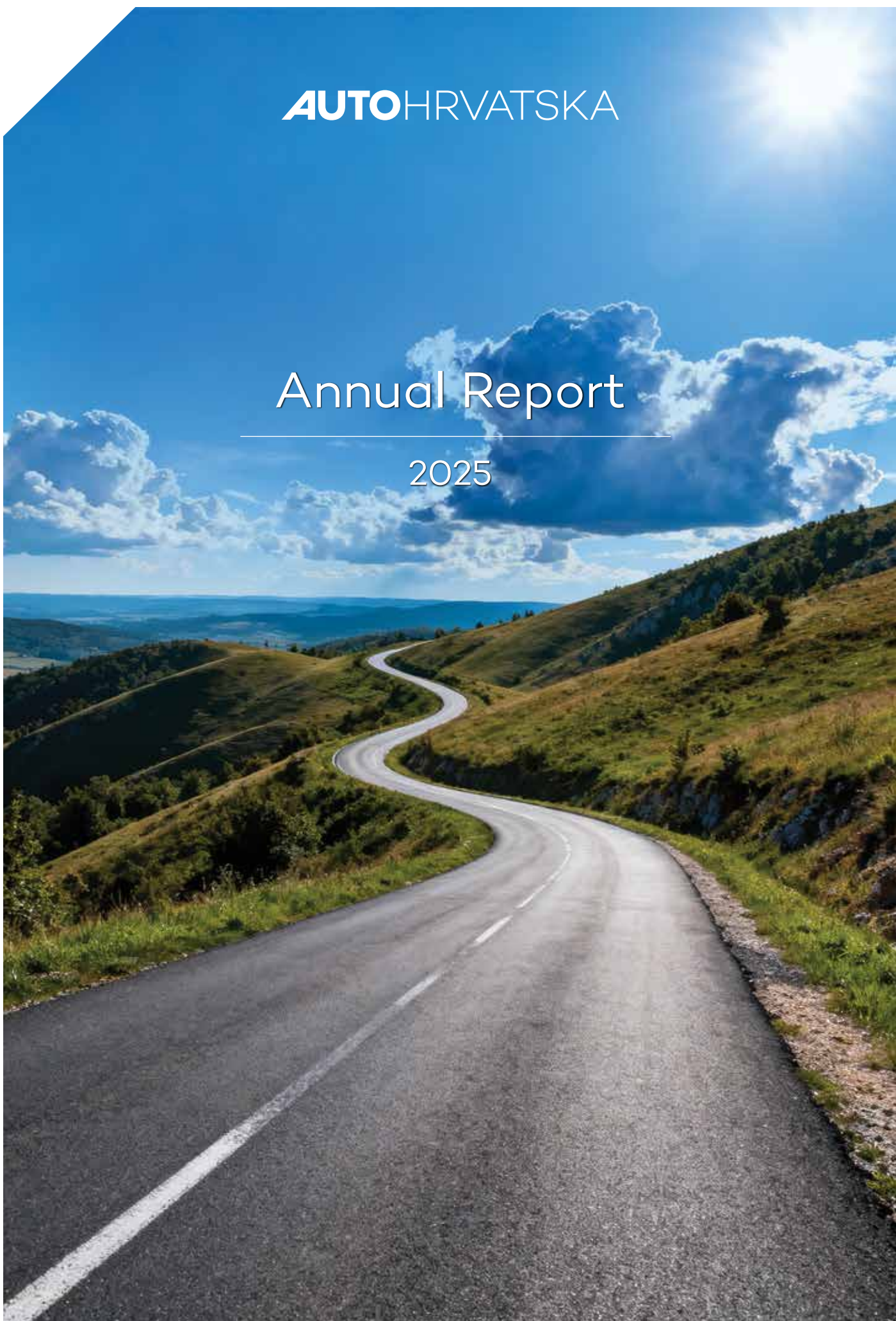


AUTOHRVATSKA

Annual Report

2025







Annual Report

2025

Contents

Introductory remarks by the Chairman of the Board of Directors	6
Introduction by the Chief Executive Officer	8
1. ABOUT THE AUTO HRVATSKA BUSINESS GROUP	11
1.1. Solutions for mobility	27
Personal and light commercial vehicles	28
Commercial vehicles	34
2. SUSTAINABILITY REPORT FOR FISCAL YEAR 2025	43
2.1. Key data	45
2.2. Information on shares	47
2.3. General disclosures	51
ESRS 2 – General disclosures	51
2.3.1. Basis for preparation of statements	51
BP-1 – General basis for preparation of sustainability statements	51
BP-2 - Disclosures in specific circumstances	52
2.3.2. Governance	52
GOV-1 – Role of administrative, management and supervisory bodies	52
GOV-2 – Information provided to the administrative, management and supervisory bodies of the Company and sustainability factors addressed by those bodies	55
GOV-3 – Integration of sustainability-related results in incentive programmes	55
GOV-4 – Due diligence statement	56
GOV-5 – Risk management and internal controls for sustainability reporting	56
2.3.3. Sustainability strategy	58
SBM-1 – Strategy, business model and value chain	59
SBM-2 – Interests and views of stakeholders	62
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	64
2.3.4. Management of impacts, risks and opportunities	69
2.3.4.1. Disclosures on the materiality assessment process	69
IRO-1 – Description of procedures for identification and assessment of material impacts, risks and opportunities	69
2.4. Environment – sustainable mobility	73
ESRS E1 Climate change	73
E1 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	73
IRO-1 – Description of procedures for identification and assessment of material impacts, risks and opportunities related to climate change	76
E1 GOV-3 Integration of sustainability results in incentive programmes	77
E1-1 – Transition plan for climate change mitigation	77
E1-2 – Policies related to climate change mitigation and adaptation	78
E1-3 – Measures and resources related to climate policies	79
E1-4 – Targets related to climate change mitigation and adaptation	79
E1-5 – Energy consumption and energy source mix	80
E1-6 – Gross greenhouse gas emissions from Scope 1, 2, 3 and total greenhouse gas emissions	83

E1-7 – Greenhouse gas removal projects and greenhouse gas emission mitigation projects financed through carbon credits	87
E1-8 – Internal carbon pricing	87
E1-9 – Expected financial effects of significant physical and transition risks and potential opportunities related to climate	87
ESRS E5 – Resource use and circular economy	87
ESRS 2 IRO-1 – Description of procedures for identification and assessment of material impacts, risks and opportunities related to resource use and the circular economy	87
E5-1 – Policies related to resource use and circular economy	89
E5-2 – Measures and resources related to resource use and circular economy	89
E5-3 – Targets related to resource use and circular economy	90
E5-5 – Resource outflows and waste (circular business principles)	90
E5-6 – Expected financial effects of impacts, risks and opportunities related to material resource use and circular economy	92
2.5 EU Taxonomy	95
2.6. Social issues - people are our key strength	111
ESRS S1 – Own workforce	111
S1 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	111
S1-1 – Policies related to own workforce	113
S1-2 – Procedures for engagement with own workforce and workers’ representatives regarding impacts	114
S1-3 – Procedures for remediation of adverse impacts and channels for own workforce to raise concerns	115
S1-4 – Taking measures for significant impacts on own workforce, approaches to managing significant risks and realisation of significant opportunities related to own workforce and effectiveness of those measures	116
S1-5 - Targets related to managing significant adverse impacts, promoting positive impacts and managing significant risks and opportunities	117
S1-6 – Characteristics of company employees	118
S1-7 – Characteristics of non-employee workers	119
S1-11 – Social protection	119
S1-12 – Persons with disabilities	120
S1-13 – Training and skills development indicators	120
S1-14 – Health and safety indicators	121
S1-15 – Work-life balance indicators	121
S1-17 – Cases, complaints and serious impacts related to human rights	122
2.7. Governance and compliance	125
ESRS G1 – Business conduct	125
GOV-1 – Role of administrative, supervisory and management bodies	125
IRO-1 – Description of procedures for identification and assessment of material impacts, risks and opportunities	125
G1-1 – Business conduct policies and corporate culture	127
G1-2 – Management of relationships with suppliers	127
G1-3 – Prevention and detection of corruption and bribery	128
G1-4 – Cases of corruption or bribery	129
ESRS 2 IRO-2 – Disclosure requirements in ESRS covered by the company’s sustainability statement	130
3. FINANCIAL STATEMENTS FOR FISCAL YEAR 2025	139

Opening remarks by the Chairman of the Board of Directors



Bogdan Tihava
Chairman of the Board of Directors

Dear ladies and gentlemen, dear partners and friends,

it is my great honour and pleasure to report to you on another successfully concluded business year.

The 74th year of continuous operations of Auto Hrvatska and the 34th year since Auto Hrvatska became a joint-stock company were marked by sustained organic growth and development.

In the fourth year of the five-year growth and development plan of the Business Group, we achieved a consolidated revenue of EUR 285 million.

Despite increased operating costs, we achieved a consolidated net profit of EUR 12.8 million thanks to the successful use of all available resources, extensive experience and continuity of management.

Revenue growth of EUR 13 million over the previous reporting period, and our preserved financial stability, were made possible by our 800 skilled and motivated employees across 30 locations in Croatia, Bosnia and Herzegovina, North Macedonia and Slovenia.

In addition to our core activities in the area of personal and commercial vehicle programmes, we have made a significant contribution to revenues thanks to expert management of real estate and financial assets.

Since we measure company success not only by revenue and profit earned but also by achievements

in the area of environmental responsibility as well as social and business responsibility, I am pleased to note the continued improvement of these activities.

We continuously focus on employee satisfaction, strengthening our workforce and our programme portfolio, advancing our digital tools, reinforcing financial stability, and sustaining investment in new programmes and in our sales and service capacity.

Organic growth and financial stability are the fundamental pillars of our approach to business.

As of the beginning of January 2026, based on last year's decision of the Board of Directors, two newly established companies of the Auto Hrvatska Business Group began operations: Auto Hrvatska Mobility d.o.o. and Auto Hrvatska Importer d.o.o.

I thank our employees and management for their everyday dedication, their round-the-clock availability to all our vehicle and service users, and their continuous improvement of quality and productivity, particularly in developing Group-wide synergies.

I extend special thanks to our shareholders and partners for the trust they continuously place in us.

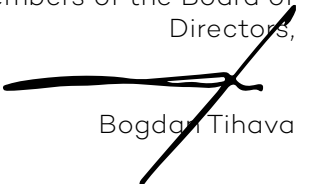
I thank my executive director colleagues who receive and return trust in carrying out the operational and strategic goals of the Auto Hrvatska Business Group as a whole.

I invite you to read on for a fuller account of everything the Auto Hrvatska Business Group achieved during 2025.

The business plan for 2026 brims with optimism in all its elements and, alongside complete motivation, we will need a bit of luck to execute it.

Great support in fulfilling our plans comes from our many long-term partners, the new ones who continuously join us, and our many customers — all of whom we sincerely thank for the trust they repeatedly place in us.

Yours sincerely,
on behalf of the members of the Board of
Directors,



Bogdan Tihava

Introduction by the Chief Executive Officer



Alen Vuksan-Ćusa
Chief Executive Officer

Dear partners, employees and shareholders, dear readers,

In 2025, the Auto Hrvatska Business Group operated in an environment that continues to be marked by rapid changes in the automotive industry, strong technological transformation, increasingly stringent regulatory requirements and further reshaping of the mobility market.

In such circumstances, the Business Group demonstrated the ability to adapt and continued to build a stable and sustainable business. These results confirmed the strength of our organisation, the resilience of our business model, and our clearly defined strategic guidelines. In accordance with the growth and development plan, we continued to strengthen the business through further improvement of the portfolio and strengthening of the market position in key segments.

The reporting year was marked by three important milestones. In the commercial vehicle segment, MAN retained its status as the best-selling brand of new trucks on the Croatian market for the 20th year in a row. In the personal vehicle programme, we further enhanced the offer of electrified vehicles through a partnership with BYD, a global leader in electric and plug-in hybrid vehicles. At the same time, we continued with investments in improving working conditions for employees, service quality for customers, and further modernisation of service infrastructure, particularly through our workshop air conditioning project.

In 2025, the trend of growth in consolidated revenues continued, reaching EUR 284.8 million, and consolidated net profit amounted to EUR 12.8 million, representing an increase compared to the previous year. The structure of the achieved results confirms the resilience of the business and the balanced development of all major segments of the Group.

In the personal and light commercial vehicle segment, a total of 5,479 vehicles were sold during 2025. During the year, we further expanded the portfolio in the area of electric and hybrid vehicles through partnership with the BYD brand and made positive progress in sales results with the Forthing personal vehicle brand, for which we are the general importer in the Republic of Croatia. In this way, we further enriched the offer of electric and hybrid vehicle models and solidified our position in a segment that will shape the mobility market in the long term. By opening new showrooms in Zagreb and Split, we increased the availability of advanced technologies and further improved customer experience.

