR 1,191 thousand (2023: EUR 203 thousand for the Group and the Company) refer to subsequently determined expenses from previous periods, damages, donations, and other.

**12. NET FINANCIAL INCOME**

| | JANAF GROUP | | JANAF D.D. | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| Interest income | 7,617 | 4,564 | 7,535 | 4,564 |
| Positive exchange rate differences | 1,330 | 1,437 | 1,331 | 1,437 |
| Income from interest charged to subsidiaries | - | - | 312 | - |
| | **8,947** | **6,001** | **9,178** | **6,001** |
| Unrealized expenses (losses) form impairment of shares | - | (1,636) | - | (1,636) |
| Negative exchange rate differences | (834) | (1,184) | (834) | (1,184) |
| Interest on right-of-use assets | (39) | (21) | (39) | (21) |
| Interest on liabilities on loans and borrowings, default interest and other financial expenses | (120) | (4) | (17) | (4) |
| **Total financial expenses** | **(993)** | **(2,845)** | **(890)** | **(2,845)** |
| **Net financial income** | **7,954** | **3,156** | **8,288** | **3,156** |

In 2024, the Group and the Company recorded a net foreign exchange gain of EUR 497 thousand (2023: EUR 253 thousand for the Group and the Company), as a result of the increase in the US dollar exchange rate against the Euro during the year. Net financial profit from interest in the current year amounted for the Group to EUR 7,458 thousand and for the Company to EUR 7,791 thousand (2023: EUR 4,539 thousand for the Group and the Company).

In 2024, the Company charged interest on a loan given to a subsidiary in the amount of EUR 312 thousand.

As at 31 December 2023, a value adjustment of the investment in the shares of Petrokemija d.d. has been carried out to the lower market value determined by the appraisal, amounting to EUR 1,636 thousand.

*(all amounts are expressed in thousands of EUR)*

## 13. PROFIT TAX

| | JANAF GROUP | | JANAF D.D. | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| Current tax | 11,160 | 14,443 | 11,130 | 14,443 |
| Deferred tax | (498) | (3,008) | (498) | (3,008) |
| **Tax expense** | **10,662** | **11,435** | **10,632** | **11,435** |
| **Profit before tax** | **59,043** | **63,408** | **59,004** | **63,412** |
| Income tax at the prescribed rate | 10,649 | 11,414 | 10,621 | 11,414 |
| The effect of permanent differences | 13 | 21 | 11 | 21 |
| **Tax expense** | **10,662** | **11,435** | **10,632** | **11,435** |

Profit tax has been determined on the basis of taxable profit in accordance with tax regulations in force. Profit tax is calculated by applying the rate of 18% to the taxable profit for the financial year.

In accordance with the Croatian regulations, the Tax Administration may at any time audit the Company's books and records for a period of 3 years following the year in which the tax liability is declared and may impose additional tax liabilities and penalties.

In 2023, the Company corrected an error related to calculated depreciation of assets in use that were not used, and, in 2024, filed corrections of profit tax returns for 2021 and 2022 and settled the additional profit tax liability.

The subsidiary PRUDENS CONSILIUM - d.o.o. generated gross profit in the current year in the amount of EUR 284 thousand and disclosed a profit tax liability in the amount of EUR 31 thousand.

The subsidiary JANAF OIE d.o.o. generated loss in the current year in the amount of EUR 104 thousand (2023: EUR 4 thousand) and did not disclose a profit tax liability. The subsidiary Solar Energy Vođinci d.o.o. generated loss in the current year in the amount of EUR 141 thousand and did not disclose a profit tax liability.

The subsidiaries' tax losses carried forward are shown below:

| | **2024** | **2023** | **2022** |
|---|---|---|---|
| Tax loss carried forward from previous periods | 23 | 18 | 6 |
| Tax losses arisen in the current year | 245 | - | - |
| Tax losses used in the current year | - | - | - |
| Tax losses expired in the current year | - | - | - |
| **Tax losses to be carried forward to future periods** | **268** | **18** | **6** |

| Year of expiration of carried forward tax losses | From period | Amount of tax loss | Effect of tax loss (18%) |
|---|---|---|---|
| 2027 | 2022 | 6 | 1 |
| 2028 | 2023 | 18 | 3 |
| 2029 | 2024 | 245 | 44 |
| **Total** | | **269** | **48** |

*(all amounts are expressed in thousands of EUR)*

**13. PROFIT TAX (CONTINUED)**

During 2021, the Tax Administration started with the implementation of comprehensive supervision of profits for the year 2019. During 2022, a tax ruling was issued on the findings of the comprehensive supervision against which the Company appealed. In April 2023, the second-level tax administration upheld the appeal and issued a decision on returning the case for retrial. In November 2023, the first-level tax administration issued the same ruling as in 2022. In November 2023, the Company filed again an appeal against this tax ruling. On 8 May 2024, the second-level tax administration of the Ministry of Finance rejected the appeal and the Company made a payment of the profit tax liability in the amount of EUR 417 thousand, along with the associated interest of EUR 84 thousand. In July 2024, the Company filed a lawsuit with the Administrative Court in Zagreb seeking the annulment of the Ministry of Finance's ruling.

In 2024, a net increase of deferred tax assets for the Company was recorded in the amount of EUR 498 thousand (2023: EUR 3,008 thousand) relating to a net change of provisions for lawsuits and other non-tax-deductible expenses. Total deferred tax assets of the Group and the Company as of 31 December 2024 amount to EUR 4,102 thousand (2023: EUR 3,604 thousand).

Changes of deferred tax assets:

| | JANAF GROUP JANAF D.D. | | |
|---|---|---|---|
| | **Opening balance** | **Credited / (charged) to Statement of comprehensive income** | **Closing balance** |
| **2024** | | | |
| Provisions for default interest | 22 | (1) | 21 |
| Provisions for jubilee awards | 43 | 3 | 46 |
| Provisions for severance pay | 108 | 20 | 128 |
| Impairment of receivables | 515 | 443 | 958 |
| Non-tax-deductible expenses on inventories of materials and property, plant, and equipment | 2,280 | 14 | 2,294 |
| Right-of-use-assets | 4 | 1 | 5 |
| Investments in shares | 295 | - | 295 |
| Other non-tax-deductible provisions | 337 | 18 | 355 |
| | **3,604** | **498** | **4,102** |

*(all amounts are expressed in thousands of EUR)*

**13. PROFIT TAX (CONTINUED)**

Changes of deferred tax assets (continued):

| | Opening balance | Credited/(charged) to Statement of comprehensive income | Closing balance |
|---|---|---|---|
| **2023** | | | |
| Provisions for default interest | 22 | - | 22 |
| Provisions for jubilee awards | 48 | (5) | 43 |
| Provisions for severance pay | - | 108 | 108 |
| Impairment of receivables | - | 515 | 515 |
| Non-tax-deductible expenses on inventories of materials and property, plant, and equipment | 205 | 2,075 | 2,280 |
| Right-of-use-assets | 5 | (1) | 4 |
| Investments in shares | - | 295 | 295 |
| Other non-tax-deductible provisions | 316 | 21 | 337 |
| | **596** | **3,008** | **3,604** |

*(all amounts are expressed in thousands of EUR)*

**14. INTANGIBLE ASSETS JANAF GROUP**

| Item description | Patents, licenses, and other intangible assets | Goodwill | Assets on maritime demesne | Intangible assets under construction | Right-of-use assets - vehicles | Total |
|---|---|---|---|---|---|---|
| | | | | | | |
| **PURCHASE VALUE** | | | | | | |
| **Balance on 1 January 2023** | **39,870** | **-** | **51,838** | **1,262** | **1,290** | **94,260** |
| Direct increases | - | - | - | 1,263 | 390 | 1,653 |
| Transfer from tangible assets under construction | - | - | - | 7 | - | 7 |
| Transfer from tangible assets in use | 123 | - | - | - | - | 123 |
| Impairment of assets under preparation | - | - | - | (986) | - | (986) |
| Transfer from assets under preparation to assets in use | 1,133 | - | - | (1,133) | - | - |
| Decrease of assets (disposal or sale) | (3,946) | - | - | - | (245) | (4,191) |
| **Balance on 1 January 2024** | **37,180** | **-** | **51,838** | **413** | **1,435** | **90,866** |
| Direct increases | - | - | - | 510 | 401 | 911 |
| Acquisition of subsidiaries | - | 4,095 | - | - | - | 4,095 |
| Transfer from tangible assets under construction | - | - | - | 295 | - | 295 |
| Transfer to expenses | - | - | - | (17) | - | (17) |
| Transfer from assets under preparation to assets in use | 819 | - | - | (819) | - | - |
| Decrease of assets (disposal or sale) | (595) | - | - | - | (301) | (896) |
| **Balance on 31 December 2024** | **37,404** | **4,095** | **51,838** | **382** | **1,535** | **95,254** |

*(all amounts are expressed in thousands of EUR)*

**14. INTANGIBLE ASSETS JANAF GROUP (CONTINUED)**

| Item description | Patents, licenses, and other intangible assets | Goodwill | Assets on maritime demesne | Intangible assets under construction | Right-of-use assets - vehicles | Total |
|---|---|---|---|---|---|---|
| **DEPRECIATION** | | | | | | |
| **Balance on 1 January 2023** | **22,699** | **-** | **49,859** | **-** | **758** | **73,316** |
| Depreciation for the period | 3,470 | - | 314 | - | 270 | 4,054 |
| Transfer from tangible assets | 36 | - | - | - | - | 36 |
| Correction of current depreciation for correction of error of previous periods | (155) | - | - | - | - | (155) |
| Impairment of depreciated assets | (2,134) | - | - | - | (245) | (2,379) |
| **Balance on 1 January 2024** | **23,916** | **-** | **50,173** | **-** | **783** | **74,872** |
| Depreciation for the period | 2,698 | - | 314 | - | 304 | 3,316 |
| Impairment of depreciated assets | (595) | - | - | - | (301) | (896) |
| **Balance on 31 December 2024** | **26,019** | **-** | **50,487** | **-** | **786** | **77,292** |
| | | | | | | |
| **Net book value on 31 December 2024** | **11,385** | **4,095** | **1,351** | **382** | **749** | **17,962** |
| | | | | | | |
| **Net book value on 1 January 2024** | **13,264** | **-** | **1,665** | **413** | **652** | **15,994** |

*(all amounts are expressed in thousands of EUR)*

**14. INTANGIBLE ASSETS JANAF D.D. (CONTINUED)**

| Item description | Patents, licenses, and other intangible assets | Assets on maritime demesne | Intangible assets under construction | Right-of-use assets - vehicles | Total |
|---|---|---|---|---|---|
| | | | | | |
| **PURCHASE VALUE** | | | | | |
| **Balance on 1 January 2023** | **39,870** | **51,838** | **1,262** | **1,290** | **94,260** |
| Direct increases | - | - | 1,263 | 390 | 1,653 |
| Transfer from tangible assets under construction | - | - | 7 | - | 7 |
| Transfer from tangible assets in use | 123 | - | - | - | 123 |
| Impairment of assets under preparation | - | - | (986) | - | (986) |
| Transfer from assets under construction to assets in use | 1,133 | - | (1,133) | - | - |
| Decrease of assets (disposal or sale) | (3,946) | - | - | (245) | (4,191) |
| **Balance on 1 January 2024** | **37,180** | **51,838** | **413** | **1,435** | **90,866** |
| Direct increases | - | - | 510 | 401 | 911 |
| Transfer from tangible assets under construction | - | - | 295 | - | 295 |
| Transfer to expenses | - | - | (17) | - | (17) |
| Transfer from assets under construction to assets in use | 819 | - | (819) | - | - |
| Decrease of assets (disposal or sale) | (595) | - | - | (301) | (896) |
| **Balance on 31 December 2024** | **37,404** | **51,838** | **382** | **1,535** | **91,159** |

*(all amounts are expressed in thousands of EUR)*

**14. INTANGIBLE ASSETS JANAF D.D. (CONTINUED)**

| Item description | Patents, licenses, and other intangible assets | Assets on maritime demesne | Intangible assets under construction | Right-of-use assets - vehicles | Total |
|---|---|---|---|---|---|
| **DEPRECIATION** | | | | | |
| **Balance on 1 January 2023** | **22,699** | **49,859** | **-** | **758** | **73,316** |
| Depreciation for the period | 3,470 | 314 | - | 270 | 4,054 |
| Transfer from tangible assets | 36 | - | - | - | 36 |
| Correction of current depreciation for correction of error of previous periods | (155) | - | - | - | (155) |
| Impairment of depreciated assets | (2,134) | - | | (245) | (2,379) |
| **Balance on 1 January 2024** | **23,916** | **50,173** | **-** | **783** | **74,872** |
| Depreciation for the period | 2,698 | 314 | - | 304 | 3,316 |
| Impairment of depreciated assets | (595) | - | - | (301) | (896) |
| **Balance on 31 December 2024** | **26,019** | **50,487** | **-** | **786** | **77,292** |
| | | | | | |
| **Net book value on 31 December 2024** | **11,385** | **1,351** | **382** | **749** | **13,867** |
| | | | | | |
| **Net book value on 1 January 2024** | **13,264** | **1,665** | **413** | **652** | **15,994** |

*(all amounts are expressed in thousands of EUR)*

### 14. INTANGIBLE ASSETS JANAF GROUP AND JANAF D.D. (CONTINUED)

In 2024, investments in intangible assets under constructions in the amount of EUR 510 thousand (31 December 2023: EUR 1,263 thousand) were carried out.

Based on the acquisition of subsidiaries, goodwill in the amount of EUR 4,095 thousand is disclosed in the consolidated financial statements for 2024.

***Patents, licenses, and other intangible assets***

Patents, licenses and other intangible assets mainly consist of investments in monitoring and control system software in the amount of EUR 4,635 thousand (31 December 2023: EUR 6,312 thousand), easement right in the amount of EUR 338 thousand (31 December 2023: EUR 338 thousand), licenses and other software in the total amount of EUR 2,116 thousand (31 December 2023: EUR 2,313 thousand), other intangible assets mainly referring to right to use an increased connection power and maintaining traffic infrastructure not owned by the Group and the Company in the amount of EUR 4,295 thousand 31 December 2023: EUR 4,300 thousand) and assets on maritime demesne.

***Ownership of assets on maritime demesne***

In accordance with the existing law, the assets on maritime demesne are state-owned under the Maritime Demesne Concession Agreement concluded in 2003 between the Port Authorities of Rijeka, on behalf of the Croatian Government, and the Company. The concession is contracted for a period of 32 years starting from 4 June 2003. At 31 December 2024, the net book value of assets on maritime demesne amounted to EUR 1,351 thousand (31 December 2023: EUR 1,665 thousand), which represents 2.6% of the purchase cost.

### 14.1. RIGHT-OF-USE ASSETS

**General information**

The Group and the Company rent vehicles, which are mainly used to conduct business activities.

In each individual contract, the rental period is 5 years.

**Assets**

The item intangible assets relates to assets owned by the Group and the Company and leased assets. As on the balance sheet date, 31 December 2024, the Group and the Company have right-of-use assets also relating to lease contracts of passenger cars. New acquisitions of right-of-use assets during 2024 amount to EUR 401 thousand (2023: EUR 390 thousand).

| | **31.12.2024** | **31.12.2023** |
|---|---|---|
| Interest expense on lease obligations | 39 | 21 |
| Depreciation of right-of-use assets | 304 | 270 |
| Costs of short-term leases of low-value assets | 294 | 251 |

*(all amounts are expressed in thousands of EUR)*

**14. INTANGIBLE ASSETS JANAF GROUP AND JANAF D.D. (CONTINUED)**

**14.1. RIGHT-OF-USE ASSETS (CONTINUED)**

The entire amount of depreciation relates to the value adjustment of right-of-use assets on the basis of passenger cars lease.

The Group and the Company made use of the exemption of application in accordance with provisions of IFRS 16 for low value contracts and short-term leases.

**Liabilities for right-of-use assets**

As of the balance sheet date, 31 December 2024, the Group and the Company have lease liabilities in the amount of EUR 772 thousand (31 December 2023: EUR 670 thousand), which are classified within Liabilities for right-of-use assets..

- Maturity analysis - contracted undiscounted cash outflows

| Maturity analysis | 2024 | 2023 |
|---|---|---|
| **< 1 year** | 281 | 263 |
| **1-5 years** | 557 | 455 |
| **> 5 years** | - | - |
| **Total undiscounted lease liabilities** | 838 | 718 |
| **Lease liabilities included in the balance sheet on 31 December** | 772 | 670 |

The Group and the Company estimates that there is no liquidity risk associated with lease liabilities.

**Rental income**

The Group and the Company generate rental income in the following categories:

- Income from operating lease includes:

| Rental income | 2024 | 2023 |
|---|---|---|
| Business premises rental | 76 | 86 |
| Equipment rental | 118 | 118 |

The following table shows an analysis of the maturity of future lease payments, showing the undiscounted payments that will be received on an annual basis as minimum amounts:

| Income from business premises rental | 2024 |
|---|---|
| **1 year** | 81 |
| **1-2 years** | 81 |
| **2-3 years** | 81 |
| **3-4 years** | 81 |
| **4-5 years** | 81 |
| **Remaining amount until the end of the contract** | - |
| **Total** | **405** |

**Cash flows from leases**

Cash flows from leases from operating activities in 2024 amounted to EUR 39 thousand (31 December 2023: EUR 21 thousand) the Group and the Company based on interest expenses, while from financial activities they amounted to EUR 297 thousand (31 December 2023: EUR 276 thousand) on the basis of lease liabilities.

*(all amounts are expressed in thousands of EUR)*

**15. PROPERTY, PLANT AND EQUIPMENT JANAF GROUP**

| Item description | Land | Buildings | Plant and equipment | Tools, power inventory and vehicles | Prepayments for property, plant and equipment | Property, plant and equipment under construction | Technological oil and other tangible assets | Total |
|---|---|---|---|---|---|---|---|---|
| **PURCHASE VALUE** | | | | | | | | |
| **Balance on 1 January 2023** | **50,156** | **935,258** | **281,221** | **13,100** | **1,731** | **18,607** | **34,391** | **1,334,464** |
| Direct increases | - | - | - | - | - | 18,758 | - | 18,758 |
| Transfer from assets under construction to assets in use | - | 4,161 | 3,775 | 1,569 | - | (9,505) | - | - |
| Transfer to intangible assets under construction | - | - | - | - | - | (7) | - | (7) |
| Transfer to intangible assets in use | - | - | (123) | - | - | - | - | (123) |
| Transfer to expenses | - | - | - | - | - | (21) | - | (21) |
| Transfer to expenses based on corrections of previous periods | - | - | - | - | - | (314) | - | (314) |
| Increase in prepayments | - | - | - | - | 1,244 | - | - | 1,244 |
| Reduction of prepayments | - | - | - | - | (1,929) | - | - | (1,929) |
| Value adjustment of assets under construction | - | - | - | - | - | (4,036) | - | (4,036) |
| Decrease of assets | - | (779) | (8,055) | (273) | - | - | (30) | (9,137) |
| Sale / donation of assets | - | - | (8) | (7) | - | - | - | (15) |
| **Balance on 1 January 2024** | **50,156** | **938,640** | **276,810** | **14,389** | **1,046** | **23,482** | **34,361** | **1,338,884** |
| Direct increases | - | - | - | - | - | 18,235 | 811 | 19,046 |
| Increase based on acquisition of subsidiaries | 487 | - | 3,082 | - | 880 | 9,102 | - | 13,551 |
| Transfer to intangible assets under construction | - | - | - | - | - | (295) | - | (295) |
| Transfer from assets under construction to assets in use | - | 4,289 | 3,851 | 1,081 | - | (9,221) | - | - |
| Reclassification of investment material to inventories | - | - | - | - | - | (2,845) | - | (2,845) |
| Transfer to expenses | - | - | - | - | - | (550) | - | (550) |
| Transfer to inventories | - | - | - | - | - | (710) | - | (710) |
| Increase in prepayments | - | - | - | - | 270 | - | - | 270 |

*(all amounts are expressed in thousands of EUR)*

**15. PROPERTY, PLANT AND EQUIPMENT JANAF GROUP (CONTINUED)**

| Item description | Land | Buildings | Plant and equipment | Tools, power inventory and vehicles | Prepayments for property, plant and equipment | Property, plant and equipment under construction | Technological oil and other tangible assets | Total |
|---|---|---|---|---|---|---|---|---|
| Reduction of prepayments | - | - | - | - | (1,157) | - | - | (1,157) |
| Decrease of assets (disposal) | - | (497) | (155) | (160) | - | (37) | - | (849) |
| Sale / donation of assets | - | - | (13) | (33) | - | - | - | (46) |
| **Balance on 31 December 2024** | **50,643** | **942,432** | **283,575** | **15,277** | **1,039** | **37,161** | **35,172** | **1,365,299** |
| | | | | | | | | |
| **DEPRECIATION** | | | | | | | | |
| **Balance on 1 January 2023** | **-** | **645,378** | **168,876** | **9,516** | **-** | **-** | **-** | **823,770** |
| Depreciation for the period | - | 13,415 | 11,383 | 1,183 | - | - | - | 25,981 |
| Correction of current depreciation for correction of error of previous periods | - | (9) | (109) | (12) | - | - | - | (130) |
| Transfer to intangible assets in use | - | - | (36) | - | - | - | - | (36) |
| Decrease of assets | - | (779) | (3,660) | (272) | - | - | - | (4,711) |
| Sale / donation of assets | - | - | (8) | (7) | - | - | - | (15) |
| **Balance on 1 January 2024** | **-** | **658,005** | **176,446** | **10,408** | **-** | **-** | **-** | **844,859** |
| Depreciation for the period | - | 13,571 | 10,516 | 1,228 | - | - | - | 25,315 |
| Decrease of assets | - | (495) | (139) | (160) | - | - | - | (794) |
| Sale / donation of assets | - | - | (13) | (33) | - | - | - | (46) |
| **Balance on 31 December 2024** | **-** | **671,081** | **186,810** | **11,443** | **-** | **-** | **-** | **869,334** |
| | | | | | | | | |
| **Net book value on 31 December 2024** | **50,643** | **271,351** | **96,765** | **3,834** | **1,039** | **37,161** | **35,172** | **495,965** |
| **Net book value on 1 January 2024** | **50,156** | **280,635** | **100,364** | **3,981** | **1,046** | **23,482** | **34,361** | **494,025** |

*(all amounts are expressed in thousands of EUR)*

**15. PROPERTY, PLANT AND EQUIPMENT JANAF D.D.**

| Item description | Land | Buildings | Plant and equipment | Tools, power inventory and vehicles | Prepayments for property, plant and equipment | Property, plant and equipment under construction | Technological oil and other tangible assets | Total |
|---|---|---|---|---|---|---|---|---|
| **PURCHASE VALUE** | | | | | | | | |
| **Balance on 1 January 2023** | **50,156** | **935,258** | **281,221** | **13,100** | **1,731** | **18,607** | **34,391** | **1,334,464** |
| Direct increases | - | - | - | - | - | 18,758 | - | 18,758 |
| Transfer from assets under construction to assets in use | - | 4,161 | 3,775 | 1,569 | - | (9,505) | - | - |
| Transfer to intangible assets under construction | - | - | - | - | - | (7) | - | (7) |
| Transfer to intangible assets in use | - | - | (123) | - | - | - | - | (123) |
| Transfer to expenses | - | - | - | - | - | (21) | - | (21) |
| Transfer to expenses based on corrections of previous periods | - | - | - | - | - | (314) | - | (314) |
| Increase in prepayments | - | - | - | - | 1,244 | - | - | 1,244 |
| Reduction of prepayments | - | - | - | - | (1,929) | - | - | (1,929) |
| Value adjustment of assets under construction | - | - | - | - | - | (4,036) | - | (4,036) |
| Decrease of assets | - | (779) | (8,055) | (273) | - | - | (30) | (9,137) |
| Sale / donation of assets | - | - | (8) | (7) | - | - | - | (15) |
| **Balance on 1 January 2024** | **50,156** | **938,640** | **276,810** | **14,389** | **1,046** | **23,482** | **34,361** | **1,338,884** |
| Direct increases | - | - | - | - | - | 18,235 | 811 | 19,046 |
| Transfer to intangible assets under construction | - | - | - | - | - | (295) | - | (295) |
| Transfer from assets under construction to assets in use | - | 4,289 | 3,851 | 1,081 | - | (9,221) | - | - |
| Reclassification of investment material to inventories | - | - | - | - | - | (2,845) | - | (2,845) |
| Transfer to expenses | - | - | - | - | - | (550) | - | (550) |
| Transfer to inventories | - | - | - | - | - | (710) | - | (710) |
| Increase in prepayments | - | - | - | - | 270 | - | - | 270 |
| Reduction of prepayments | - | - | - | - | (1,157) | - | - | (1,157) |
| Decrease of assets (disposal) | - | (497) | (155) | (160) | - | (37) | - | (849) |

*(all amounts are expressed in thousands of EUR)*

**15. PROPERTY, PLANT AND EQUIPMENT JANAF D.D. (CONTINUED)**

| Item description | Land | Buildings | Plant and equipment | Tools, power inventory and vehicles | Prepayments for property, plant and equipment | Property, plant and equipment under construction | Technological oil and other tangible assets | Total |
|---|---|---|---|---|---|---|---|---|
| Sale / donation of assets | - | - | (13) | (33) | - | - | - | (46) |
| **Balance on 31 December 2024** | **50,156** | **942,432** | **280,493** | **15,277** | **159** | **28,059** | **35,172** | **1,351,748** |
| | | | | | | | | |
| **DEPRECIATION** | | | | | | | | |
| **Balance on 1 January 2023** | **-** | **645,378** | **168,876** | **9,516** | **-** | **-** | **-** | **823,770** |
| Depreciation for the period | - | 13,415 | 11,383 | 1,183 | - | - | - | 25,981 |
| Correction of current depreciation for correction of error of previous periods | - | (9) | (109) | (12) | - | - | - | (130) |
| Transfer to intangible assets in use | - | - | (36) | - | - | - | - | (36) |
| Decrease of assets | - | (779) | (3,660) | (272) | - | - | - | (4,711) |
| Property donation/sale | - | - | (8) | (7) | - | - | - | (15) |
| **Balance on 1 January 2024** | **-** | **658,005** | **176,446** | **10,408** | **-** | **-** | **-** | **844,859** |
| Depreciation for the period | - | 13,571 | 10,516 | 1,228 | - | - | - | 25,315 |
| Decrease of assets | - | (495) | (139) | (160) | - | - | - | (794) |
| Property donation/sale | - | - | (13) | (33) | - | - | - | (46) |
| **Balance on 31 December 2024** | **-** | **671,081** | **186,810** | **11,443** | **-** | **-** | **-** | **869,334** |
| | | | | | | | | |
| **Net book value on 31 December 2024** | **50,156** | **271,351** | **93,683** | **3,834** | **159** | **28,059** | **35,172** | **482,414** |
| | | | | | | | | |
| **Net book value on 1 January 2024** | **50,156** | **280,635** | **100,364** | **3,981** | **1,046** | **23,482** | **34,361** | **494,025** |

**15. PROPERTY, PLANT AND EQUIPMENT JANAF GROUP AND JANAF D.D. (CONTINUED)**

The decrease in the value of property, plant and equipment of the Group and the Company is the result of a lower value of new investments than the calculated depreciation in the current period. Investments in the current year mainly relate to investments rehabilitation of pipelines, to investments in general overhauls of tank spaces, safety system and environmental protection, electrical power system, IT solutions and equipment, and investments in facilities, buildings and equipment at terminals and routes..