In the commercial vehicle segment, 767 trucks were sold during the year. The continuity of market leadership has been marked for the 20th year in a row, which represents one of the longest periods of leadership in the industry, a strong confirmation of customer trust and the quality of our long-standing partnership. We further expanded our offer with the Isuzu D-MAX model, while we strengthened the segment of light commercial vehicles with the MAN TGE model, responding to an increasingly wide range of market needs. The year was also marked by the market results of MAN buses, which became

the best-selling brand of new buses in Croatia and Bosnia and Herzegovina.

In 2025, after-sales confirmed its strategic importance for the stability of the Group's operations. Our service staff logged 311,164 working hours, continuing the growth trend and further confirming the strength of our service network. In parallel, we continued to invest in service infrastructure, digital tools and specialist training to respond to the increasingly complex demands of a modern vehicle fleet and the growing expectations of users. During the year, we significantly improved working conditions in service workshops by introducing modern air conditioning systems at seven locations, with a plan for gradual implementation at the remaining locations. With this project, we raised the standard of the working environment to a higher level and further confirmed our care for employees who uphold our operational excellence every day.

Continuous investments in knowledge, sales and service infrastructure and business processes provide us with a level of stability and resilience that we have been building for more than seven decades. Additional strength comes from an increasingly pronounced diversification of our portfolio through personak and commercial vehicle programmes, cooperation with European, Japanese and Chinese manufacturers, and the offer of various propulsion technologies, which ensures a comprehensive and competitive offer to customers.

We continue to place special emphasis on the development of sustainable mobility. We actively work on reducing our carbon footprint, developing an offer of vehicles with alternative propulsion, improving energy efficiency and strengthening the principles of circular economy in our operations and after-sales activities. The second year of reporting according to ESRS standards has further strengthened our sustainability management processes, improved data quality and increased transparency to all stakeholders. The Board of Directors and management are actively involved in the implementation of the sustainability strategy and in ensuring the quality and reliability of sustainability reporting.

At the end of 2025, the Business Group employed 824 people, of whom 140 had been hired during the year. We systematically invest in education, specialisations and competence development with

a clear ambition for Auto Hrvatska to remain an environment in which long-term careers are built.

We pay special attention to the development of employees throughout their entire career, from the first working day to the end of their career. Regular employee engagement surveys confirm that human resources management and organisational culture are among our permanent development priorities.

During the year, we adopted a new communication strategy aimed at further strengthening market recognition and positioning Auto Hrvatska as a leading company in the automotive industry and a desirable employer. The new communication direction is summarised in the message "Always with you", which emphasises long-term presence, reliability and partnership with customers and stakeholders as permanent features of our business.

Of particular value this year were activities directed at the community. We are especially proud of our "Santa Claus Truck", whose most extensive tour to date has attracted more than 23,000 visitors throughout Croatia. Over the years, this project has grown into a recognisable symbol of the holiday period that brings together children, parents and local communities and authentically reflects our long-term commitment to the community in which we operate.

On the threshold of its 75th anniversary, Auto Hrvatska confirms its status as a modern, stable and growth-oriented business group that successfully connects the power of tradition with new technologies, digital transformation and innovations in the area of mobility. As the longest-standing company in the industry in this region, we build our future on experience, but also on readiness for changes that shape the mobility of tomorrow.

In the coming period, we continue with investments in digitalisation, operational excellence and employee development, with a clear focus on sustainable mobility solutions and the customer at the centre of our business. We are convinced that this approach will enable us to further strengthen our market position and create long-term value for all our stakeholders.

Sincerely,


Alen Vuksan-Ćusa





1. About the Auto Hrvatska Business Group

This chapter provides an overview of the state of the Auto Hrvatska Business Group at the time of preparing the report (March 2026), while all other parts of the report relate to the business results achieved in 2025.

BUSINESS GROUP

Nearly 75 years tradition

The Auto Hrvatska Business Group is the longest-standing company in the automotive industry in this region and the market leader in the sale and maintenance of personal and commercial vehicles.

The Group currently employs more than 800 employees and operates through 12 companies at a total of 33 locations in Croatia, Slovenia, Bosnia and Herzegovina and North Macedonia.



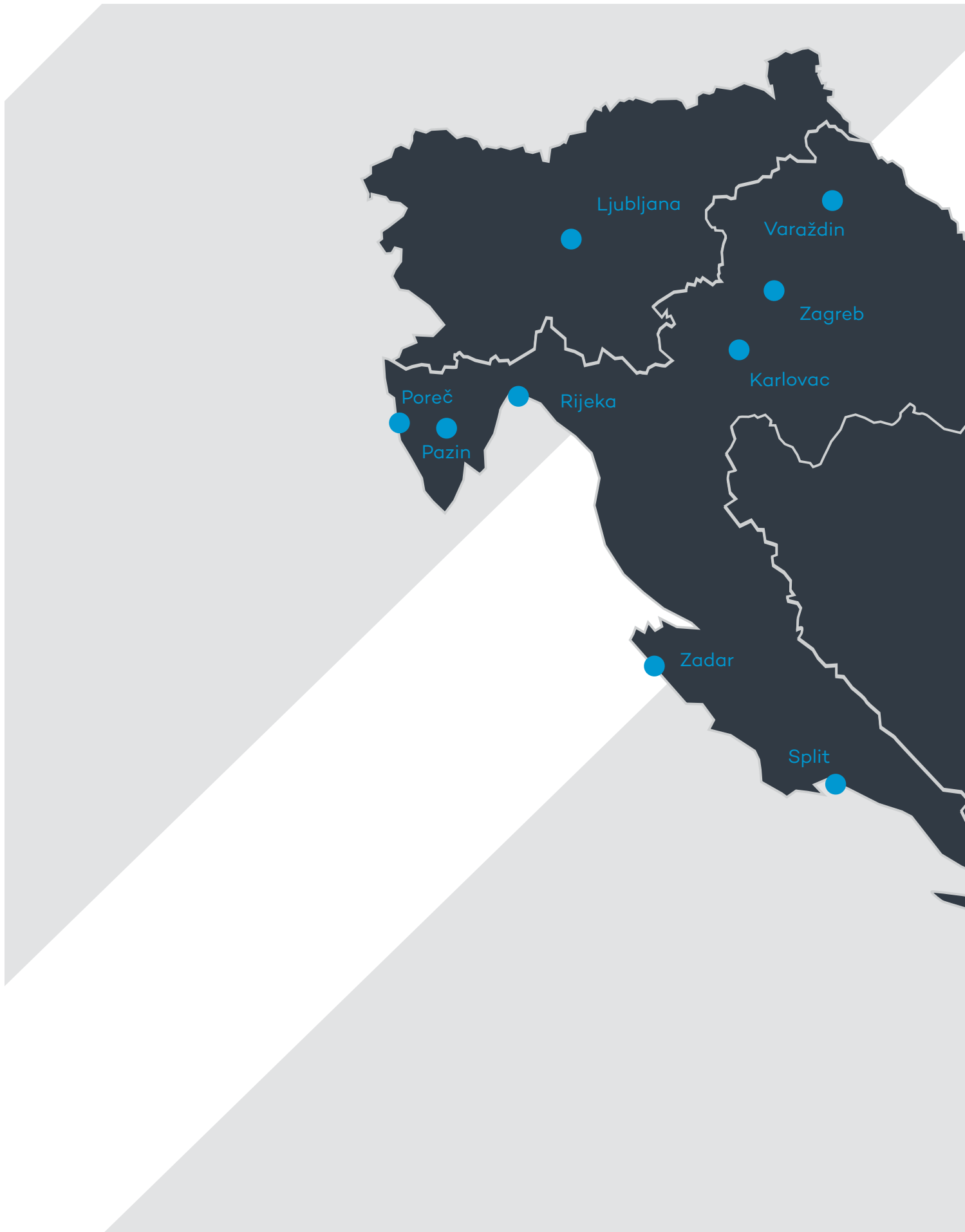
With more than seven decades of experience in the automotive industry, Auto Hrvatska is synonymous today with everything related to road vehicles and their maintenance in Croatia.

AUTO HRVATSKA in the automotive industry

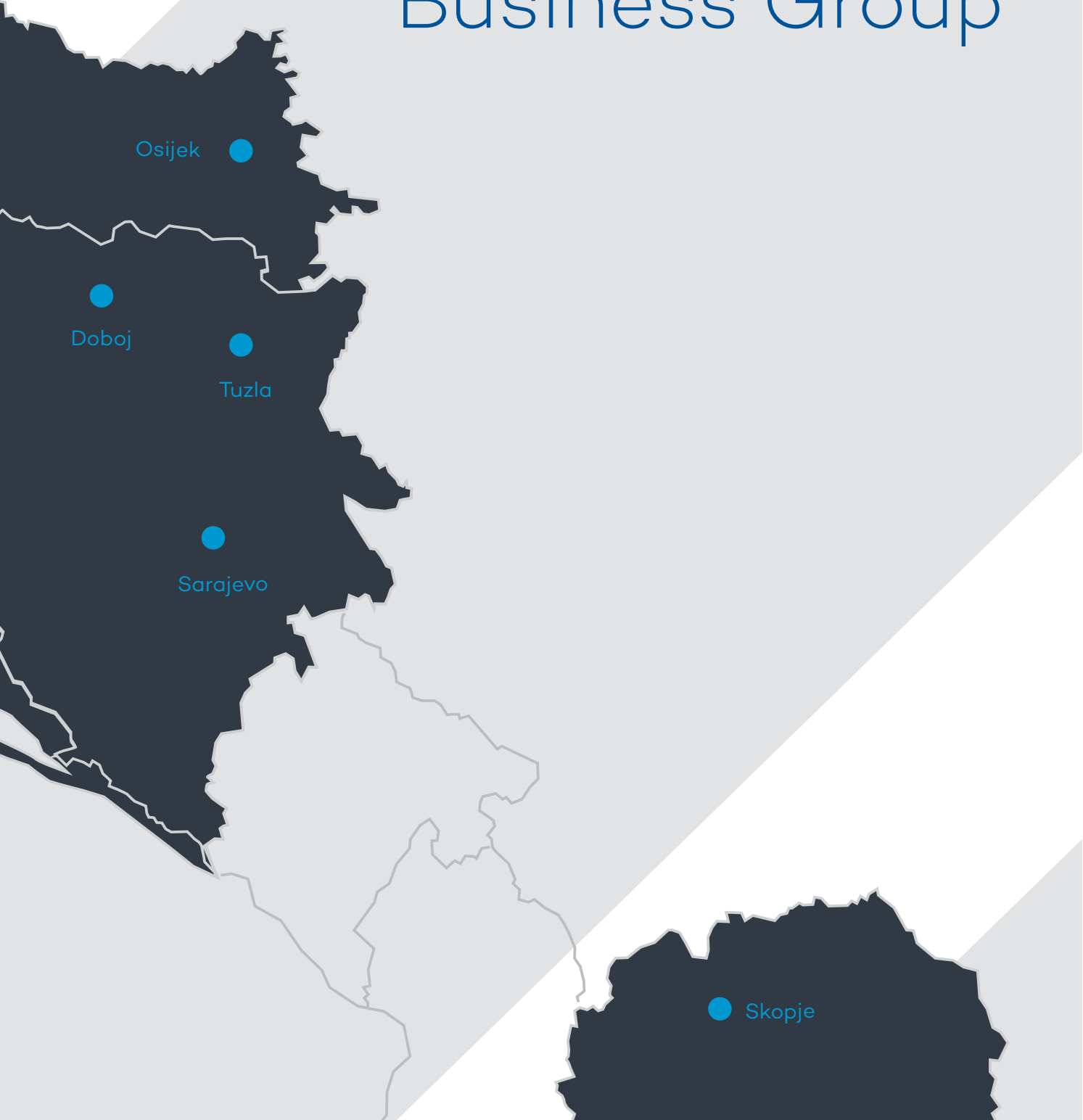
As an experienced and reliable partner, it provides clients with a wide portfolio of world-renowned personal and commercial vehicle brands, along with one of the most extensive sales and service networks in the region.



Auto Hrvatska's long-term success is based on the continuous development of quality partnerships with renowned global manufacturers, business partners and customers, with client needs permanently at the centre of all activities.



Auto Hrvatska Business Group



MISSION

Our exceptional employees provide customers with first-class solutions for acquiring and maintaining a wide range of vehicles and accompanying equipment, while conducting business responsibly and protecting the environment.

VISION

To be synonymous with competence and competitiveness in the automotive products and services market.

CORE VALUES

We believe that the best way to achieve our mission and vision is through dedicated work based on these values:

- Customer focus
- Trust and long-term relationships
- Tradition, reliability and stability
- Innovation
- Teamwork and employee initiative





Key figures

Built on the firm foundations of a long tradition and the successful navigation of numerous market challenges, with a clear focus on ongoing improvements and continuous investment in quality and sustainability, the Auto Hrvatska Business Group continues to build on its successes in the period ahead.





EUR **12.8** M

consolidated profit

EUR **284.8** M

total consolidated revenue in 2025

800+

employees

4

countries

74

years of operation

5,479

new and used passenger and light commercial vehicles sold in 2025

767

new and used trucks sold in 2025

20+

brands in the portfolio

33

locations

99

new and used buses sold in 2025

311,000

hours logged by service

60

new and used trailers sold



Board of Directors



Bogdan Tihava
Chairman of the
Board of Directors



Igor Brigljević
Deputy
Chairman of the
Board of Directors



Marko Juračić
Member of the
Board of Directors



Vera Kutleša
Member of the
Board of Directors



Lucija Ćurin
Member of the
Board of Directors

Executive Directors



**Alen
Vuksan-Ćusa**
Chief Executive
Officer



Mario Fabek
Executive Director



Ante Belamarić
Executive Director



Marko Tihava
Executive Director

Employees of the Year for outstanding contribution to our development and work

Ivan Francetić

” What motivates me most in my work are our clients who have been entrusting their vehicles to us for repair for many years, and my colleagues with whom I progress and learn something new every day. Above all, I hope our new colleagues enjoy this job and recognise that they can create something with their hands and their knowledge.



Toni Čavrak

I consider the nomination for Employee of the Year a recognition in which all my colleagues also deserve credit. I find motivation for work in the constant possibility of advancement and in continuous education and training.

“

Husref Gračo

” I find the greatest motivation in doing a job that I love and that fulfils me. I experience every new challenge as an opportunity to learn and progress. I would tell my colleagues to be original, persistent and not to give up, regardless of the obstacles that may appear on the path to success.



Karlo Kavaj



It is nice to work in an environment where a person can grow in sales and after-sales, but also as a person. I would like to tell everyone to be persistent, to do the best job possible, and that the results will come.



Andrijana Bandić Pribanić



I have been working at Auto Hrvatska for 20 years and I believe that the key to success is readiness for change, adaptability, and daily dedication and hard work. You must be conscientious and responsible in carrying out tasks, and in the end, also proud of the achievements made.

Alen Paladinić



Such recognition is a confirmation that we are doing our job well, and the award simultaneously contributes to and motivates us to achieve even better results in the future. Daily work with customers is challenging, but it brings us great satisfaction, especially when we manage to help them. Through such situations, we achieve benefits for our company and for ourselves.



Mario Godinić

”

I am glad that with my dedication, acquired experience and knowledge, I can contribute to the company's progress and be part of a progressive and motivated team.



Julijana Stamenkovska

I would not have achieved this recognition without the daily support of my colleagues and director, who believe in me and with whom I cooperate daily and share common goals. I want to tell everyone to always be themselves, sincere with others and ready for cooperation, because I believe that these qualities, regardless of where we work, are worthy of respect.

“

Maja Banovac

”

Without the support and team spirit of my colleagues, this success would not have been possible. The nomination is not only a personal recognition, but a confirmation that effort and joint work are truly recognised. This is an incentive for us to continue contributing to common success in the future with the same amount of dedication and responsibility.



Mirjana Rakić

”

The Mentor of the Year award is the result of years of effort, but also a confirmation that persistence, responsibility and a positive approach to work are always recognised. I draw motivation from daily challenges that encourage me to be better, faster and more resourceful in finding solutions. I believe that success in work is the result of experience, willingness to learn and cooperation with others. I see the award as a joint success of the whole team. I tell everyone to believe in themselves, not to be afraid to take responsibility and to give their best in every task, because effort always pays off.



Tina Funarić

In the 10 years that I have worked at Auto Hrvatska, I have come to love my job and I believe that this is the key to satisfaction in the workplace, which drives my motivation and energy. The team that supports and helps me every day also plays a big role in this, because without them my success would not be possible. Regardless of which member of the Business Group we are in, we all strive for the same goal, and when we rely on each other and cooperate, every challenge becomes easier.

“



Auto Hrvatska Automobili – After-sales, Split

”

We are proud of our colleagues who started their working careers with us and developed into top professionals. In our team, we live values such as trust, professionalism and quality. Every challenge and problem we have encountered has further strengthened us and made us a stronger team. This award is not only a recognition for 2025, but for all the years since our centre has been operating.



1.1. Solutions for mobility

The Auto Hrvatska Business Group provides comprehensive services in the automotive industry to partners and clients. In addition to a rich offering of world-renowned vehicle brands, the Group also provides a wide range of spare parts, tyres, additional equipment, service equipment and tools from renowned manufacturers, as well as a number of specialised automotive services.

The offering is additionally complemented by sales financing solutions, real estate services and insurance contracting services.

Personal and light commercial vehicles

The Auto Hrvatska Business Group is engaged in the sale and servicing of personal and light commercial vehicles at 11 locations throughout Croatia.

In this segment, the Group operates through the company Auto Hrvatska Automobili, within which authorised sales and service centres for the brands Dongfeng, Forthing, DFSK, BYD, Audi, Volkswagen, Volkswagen commercial vehicles, Škoda, Peugeot, Mazda, Seat, Cupra, Renault, Dacia and Fiat Professional are available to customers.

In all centres, there are also used vehicle centres with a wide range of personal and light commercial vehicles of all brands, along with a warranty and a wide range of additional services, including vehicle trade-in and direct buyback.



The offering includes sales and service centres in Zagreb, Karlovac, Rijeka, Poreč, Zadar, Split and Osijek, with a wide range of spare parts and equipment from renowned global manufacturers.



FORTHING

DFSK

BYD



In addition to the sale and servicing of new and used vehicles, customers have access to extended warranty, mobile warranty and long-term vehicle rental services and contract maintenance through Auto Hrvatska Mobility.



SKODA



DACIA



The Auto Hrvatska Business Group provides comprehensive services in the automotive industry to partners and clients.

In the spring of 2025, Auto Hrvatska became the authorised distributor of BYD vehicles, further expanding its offer of electric and plug-in hybrid vehicles.

The BYD vehicle showroom in Zagreb is located at Heinzlova 70, while the centre in Split is located at Domovinskog rata 65.



Our quality, expertise and innovation have been recognised not only by drivers but also by numerous business partners, as evidenced by more than 60 years of continuous cooperation with the Volkswagen Group.

At sales centres, various options for financing a purchase are available through loans, operating lease or finance lease, as well as arranging compulsory and comprehensive insurance policies.





The opening of BYD centres represented an additional milestone in the development of electric mobility in Croatia, with an emphasis on innovation, quality and sustainability as important guidelines for future business.



At the beginning of 2026, as part of further development of the personal vehicle programme, Auto Hrvatska Importer, specialised in the import of new personal and light commercial vehicles and the development of the sales network, began operations. The company is also the main importer of personal vehicles of the Dongfeng and Forthing brands, as well as light commercial vehicles of the DFSK brand.





DONGFENG FORTHING DFSK BYD PEUGEOT FIAT PROFESSIONAL
AUTOHRVATSKA RABLJENA VOZILA AUTOHRVATSKA MOBILITY VW Servis Audi Servis SEAT Servis SKODA Servis Generalista Vozila Servis



PEUGEOT AUTOHRVATSKA RABLJENA VOZILA FORTHING
AUTOHRVATSKA MOBILITY DONGFENG

Sales and service network for personal vehicles

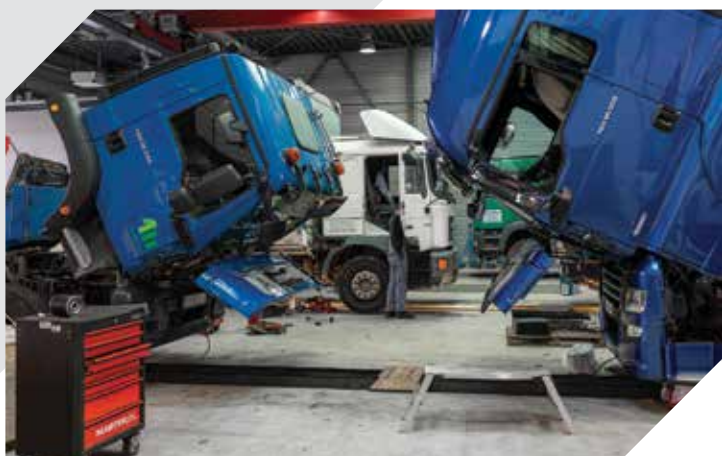
Commercial vehicles

The Auto Hrvatska Business Group occupies a leading market position in the commercial vehicle segment. It is the main importer of the MAN, Neoplan, Otokar and Ford Trucks brands, importer of Kässbohrer and Benalu trailers, and authorised distributor and servicer of Isuzu trucks.

An important segment of the Auto Hrvatska Business Group's operations is the sale and servicing of trucks and buses of various brands; particularly notable is its long-standing cooperation with MAN.

Auto Hrvatska's cooperation with MAN began 33 years ago, and according to the 2025 results, MAN trucks have been the best-selling brand on the Croatian market for 20 consecutive years.

The long-standing cooperation with MAN has significantly influenced the structure of the vehicle fleet in Croatia – the share of MAN vehicles has grown from an initial 7% to approximately 30%, with more than 15,500 registered vehicles.



MAN

NEOPLAN

Otokar



In 2025, the Business Group introduced a new product to its portfolio – MAN TGE, opening a new chapter in the light commercial vehicles segment.



The year 2025 was also marked by exceptional market results of MAN buses and its status as the best-selling brand of new buses in Croatia and Bosnia and Herzegovina.



Sharing the load

ISUZU

Kässbohrer

As part of the modernisation of public transport, the Zagreb Electric Tram (ZET) received two MAN Lion's City E electric buses that same year, as an example of the application of sustainable solutions in urban transport.

The sales and service network for commercial vehicles today comprises 14 authorised sales and service centres in the region. More than 400 experts are employed at nine centres in Croatia, three in Bosnia and Herzegovina, and one each in Slovenia and North Macedonia.

These modern centres are equipped with the latest diagnostic equipment and special tools, while the extensive service network ensures constant service availability and one of the most complete service offerings in the region.



MAN's workshops in Croatia are among the best globally, as confirmed by successes at international service team competitions.



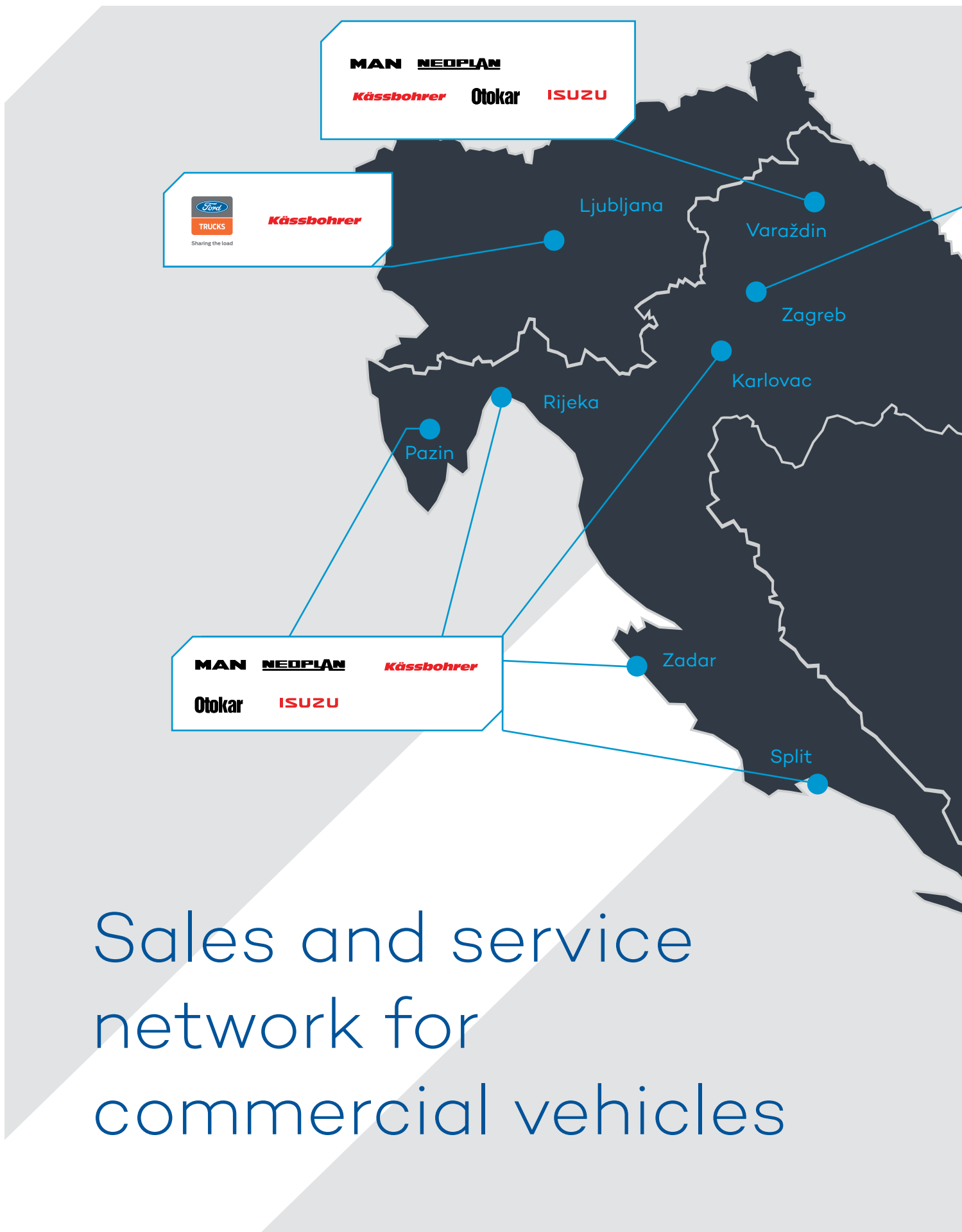
The Group also operates a Bosch Diesel centre that provides diagnostic, testing, repair and maintenance services for diesel systems, including the remanufacturing of injectors and injection pumps, as well as servicing of Common-Rail systems.