***Fully depreciated property, plant and equipment in the Group and the Company***

Property, plant and equipment, with a purchase value of EUR 678,401 thousand, is still in use, although fully depreciated as of 31 December 2024 (31 December 2023: EUR 673,714 thousand), thereof EUR 419,225 (31 December 2023: EUR 413,109 thousand) relates to pipelines at acquisition cost, which are still in operation and used by the Company for its core activity - oil transportation.

In the current year, fully depreciated assets that are no longer in use were written off, with a total acquisition cost of EUR 797 thousand (31 December 2023: EUR 1,716 thousand). These assets primarily relate to the rehabilitation of tanks and pipelines, as well as electric power and IT equipment.

***Commitments***

As of the date of the financial statements, the value of commenced and contracted but unrealized purchases of property, plant and equipment in the Group and the Company amounted to EUR 18,764 thousand (31 December 2023: EUR 17,568 thousand).

***Technological oil***

Technological oil is oil owned by the Group and the Company that is located in the pipelines and tanks for the purpose of enabling the transport of crude oil. The value of technological oil, in the amount of EUR 35,133 thousand (31 December 2023: EUR 34,323 thousand) at the date of the financial statements, is stated at cost, i.e. at historical book value.

***Assets under construction***

Assets under construction in the Group and the Company represent unfinished investments in the construction of new tank space, rehabilitation of main pipelines and existing tank space and security and protection systems and electrical power engineering, and as at 31 December 2024 they amounted to EUR 28,059 thousand (31 December 2023: EUR 23,482 thousand). In the current year, investments were made in property, plant and equipment in the amount of EUR 18,235 thousand for the Company and in the amount of EUR 27,337 thousand for the Group (31 December 2023: EUR 18,737 thousand for the Group and for the Company), while assets in the amount of EUR 9,221 thousand (31 December 2023: EUR 9,505 thousand) were put in use. Investments of the subsidiary in the construction project of the sun power plant in Vođinci in the current year amounted to EUR 9,102 thousand.

*(all amounts are expressed in thousands of EUR)*

## 16. FINANCIAL ASSETS

| | JANAF GROUP | | JANAF D.D. | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| Time deposits up to 2 years | 30,400 | 30,000 | 30,000 | 30,000 |
| Loans to subsidiaries | - | - | 17,728 | - |
| Financial assets at fair value through profit or loss | 7,838 | 5,000 | 7,838 | 5,000 |
| Investments in subsidiaries | - | - | 5 | 5 |
| **LONG-TERM FINANCIAL ASSETS** | **38,238** | **35,000** | **55,571** | **35,005** |
| Time deposits with maturities over 3 months | 63,796 | 30,000 | 63,795 | 30,000 |
| **SHORT-TERM FINANCIAL ASSETS** | **63,796** | **30,000** | **63,795** | **30,000** |

During 2022 and 2023, the Company contracted a long-term MREL deposit in the amount of EUR 30,000 thousand (31 December 2023: EUR 30,000 thousand) for a period of 24 months. In 2024, the Company prolonged deposits for an additional period of 12 months. All deposits mature in 2026.

In 2018, in the process of share capital increase of Petrokemija d.d., the Company acquired a share of 9.09% in the share capital of Petrokemija d.d. by subscription and payment of 5,000,000 ordinary shares. In 2024, the Company participated in the process of share capital increase of the company PETROKEMIJA d.d. by a contribution in cash in the amount of EUR 2,838 thousand, through the subscription and payment of 2.762.700 new registered ordinary shares with a nominal value of 1.00 euro each, at a price of EUR 1,0272 for each share, whereby each fully paid share entitles to one vote. The capital increase payment was executed on 23 April 2024. In October 2024, the share capital registration was completed.

The aforementioned equity securities represent investments, which the Group and the Company intend to hold long-term for strategic purposes. In February 2022, the shares of Petrokemija d.d. were delisted from the Zagreb Stock Exchange. The Group and the Company assess, based on an independent appraiser's expert opinion, that the carrying amount recorded in the business books as at 31 December 2024 corresponds to the fair market value in the amount of EUR 7,838 thousand.

In 2023, the Company established the subsidiary JANAF GEO d.o.o. za istraživanje i eksploataciju geotermalnih voda, Miramarska cesta 24, Zagreb, Republic of Croatia, as its 100% owner. The share capital of the subsidiary amounts to EUR 5 thousand. In 2024, the company changed its company name to JANAF OIE d.o.o. za obnovljive izvore energije. During 2024, the Company granted a loan to the company in the amount of EUR 17,416 thousand for financing the acquisition of subsidiaries and for the construction of a photovoltaic power plant. As at 31 December 2024, accrued interest on the loan amount to EUR 312 thousand, calculated using the prescribed minimum rate for loans between related parties, which in 2024 amounted to 3.25 % p.a.

In May 2024, the subsidiary JANAF OIE d.o.o. entered into a Purchase Agreement for 100% of the shares in Solar Energy Vođinci d.o.o. and for investing in the solar power plant in Vođinci, near Vinkovci, with a planned installed capacity of 14,2857 MW and a connection capacity of 9,99 MW. The project is in the construction phase, and the expected commissioning date of the solar power plant in Vođinci is 1 March 2025.

In July 2024, JANAF OIE d.o.o. acquired 100% of business shares in the company PRUDENS CONSILIUM - d.o.o., thus acquiring the sun power plant Bulinec near Bjelovar, with an installed capacity of 5,1796 MW.

*(all amounts are expressed in thousands of EUR)*

## 17. INVENTORIES

The Group's and the Company's inventories consist of spare parts and materials in the total amount of EUR 6,794 thousand (31 December 2023: EUR 3,275 thousand).

Inventories of spare parts and consumables for maintenance are stated at cost and are calculated using the weighted average cost method.

Small inventory and car tires are written off in full when put into use.

In the current year, upon finalization of investment projects, material purchased for investment purposes was reclassified from fixed assets under construction to inventories of spare parts in the amount of EUR 2.845 thousand.

In the current year, a value adjustment of materials and spare parts for maintenance was carried out in the amount of EUR 55 thousand (31 December 2023: EUR 123 thousand).

## 18. TRADE AND OTHER RECEIVABLES

| | JANAF GROUP | | JANAF D,D, | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| Trade receivables for services other than related companies | 31,392 | 27,577 | 31,375 | 27,577 |
| Impairment of trade receivables | (5,324) | (2,859) | (5,324) | (2,859) |
| **Net trade receivables** | **26,068** | **24,718** | **26,051** | **24,718** |
| Interest receivables on time deposits | 2,176 | 1,307 | 2,176 | 1,307 |
| Receivables from the state and other institutions | 2,479 | 39 | 2,478 | 39 |
| Other receivables | 281 | 313 | 278 | 313 |
| **Total other receivables** | **4,936** | **1,659** | **4,932** | **1,659** |
| **Receivables from related parties** | - | - | - | - |
| | **31,004** | **26,377** | **30,983** | **26,377** |

At the date of financial statements, the total net balance of trade receivables of the Group amounted to EUR 26,068 thousand and of the Company to EUR 26,051 thousand (31 December 2023: EUR 24,718 thousand for the Group and for the Company), whereof EUR 25,451 thousand refer to undue receivables of the Group and ERU 25,434. thousand to undue receivables of the Company (31 December 2023: EUR 24,218 thousand for the Group and for the Company).

Trade receivables are charged in accordance with the agreed deadlines. Late payments are subject to statutory default interest. The contractual due dates range between 15 and 30 days.

The Group and the Company have a small number of customers to whom they provide their services, mostly long-lasting customers who settle their commitments within the specified payment deadlines.

In the case of new or unknown customers for oil storage, advance payment is usually required.

*(all amounts are expressed in thousands of EUR)*

## 18. TRADE AND OTHER RECEIVABLES (CONTINUED)

Movement in the allowance for trade receivables:

| | JANAF GROUP JANAF D.D. | |
|---|---|---|
| | **2024** | **2023** |
| **Balance on 1 January** | **2,859** | **-** |
| Increase (Loss from impairment of financial instruments) | 2,465 | 2,859 |
| Decrease (Receipts from impairment of financial instruments) | - | - |
| **Balance on 31 December** | **5,324** | **2,859** |

| | JANAF GROUP | | JANAF D.D. | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| Undue and unadjusted receivables | 25,451 | 24,218 | 25,434 | 24,218 |
| Due but unadjusted receivables | 617 | 500 | 617 | 500 |
| | **26,068** | **24,718** | **26,051** | **24,718** |

Age analysis of overdue trade receivables, not impaired:

| | JANAF GROUP JANAF D.D. | |
|---|---|---|
| | **31.12.2024** | **31.12.2023** |
| Up to 30 days | 153 | 499 |
| 31-60 days | 109 | - |
| 61-90 days | 324 | - |
| Over 90 days | 31 | 1 |
| | **617** | **500** |

*(all amounts are expressed in thousands of EUR)*

**19. CASH AND CASH EQUIVALENTS**

| | JANAF GROUP | | JANAF D.D. | |
|---|---|---|---|---|
| | **31.12.2024** | **31.12.2023** | **31.12.2024** | **31.12.2023** |
| Deposits with a term up to 3 months | 85,280 | 119,029 | 83,980 | 119,029 |
| Balance on the bank accounts | 3,259 | 5,259 | 2,846 | 5,258 |
| Cash in hand | 1 | 2 | 1 | 2 |
| | **88,540** | **124,290** | **86,827** | **124,289** |

The Group and the Company have opened accounts in the following banks: Zagrebačka banka d.d., Privredna banka Zagreb d.d., OTP banka d.d., Hrvatska poštanska banka d.d., Raiffeisenbank Austria d.d., Erste&Steiermarkische bank d.d., Agram banka d.d.

**20. SHARE CAPITAL**

On 31 December 2024, the share capital of the Company amounted to EUR 391,979 thousand (31 December 2023: EUR 391,979 thousand).

On 31 December 2024, the authorized and issued share capital consisted of 1,007,658 ordinary A-series shares (31 December 2023: 1,007,658 shares) with a nominal value of EUR 389,00 each (31 December 2023: EUR 389,00).

The market value of shares in 2024 ranged from EUR 820 to EUR 910.

The structure of the Company's share capital at the date of the financial statements was as follows:

| | 31.12.2024 | | 31.12.2023 | |
|---|---|---|---|---|
| | **Number of shares** | **%** | **Number of shares** | **%** |
| MINISTRY OF FINANCE / Croatian Pension Insurance Institute | 375,440 | 37.26 | 375,440 | 37.26 |
| CERP (Croatian Centre for Restructuring and Sale) | 264,812 | 26.28 | 264,812 | 26.28 |
| MINISTRY OF FINANCE / Republic of Croatia | 150,844 | 14.97 | 150,844 | 14.97 |
| INA – Industrija nafte d.d. Zagreb (oil company) | 118,855 | 11.80 | 118,855 | 11.80 |
| HEP d.d. (electricity company) | 53,981 | 5.36 | 53,981 | 5.36 |
| Other private and institutional investors | 43,726 | 4.33 | 43,726 | 4.33 |
| | **1,007,658** | **100.00** | **1,007,658** | **100.00** |

*(all amounts are expressed in thousands of EUR)*

### 21. CAPITAL RESERVES AND RESERVES FROM PROFIT

| | JANAF GROUP<br>JANAF D.D. | |
|---|---|---|
| | **31.12.2024** | **31.12.2023** |
| Capital reserves - Share premium | 7 | 7 |
| Legal reserves | 20,354 | 20,354 |
| Other reserves | 139,767 | 139,767 |
| **Capital reserves and reserves from profit** | **160,128** | **160,128** |

The Company's legal reserves comprise 5% of the realized profit, reduced by the carried forward loss in 2002 and the profit realized in the period from 2003 to 2022. Other reserves of the Group and the Company result mainly from distributed profit from previous years based on the decisions of the Company's Supervisory and Management board.