The Group is also specialised in the sale of service equipment for personal and commercial vehicle workshops. Remanufactured brake callipers from our own production facility in Varaždin are available under the Teiler brand, as well as disc brake pads from renowned manufacturers.

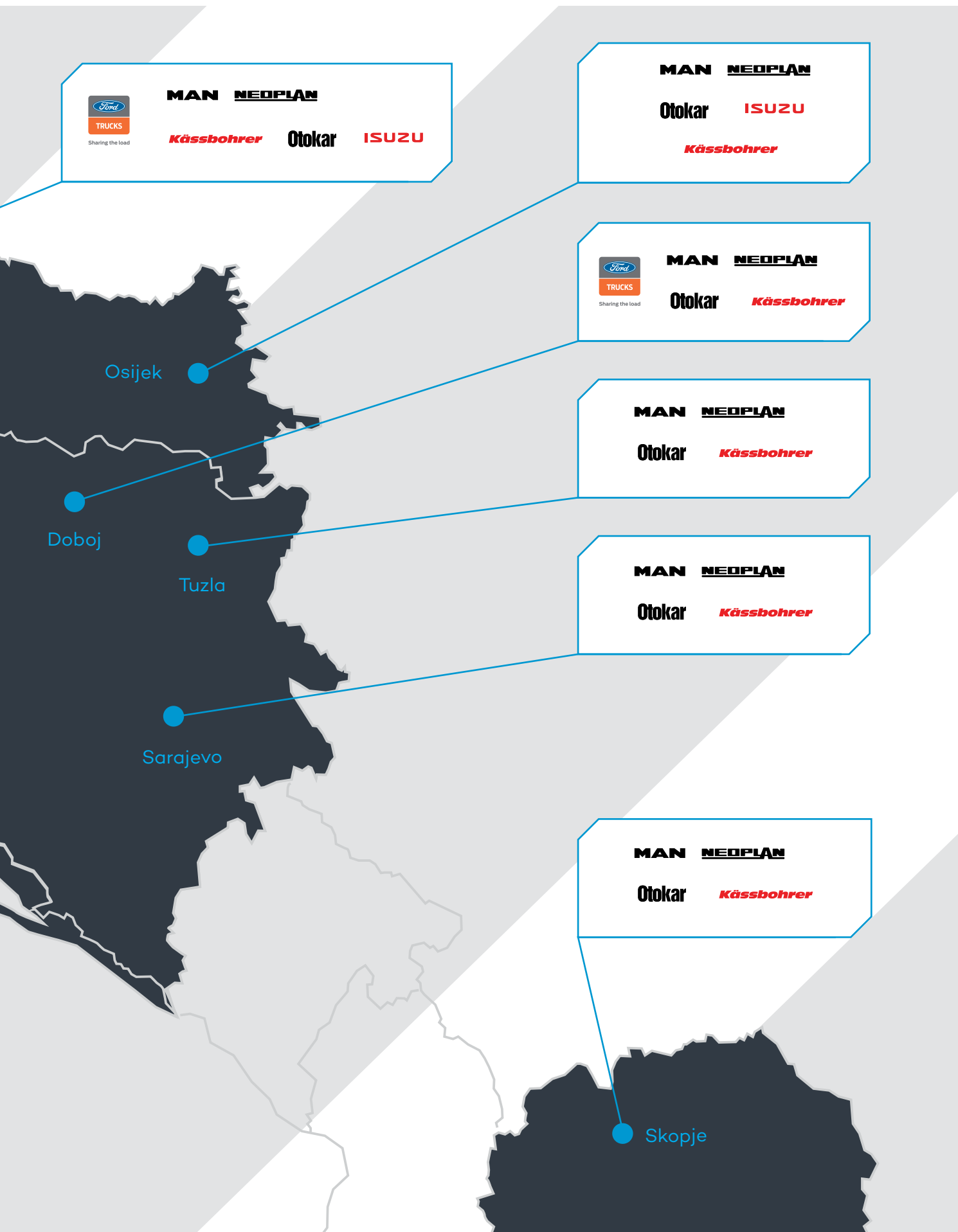


Continuous education of centre employees is an important part of our business model. Auto Hrvatska's service centre trainers were among the first outside German-speaking countries to obtain MAN certification in 2009, and today they conduct around 60 different seminars within the MAN Academy, including training of service centre.





Sales and service network for commercial vehicles



Santa Claus Truck delights thousands of children across Croatia



The Santa Claus Truck project again confirmed its status as one of the most recognisable holiday projects in Croatia in 2025. The December tour marked the conclusion of the most extensive edition to date, which attracted more than 23,000 visitors.

During December, the Santa Claus Truck travelled almost 2,700 kilometres and visited a total of 16 locations throughout Croatia: Ladimirevci, Osijek, Vukovar, Koprivnica, Delnice, Rijeka, Pazin, Pula, Karlovac, Lekenik, Gospić, Zadar, Šibenik, Split, Sveta Nedelja and Hrvatski Leskovac. The tour was ceremoniously concluded on 20 December with the final performance in front of the MAN Centre in Zagreb.

In its recognisable holiday attire, a red MAN truck with a Kässbohrer semi-trailer converted into a mobile stage, accompanied by a Forthing T5 EVO vehicle, once again brought joy to children this year. Through play and song, the interactive performance conveyed messages of togetherness, trust and mutual support. The great interest of the audience at all stations further confirmed how much the project is recognised.



Visits to our own sales-service centres throughout Croatia were another highlight of this year. Thus, the holiday atmosphere entered the work environment as well, and the gatherings were marked by laughter, joy and the participation of our employees' children, which further strengthened internal bonds and organisational culture.

The entire organisation and safe implementation of the tour were led by the internal team of the Auto Hrvatska Business Group. The project was prepared for months through detailed planning of activities, logistics, safety and coordination, and during the tour itself, the team ensured the flawless execution of each stop, working from both field and office.



Over the years, the Santa Claus Truck has grown into a recognisable symbol of the Advent period that brings together children, parents and local communities and authentically reflects a long-term commitment to socially responsible action.



Partners KRAŠ, Podravka, Kaufland, Zagrebačka banka, Prometeon and the Croatian Motor Vehicle Centre also contributed to the realisation, along with media sponsor bravo! KIDS, whose support further enriched this year's edition.





2. Sustainability Report for 2025



2.1. Key data

The Auto Hrvatska Business Group continues its trajectory of business growth and development, reflected in an increase in headcount from 809 in 2024 to 823 in 2025, an expansion in the number of locations, and ultimately a rise in total revenues from EUR 272 million to EUR 285 million over the same period. The capital and asset sources of the Company also maintain a growth trend, which ensures a strong financial position and enables planned capital investments. Capitalisation is rising slightly, but it remains in line with historical levels. The financial and business trends confirm that the Auto Hrvatska Business Group is laying the foundations for further strengthening its sustainability and social responsibility practices.

in mil. EUR	2021	2022	2023	2024	2025
Total consolidated revenue	171.21	222.30	242.18	272.08	284.79
Total consolidated expenses	164.58	212.64	227.55	257.50	268.92
Capital	64.05	70.41	79.81	88.27	95.08
Asset sources	92.38	111.55	120.16	134.83	151.82
Capitalisation	69.3%	63.1%	66.4%	65.5%	62.6%
Number of employees as at 31 December	702	718	783	809	823

SEGMENT	Unit	2021	2022	2023	2024	2025
Trucks (new and used)	kom	909	760	868	924	767
Buses (new and used)	kom	69	143	80	92	99
Trailers (new and used)	kom	54	93	65	70	60
Personal and commercial vehicles (new and used)	kom	3,227	3,471	4,113	5,559	5,479
Spare parts	mil. eur	35.8	48.9	55.8	64.4	68.2
Billed hours of service staff	sati	261,000	262,000	277,000	307,500	311,000
Contracted insurance premium	mil. eur	1.1	1.2	1.5	1.9	2.5
Space rental (indoor and outdoor)	m2	83,600	61,500	58,250	59,580	60,691
Leasing financing (IF)	mil. eur	40.0	44.0	52.0	52.0	69.0

Notable organisations of which the Auto Hrvatska Business Group is a member include:

- Croatian Chamber of Commerce
- Croatian Chamber of Commerce - Zagreb Chamber
- German-Croatian Industrial and Trade Chamber
- American Chamber of Commerce in Croatia
- Motor Vehicle Trade Association at the CCC
- Heavy Commercial Vehicles Importers Group at the CCC
- Croatian Chamber of Civil Engineers
- Croatian Association of Corporate Treasurers
- Croatian Association of Drivers and Auto Mechanics (HUVA)
- International Controller Verein Croatia
- Croatian Association for Development and Application of Hydrogen Fuel Cells
- Croatian Green Building Council
- Sports and Recreation Association Auto Hrvatska
- International Laureate Club "Creator for Centuries"
- Senate of Economy of Europe
- Honorary member of HAVK Mladost
- Assembly of the Zagreb City Tourist Board
- Assembly of the Tourism Board of Dugopolje Municipality.



2.2. Information on shares

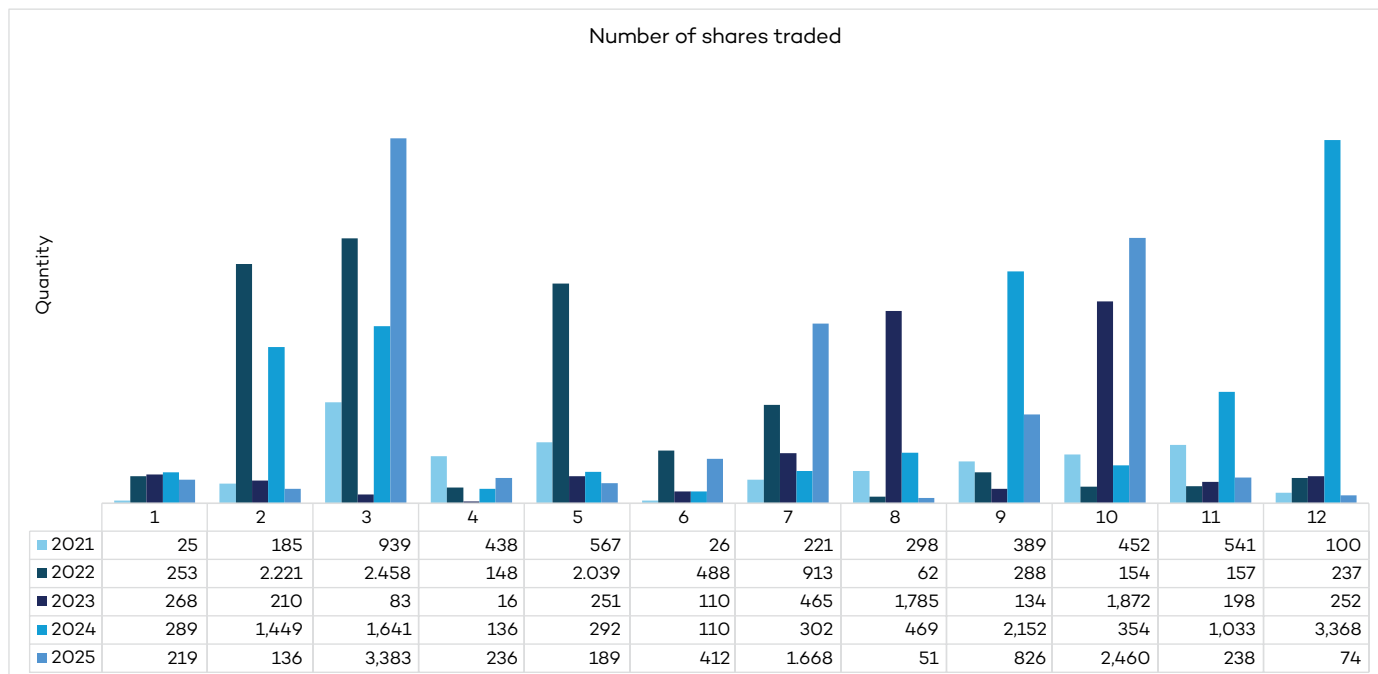
The shares of Auto Hrvatska d.d., under the stock symbol AUHR, are traded on the Regular market of the Zagreb Stock Exchange. The share capital of the Company is EUR 7,800,000.00, divided into 600,000 shares. The nominal value per share is EUR 13.00.