### 22. RETAINED EARNINGS

On 31 December 2024, retained earnings of the Group amounted to EUR 118,616 thousand and of the Company EUR 118,620 thousand (31 December 2023: EUR 97,831 thousand for the Group and for the Company).

The Group's retained earnings are by EUR 4 thousand lower than the Company's retained earnings due to the subsidiary's loss carried forward.

The increase in the Company's retained earnings in the current year results from the distribution of the profit generated in 2023.

### 23. EARNINGS PER SHARE AND PROFIT FOR THE YEAR

In 2024, the Company generated profit for the current year in the amount of EUR 48,372 thousand (2023: EUR 51,977 thousand), while the Group generated profit for the current year in the amount of EUR 48,381 thousand (2023: EUR 51,973 thousand).

Earnings per share are based on the net result attributable to the holders of ordinary shares and the number of ordinary shares, and are calculated as follows:

| | JANAF GROUP | | JANAF D.D. | |
|---|---|---|---|---|
| | **31.12.2024** | **31.12.2023** | **31.12.2024** | **31.12.2023** |
| Profit for the year | 48,381 | 51,973 | 48,372 | 51,977 |
| Weighted average number of issued and paid-in shares | 1,007,658 | 1,007,658 | 1,007,658 | 1,007,658 |
| **Earnings per share in Euro and Cent (basic and diluted)** | **48,01** | **51,58** | **48,00** | **51,58** |

The subsidiary PRUDENS CONSILIUM - d.o.o. generated net profit in the current year in the amount of EUR 254 thousand, while the subsidiaries JANAF OIE d.o.o. and Solar Energy Vođinci d.o.o. recorded net losses in the amounts of EUR 104 thousand and EUR 141 thousand, respectively.

*(all amounts are expressed in thousands of EUR)*

## 24. PROVISIONS

| | JANAF GROUP<br>JANAF D.D. | |
|---|---|---|
| | **31.12.2024** | **31.12.2023** |
| **Long-term provisions** | | |
| Litigations | 1,170 | 1,663 |
| Provisions for severance costs | 711 | 600 |
| Jubilee awards | 256 | 242 |
| | **2,137** | **2,505** |

Provisions of EUR 1,170 thousand (31 December 2023: EUR 1,663 thousand) refer to ongoing legal proceedings against the Company and other damages and disputes with former and current employees.

The amounts of provisions are determined based on estimates of the outcome of disputes by external attorneys and the Company's legal department.

The movement of provisions during the year was as follows:

| | JANAF GROUP<br>JANAF D.D. | |
|---|---|---|
| | **2024** | **2023** |
| Balance on 1 January | 2,505 | 2,469 |
| Decrease of provisions during the year | (536) | (62) |
| Provisions made during the year | 168 | 98 |
| **Balance on 31 December** | **2,137** | **2,505** |

The provision for retirement benefits and jubilee awards is based on actuarial calculations.

The main actuarial assumptions used to determine the liability were as follows:

| | 2024 | 2023 |
|---|---|---|
| Fluctuation rate | 1.38 | 1.41 |
| Discount rate | 2.60 | 2.82 |
| Average expected retirement age (in years) | 65 for men<br>65 for women | 65 for men<br>65 for women |

*(all amounts are expressed in thousands of EUR)*

## 25. LONG-TERM LIABILITIES

| | JANAF GROUP | | JANAF D.D. | |
|---|---|---|---|---|
| | **31.12.2024** | **31.12.2023** | **31.12.2024** | **31.12.2023** |
| Long-term liabilities | 12,232 | 11,562 | 12,232 | 11,562 |
| Loan liabilities | 1,646 | - | - | - |
| Liabilities for right-of-use assets | 520 | 428 | 520 | 428 |
| | **14,398** | **11,990** | **12,752** | **11,990** |

As at 31 December 2024, the Group and the Company have a long-term liability in the amount of USD 12,775 thousand or EUR 12,232 thousand (31 December 2023: USD 12,775 thousand or EUR 11,562 thousand). The change in the amount of the long-term liability compared to the previous year is the result of calculated exchange rate differences.

Based on the Agreement on Succession Issues signed on 29 June 2001 in Vienna, the successor states of the former SFRY have been assigned the division of assets and liabilities in Annex C to the relevant agreement, an integral part of which is the stated long-term obligation. The authorized representative of the Republic of Croatia in the Committee for the Allocation of Financial Assets and Liabilities under Annex C of the Succession Settlement Agreement is the Croatian National Bank.

The long-term portion of the liability for right-of-use assets amounted to EUR 520 thousand on 31 December 2024 (31 December 2023: EUR 428 thousand).

The subsidiary PRUDENS CONSILIUM - d.o.o. has a reported loan liability in the amount of EUR 1,646 thousand.

*(all amounts are expressed in thousands of EUR)*

## 26. TRADE AND OTHER LIABILITIES

| | JANAF GROUP | | JANAF D.D. | |
|---|---|---|---|---|
| | **31.12.2024** | **31.12.2023** | **31.12.2024** | **31.12.2023** |
| Trade liabilities | 5,346 | 6,262 | 5,343 | 6,262 |
| Liabilities for taxes, contributions and other fees | 1,948 | 7,249 | 1,925 | 7,249 |
| Liabilities to employees | 1,020 | 869 | 1,020 | 869 |
| Loan liabilities | 371 | - | - | - |
| Liabilities for right-of-use assets | 252 | 242 | 252 | 242 |
| VAT liabilities in given advances | 24 | 27 | 24 | 27 |
| Other liabilities | 225 | 99 | 225 | 99 |
| | **9,186** | **14,748** | **8,789** | **14,748** |

The stated liabilities refer to undue liabilities of the Group and the Company.

Liabilities to employees and related taxes and contributions are paid within 10 days after the end of the month for which the salary is paid. Other liabilities are settled in accordance with the prescribed or agreed deadlines.

The Group's and the Company's trade liabilities are decreased in the current period by EUR 919 thousand. In 2024, the agreed payment deadline to suppliers was 30 days (2023: 30 days).

## 27. OTHER LIABILITIES AND DEFERRED INCOME

Other current liabilities and deferred income of the Group and the Company as at the date of the financial statements amount to EUR 1,979 thousand (31 December 2023: EUR 1,735 thousand), mostly related to short-term provisions for vacation days and liabilities to employees based on rewarding systems in the total amount of EUR 1,970 thousand (31 December 2023: EUR 1,713 thousand). The remaining part of liabilities refers to receivables for damage claims in the amount of EUR 9 thousand.

*(all amounts are expressed in thousands of EUR)*

## 28. CONCESSION FEES

The Group and the Company leased real estate and equipment under a concession agreement as stated in note 11 Intangible assets. The Concession Agreement has been concluded for a period of 32 years. The concession fee has been agreed in US dollars and is payable from 4 June 2003. In accordance with IFRS 9 Financial Instruments, such lease liabilities should be accounted for as embedded derivatives. Given that no market values are available for future contracts denominated in USD for periods longer than six months, the Group and the Company are not able to calculate the fair value of the embedded derivative. Accordingly, the related profit and loss will be included in the statement of comprehensive income upon the payment of the concession fee

The concession fee consists of a fixed and a variable component.

The fixed component amounts to USD 1,394 per year. The variable component is paid per transported tons as follows:

| Transported tons | $/ton (USD) |
|---|---|
| Up to 7,000,000 | 0.01 |
| Up to 10,000,000 | 0.02 |
| Over 10,000,000 | 0.03 |

The Maritime Demesne Concession Agreement from 1995 for the underwater pipeline from Omišalj to Urinj has been concluded for a period of 40 years. The fee payment is in Euro. In accordance with IFRS 9 Financial Instruments: Recognition and Measurement, such lease liabilities should be accounted for as embedded derivatives. Given that no market values are available for future contracts denominated in Euro for periods beyond six months, the Group and the Company are not able to calculate the fair value of the embedded derivative. Accordingly, the related profit and loss will be included in the statement of comprehensive income upon the payment of the concession fee.

The concession fee consists of a fixed and a variable component.

The fixed component amounts to EUR 67 thousand per year. The variable component of the concession fee is paid per tons transported through the underwater pipeline at a rate of EUR 0.03 per ton of transported oil.

The concession agreement with the Government of the Republic of Croatia for the special use of maritime demesne for the construction and use of the underwater pipeline crossing from the island of Krk to the mainland, in the area of the City of Kraljevica and the Municipality of Omišalj, was concluded in 2012 for a period of 30 years. The concession fee is fixed and amounts to EUR 27 thousand in 2024.

The concession agreement with the Government of the Republic of Croatia for the special use of maritime demesne for the purpose of increasing the security level of the Omišalj terminal area, located on the Ert peninsula, was concluded in 2012 for a period of 30 years. The concession fee is fixed and amounts to EUR 43 thousand in 2024.

## 29. CONTINGENT LIABILITIES

Details and estimates of the maximum amount of contingent liabilities that may have to be settled are presented below. Management does not have any additional information based on which it could be concluded that liabilities have to be paid, and in accordance with legal advice, no provision has been made in the financial statements for these liabilities. The amounts stated below do not include potential interest expenses or other legal fees as Management believes that no additional liabilities will arise.

***Warranties given***

The Group and the Company issued collateral in the amount of EUR 11,836 thousand (31 December 2023: EUR 10,281 thousand). The Group and the Company settle their liabilities in accordance with the maturity dates and the possibility of incurring liabilities under issued promissory notes is not expected.

***Decommissioning costs***

There is a potential liability that could arise in the future related to the decommissioning costs of fixed assets used in the transportation and storage of oil. The probability of such an event is uncertain as of the date of these financial statements, and the amount of the liability cannot be estimated.

**30. EVENTS AFTER THE REPORTING DATE**

Jadranski naftovod d.d., concluded contracts with the following customers:

- Hydrocarbons Agency - Agreement on the storage of a portion of mandatory petroleum products reserves in JANAF's storage facilities is valid until 31 December 2029.
- INA d.d. - Agreement on the transport of 7,200,000 tons of crude oil in the JANAF system for RN Rijeka for the period until 31 December 2027 and the Annex to the Oil Storage Agreement at the Omišalj Terminal for the period from 1 April 2025 to 31 December 2025.
- MOL GROUP-a - Agreement on the transport of 2,100,000 tons of crude oil in the JANAF system for the period until 31 December 2025 and an Agreement on the storage of crude oil at the Omišalj and Sisak Terminal for the period from until 31 December 2027.

On 27 January 2025, an Extraordinary General Assembly of JADRANSKI NAFTOVOD d.d. was held. At the Assembly, Mr. Ante Šušnjar, Minister of Economy and a member of the Assembly representing the Republic of Croatia in the Assembly pursuant to Article 31 of the Act on the Management of State Assets, was appointed as President of the Assembly. Additionally, the General Assembly adopted a Decision appointing Ivica Nuić, Mario Rođak, and Božica Makar as members of the Supervisory Board of the Company, effective as of 27 January 2025, for a period of up to six months or until the completion of the procedure for the election of Supervisory Board members.

Pursuant to Article 17 of the Regulation on the Conditions for the Selection and Appointment of Members of Supervisory Boards and Management Boards of Legal Entities of Special Interest to the Republic of Croatia (Official Gazette No. 12/19), and taking into account the Conclusion of the Government of the Republic of Croatia, Class: 080-02/25-01/15, Reg. No.: 50301-15/07-25-2 dated 31 January 2025, the Supervisory Board of the Company, at its session held on 14 February 2025, appointed Petar Todorić as a member of the Management Board of the Company. He is authorized to represent the Company jointly with the President of the Management Board, until the appointment of a Management Board member of JANAF d.d. through a public tender, for a term of no longer than six months, effective from 15 February 2025. As of 15 February 2025, the Management Board of the Company consists of MSc. Stjepan Adanić, President of the Management Board, and Vladislav Veselica and Petar Todorić as members of the Management Board.

On 10 January 2025, the U.S. Department of the Treasury introduced a sanctions package targeting the energy sector of the Russian Federation due to the Russian Federation's military activities in Ukraine. The sanctions aim to further restrict the operations and revenues of Russian energy companies. The sanctions, which also include the company NIS a.d., with which JANAF d.d. has a Crude Oil Transportation Agreement in effect from 1 January 2024 to 31 December 2026, were scheduled to take effect on 27 February 2025. In coordination with a U.S. law firm and with the support of the Government of the Republic of Croatia, the Company obtained a license from OFAC, the agency of the U.S. Department of the Treasury responsible for enforcing sanctions. This license permits JANAF d.d. to continue executing the Crude Oil Transportation Agreement with NIS a.d. for an additional period of 30 days, i.e., until 28 March 2025.

## 31. RELATED PARTY TRANSACTIONS

The Group's transactions with other affiliated companies and the Company's transactions with other affiliated companies throughout the year are shown in the following table:

**JANAF GROUP**

| | Income of the Company from services and other sales | | Purchases cost of the Company | |
|---|---|---|---|---|
| *in thousands of EUR* | Current year | Previous year | Current year | Previous year |
| JANAF OIE d.o.o. | - | - | - | - |
| **Subsidiaries** | **-** | **-** | - | **-** |
| INA d.d. | 9,378 | 9,756 | 294 | 357 |
| HEP d.d. | 1 | 1 | 4,960 | 9,171 |
| Odašiljači i veze d.o.o. | - | - | 134 | 131 |
| Hrvatska poštanska banka | 1,930 | 887 | 1 | 1 |
| Hrvatske vode | - | - | 31 | 16 |
| Others | 11 | 9 | 100 | 87 |
| **Affiliated companies** | **11,320** | **10,653** | **5,520** | **9,763** |
| **Total related parties** | **11,320** | **10,653** | **5,520** | **9,763** |

As at 31 December 2024, the balance of receivables and liabilities in transactions with related parties was as follows:

| | Receivables of the Company from related parties | | Liabilities of the Company to related parties | |
|---|---|---|---|---|
| *in thousands of EUR* | 31 December | 1 January | 31 December | 1 January |
| JANAF OIE d.o.o. | - | - | - | - |
| **Subsidiaries** | - | - | - | - |
| INA d.d. | 1,893 | 1,598 | 14 | 42 |
| HEP d.d. | - | - | 397 | 597 |
| Odašiljači i veze d.o.o. | - | - | 13 | 14 |
| Hrvatska poštanska banka | 700 | - | - | - |
| Hrvatske vode | - | - | - | 1 |
| Others | - | - | 10 | 3 |
| **Affiliated companies** | **2,593** | **1,598** | **434** | **657** |
| **Total related parties** | **2,593** | **1,598** | **434** | **657** |

Transactions of the JANAF Group with other affiliated companies are the same as transactions between JANAF d.d. and other affiliated companies as shown in the following table.

### 31. RELATED PARTY TRANSACTIONS (CONTINUED)

**JANAF D.D.**

| | Income of the Company from services and other sales | | Purchases cost of the Company | |
|---|---|---|---|---|
| *in thousands of EUR* | **Current year** | **Previous year** | **Current year** | **Previous year** |
| JANAF OIE d.o.o. | 312 | 1 | - | - |
| **Subsidiaries** | **312** | **1** | - | **-** |
| INA d.d. | 9,378 | 9,756 | 294 | 357 |
| HEP d.d. | 1 | 1 | 4,960 | 9,171 |
| Odašiljači i veze d.o.o. | - | - | 134 | 131 |
| Hrvatska poštanska banka | 1,930 | 887 | 1 | 1 |
| Hrvatske vode | - | - | 31 | 16 |
| Others | 11 | 9 | 100 | 87 |
| **Affiliated companies** | **11,320** | **10,653** | **5,520** | **9,763** |
| **Total related parties** | **11,632** | **10,654** | **5,520** | **9,763** |

As at 31 December 2024, the balance of receivables and liabilities in transactions with related parties was as follows:

| | Receivables of the Company from related parties | | Liabilities of the Company to related parties | |
|---|---|---|---|---|
| *in thousands of EUR* | **31 December** | **1 January** | **31 December** | **1 January** |
| JANAF OIE d.o.o. | 17,728 | - | - | - |
| **Subsidiaries** | **17,728** | **-** | **-** | **-** |
| INA d.d. | 1,893 | 1,598 | 14 | 42 |
| HEP d.d. | - | - | 397 | 597 |
| Odašiljači i veze d.o.o. | - | - | 13 | 14 |
| Hrvatska poštanska banka | 700 | - | - | - |
| Hrvatske vode | - | - | - | 1 |
| Others | - | - | 10 | 3 |
| **Affiliated companies** | **2,593** | **1,598** | **434** | **657** |
| **Total related parties** | **20,321** | **1,598** | **434** | **657** |

Other affiliated companies refer to entities covered by the Decision on Legal Entities of Special Interest for the Republic of Croatia. In 2024, the Company provided loans to its subsidiary, JANAF OIE d.o.o., in the total amount of EUR 17,416 thousand, with interest charged in the amount of EUR 312 thousand. The interest was calculated based on the prescribed minimum interest rate for loans between related parties, which amounted to 3.25% per annum in 2024.

*(all amounts are expressed in thousands of EUR)*

## 31. RELATED PARTY TRANSACTIONS (CONTINUED)

***Key personnel remuneration***

The remuneration paid to key personnel during the year was as follows:

| | JANAF GROUP | | JANAF D.D. | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| Gross salaries | 1,201 | 940 | 1,148 | 898 |
| Gross benefits in kind | 73 | 73 | 72 | 72 |
| | **1,274** | **1,013** | **1,220** | **970** |

The Company's key personnel as at 31 December 2024 consists of two members of the Management Board and eight directors (31 December 2023: two members of the Management Board and seven directors) as well as the head of the Management Office, the chief corporate lawyer, the head of the Quality Management Office, the head of the Development and Planning Office, head of the Office for Renewable Energy Business Development, and the head of the Corporate Communications Office. On Group level, the key personnel as at 31 December 2024 consists of two members of the Management Board and nine directors (31 December 2023: two members of the Management Board and eight directors) along with the other above-mentioned personnel.

***Remuneration of fees to Supervisory Board and Audit Committee Members***

| | JANAF GROUP<br>JANAF D.D. | |
|---|---|---|
| | **2024** | **2023** |
| Supervisory Board | 30 | 30 |
| Audit Committee | 17 | 20 |
| | **47** | **50** |

*(all amounts are expressed in thousands of EUR)*

## 32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### 32.1. Capital risk management

The Group and the Company manage their capital with the aim of continuing as a going concern. The capital structure of the Group and the Company is presented in Note 20, 21 and 22.

***Gearing ratio***

The Management Board reviews the funding sources on a monthly basis. The funding sources of regular business and investments are own cash funds.
The gearing ratio at year-end can be presented as follows:

| | **JANAF GROUP** | | **JANAF D.D.** | |
|---|---|---|---|---|
| | **31.12.2024** | **31.12.2023** | **31.12.2024** | **31.12.2023** |
| Debt (i) | 14,250 | 11,562 | 12,232 | 11,562 |
| Cash and cash equivalents (ii) | (88,540) | (124,290) | (86,827) | (124,289) |
| Net debt | (74,290) | (112,728) | (74,595) | (112,727) |
| Equity (iii) | 719,104 | 701,911 | 719,099 | 701,915 |
| Net debt-to-equity capital | -10% | -16% | -10% | -16% |

(i) Debt comprises only other long-term liabilities and loan liabilities, while the Company has no current borrowings.

(ii) Cash and cash equivalents comprise only cash on bank accounts and term deposits with maturities of up to 3 months.

(iii) Equity includes share capital, reserves, retained earnings and profit for the year.

*(all amounts are expressed in thousands of EUR)*

**32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

**32.2. Categories of financial instruments**

| | **JANAF GROUP** | | **JANAF D.D.** | |
|---|---|---|---|---|
| | **31.12.2024** | **31.12.2023** | **31.12.2024** | **31.12.2023** |
| *Financial assets:* | | | | |
| Cash up to three months | 88,540 | 124,290 | 86,827 | 124,289 |
| Deposits for a period exceeding three months | 94,196 | 60,000 | 93,795 | 60,000 |
| Loans and receivables | 31,007 | 26,381 | 48,714 | 26,381 |
| **Total financial assets** | **213,743** | **210,671** | **229,336** | **210,670** |
| *Financial liabilities:* | | | | |
| Loan liabilities and other long-term liabilities | 14,250 | 11,562 | 12,232 | 11,562 |
| Trade and other payables | 7,214 | 7,472 | 6,840 | 7,472 |
| **Total financial liabilities** | **21,464** | **19,034** | **19,072** | **19,034** |

**32.3. Risk exposures**

The Group and the Company are exposed to credit and foreign exchange risk in the course of their ordinary business. There is no interest risk.

**Credit risk**

On the date of the financial statements, there was no credit risk of the Group and the Company.

**Interest rate risk management**

The Group and the Company are not exposed to interest rate risk.

**Foreign exchange risk**

Up to the introduction of the Euro as official currency in the Republic Croatia, the Company and the Group were mainly exposed to fluctuations in the exchange rates of EUR and USD, as a significant portion of their trade receivables and sales, cash and long-term borrowings are denominated in those currencies. As of 1 January 2023, the foreign exchange risk is decreased to a great extent, as the Group and the Company generate approximately 2/3 of inflows in domestic currency. Management of this risk is carried out in accordance with the adopted internal Policy defining financial risk management.

## 32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

**Foreign exchange risk management**

The book value of the Group's and the Company's cash funds and liabilities as at 31 December denominated in foreign currencies is expressed in thousands of euros:

| | **Assets** | | **Liabilities** | |
|---|---|---|---|---|
| | **31.12.2024** | **31.12.2023** | **31.12.2024** | **31.12.2023** |
| USD | 13,899 | 14,501 | 12,232 | 11,562 |

**Foreign currency sensitivity analysis**

The Group and the Company are exposed mainly to the USD. The following table details the sensitivity to a 10% increase and decrease in the USD/EUR exchange rate. The sensitivity analysis includes balance of monetary items and long-term liabilities denominated in USD at 31 December and adjusts their conversion to EUR at the end of reporting period for the 10% change in the foreign exchange rate. The amounts were calculated in thousands of USD and thousands of EUR.

**Analysis of 10% increase in the exchange rate**

| | **31.12.2024** | | **Exchange rate** | | **31.12.2023** | | **Exchange rate** | |
|---|---|---|---|---|---|---|---|---|
| | USD | EUR | >10% | | USD | EUR | >10% | |
| **Assets** | 14,516 | 13,899 | 15,289 | 1,390 | 16,024 | 14,501 | 15,951 | 1,450 |
| **Liabilities** | 12,775 | 12,232 | 13,455 | (1,223) | 12,775 | 11,562 | 12,717 | (1,155) |
| **Net effect** | | | | **167** | | | | **295** |

**Analysis of 10% decrease in the exchange rate**

| | **31.12.2024** | | **Exchange rate** | | **31.12.2023** | | **Exchange rate** | |
|---|---|---|---|---|---|---|---|---|
| | USD | EUR | <10% | | USD | EUR | >10% | |
| **Assets** | 14,516 | 13,899 | 12,509 | (1,390) | 16,024 | 14,501 | 13,051 | (1,450) |
| **Liabilities** | 12,775 | 12,232 | 11,009 | 1,223 | 12,775 | 11,562 | 10,407 | 1,155 |
| **Net effect** | | | | **(167)** | | | | **(295)** |

The analysis of the sensitivity to the effects of the changes indicates a moderate exchange rate risk.

*(all amounts are expressed in thousands of EUR)*

## 32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

### Liquidity risk

Responsibility for liquidity risk management rests with the Management, which sets an appropriate liquidity risk management framework with the aim of managing of the short-, medium- and long-term financing and liquidity requirements. The Group and the Company manage liquidity risk by maintaining adequate reserve of financial assets, by continuously monitoring forecasted and actual cash flows, and by matching the maturity profiles of assets and liabilities.

*Liquidity risk analyses tables*

The tables below show the maturity of the Group's and the Company's contractual obligations as reported in the Statement of financial position at the end of the period. The tables have been drawn up on the basis of undiscounted cash outflows on financial liabilities at maturity date. They show the cash flows per principal asset.

**JANAF GROUP**

| | Weighted average effective interest rate % | Up to 1 month | From 1 to 3 months | From 3 months to 1 year | From 1 to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|---|
| **2023** | | | | | | | |
| Non-interest bearing | - | - | 7,472 | - | - | 11,562 | 19,034 |
| Interest bearing | | - | - | - | - | - | - |
| | | **-** | **7,472** | **-** | **-** | **11,562** | **19,034** |
| **2024** | | | | | | | |
| Non-interest bearing | - | - | 7,214 | - | - | 12,232 | 19,446 |
| Interest bearing | 3.48 | - | - | 372 | - | 1,646 | 2,018 |
| | | **-** | **7,214** | **372** | **-** | **13,878** | **21,464** |

**JANAF D.D.**

| | Weighted average effective interest rate % | Up to 1 month | From 1 to 3 months | From 3 months to 1 year | From 1 to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|---|
| **2023** | | | | | | | |
| Non-interest bearing | - | - | 7,472 | - | - | 11,562 | 19,034 |
| Interest bearing | | - | - | - | - | - | - |
| | | **-** | **7,472** | **-** | **-** | **11,562** | **19,034** |
| **2024** | | | | | | | |
| Non-interest bearing | - | - | 6,840 | - | - | 12,232 | 19,072 |
| Interest bearing | | - | - | - | - | - | - |
| | | **-** | **6,840** | **-** | **-** | **12,232** | **19,072** |

*(all amounts are expressed in thousands of EUR)*

### 32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

**Liquidity risk (continued)**

The tables below show the maturity of the Group's and the Company's financial assets as reported in the Statement of financial position at the end of the period and confirm the non-existence of the liquidity risk.

The tables have been drawn up on the basis of undiscounted cash inflows on financial assets at maturity date. They show the cash flows per principal asset.