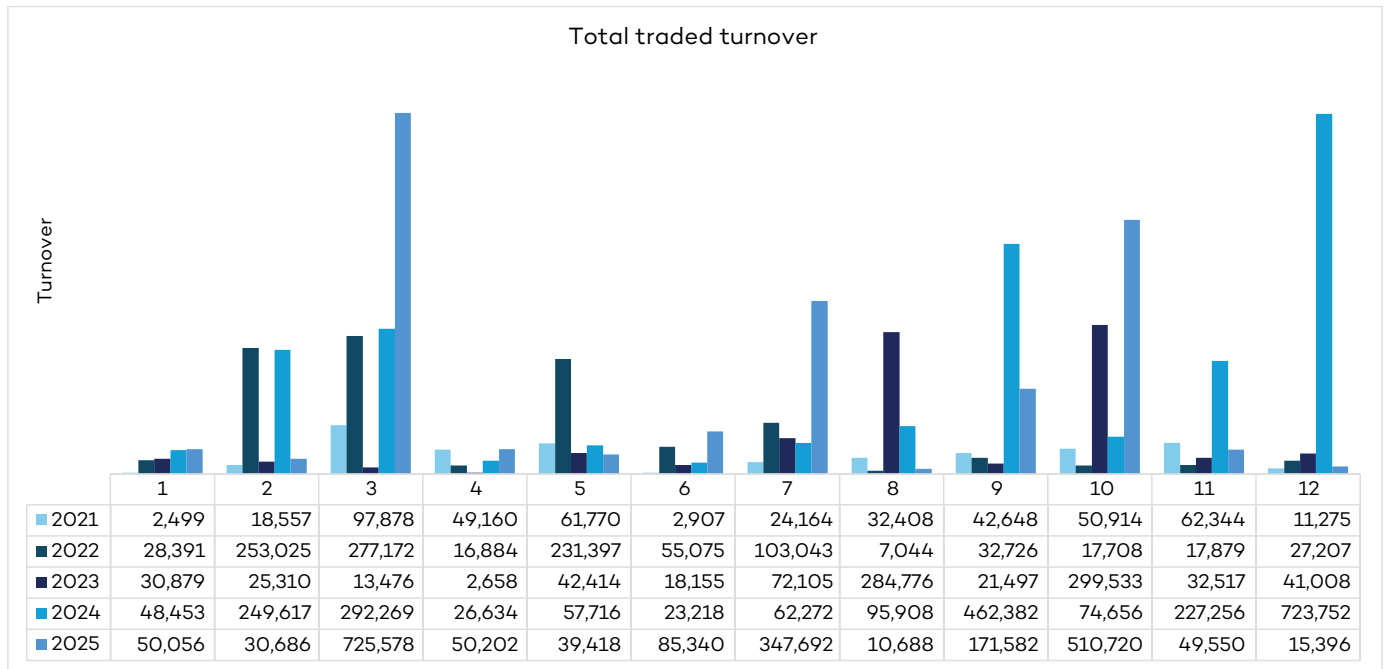
All shares of the Company are ordinary and issued in the form of dematerialised securities. All members of the Auto Hrvatska Business Group are 100% owned by the Parent Company.

	2021	2022	2023	2024	2025
Quantity	4,181	9,418	5,644	11,595	9,892

	2021	2022	2023	2024	2025
Turnover in EUR	456,523	1,067,550	884,328	2,344,133	2,086,908

	2021	2022	2023	2024	2025
Average weighted price in EUR	109	113	157	202	211





Holdings of the top 10 shareholders of the Company according to data from the Central Depository & Clearing Company as at 30 December 2025.

TOP 10 SHAREHOLDERS as at 30 December 2025			
No.	Account holder	Balance	% share in share capital
1	ZAGREBAČKA BANKA D.D./ TIHAVA BOGDAN	133,215	22.20
2	ZAGREBAČKA BANKA D.D./ BRIGLJEVIĆ IGOR	43,956	7.33
3	ZAGREBAČKA BANKA D.D./ JABUČAR ZLATAN	37,580	6.26
4	AUTO HRVATSKA D.D.	33,069	5.51
5	OTP BANKA D.D./ AZ OMF KATEGORIJE B	28,886	4.81
6	ZAGREBAČKA BANKA D.D./ URBANČIĆ JOSIPA	19,203	3.20
7	OTP BANKA D.D./ AZ OBVEZNI MIROVINSKI FOND KATEGORIJE A	19,202	3.20
8	PLEJIĆ TOMISLAV	18,162	3.03
9	ZAGREBAČKA BANKA D.D./ AZ PROFIT OTVORENI DOBROVOLJNI MIROVINSKI FOND	17,684	2.95
10	AGRAM BROKERI D.D. / UDOVIČIĆ DAMIR	12,994	2.17
TOTAL TOP 10:		363,951	60.66

Auto Hrvatska d.d. acquired treasury shares in the period from 1 January to 31 December 2025 in accordance with the General Assembly decision of 25 April 2024. The shares were acquired in order to be offered to employees of Auto Hrvatska d.d. and its related companies under equal conditions, and to be allocated to employees as a reward for participation in the distribution of realised profit. In the period from 1 January to 31 December 2025, Auto Hrvatska d.d. acquired 5,754 treasury shares with a nominal value of one share of EUR 13.00, which represents 0.959% of the Company’s share capital. In this period, Auto Hrvatska d.d. did not dispose of treasury shares.





2.3. General disclosures

ESRS 2 General disclosures

2.3.1. Basis for preparation of statements

BP-1 General basis for preparation of sustainability statements

The Sustainability Statement of the Auto Hrvatska Business Group for 2025 was prepared on a consolidated basis in order to enable a comprehensive overview of all activities, projects and effects related to sustainable business at the Group level. When preparing the statement, the Group followed the principles of transparency, responsibility and compliance with regulatory requirements.

The scope of consolidation is the same as in the financial statements. The consolidated financial statements of the Auto Hrvatska Business Group comprise the financial statements of the Parent Company and entities under its control (“subsidiaries”) as at and for the year ended 31 December 2025. Control exists when the Parent Company has power over that entity, exposure or rights with respect to variable returns on its participation in that entity, and the ability to exercise its authority in the entity in a way that affects the amount of its return. The results of subsidiaries acquired or sold during the year are included in the consolidated statement of comprehensive income from the date of actual acquisition or sale. The financial statements of related companies have been adjusted as necessary to harmonise the accounting policies of entities within the Group. All intra-Group transactions, as well as all balances, income and expenses, have been eliminated upon consolidation.

Controlled companies included in the consolidated financial statements are: Auto Hrvatska d.d. (Parent Company), MAN Importer Hrvatska d.o.o. (100% ownership), Auto Hrvatska Prodajno servisni centri d.o.o. (100% ownership), Auto Hrvatska Automobili d.o.o. (100% ownership), MAN Importer Makedonija d.o.o.e.l. (100% ownership), Kamion Importer d.o.o. (100% ownership), Kam i Bus d.o.o. (100% ownership), Auto Tangenta d.o.o. (100% ownership), Kam i Bus Importer d.o.o. (100% ownership), Kam in Bus Importer d.o.o. (100% ownership), Auto Hrvatska Importer d.o.o. (100% ownership), Auto Hrvatska Mobility d.o.o. (100% ownership).

The Sustainability Statement covers the Auto Hrvatska Business Group’s value chain, including direct and indirect business relationships both upstream and downstream. The value chain was considered as part of the assessment of impacts, risks and opportunities (IROs), which is presented within the statement on material IROs. For more detailed information on the value chain of the Auto Hrvatska Business Group, refer to the SBM-1 disclosure.

The Auto Hrvatska Business Group adheres to the principles of transparency and responsibility when preparing the sustainability statement, but also guarantees the protection of sensitive data, intellectual property, knowledge and innovations. In accordance with ESRS 1 (section 7.7), the organisation assesses which information needs to be omitted from the report in order to protect key business interests with minimal deviation from the principles of complete reporting. In the event of omission of information, the Group will (where applicable) indicate that certain information has been omitted, state the general reason for the omission and strive to provide aggregated or alternative information that enables understanding of the topic without disclosing sensitive details.

BP-2 Disclosures in specific circumstances

During 2025, the Company further improved the approach to calculating greenhouse gas emissions with the aim of increasing the accuracy, traceability and comparability of data across periods. Within the framework of the improvement process, a detailed review of the methodology and input data for the calculation of emissions for 2024 was carried out, whereby areas were identified for further alignment with the requirements of reliable reporting. This included expanding the scope of Scope 3 categories, the application of more precise data for individual categories, the updating of emission factors and additional calculation controls. The Company carried out a recalculation of emissions for 2024 based on documented input data, updated emission factors and consistent methodology, while the calculation for 2025 was prepared on the same basis. The emissions for 2024 presented in this report represent revised (recalculated) comparative values.

Details on methodology, scope (Scope 1, Scope 2 and Scope 3), data sources and key assumptions for emissions for 2024 (recalculated) and 2025 are presented in the corresponding disclosures within ESRS E1 (Climate Change).

2.3.2. Governance

GOV-1 Role of administrative, management and supervisory bodies

Structure and organisation of the Auto Hrvatska Business Group

The Auto Hrvatska Business Group operates as a system of related companies in which the parent company Auto Hrvatska d.d. is in charge of real estate and shared services and has 100% ownership of companies (limited liability companies) organised according to commercial programmes and territories. The members of the Auto Hrvatska Business Group are located in Croatia, North Macedonia, Bosnia and Herzegovina and Slovenia. The Group's management is aligned with regulatory requirements and good corporate governance practices. Management and supervisory bodies are established and function at the consolidated Group level of the Auto Hrvatska Business Group (at the level of the parent company Auto Hrvatska d.d.), while each subsidiary has its own management, and supervisory boards are established in the companies Auto Hrvatska PSC d.o.o. and Auto Hrvatska Automobili d.o.o., each of which includes an employee representative.

Structure and composition of administrative, management and supervisory bodies

The parent company Auto Hrvatska d.d. applies a one-tier management system in accordance with the Companies Act. The Group is managed by the Board of Directors, which oversees operations and makes strategic decisions. The Board of Directors is appointed by the General Assembly of the Company, and members have a two-year mandate, with the possibility of reappointment. The Board of Directors consists of five non-executive members, including an independent member and an employee representative. The Board of Directors of the Company consists of:

- **Bogdan Tihava** – Chairman of the Board of Directors. Non-executive Director. Procurator in member companies. Directly responsible for investment and real estate maintenance affairs and management of activities related to use, sale and leasing of real estate;
- **Igor Brigljević** – Deputy Chairman of the Board of Directors. Non-executive Director. Procurator in member companies. Directly responsible for the organisation of management, shareholder affairs and corporate activities, Human Resources and Legal Affairs;
- **Marko Juračić** – Member of the Board of Directors. Non-executive Director for After-sales. Procurator in member companies. Directly responsible for the territorial organisation, development of the service network and service activities of the Auto Hrvatska Business Group;
- **Vera Kutleša** – Member of the Board of Directors. Employee representative in accordance with the Labour Act;
- **Lucija Ćurin** – Independent Member of the Board of Directors

Representation of employees and other workers in administrative, management and supervisory bodies (ESRS GOV-1 21-(b))

The Board of Directors of Auto Hrvatska d.d. has 5 members, of whom 1 member is an employee representative, which makes up 20% of the composition of the Board of Directors. The employee representative is elected from among the employees of Auto Hrvatska d.d. in free and direct elections, by secret ballot, in the procedure prescribed by the Labour Act for a term of 2 years, with the rights and obligations of a member of the Board of Directors in accordance with the Companies Act, the Articles of Association of Auto Hrvatska d.d. and the Decision on the Competence of the Board of Directors of Auto Hrvatska d.d. The employee representative participates in discussions and decision-making and conveys the proposals and needs of employees. Consultations with the employee representative are held twice a month through sessions of the Board of Directors and Executive Directors, and sessions of the Executive Directors and the Board of Directors, and conclusions are monitored through minutes.