**JANAF GROUP**

| | Weighted average effective interest rate % | Up to 1 month | From 1 to 3 months | From 3 months to 1 year | More than 1 year | Total |
|---|---|---|---|---|---|---|
| **2023** | | | | | | |
| Receivables and cash on bank accounts | - | 31,639 | - | - | | 31,639 |
| Deposits and loans | 2.81% | - | 119,029 | 30,000 | 30,000 | 179,029 |
| | | **31,639** | **119,029** | **30,000** | **30,000** | **210,668** |
| **2024** | | | | | | |
| Receivables and cash on bank accounts | | 34,267 | - | - | - | 34,267 |
| Deposits and loans | 4.09% | - | 85,280 | 63,796 | 30,400 | 179,476 |
| | | **34,267** | **85,280** | **63,796** | **30,400** | **213,743** |

**JANAF D.D.**

| | Weighted average effective interest rate % | Up to 1 month | From 1 to 3 months | From 3 months to 1 year | More than 1 year | Total |
|---|---|---|---|---|---|---|
| **2023** | | | | | | |
| Receivables and cash on bank accounts | - | 31,639 | - | - | - | 31,639 |
| Deposits and loans | 2.81% | - | 119,029 | 30,000 | 30,000 | 179,029 |
| | | **31,639** | **119,029** | **30,000** | **30,000** | **210,668** |
| **2024** | | | | | | |
| Receivables and cash on bank accounts | | 33,833 | - | - | - | 33,833 |
| Deposits and loans | 4.09% | - | 83,980 | 63,795 | 47,728 | 195,503 |
| | | **33,833** | **83,980** | **63,795** | **47,728** | **229,336** |

## 32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

**Fair value of financial instruments**

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices,
- The fair values of other financial assets and other financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from known market transactions and dealer quotes for similar instruments.

As at 31 December 2024, the presented amounts of cash, short term deposits, receivables, short term liabilities, accrued expenses, short term loans and other financial instruments correspond to their market value.

*Fair value measurements recognized in the Statement of financial position*

Fair value of financial instruments is recognized on the basis of the below indicated measurements:

1. level measurements – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities,
2. level measurements – fair value measurements are those derived from inputs other than quoted prices included within the 1st Level that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
3. level measurements – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

**Financial instruments and risk management:**

In 2024, the Group and the Company have financial assets that need to be assessed at fair value. The fair value of these assets is determined using the 3rd level measurements, the discounted cash flow method as a fair market value indicator for equity. In February 2022, the shares of Petrokemija d.d. were delisted from the Zagreb Stock Exchange. The Group and the Company estimate, based on the expert opinion of an independent appraiser, that the value shown in the business books corresponds to the fair market value of EUR 7,838 thousand as at 31 December 2024 (31 December 2023: EUR 5,000 thousand). In 2024, the Company participated in the process of increasing the share capital of PETROKEMIJA d.d. by subscribing to and paying for 2,762,700 new ordinary shares with a cash contribution amounting to EUR 2,838 thousand. In the valuation, a discount rate corresponding to the weighted average cost of capital (WACC) was used, which consists of two components: the cost of debt and the cost of equity. The Group's and the Company's cost of debt for the analysis was estimated at 4.60%. To determine the required level of return (cost of equity), the Capital Asset Pricing Model (CAPM) is most commonly used in practice. This model is based on the premise that an investor requires a higher return from an investment with greater risk, compared to a risk-free investment. The CAPM measures the required rate of return based on three elements: the risk-free rate of return, the beta factor, and the market risk premium.

## 32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

**Fair value of financial instruments (continued)**

**Financial instruments and risk management (continued):**

For the overall market, beta is by definition equal to 1.09. For the purposes of the valuation analysis, the beta factor was used as an average factor in the chemical industry, and according to the above, the beta is 1.06. The yield for capital risk for the purposes of the analysis was applied based on the current premium on the return above the risk-free rate increased by the government risk, which amounts to 3.54%. Based on the analysis, the weighted average cost of capital (WACC) is 7.69%.

## 33. NET CHANGES IN CASH AND CASH EQUIVALENTS

On 31 December 2024, the Group reported a total decrease in cash and cash equivalents of EUR 35,750 thousand and the Company of EUR 37.462 thousand (31 December 2023: increase of the Group EUR 36,902 thousand and of the Company EUR 36,901 thousand). The Group generated a positive cash flow of EUR 53,203 thousand from operating activities, and the Company of EUR 59,264 thousand (31 December 2023: Group EUR 86,698 thousand, Company EUR 86,697 thousand). Investment activities generated a negative cash flow for the Group in the amount of EUR 57,468 thousand and EUR 65,241 thousand for the Company (31 December 2023: Group and Company EUR 37,912 thousand) as a result of higher expenditures for the purchase of property, plant and equipment, intangible assets, as well as loans to the subsidiary, and the reclassification of cash deposits based on changes in maturity to financial assets from cash receipts of interest. Financial activities recorded a negative cash flow in the amount of EUR 31,485 thousand for the Group and the Company (31 December 2023: Company and Group EUR 11,884 thousand) in the amount of the paid dividend of EUR 31,188 thousand (31 December 2023: EUR 11,608 thousand) and the effect of lease obligations in accordance with IFRS 16 in the amount of EUR 297 thousand (31 December 2023: EUR 276 thousand).

## 34. PUBLICATION OF THE FINANCIAL STATEMENTS

The Company will publish the audited consolidated and separate annual financial statements and they will be available on the official website of the Company as well as on the official website of the Zagreb Stock Exchange.

## 35. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Management and authorized for issue on 26 March 2025.

Signed for and on behalf of the Group and the Company

MSc. Stjepan Adanić, President of the Management Board

Vladislav Veselica, Member of the Management Board

Petar Todorić, Member of the Management Board

JADRANSKI NAFTOVOD
dioničko društvo
ZAGREB
3

Appendix „Standard annual financial statements"

For the year ended 31 December 2024

*(all amounts are expressed in EUR)*

Based on the Regulation on the Structure and Content of Annual Financial Statements (Official Gazette 95/2016, 144/20, 158/2023), the following tables present the financial statements in accordance with the mentioned Regulation (Income Statement, including the Statement of Comprehensive Income, Statement of Financial Position (Balance Sheet) and Statement of Cash Flows). The notes to the financial statements and the Statement of Changes in equity are identical to those presented in the financial statements and are not shown separately here. The data is compared only for the company JANAF d.d., as the consolidated data, which includes subsidiaries, is presented in the same format and the amounts are not significantly different.

**Income Statement of JANAF D.D.**

in EUR

| **Obligator: JADRANSKI NAFTOVOD D.D.** | | | |
|---|---|---|---|
| **Item description** | **EDP code** | **Same period previous year** | **Current year** |
| **1** | **2** | **3** | **4** |
| **I. OPERATING INCOME** (EDP 002 to 006) | **001** | 147,328,970 | 126,959,370 |
| 1. Revenues from sales with entrepreneurs within the group | **002** | 0 | 0 |
| 2. Sales revenue (outside the group) | **003** | 146,918,722 | 125,717,209 |
| 3. Revenues based on the use of own products, goods and services | **004** | 0 | 0 |
| 4. Other operating income with entrepreneurs within the group | **005** | 450 | 600 |
| 5. Other operating income (outside the group) | **006** | 409,798 | 1,241,561 |
| **II. OPERATING EXPENSES (**EDP 08+009+013+017+018+019+022+029) | **007** | 87,073,406 | 76,243,478 |
| 1. Changes in the value of inventories of work in progress and finished goods | **008** | 0 | 0 |
| 2. Material costs (EDP 010 to 011) | **009** | 21,710,909 | 20,271,460 |
| *a) Costs of raw materials and supplies* | **010** | 10,314,516 | 5,481,012 |
| *b) Cost of goods sold* | **011** | 0 | 0 |
| *c) Other external costs* | **012** | 11,396,393 | 14,790,448 |
| 3. Staff costs (EDP 014 to 016) | **013** | 15,234,529 | 16,584,539 |
| *a) Net wages and salaries* | **014** | 9,000,886 | 9,652,588 |
| *b) Costs of taxes and contributions from salaries* | **015** | 4,078,839 | 4,526,988 |
| *c) Wage contributions* | **016** | 2,154,804 | 2,404,963 |
| 4. Depreciation | **017** | 29,749,465 | 28,631,312 |
| 5. Other costs | **018** | 5,533,390 | 6,615,796 |
| 6. Value adjustments (EDP 020 + 021) | **019** | 14,465,148 | 2,538,983 |
| *a) fixed assets other than financial assets* | **020** | 11,574,546 | 17,052 |
| *b) current assets other than financial assets* | **021** | 2,890,602 | 2,521,931 |
| 7. Provisions (EDP 023 to 028) | **022** | 176,556 | 410,366 |
| *a) Provisions for pensions, severance pay and similar liabilities* | **023** | 0 | 125,515 |
| *b) Provisions for tax liabilities* | **024** | 0 | 0 |
| *c) Provisions for initiated litigation* | **025** | 98,008 | 28,200 |
| *d) Provisions for the costs of restoration of natural resources* | **026** | 0 | 0 |
| *e) Provisions for costs within the warranty period* | **027** | 0 | 0 |
| *f) Other provisions* | **028** | 78,548 | 256,651 |
| 8. Other operating expenses | **029** | 203,409 | 1,191,022 |

*(all amounts are expressed in EUR)*

**Income Statement of JANAF D.D. (CONTINUED)**

| | | | |
|---|---|---|---|
| **III. FINANCIAL INCOME** (EDP 031 to 040) | **030** | 6,000,532 | 9,177,182 |
| 1. Income from investments in shares (stocks) of entrepreneurs within the group | **031** | 0 | 0 |
| 2. Income from investments in shares (stocks) of related companies with participating interests | **032** | 0 | 0 |
| 3. Income from other long-term financial investments and loans to entrepreneurs within the group | **033** | 0 | 0 |
| 4. Other interest income from relations with entrepreneurs within the group | **034** | 0 | 312,521 |
| 5. Exchange differences and other financial income from relations with entrepreneurs within the group | **035** | 0 | 0 |
| 6. Income from other long-term financial investments and loans | **036** | 0 | 0 |
| 7. Other interest income | **037** | 4,564,236 | 7,534,866 |
| 8. Exchange differences and other financial income | **038** | 1,436,296 | 1,329,795 |
| 9. Unrealized gains (income) on financial assets | **039** | 0 | 0 |
| 10. Other financial income | **040** | 0 | 0 |
| **IV. FINANCIAL EXPENSES** (EDP 042 to 048) | **041** | 2,844,552 | 889,565 |
| 1. Interest expenses and similar expenses with entrepreneurs within the group | **042** | 0 | 0 |
| 2. Exchange differences and other expenses with entrepreneurs within the group | **043** | 0 | 0 |
| 3. Interest expenses and similar expenses | **044** | 4,002 | 17,312 |
| 4. Exchange differences and other expenses | **045** | 1,183,968 | 833,920 |
| 5. Unrealized losses (expenses) from financial assets | **046** | 1,636,140 | 0 |
| 6. Value adjustments of financial assets (net) | **047** | 0 | 0 |
| 7. Other financial expenses | **048** | 20,442 | 38,333 |
| **V. SHARE OF PROFIT FROM ASSOCIATES RELATED WITH PARTICIPATING INTEREST** | **049** | 0 | 0 |
| **VI. SHARE OF PROFIT FROM JOINT VENTURES** | **050** | 0 | 0 |
| **VII. SHARE OF LOSS FROM COMPANIES RELATED TO PARTICIPATING INTERESTS** | **051** | 0 | 0 |
| **VIII. SHARE OF LOSS FROM JOINT VENTURES** | **052** | 0 | 0 |
| **IX. TOTAL INCOME** (EDP 001 + 030 + 049 +050) | **053** | 153,329,502 | 136,136,552 |
| **X. TOTAL EXPENSES** (EDP 007 + 041 + 051 + 052) | **054** | 89,917,958 | 77,133,043 |
| **XI. PROFIT OR LOSS BEFORE TAX** (EDP 053-054) | **055** | 63,411,544 | 59,003,509 |
| 1. Profit before tax (EDP 053-054) | **056** | 63,411,544 | 59,003,509 |
| 2. Loss before tax (EDP 054-053) | **057** | 0 | 0 |
| **XII. PROFIT TAX** | **058** | 11,434,420 | 10,631,333 |
| **XIII. PROFIT OR LOSS FOR THE PERIOD** (EDP 055-059) | **059** | 51,977,124 | 48,372,176 |
| 1. Profit for the period (EDP 055-059) | **060** | 51,977,124 | 48,372,176 |
| 2. Loss for the period (EDP 059-055) | **061** | 0 | 0 |

*(all amounts are expressed in EUR)*

**Income Statement of JANAF D.D. (CONTINUED)**

| | | | |
|---|---|---|---|
| **DISCONTINUED OPERATIONS (to be completed by an entrepreneur, IFRS obligator, in the case of discontinued operations)** | | | |
| **XIV. PROFIT OR LOSS FROM DISCONTINUED OPERATIONS BEFORE TAXATION** (EDP 063-064) | **062** | 0 | 0 |
| 1. Profit from discontinued operations before tax | **063** | 0 | 0 |
| 2. Loss of discontinued operations before tax | **064** | 0 | 0 |
| **XV. INCOME TAX FOR DISCONTINUED OPERATIONS** | **065** | 0 | 0 |
| 1. Profit from discontinued operations for the period (EDP 062-065) | **066** | 0 | 0 |
| 2. Loss of discontinued operations for the period (EDP 065-062) | **067** | 0 | 0 |
| **TOTAL OPERATIONS (to be completed by an entrepreneur, IFRS obligator, in the case of discontinued operations)** | | | |
| **XVI. PROFIT OR LOSS BEFORE TAX** (EDP 055 + 062) | **068** | 0 | 0 |
| 1. Profit before tax (EDP 068) | **069** | 0 | 0 |
| 2. Loss before tax (EDP 068) | **070** | 0 | 0 |
| **XVII. PROFIT TAX** (EDP 058 + 065) | **071** | 0 | 0 |
| **XVIII. PROFIT OR LOSS FOR THE PERIOD** (EDP 068-071) | **072** | 0 | 0 |
| 1. Profit for the period (EDP 068-071) | **073** | 0 | 0 |
| 2. Loss for the period (EDP 071-068) | **074** | 0 | 0 |
| **INCOME STATEMENT SUPPLEMENT (to be completed by an entrepreneur preparing consolidated annual accounts)** | | | |
| **XIX. PROFIT OR LOSS FOR THE PERIOD** (EDP 076 + 077) | **075** | 0 | 0 |
| **1. Attributable to equity holders of the parent** | **076** | 0 | 0 |
| **2. Attributable to minority (non-controlling) interest** | **077** | 0 | 0 |
| **STATEMENT OF OTHER COMPREHENSIVE INCOME (to be completed by an entrepreneur subject to IFRS reporting requirements)** | | | |
| **I. PROFIT OR LOSS FOR THE PERIOD** | **078** | 51,977,124 | 48,372,176 |
| **II. OTHER COMPREHENSIVE PROFIT / LOSS BEFORE TAX (EDP 80 + 87)** | **079** | 0 | 0 |
| **III. Items that will not be reclassified to profit or loss (EDP 081 to 085)** | **080** | 0 | 0 |
| 1. Changes in revaluation reserves of long-term tangible and intangible assets | **081** | 0 | 0 |
| 2. Gain or loss on subsequent measurement of equity securities at fair value through other comprehensive income | **082** | 0 | 0 |
| 3. Changes in the fair value of financial liability at fair value through profit or loss attributable to changes in the credit risk of the liability | **083** | 0 | 0 |
| 4. Actuarial gains/losses on defined benefit plans | **084** | 0 | 0 |
| 5. Other items not to be reclassified | **085** | 0 | 0 |
| 6. Income tax relating to items that will not be reclassified | **086** | 0 | 0 |

*(all amounts are expressed in EUR)*

**Income Statement of JANAF D.D. (CONTINUED)**

| | | | |
|---|---|---|---|
| **IV. Items that can be reclassified to profit or loss (EDP 088 to 095)** | **087** | 0 | 0 |
| 1. Exchange differences from the conversion of foreign operations | **088** | 0 | 0 |
| 2. Gain or loss on subsequent valuation of debt securities at fair value through other comprehensive income | **089** | 0 | 0 |
| 3. Profit or loss from effective cash flow protection | **090** | 0 | 0 |
| 4. Profit or loss from the effective hedging of net investments abroad | **091** | 0 | 0 |
| 5. Share in other comprehensive income/loss of related companies with participating interest | **092** | 0 | 0 |
| 6. Changes in the fair value of the time value of the option | **093** | 0 | 0 |
| 7. Changes in the fair value of forward elements of futures contracts | **094** | 0 | 0 |
| 8. Other items that can be reclassified to profit or loss | **095** | | 0 |
| 9. Income tax relating to items that can be reclassified to profit or loss | **096** | 0 | 0 |
| **V. NET OTHER COMPREHENSIVE PROFIT OR LOSS** (EDP 080 + 087 - 086 - 096) | **097** | 0 | 0 |
| **VI. COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD** (EDP 078 + 097) | **098** | 51,977,124 | 48,372,176 |
| **SUPPLEMENT to the Statement of Other Comprehensive Income (to be completed by an entrepreneur preparing consolidated annual accounts)** | | | |
| **VII. COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD** (EDP 100 + 101) | **099** | 0 | 0 |
| **1. Attributable to equity holders of the parent** | **100** | 0 | 0 |
| **2. Attributable to minority (non-controlling) interest** | **101** | 0 | 0 |

*(all amounts are expressed in EUR)*

**Balance Sheet of JANAF D.D.**

in EUR

| Obligator: JADRANSKI NAFTOVOD D.D. | | | |
|---|---|---|---|
| **Item description** | **EDP code** | **Last day of the previous business year** | **At the reporting date of the current period** |
| **1** | **2** | **3** | **4** |
| | | | |
| **A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID** | **001** | 0 | 0 |
| **B) FIXED ASSETS** (EDP 003 + 010 + 020 + 031 + 036) | **002** | 548,631,599 | 555,956,713 |
| I. INTANGIBLE ASSETS (EDP 004 to 009) | **003** | 15,993,512 | 13,866,844 |
| 1. Development expenditures | **004** | 0 | 0 |
| 2. Concessions, patents, licenses, trademarks and trademarks, software and other rights | **005** | 14,928,279 | 12,734,609 |
| 3. Goodwill | **006** | 0 | 0 |
| 4. Advances for the acquisition of intangible assets | **007** | 0 | 0 |
| 5. Intangible assets in preparation | **008** | 413,491 | 382,616 |
| 6. Other intangible assets | **009** | 651,742 | 749,619 |
| II. TANGIBLE ASSETS (EDP 011 to 019) | **010** | 494,024,913 | 482,414,034 |
| 1. Land | **011** | 50,155,901 | 50,155,901 |
| 2. Construction facilities | **012** | 280,633,661 | 271,350,663 |
| 3. Plant and equipment | **013** | 100,364,272 | 93,683,241 |
| 4. Tools, operating inventory and transport assets | **014** | 3,982,077 | 3,834,802 |
| 5. Biological assets | **015** | 0 | 0 |
| 6. Advances for tangible assets | **016** | 1,045,574 | 158,878 |
| 7. Tangible assets in preparation | **017** | 23,482,644 | 28,058,986 |
| 8. Other tangible assets | **018** | 34,360,784 | 35,171,563 |
| 9. Investing in real estate | **019** | 0 | 0 |
| III. LONG-TERM FINANCIAL ASSETS (EDP 021 to 030) | **020** | 35,005,000 | 55,571,282 |
| 1. Investments in shares (stocks) of entrepreneurs within the group | **021** | 5,000 | 5,000 |
| 2. Investments in other securities of entrepreneurs within the group | **022** | 0 | 0 |
| 3. Loans, deposits and the like given to entrepreneurs within the group | **023** | 0 | 17,728,437 |
| 4. Investments in shares (stocks) of companies related with participating interest | **024** | 0 | 0 |
| 5. Investments in other securities of affiliated companies with participating interest | **025** | 0 | 0 |
| 6. Loans, deposits and similar given to affiliated companies | **026** | 0 | 0 |
| 7. Investments in securities | **027** | 0 | 0 |
| 8. Loans, deposits and similar | **028** | 30,000,000 | 30,000,000 |
| 9. Other investments calculated using the equity method | **029** | 0 | 0 |
| 10. Other long-term financial assets | **030** | 5,000,000 | 7,837,845 |
| IV. RECEIVABLES (EDP 032 to 035) | **031** | 3,643 | 2,410 |
| 1. Receivables from entrepreneurs within the group | **032** | 0 | 0 |
| 2. Receivables from participating interest companies | **033** | 0 | 0 |
| 3. Trade receivables | **034** | 0 | 0 |
| 4. Other receivables | **035** | 3,643 | 2,410 |
| V. DEFERRED TAX ASSETS | **036** | 3,604,531 | 4,102,143 |

*(all amounts are expressed in EUR)*

**Balance Sheet of JANAF D.D. (CONTINUED)**

| | | | |
|---|---|---|---|
| **C) CURRENT ASSETS** (EDP 038+046+053+063) | **037** | 183,940,704 | 188,399,190 |
| I. INVENTORIES (EDP 039 to 045) | **038** | 3,275,086 | 6,793,687 |
| 1. Raw materials | **039** | 3,275,086 | 6,793,687 |
| 2. Production in progress | **040** | 0 | 0 |
| 3. Finished products | **041** | 0 | 0 |
| 4. Merchandise | **042** | 0 | 0 |
| 5. Advances for inventories | **043** | 0 | 0 |
| 6. Non-current assets held for sale | **044** | 0 | 0 |
| 7. Biological assets | **045** | 0 | 0 |
| II. RECEIVABLES (EDP 047 to 052) | **046** | 26,376,682 | 30,983,595 |
| 1. Receivables from entrepreneurs within the group | **047** | 125 | 63 |
| 2. Receivables from companies with participating interest | **048** | 0 | 0 |
| 3. Trade receivables | **049** | 24,718,191 | 26,050,736 |
| 4. Receivables from employees and shareholders | **050** | 405 | 191 |
| 5. Receivables from the state and other institutions | **051** | 38,667 | 2,478,852 |
| 6. Other receivables | **052** | 1,619,294 | 2,453,753 |
| III. SHORT-TERM FINANCIAL ASSETS (EDP 054 to 062) | **053** | 30,000,000 | 63,795,240 |
| 1. Investments in shares (stocks) of entrepreneurs within group | **054** | 0 | 0 |
| 2. Investments in other securities of entrepreneurs within group | **055** | 0 | 0 |
| 3. Loans, deposits and the like entrepreneurs within group | **056** | 0 | 0 |
| 4. Investments in shares (stocks) of companies with participating interest | **057** | 0 | 0 |
| 5. Investments in other securities of companies with participating interest | **058** | 0 | 0 |
| 6. Loans, deposits and the like to companies with participating interest | **059** | 0 | 0 |
| 7. Investments in securities | **060** | 0 | 0 |
| 8. Loans, deposits and the like | **061** | 30,000,000 | 63,795,240 |
| 9. Other financial assets | **062** | 0 | 0 |
| IV. CASH AT BANK AND CASH IN HAND | **063** | 124,288,936 | 86,826,668 |
| **D) PREPAID EXPENSES AND ACCRUED INCOME** | **064** | 320,326 | 400,326 |
| **E) TOTAL ASSETS** (EDP 001 + 002 + 037 + 064) | **065** | 732,892,629 | 744,756,229 |
| **F) OFF-BALANCE SHEET ITEMS** | **066** | 609,284,412 | 435,137,513 |
| **EQUITY AND LIABILITIES** | | | |
| **A) CAPITAL AND RESERVES** (EDP 068 to 070 + 076 + 077 + 083 + 086 + 089) | **067** | 701,914,754 | 719,099,915 |
| I. SHARE (SUBSCRIBED) CAPITAL | **068** | 391,978,962 | 391,978,962 |
| II. CAPITAL RESERVES | **069** | 7,112 | 7,112 |
| III. RESERVES FROM PROFIT (EDP 071 + 072-073 + 074 + 075) | **070** | 160,121,260 | 160,121,260 |
| 1. Legal reserves | **071** | 20,355,041 | 20,355,041 |
| 2. Reserves for own shares | **072** | 0 | 0 |
| 3. Own shares and stakes (deduction item) | **073** | 0 | 0 |
| 4. Statutory reserves | **074** | 0 | 0 |
| 5. Other reserves | **075** | 139,766,219 | 139,766,219 |
| IV. REVALUATION RESERVES | **076** | 0 | 0 |
| V. FAIR VALUE RESERVES AND OTHER (EDP 078 to 082) | **077** | 0 | 0 |
| 1. Fair value of financial assets through other comprehensive income (i.e. available for sale) | **078** | 0 | 0 |
| 2. Effective part of cash flow hedging | **079** | 0 | 0 |
| 3. Effective part of net investment abroad hedging | **080** | 0 | 0 |