AUTO HRVATSKA Business Group		
AUTO HRVATSKA D.D. - parent company		
REPUBLIKA HRVATSKA	Company management	Supervisory Board
MAN IMPORTER HRVATSKA D.O.O.	Marko Tihava - President of Management Board	-
	Nina Ferdelja - Management Board Member	-
AUTO HRVATSKA PRODAJNO SERVISNI CENTRI D.O.O.	Mario Fabek - President of Management Board	Bogdan Tihava - Chairman of the Supervisory Board
	Ivica Peršin - Management Board Member	Ivan Borić - Deputy Chairman of the Supervisory Board
	-	Josip Lacković - Supervisory Board Member (employee representative)
KAM I BUS IMPORTER D.O.O.	Ivan Borbaš - Managing Director (from 02/2025)	-
	Lari Host - Managing Director (until 02/2025)	-
AUTO HRVATSKA AUTOMOBILI D.O.O.	Alen Vuksan-Ćusa - President of Management Board	Bogdan Tihava - Chairman of the Supervisory Board
	Šime Klanac - Management Board Member	Ante Čerkez - Deputy Chairman of the Supervisory Board
	Joško Košta - Management Board Member	Damir Bačan - Supervisory Board Member (employee representative)
AUTO HRVATSKA IMPORTER D.O.O.	Goran Banden - Managing Director	-
AUTO HRVATSKA MOBILITY D.O.O.	Ante Čerkez - Managing Director	-
AUTO TANGENTA D.O.O.	Caroline Vranić - Managing Director	-
THE REPUBLIC OF NORTH MACEDONIA	Company management	Supervisory Board
MAN IMPORTER MAKEDONIJA D.O.O.E.L.	Vitomir Varga - Managing Director	
BOSNIA AND HERZEGOVINA	Company management	Supervisory Board
KAM I BUS D.O.O.	Darko Bugarin - President of Management Board - Director	-
	Nermin Kumbarić - Management Board Member - Deputy Director	-
KAMION IMPORTER D.O.O.	Ivan Borbaš - Managing Director	-
THE REPUBLIC OF SLOVENIA	Company management	Supervisory Board
KAM IN BUS IMPORTER D.O.O.	Branimir Nadih - Managing Director	
BOARD OF DIRECTORS		
Bogdan Tihava	Chairman of the Board of Directors	
Igor Brigljević	Deputy Chairman of the Board of Directors	
Marko Juraić	Member of the Board of Directors	
Vera Kutleša	Member of the Board of Directors	
Lucija Ćurin	Member of the Board of Directors	
EXECUTIVE DIRECTORS		
Alen Vuksan-Ćusa	Chief Executive Officer	
Ante Belamarić	Executive Director for Shared Services	
Mario Fabek	Executive Director for commercial programme, territorial organisation and network development	
Marko Tihava	Executive Director for commercial programme dealerships	

In the reporting year, the Company does not engage other workers (including agency workers and/or contractors' workers) as defined by ESRS, and therefore complaint and feedback channels do not apply to them, nor is their representation in governance bodies ensured.

Supervision and management of sustainability topics

The Board of Directors delegates management authority for business activities to four Executive Directors:

- **Alen Vuskan-Ćusa** – Chief Executive Officer
- **Mario Fabek** – Executive Director for commercial programme, territorial organisation and network development
- **Marko Tihava** – Executive Director for commercial programme dealerships
- **Ante Belamarić** – Executive Director for Shared Services

In 2025, two women were appointed to the Board of Directors, along with three male members, further improving gender equality and strengthening diversity in the management of the Business Group. Gender diversity on the Board of Directors is 40% women and 60% men. At the Auto Hrvatska Business Group level, 48 managers have been appointed, of whom 39 are men (81%) and 9 are women (19%). Reporting lines are defined within the organisation, and each executive director submits regular reports to the Board of Directors.

Governance, decision-making and ethics system

The Board of Directors leads the Company and is responsible for the strategic management of the Auto Hrvatska Business Group, including investments, organisational development, key policies and decisions, compliance with regulations, and the appointment and supervision of executive directors.

The Board of Directors is responsible for the Sustainability Statement, which is published annually together with the financial report on the operations of the Auto Hrvatska Business Group. The Board of Directors has appointed the ESG team and adopted the Sustainability Strategy during 2024.

In accordance with ESRS requirements, the Board of Directors is also responsible for overseeing the management of sustainability, including the integration of sustainability into business strategy and policies, oversight of key ESG indicators, management of risks and opportunities, and ensuring transparent and accurate sustainability reporting. The Board of Directors ensures that relevant members of the bodies and key team members possess or develop the necessary skills to oversee sustainability through education and training.

Governance and supervisory system

In order to strengthen sustainable business and compliance with ESG standards, the Board of Directors appointed an ESG team composed of representatives of various departments. The ESG team supports the implementation of the sustainability strategy, monitors relevant ESG indicators, coordinates initiatives and action plans and reports to the Board of Directors on progress and challenges, with continuous data collection throughout the year and periodic analyses according to defined time frames.

Role of the Audit Committee and internal control

The responsibilities of the Audit Committee are defined for the purposes of compliance and transparency, which ensures the reliability of financial and non-financial reports and oversees compliance with regulatory requirements and ethical standards. Control of business, processes and ESG data quality is carried out through established management controls, internal checks within the competent functions and, where applicable, through internal and external audits.

GOV-2

Information provided to the administrative, management and supervisory bodies of the Company and sustainability factors addressed by those bodies

Compliance and regulatory system

During the reporting period, the Board of Directors and Executive Directors were regularly informed of key sustainability issues through a structured reporting system. Information was provided through session materials and operational reports, with the frequency varying depending on the topic: monthly for specific operational topics (e.g. sustainable mobility) and quarterly or annually for other topics, depending on the relevance and dynamics of monitoring.

The information provided covered key environmental, social and governance (ESG) factors that are important for the long-term sustainability of business, including in particular:

- **Environment:** energy consumption and monitoring, development and use of charging infrastructure for electric vehicles, implementation of initiatives related to sustainable mobility (EV and hybrid vehicles), planning the replacement and procurement of company vehicles in line with the sustainable development strategy, monitoring of electric vehicle sales, use of available subsidies and incentives, employee training and relevant regulatory compliance.
- **Social:** work-related injuries, employee turnover, education and training, complaints and incident management.
- **Governance:** compliance, including monitoring irregularities and status of the implementation of related measures.

The Board of Directors and Executive Directors regularly consider sustainability topics at meetings, whereby environmental, social and governance factors are integrated into the system of decision-making, oversight and management. This ensures consistent application of internal policies, regulatory compliance and effective oversight of the implementation of measures and planned initiatives.

The ESG team participates in analysing specific sustainability issues and supports the implementation of operational initiatives aimed at improving the environmental and social responsibility of the Company.

Internal control system, data quality and reporting oversight

For the purposes of decision-making and oversight, sustainability information is prepared by the competent departments (human resources, investment and maintenance, including facility and energy management, legal and compliance, general affairs, including procurement, accounting and finance), while the Controlling function carries out the consolidation of information and the preparation of consolidated overviews for the Board of Directors and Executive Directors.

The Group applies internal control over ESG information and reporting, including internal audit and validation of ESG data and related records, with the aim of ensuring the accuracy, consistency and traceability of information provided to governance bodies.

Through the aforementioned reporting system, the Board of Directors monitors the implementation of sustainability strategies and measures, as well as progress towards planned activities, using relevant indicators (KPIs) such as: energy consumption, injuries, turnover, training, complaints, incidents and compliance status.

GOV-3

Integration of sustainability-related results in incentive programmes

In the reporting year 2025, the Auto Hrvatska Business Group did not include sustainability-related results in incentive programmes (e.g. variable remuneration/bonuses) for members of administrative, management and supervisory bodies and/or key managers.

The Company plans to consider the inclusion of sustainability-related indicators in incentive programmes in a future period following the adoption of the transition plan and the establishment of a comprehensive programme of decarbonisation objectives.

GOV-4

Due diligence statement

KLJUČNI ELEMENTI POSTUPKA DUŽNE PAŽNJE	ITEMS IN THE SUSTAINABILITY STATEMENT
a) Integration of the due diligence process into governance, strategy and the business model	GOV-1 – Role of administrative, management and supervisory bodies GOV-2 – Information provided to the administrative, management and supervisory bodies of the Company and sustainability factors addressed by those bodies SBM-1 – Strategy, business model and value chain SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
b) Engagement with affected stakeholders in all key steps of the due diligence process	SBM-2 – Interests and views of stakeholders GOV-2 Information provided to the administrative, management and supervisory bodies of the Company and sustainability factors addressed by those bodies IRO-1 – Description of procedures for identification and assessment of material impacts, risks and opportunities
c) Identification and assessment of adverse impacts	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and the business model IRO-1 – Description of procedures for identification and assessment of material impacts, risks and opportunities
d) Taking measures to eliminate those adverse impacts	E1-3 – Measures and resources related to climate policies E5-2 – Measures and resources related to resource use and circular economy S1-4 – Taking measures for significant effects on the workforce G1-1 – Business conduct policies and corporate culture
e) Monitoring the effectiveness of these efforts and communication	GOV-1 – Role of administrative, management and supervisory bodies GOV-2 – Information provided to the administrative, management and supervisory bodies of the Company and sustainability factors addressed by those bodies E1-4 – Targets related to climate change mitigation and adaptation E5-3 – Targets related to resource use and circular economy S1-5 – Targets related to managing significant adverse impacts, promoting positive impacts and managing significant risks and opportunities S1-5 – Ciljne vrijednosti povezane s upravljanjem značajnim negativnim učincima, poticanjem pozitivnih učinaka i upravljanjem značajnim rizicima i prilikama

GOV-5

Risk management and internal controls for sustainability reporting

Scope, main features and components of the risk management and internal control system

The Auto Hrvatska Business Group has established a risk management and internal control system with the aim of ensuring the accuracy, completeness and timeliness of sustainability reporting. The system applies to the parent company and members in Croatia, Bosnia and Herzegovina, North Macedonia and Slovenia.

The governance model consists of three lines of defence:

- First line of defence (operations): competent services and managers as data owners are responsible for the collection, records and initial checks of ESG data in their areas. The main data owners by topic include the human resources department, the investment and maintenance department, including facility and energy management, the legal and compliance department, the general affairs department, including procurement, information functions, including accounting, controlling and finance, depending on the type of individual indicators.
- Second line of defence (coordination and oversight): The Board of Directors provides management oversight of the reporting process, and the appointed ESG team coordinates data collection, standardisation of methodologies and report preparation, with the support of the Controlling and Accounting functions which ensure data consolidation, consistency and control, and the legal affairs function which provides support in interpreting regulatory requirements and monitoring compliance with relevant data.
- Third line of defence (independent verification): internal audit performs independent checks of selected data, controls and traceability, and additional checks are performed by external auditors and/or certification bodies (e.g. ISO), depending on the scope.

Risk assessment and key reporting risks

The ESG team, together with data owners, identifies and assesses risks that may affect the quality of reporting, including in particular: incompleteness of data, inaccuracy of estimates and methodologies, unavailability of data from the value chain and delays in data delivery. Risks are assessed according to probability and potential impact, and priorities and mitigation measures are defined. Risk assessment is carried out at least once a year, as part of the preparation of the non-financial report, and additionally as needed (ad hoc) in the event of regulatory changes, the introduction of new or substantially modified ESG indicators, significant changes in the business model or value chain, or identified significant weaknesses in the previous reporting cycle.

Key controls and mitigation measures

Controls include checks on the completeness and consistency of data, standardised methodologies (e.g. for calculating greenhouse gas emissions) and the validation and assurance of data traceability. Planned and implemented mitigation measures include the centralisation and digitalisation of data collection, strengthening of methodologies and training, and improvement of cooperation with partners in the value chain. Controls include the application of the “four-eyes” principle in the preparation of ESG data, the alignment of key indicators with internal records and financial data, and analytical checks of unusual deviations compared to previous periods. Within the framework of strengthening the internal control system, during 2025 special emphasis was placed on information security. The new information security policy establishes a framework for protecting the confidentiality, integrity and availability of information, clearly defining responsibilities, reducing security risks and ensuring business continuity and regulatory compliance.

Reporting to the governing body and corrective measures

The results of controls and risk assessments are periodically reported to the Board of Directors, at least once a year, which oversees the implementation of improvements to the sustainability reporting process. In the event of significant weaknesses being identified in controls or data quality, they are escalated to the Board of Directors without delay, a specific action plan is defined, a responsible person is appointed and implementation deadlines are determined. The implementation of agreed measures is monitored until their closure.

2.3.3. Sustainability strategy

The Auto Hrvatska Business Group’s sustainability strategy represents the foundation for long-term sustainable business in accordance with environmental, social and governance (ESG) principles. Auto Hrvatska d.d., as the parent company of the Auto Hrvatska Business Group, leads all its members in Croatia, North Macedonia, Bosnia and Herzegovina and Slovenia through the process of transformation towards sustainable development.









The vision of the Auto Hrvatska Business Group is directed at building expertise and competitiveness in the automotive industry market, primarily at fulfilling customer needs and continuous improvement of business processes. The mission of the Auto Hrvatska Business Group includes providing top solutions for the procurement of vehicles and accompanying equipment and their maintenance, with socially responsible business and environmental protection.