*(all amounts are expressed in EUR)*

**Balance Sheet of JANAF D.D. (CONTINUED)**

| | | | |
|---|---|---|---|
| 4. Other fair value reserves | **081** | 0 | 0 |
| 5. Foreign exchange differences from the translation of foreign operations (consolidation) | **082** | 0 | 0 |
| VI. RETAINED EARNINGS OR LOSS CARRIED FORWARD (EDP-085) | **083** | 97,830,296 | 118,620,405 |
| 1. Retained earnings | **084** | 97,830,296 | 118,620,405 |
| 2. Loss carried forward | **085** | 0 | 0 |
| VII. PROFIT OR LOSS FOR THE BUSINESS YEAR (EDP 087-088) | **086** | 51,977,124 | 48,372,176 |
| 1. Profit for the business year | **087** | 51,977,124 | 48,372,176 |
| 2. Loss for the business year | **088** | 0 | 0 |
| VIII. MINORITY (NON-CONTROLLING) INTEREST | **089** | 0 | 0 |
| **B) PROVISIONS** (EDP 091 to 096) | **090** | 2,504,916 | 2,136,637 |
| 1. Provisions for pensions, severance pay and similar liabilities | **091** | 841,665 | 967,178 |
| 2. Provisions for tax liabilities | **092** | 0 | 0 |
| 3. Provisions for initiated litigation | **093** | 1,663,251 | 1,169,459 |
| 4. Provisions for the cost of restoring natural resources | **094** | 0 | 0 |
| 5. Provisions for costs within the warranty period | **095** | 0 | 0 |
| 6. Other provisions | **096** | 0 | 0 |
| **C) LONG-TERM LIABILITIES** (EDP 098 to 108) | **097** | 11,989,832 | 12,752,311 |
| 1. Liabilities to entrepreneurs within the group | **098** | 0 | 0 |
| 2. Loans, deposits and the like of entrepreneurs within the group | **099** | 0 | 0 |
| 3. Liabilities to companies with participating interest | **100** | 0 | 0 |
| 4. Loans, deposits and similar to companies with participating interest | **101** | 0 | 0 |
| 5. Liabilities for loans, deposits and the like | **102** | 0 | 0 |
| 6. Liabilities to banks and other financial institutions | **103** | 428,412 | 520,054 |
| 7. Liabilities for advances | **104** | 0 | 0 |
| 8. Liabilities to suppliers | **105** | 0 | 0 |
| 9. Liabilities on securities | **106** | 0 | 0 |
| 10. Other long-term liabilities | **107** | 11,561,420 | 12,232,257 |
| 11. Deferred tax liability | **108** | 0 | 0 |
| **D) CURRENT LIABILITIES** (EDP 110 to 123) | **109** | 14,747,791 | 8,788,179 |
| 1. Liabilities to entrepreneurs within the group | **110** | 0 | 0 |
| 2. Loans, deposits and the like of entrepreneurs within the group | **111** | 0 | 0 |
| 3. Liabilities to companies with participating interest | **112** | 0 | 0 |
| 4. Loans, deposits and similar to companies with participating interest | **113** | 0 | 0 |
| 5. Liabilities for loans, deposits and the like | **114** | 0 | 0 |
| 6. Liabilities to banks and other financial institutions | **115** | 242,386 | 252,449 |
| 7. Liabilities for advances | **116** | 63,681 | 187,052 |
| 8. Liabilities to suppliers | **117** | 6,262,006 | 5,343,277 |
| 9. Liabilities on securities | **118** | 0 | 0 |
| 10. Liabilities to employees | **119** | 869,385 | 1,019,931 |
| 11. Liabilities for taxes, contributions and similar benefits | **120** | 7,248,949 | 1,925,306 |
| 12. Liabilities based on the share in the result | **121** | 29,476 | 32,538 |
| 13. Liabilities for non-current assets held for sale | **122** | 0 | 0 |
| 14. Other current liabilities | **123** | 31,908 | 27,626 |
| **E) ACCRUED EXPENSES AND DEFERRED INCOME** | **124** | 1,735,336 | 1,979,187 |
| **F) TOTAL - LIABILITIES** (EDP 067 + 090 + 097 + 109 + 124) | **125** | 732,892,629 | 744,756,229 |
| **G) OFF-BALANCE SHEET ITEMS** | **126** | 609,284,412 | 435,137,513 |

*(all amounts are expressed in EUR)*

**Statement of Cash Flows of JANAF D.D.**

in EUR

| Obligator: JADRANSKI NAFTOVOD D.D. | | | |
|---|---|---|---|
| **Item description** | **EDP code** | **Same period previous year** | **Current year** |
| **1** | **2** | **3** | **4** |
| **Cash flow from operating activities** | | | |
| 1. Profit before tax | **001** | 63,411,544 | 59,003,509 |
| 2. Adjustments (EDP 003-010): | **002** | 39,298,365 | 21,419,651 |
| *a) Depreciation* | **003** | 29,749,465 | 28,631,312 |
| *b) Gain/loss from sale and value adjustments of non-current tangible and intangible asset* | **004** | 11,574,546 | -797,159 |
| *c) Gain/loss from sale and value adjustments of financial asset and unrealized gain/losses* | **005** | 1,636,140 | 0 |
| *d) Interest and dividend income* | **006** | -4,564,236 | -7,847,387 |
| *e) Interest expense* | **007** | 24,444 | 55,645 |
| *f) Provisions* | **008** | 983,839 | 1,201,435 |
| *g) Exchange rate differences (unrealized)* | **009** | -105,833 | 175,805 |
| *h) Other adjustments for non-cash transactions and unrealized gains and losses* | **010** | 0 | 0 |
| **I. Increase or decrease in cash flows before changes in working capital** (EDP 001+002) | **011** | 102,709,909 | 80,423,160 |
| 3. Changes in working capital (EDP 013-016) | **012** | -6,843,708 | -7,715,452 |
| *a) Decrease/increase in current liabilities* | **013** | 4,290,058 | -5,661,970 |
| *b) Increase/decrease in current receivables* | **014** | -5,024,047 | -4,606,913 |
| *c) Increase/decrease in inventories* | **015** | -329,141 | -3,518,601 |
| *d) Other increases/decreases in working capital* | **016** | -5,780,578 | 6,072,032 |
| **II. Cash from operating activities** (EDP 011+012) | **017** | 95,866,201 | 72,707,708 |
| 4. Interest paid | **018** | -4,002 | -17,312 |
| 5. Income tax paid | **019** | -8,943,399 | -13,150,389 |
| **A) NET CASH FLOWS FROM OPERATING ACTIVITIES** (EDP 017-019) | **020** | 86,918,800 | 59,540,007 |
| **Cash flow from investing activities** | | | |
| 1. Cash received from sale of non-current tangible and intangible assets | **021** | 2,485 | 3,909 |
| 2. Cash received from sale of financial instruments | **022** | 0 | 0 |
| 3. Interest received | **023** | 3,454,254 | 6,665,364 |
| 4. Dividends received | **024** | 0 | 0 |
| 5. Cash received from loans repaid and savings | **025** | 0 | 0 |
| 6. Other cash received from investing activities | **026** | 0 | 0 |
| **III. Total cash received from investing activities** (EDP 021-026) | **027** | 3,456,739 | 6,669,273 |
| 1. Cash paid for purchase of non-current tangible and intangible assets | **028** | -19,314,650 | -17,857,295 |
| 2. Cash paid on acquisition of financial instruments | **029** | 0 | -2,837,845 |
| 3. Cash paid for loans and savings deposits for the period | **030** | 0 | -17,415,915 |
| 4. Acquisition of subsidiary, less cash acquired | **031** | 0 | 0 |
| 5. Other cash used in investing activities | **032** | -22,030,752 | -33,795,241 |

*(all amounts are expressed in EUR)*

**Statement of Cash Flows of JANAF D.D. (CONTINUED)**

| | | | |
|---|---|---|---|
| **IV. Total cash paid for investing activities** (EDP 028-032) | **033** | -41,345,402 | -71,906,296 |
| **B) NET CASH FLOWS FROM INVESTING ACTIVITIES** (EDP 027+033) | **034** | -37,888,663 | -65,237,023 |
| **Cash flow from financing activities** | | | |
| 1. Cash received from increase of share (subscribed) capital | **035** | 0 | 0 |
| 2. Cash received from the issuance of equity and debt financial instruments | **036** | 0 | 0 |
| 3. Cash received from loan principal, loans and other borrowings | **037** | 0 | 0 |
| 4. Other cash receipts from financing activities | **038** | 0 | 0 |
| **V. Total cash received from financing activities** (EDP 035-038) | **039** | 0 | 0 |
| 1. Cash paid for repayments of loan and bond principals | **040** | 0 | 0 |
| 2. Dividends paid | **041** | -11,608,220 | -31,187,015 |
| 3. Cash paid under finance leases | **042** | -275,692 | -297,642 |
| 4. Cash paid for purchase of own shares and decrease of share (subscribed) capital | **043** | 0 | 0 |
| 5. Other cash used in financing activities | **044** | 0 | 0 |
| **VI. Total cash paid for financing activities** (EDP 040-044) | **045** | -11,883,912 | -31,484,657 |
| **C) NET CASH FLOWS FROM FINANCING ACTIVITIES** (EDP 039+045) | **046** | -11,883,912 | -31,484,657 |
| 1. Unrealized exchange rate differences per cash and cash equivalents | **047** | -245,280 | -280,595 |
| **D) NET CHANGE IN CASH FLOW** (EDP 020+034+046+047) | **048** | 36,900,945 | -37,462,268 |
| **E) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD** | **049** | 87,387,991 | 124,288,936 |
| **F) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD** (EDP 048+049) | **050** | 124,288,936 | 86,826,668 |

**Reconciliation between the Non-standard and Standard annual financial statements**

In accordance with the Regulation on the Structure and Content of Annual Financial Statements (Official Gazette No. 95/2016, 144/20, 158/2023), entrepreneurs who prepare their financial statements in accordance with IFRS are required, for the purpose of public disclosure, to submit to the Financial Agency financial statements prepared in the prescribed structure and content ("Standard Annual Financial Statements"). The Standard Annual Financial Statements represent an alternative presentation of the annual financial statements under IFRS (for publication purposes referred to as Non-standard Annual Financial Statements). Since IFRS prescribes only minimum line items depending on the materiality of individual items to the financial statements as a whole and requires a different classification of certain items, there are certain differences in the structure between the Standard and Non-standard Annual Financial Statements.

**Differences between the Income Statement and the Statement of Comprehensive Income**

In the Statement of Comprehensive Income, the item Other operating income, in the amount of EUR 1,242 thousand (2023: EUR 410 thousand), contains the following items from the Income Statement: Other operating income with entrepreneurs within the group in the amount of EUR 1 thousand (2023: EUR: 1 thousand) and Other operating income (outside the group) in the amount of EUR 1,241 thousand (2023: EUR 409 thousand).

All other items are identical in amounts and note structure.

**Differences between the Balance Sheet and the Statement of Financial Position**

In the Statement on financial position, the item Concessions, software licenses and other rights, in the amount of EUR 13,118 thousand (2023: EUR 15,342 thousand), contains the following items from the Balance Sheet: Concessions, patents, licenses, trademarks and service marks, software and other rights in the amount of EUR 12,735 thousand (2023: EUR 14,928 thousand) and Intangible assets in preparation in the amount of EUR 383 thousand (2023: EUR 414 thousand).

In the Statement on financial position, the item Other assets in the amount of EUR 400 thousand (31 December 2023: EUR 320 thousand) refers to Prepayments and accrued income from the balance sheet.

The balance sheet item Accruals and deferred income in the amount of EUR 1,979 thousand (31 December 2023: EUR 1,735 thousand) is presented in the Statement on financial position in the item Other liabilities.

All other items are identical in amounts and note structure.

**Reconciliation between the Non-standard and Standard annual financial statements (continued)**

**Differences between the Cash Flow Statement (standard) and the Statement of Cash Flows (non-standard)**

The standard cash flow statement shows gross profit in the amount of EUR 59,004 thousand (2023: EUR 63,411 thousand), which in the non-standard report is shown through two items, net profit in the amount of EUR 48,372 thousand (2023: EUR 51,977 thousand) and Tax expenditure in the amount of EUR 10,632 thousand (2023: EUR 11,434 thousand).

In the standard cash flow statement, Depreciation is shown in the amount of EUR 28,631 thousand (2023: EUR 29,750 thousand), while in the non-standard report it is shown through the items Depreciation of property, plant and equipment in the amount of EUR 25,315 thousand (2023: EUR 25,851 thousand), Depreciation of intangible assets in the amount of EUR 3,012 thousand (2023: EUR 3,629 thousand) and Depreciation of right-of-use assets in the amount of EUR 304 thousand (2023: 270 thousand).

In the standard report, under the item Cash expenditures for the purchase of long-term tangible and intangible assets, in the amount of EUR -17,857 thousand (2023: EUR -19,314 thousand), the following items from the non-standard report are included: Expenditures for the purchase of property, plant and equipment EUR -17,347 thousand (2023: EUR -18,073 thousand) and Expenditures for the purchase of intangible assets EUR -510 thousand (2023: EUR -1,263 thousand).

In the standard Cash Flow Statement, the items that give a total increase in cash flow in the amount of EUR -6,008 thousand refer to: Interest expense in the amount of EUR 55 thousand, Foreign exchange differences (unrealized) in the amount of EUR 175 thousand, Other increase or decrease of working capital in the amount of EUR 6,072 thousand, Cash expenditures for interest in the amount of EUR -17 thousand, Cash receipts from the sale of fixed tangible and intangible assets in the amount of EUR 4 thousand, Unrealized exchange differences from cash and cash equivalents in the amount of EUR -281 thousand. The previously mentioned items from the standard report correspond to the total decrease on the following items from the non-standard report: Value adjustment of trade receivables in the amount of EUR 2,466 thousand, Exchange rate differences of loans in the amount of EUR 671 thousand, Interest expense on loans in the amount of EUR 39 thousand, and Other decreases/increases in the amount of EUR 2,832 thousand.

All other items are identical in terms of names, content and amounts, as well as the structure of the notes.

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