Key values of the Auto Hrvatska Business Group include customer focus, trust, long-term relationships, tradition, reliability, stability, innovation, teamwork and employee initiative.

The Auto Hrvatska Business Group’s sustainability strategy responds to global changes and trends in the automotive industry, as well as to the requirements of ESRS standards, which is why it establishes strategic areas of action that reflect the relationship with the environment, society and governance, and includes goals of decarbonisation, promotion of circular economy, development of employee competencies, occupational safety and corporate governance.

The integration of the sustainability strategy with its business strategy enables the Auto Hrvatska Business Group to adapt to changes in the market, meet the demands of customers and users, and take advantage of the opportunities presented by circular economy. Through further digitalisation and a strong corporate culture, the Auto Hrvatska Business Group strives to achieve sustainable growth, a quality working environment and positive social impact.

The Group’s sustainability strategy is based on three key pillars:

Our strategic objectives	E Sustainable mobility	S People are our key strength	G Governance and compliance
Our commitment	We are aware of our role in the decarbonisation of the value chain through sustainable mobility, reducing our own emissions and promoting circular economy, in which we actively optimise resources, encourage parts remanufacturing and, where applicable, cooperate with partners to reduce our ecological footprint	We want to be a first-choice employer in the automotive industry by increasing employee satisfaction, developing competencies and attracting talent	We are guided by strong ethical standards that define expectations for our business and our suppliers. We operate with integrity through the implementation of measures to strengthen transparency, ethical conduct and responsibility in all segments of our business
Material topics	E1 - Climate change E5 - Circular economy	S1 – Own workforce (Training and skills development, Health and safety)	G1 – Business conduct (Corporate culture, Risk management, Responsible procurement)
Targets	Adoption of a transition plan during 2026/2027. Efficient energy use (LED lighting) Reduce the amount of waste per unit of product Increase the share of remanufactured spare parts production Increasing the share of electric and hybrid vehicles in the total fleet of the business group to 30% by 2026. Development of circular economy programmes, including remanufacturing of key parts, responsible battery management in cooperation with authorised partners	>90% of employees participating in regular annual performance reviews Training: >8 hours average number of hours per employee / year. > 65% employee engagement (according to internal surveys) Zero severe work-related injuries >70% of employees with access to a full physical examination, where applicable under local regulations Employee competence development in line with technological changes in the industry (continuous)	Introduce an enterprise risk management system (ERM) during 2026. Introduction of a sustainable procurement policy during 2026. Increase alignment with the ZSE Corporate Governance Code in at least 3 areas during 2026.
Link to SDG goals	  	  	 

SBM-1

Strategy, business model and value chain

The Auto Hrvatska Business Group operates in the mobility and related services sector, with markets in Croatia, Slovenia, Bosnia and Herzegovina and North Macedonia. The Group operates through a network of sales and service locations and provides sales, after-sales, rental and financing services related to vehicles.

Workforce analysis by geographical area as at 31 December 2025

Country	Number of employees
Croatia	724
Bosnia and Herzegovina	61
North Macedonia	24
Slovenia	14
Total employees	823

Analysis of employment trends by geographical area during 2025

Country	Number of employees
Croatia	833
Bosnia and Herzegovina	61
North Macedonia	25
Slovenia	20
Total employees	939

Key product and service groups

The Group’s operations are based on a diverse portfolio of products and services covering key segments of mobility, maintenance and financial solutions:

Service group	Description
Vehicle sales	The Group offers a wide range of vehicles (personal vehicles, commercial vehicles, buses and trucks) of renowned brands such as Audi, Škoda, Seat, Cupra, Mazda, Peugeot, Renault, Dacia, Fiat, BYD, Seres, DFSK, Forthing, MAN, Neoplan, Ford and Isuzu. The portfolio emphasises the growth of the offering and sales of electric and hybrid vehicles in response to climate challenges and demand for sustainable mobility. Vehicles comply with environmental standards (e.g. Euro 6 and above), and part of the offer includes vehicles compatible with alternative fuels (e.g. HVO and biodiesel).
Maintenance and technical support services (after-sales and service)	The Group provides diagnostics, repairs and regular vehicle maintenance. A distinctive part of this includes services that support circular economy principles, such as parts remanufacturing (e.g. brake callipers) and waste and resource management in service processes. Through the modernisation of service facilities, efforts are made to reduce energy consumption, and the Group’s ecological footprint is further reduced by using green energy.
Financing, leasing and insurance	The Group offers financial solutions for customers, including financing and leasing, and provides access to insurance as part of a comprehensive customer experience.
Mobility, rental services and circular economy	The Group develops mobility models, including vehicle rental services, making mobility accessible to various user groups. At the operational level, circular economy principles are applied by extending product lifespan (servicing, remanufacturing) and through individual initiatives related to recycling and responsible waste management, including exploring automotive battery recycling solutions.

The total consolidated revenues of all segments of the Group for 2025 amounted to EUR 284,794,911, which represents a growth of 4.7% compared to the previous year. Revenues were generated through vehicle sales, service activities, vehicle and real estate rental and financial income, and are presented in accordance with IFRS 8 (Operating Segments).

Revenue from sale of goods and services:
EUR 279,369,756

Financial income: EUR 5,425,155

Key markets and customer groups

The Group has a leading market presence in Croatia and the region (Slovenia, BiH and North Macedonia) through a network of sales and service centres.

Main customer groups are:

- **B2C (retail):** individual customers interested in vehicles and mobility solutions, with growing demand for electric and hybrid vehicles and digital solutions.
- **B2B (business customers / fleets):** fleet management and corporate customers focused on reducing emissions and optimising costs, including advice on fuel consumption, alternative fuels and maintenance.
- **Public sector:** cooperation with institutions and local authorities on e-mobility and low-emission public transport projects (e.g. electric buses, charging infrastructure, cost optimisation solutions).
- **After-sales:** servicing and repairs that extend vehicle lifespans, support circular economy goals and ensure long-term customer relationships.

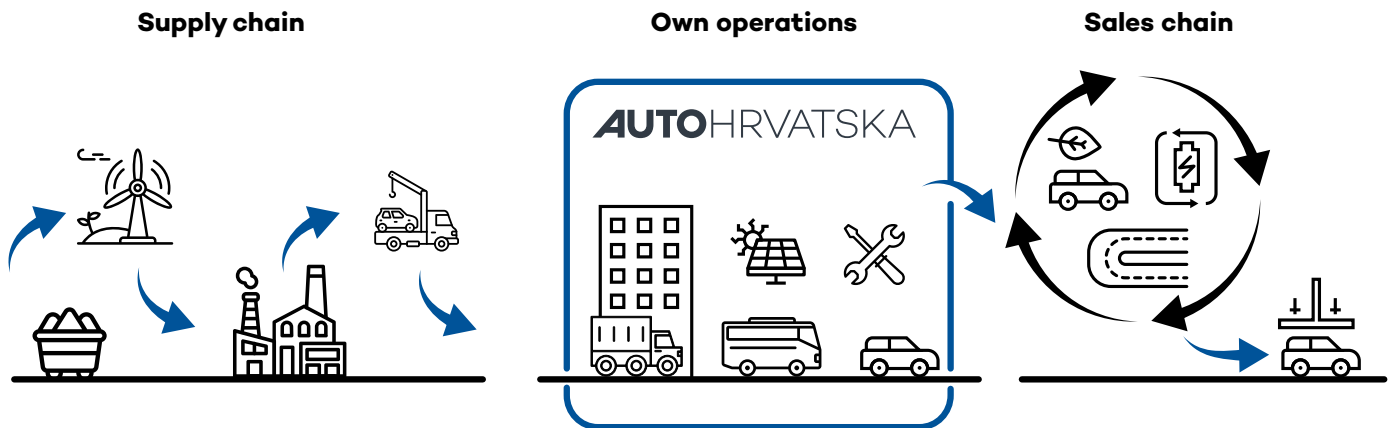
Business model and how the Group creates value

The Group’s business model is based on integrating vehicle sales, after-sales services and financial solutions into a unified mobility offering. Value is created through:

- representation and distribution of vehicles from renowned brands,
- development and maintenance of the sales and service network,
- employee expertise and continuous process improvement (digitalisation of service and sales),
- extending vehicle lifespan through service and remanufacturing (reducing the need for new resources),
- promoting sustainable mobility by increasing the availability of EV/HEV and other alternative fuel vehicles.

Mobility has a significant social and economic impact. The Group strives to contribute to the availability and quality of mobility in the markets in which it operates, while gradually reducing the negative environmental impacts associated with transport emissions.

Value chain (upstream/supply – own operations – downstream/sales) and key dependencies



Supply chain

The upstream part of the value chain includes the procurement of vehicles and components and cooperation with manufacturers and suppliers. The automotive industry is characterised by a complex upstream chain that includes the extraction and processing of raw materials (e.g. iron, rubber, plastic, aluminium, glass) and vehicle production.

The Auto Hrvatska Business Group has limited direct influence on the most upstream phases, but it can influence the identified impacts, risks and opportunities indirectly through:

- cooperation with manufacturers and suppliers that apply ESG policies and pursue climate goals in their business models (e.g. some suppliers with publicly announced decarbonisation goals),
- selection of suppliers of goods and services for the Group's own operations taking into account environmental and social aspects where applicable,
- gradual development of an approach to responsible and sustainable procurement, including defining expectations and criteria for suppliers in accordance with regulatory requirements and best practices.

During the reporting period, a sustainable procurement policy has not yet been formally adopted, and its development and future scope of suppliers will be considered as part of further improvement of the sustainability management system.

Own operations (sales, service, logistics, facility and energy management)

The Group's own operations include vehicle sales and servicing, after-sales activities, financial services and rental (of vehicles and real estate). Key impacts in these operations relate to:

- energy consumption and emissions from buildings and operational processes,
- waste management (including hazardous waste) and chemicals in service activities,
- occupational health and safety of employees,
- service quality management and customer satisfaction.

Sales chain (product use and end of life)

The largest climate impact in the value chain typically arises during the use phase of sold vehicles, especially vehicles with internal combustion engines (contributing to Scope 3 emissions). The Group acts on this impact indirectly through:

- increasing the share of electric and hybrid vehicles in the offer and sales,
- advising customers in the B2C/B2B segment on optimal vehicle and fuel selection,
- extending vehicle lifespan through quality service and parts remanufacturing,
- promoting alternative solutions, including vehicles with higher emission standards (Euro 6 or newer), use of alternative fuels such as HVO and biodiesel where available, and reduction of local pollutant emissions through emission-reducing technologies (e.g. NOx emission reduction systems, where applicable).

Electric vehicles are not yet an optimal option for all customers due to higher initial costs and a lack of charging infrastructure in certain markets, which represents an important factor in the dynamics of the transition.

The Group's operations depend on the availability of vehicles and technologies — especially electric vehicles and batteries — as well as on vehicle manufacturers, regulatory requirements (including green public procurement and emission standards), market charging infrastructure, energy prices, and changes in customer preferences.

SBM-2

Interests and views of stakeholders

Description of stakeholder engagement

Stakeholder interaction is a key component of the business model of the Auto Hrvatska Business Group because stakeholders directly and indirectly contribute to value creation and long-term success. By including their interests and views, the Auto Hrvatska Business Group ensures that its strategy reflects the actual needs and expectations of all relevant interest groups.

Stakeholder engagement is a continuous process that includes regular communication through various channels, such as surveys, focus groups, interviews and workshops. The information collected is used to make informed business decisions and adjust the strategy in accordance with ESG goals.

Key stakeholders and their categories

In 2025, the Group identified key stakeholders based on their influence on the business and their connection to material sustainability topics. The following table shows the modes of engagement, the objectives of cooperation and examples of outcomes in 2025.

Stakeholders	Mode of interaction with stakeholders	Cooperation objective	Example of outcome related to material sustainability topics
Owners and shareholders	Regular meetings, General Assembly of shareholders, annual integrated report and official website	Business transparency, trust building and alignment of long-term strategy with investor expectations	Improvement of the ESG framework and indicators as a basis for developing a sustainable strategy and sustainable financing opportunities
Employees	Regular management and employee meetings, meetings of the Occupational Safety Committee, intranet and internal communication channels, organised activities to strengthen teamwork, employee satisfaction surveys and open dialogue with Management (regular weekly slots)	Engaging employees in the implementation of the sustainability strategy, developing competencies and promoting occupational health and safety	Employee feedback is used to improve training (including ESG topics), working conditions and internal policies, and for further development of the human resources management approach
Customers	Continuous communication, individual meetings, annual gatherings and official websites	Understanding customer needs and incorporating their expectations into the development of the offer and operational plans, especially with regard to solutions related to the circular economy, energy efficiency and reducing climate impacts	Development and delivery of solutions that support the circular economy and energy efficiency, with a gradual improvement of facility sustainability standards in line with customer expectations
End users	Digital communication channels and feedback collection systems	Privacy protection, data security and user experience quality	Systematic quality management and customer relationship management within certified quality management system and strengthening monitoring processes for complaints and feedback
Suppliers	Regular meetings, evaluations and audits, contractual relationships and official websites	Transparency and risk management in the supply chain, with integration of sustainable procurement criteria in cooperation with suppliers	Implementation of environmental and energy management systems (ISO 14001 and ISO 50001) and gradual strengthening of sustainable procurement criteria in supplier selection and monitoring
Banks and financial institutions	Regular meetings and financial and integrated reports	Ensuring quality and comparable information relevant for assessment of financial and ESG risks	Aligning key sustainability information with financing needs and preparation of investments that can support forms of sustainable or green financing
Regulators and public authorities	Monitoring regulatory disclosures, fulfilment of compliance and reporting obligations	Compliance with applicable regulations and application of relevant best practices, contribution to sustainable mobility	Contribution to initiatives related to sustainable mobility and decarbonisation, and strengthening transparency in sustainability reporting
Non-profit organisations	Meetings, project collaboration and digital communication	Strengthening social responsibility and integrating the local community perspective	Implementation of targeted community support activities and projects with measurable social impact (where applicable)
Scientific community	Cooperation on research projects, conferences, publications and professional articles, and participation in career days	Application of innovations and sustainable technologies and talent attraction and development	Strengthening cooperation focused on innovations and sustainable technologies, and activities to attract young talent
Media	Press releases, interviews, press conferences, websites and social media	Transparent communication and reputation strengthening	Proactive communication on key sustainability topics and progress in their implementation

Organisation of stakeholder engagement

Engagement with key stakeholders is the foundation of the sustainable business model of the Auto Hrvatska Business Group. By identifying and categorising stakeholders and establishing structured forms of cooperation, the Auto Hrvatska Business Group ensures that the interests of all stakeholder groups are an integral part of business processes. This approach contributes to the creation of long-term value, the strengthening of trust and the achievement of sustainability goals.

The stakeholder engagement process is structured across all forms of cooperation within the business group, as part of the ESG team's work, which includes representatives of key departments such as sales, procurement, human resources, legal affairs, finance, Controlling and corporate communications. The results of engagement include the adoption of new ESG goals, the adaptation of the sustainability strategy and the improvement of corporate transparency.

Strategy adaptation and future steps

Based on continuous cooperation with stakeholders, in 2025 the Auto Hrvatska Business Group continues to gradually develop its business model towards greater sustainability, digitalisation and competitiveness, relying on its long-standing business tradition, strong market position and continuous investment in quality and people.

In the upcoming period, the focus will be on:

- further development and availability of mobility solutions, including expansion of the offer of electric and hybrid vehicles and accompanying services, in accordance with market conditions and customer needs,
- strengthening sustainable business practices, including cooperation and activities through relevant memberships (e.g. Croatian Green Building Council and H2 Association),
- continuation of the digitalisation of business processes and optimisation of internal systems to increase operational efficiency, service quality and customer experience,
- gradual improvement of sustainable procurement, more efficient resource management and systematic development of employee competencies, in line with market trends, technological development and regulatory requirements.

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

How material impacts, risks and opportunities (IROs) were identified and where they arise in the value chain

Material impacts, risks and opportunities (IROs) have been identified along the entire value chain of the Auto Hrvatska Business Group, from the supply chain (key components and production of vehicles, trucks and buses), through own operations (services, production and sales), to the sales chain and the vehicle use phase.

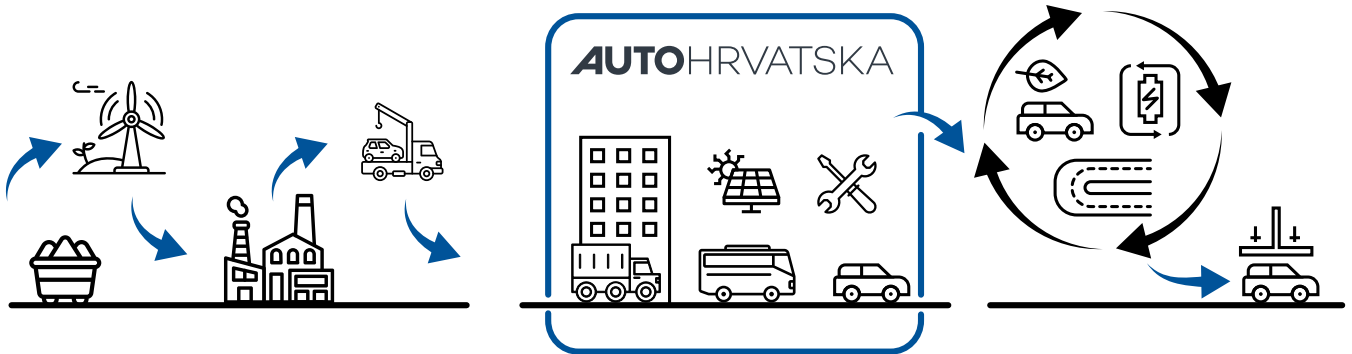
The double materiality process was conducted during 2024 and resulted in the identification of material impacts, risks and opportunities (IROs) within the following thematic ESRS standards:

- E1 – Climate change, including greenhouse gas emissions (CO₂) and energy consumption and energy mix
- E5 – Circular economy, including waste management and resource use
- S1 – Own workforce, including occupational health and safety and training and skills development
- G1 – Business conduct, including risk management, ethics and corporate culture, and sustainable procurement and supplier relationships

Material impacts, risks and opportunities (IROs) were assessed at the level of individual topics and sub-topics and mapped to relevant parts of the value chain, as follows:

- SC – Supply chain
- OO – Own operations
- SaC – Sales chain / product use

Detailed reports and additional information by thematic standards are available in the corresponding chapters of the report.



Supply chain	Own operations	Sales chain
E1 – Climate change CO ₂ emissions in the Group's operations and value chain Energy consumption and energy mix		
E5 – Circular economy Waste		
	S1 – Own workforce Health and safety Training and skills development	
G1 – Business conduct Business conduct and corporate culture (risk management)		
G1 – Business conduct Management of supplier relationships (sustainable procurement)		

Interaction of material IROs with strategy and business model

The business model of the Auto Hrvatska Business Group is based on the sale and servicing of vehicles and the provision of related services, with strong ties to suppliers and manufacturers of vehicles and components. Identified material impacts, risks and opportunities (IROs) affect the business model primarily through the following areas:

- market transition to e-mobility, including changes in demand, development of employee competencies, adaptation of service needs and investments in infrastructure,
- cost exposure to energy, including trends in energy prices and availability and energy mix structure,
- waste and resource management, including compliance requirements, disposal costs and opportunities for savings and additional revenue through remanufacturing activities and product life extension,
- occupational health and safety, with an impact on business continuity, productivity, costs and reputation,
- business conduct and relationships with suppliers, including risk management, compliance, reputation and supply stability.

The Board of Directors and management monitor and address these topics through existing management systems, including risk management, quality and environmental management systems (where applicable), internal policies and procedures, investment planning and human resources management.

Given that this is the second year of reporting according to ESRs, the current focus is on establishing and consolidating basic processes, while the quantification of financial effects will be gradually developed.

Summary overview of material IROs, measures and time horizons

Below is a summary consolidated overview of material impacts, risks and opportunities, grouped by thematic standards:

Material topic	Category	Description	Measures and link to strategy	Time period	Value chain
E1 – Climate change (Climate change mitigation)	Impact (-)	CO ₂ emissions in the sales chain (Scope 3, category 11 – use of sold vehicles), in own operations (Scope 1 – vehicle fleet) and from the purchase of electricity (Scope 2)	“Emissions monitoring (GHG Protocol). Increasing the offer of EV/hybrid vehicles; development of charging infrastructure; increasing the share of RES (own + procurement); energy efficiency (ISO 50001). Target: 30% EV in own fleet by 2026.”	Short, medium and long term	SC / OO / SaC
	Risk	Transition to EVs, regulatory changes and underdeveloped charging infrastructure can lead to increased uncertainty in the industry.	Monitoring regulations; cooperation with brands and suppliers; training of sales and service staff for EVs; investments in charging infrastructure.	Medium and long term	SC / OO / SaC
	Opportunity	E-mobility and RES can contribute to the Group's competitiveness and strengthen its positioning in sustainable mobility.	Investments in RES and energy efficiency; expansion of charging infrastructure; electrification of the fleet and digitalisation of processes.	Short, medium and long term	OO / SaC
E1 – Energy mix	Impact (-)	Energy consumption in own operations and energy intensity of the value chain contribute to greenhouse gas emissions and increased operating costs.	Energy consumption rationalisation programme; energy management system (ISO 50001); increasing the share of green energy and renewable energy sources; gradual development of additional measures within planned transition development approach by 2027.	Short, medium and long term	SC / OO
	Risk	Energy price volatility and dependence on fossil sources can increase operating costs and exposure to regulatory requirements.	Increasing energy efficiency; investments in facilities and equipment; gradual increase in the share of green energy in the energy mix.	Medium and long term	OO
	Opportunity	Increasing the share of renewable energy sources and energy efficiency can contribute to reducing costs and emissions and improving ESG results.	Investments in renewable energy sources; procurement of green energy; continuous energy management through the system (ISO 50001).	Short, medium and long term	OO
E5 – Resource use and circular economy	Impact (-)	Significant quantities of waste are generated in own operations (services/workshops), while related waste streams also exist in the supply and sales chain, which may lead to environmental pollution if waste is not managed appropriately.	Sorting of waste, safe storage and handover to authorised legal entities for waste management; increasing the share of recycling and reduction of waste quantities; monitoring and control through the environmental management system (ISO 14001), registers and accompanying sheets waste and internal audits.	Short, medium and long term	SC / OO / SaC
	Opportunity	Application of circular solutions, including parts remanufacturing and vehicle life extension products, can reduce resource consumption and contribute to increased revenue and margins.	Gradual expansion of remanufacturing activities while ensuring quality and traceability standards, development of B2B services; monitoring of effects through the goals of the environmental management system (ISO 14001), material and waste stream analyses and commercial demand analyses.	Short, medium and long term	OO / SaC

Material topic	Category	Description	Measures and link to strategy	Time period	Value chain
S1 – Own workforce (Training and skills development)	Impact	The need for the development of new knowledge and skills, especially in the area of electric vehicles and topics related to sustainability, directly affects the quality of services and the ability to adapt the business to market changes.	Internal employee training and development programmes, cooperation with manufacturers and suppliers in implementing specialised training; gradual adaptation of content training in new technology development.	Medium term	OO / SaC
	Risk	Lack of qualified professional staff for electric vehicle technologies can lead to operational challenges and negatively affect business results.	Development of career plans, mentoring and knowledge transfer, adaptation of training programmes to new technologies and business needs.	Medium and long term	OO
	Opportunity	Investment in training and skills development can contribute to greater talent retention, reducing turnover and increasing employee satisfaction.	Development of a system for continuous education and learning, monitoring of employee turnover and engagement indicators in order to improve human resources management measures.	Medium and long term	OO
S1 – Own workforce (Health and safety)	Impact	Employees in service and workshop activities are exposed to hazardous substances, work with machinery and increased physical effort, which can have an impact on their health and safety.	Application of safety protocols, modernisation of work equipment, regular workplace inspections; engagement and strengthening of internal expert support for occupational safety; implementation of training and education in the field of occupational safety.	Short, medium and long term	OO
	Risk	Work-related injuries and increased sick leave rates can lead to rising operating costs and reduced productivity.	Investment in improving safety standards; reducing risks through equipment adaptation, work procedures and continuous training of employees.	Medium and long term	OO
G1 – Business conduct and corporate culture (risk management)	Impact	Promoting ethical and transparent business positively affects the Group’s reputation and strengthens stakeholder trust.	Application and strengthening of the Code of Governance and Ethical Conduct, implementation of employee training on business ethics and compliance.	Short, medium and long term	SC / OO / SaC
	Risk	Inadequate management of business and operational risks can lead to business disruptions, financial losses and reputational risks.	Development and improvement of a strategic approach to risk management; strengthening of compliance monitoring processes through existing systems and controls.	Medium and long term	OO
	Opportunity	Effective risk management can increase the Group’s resilience and its ability to adapt to market and regulatory changes.	Gradual development of a comprehensive risk management system integrated into existing management processes.	Medium and long term	OO
G1 – Management of supplier relationships (Sustainable procurement)	Impact	A responsible approach to procurement can reduce ESG risks in the supply chain and contribute to greater transparency and business stability.	Gradual development of an approach to sustainable procurement, including defining expectations and criteria for suppliers; cooperation with suppliers that apply ESG practices, where applicable.	Short, medium and long term	SC / OO
	Risk	Cooperation with suppliers that do not apply appropriate environmental, social or governance practices can lead to reputational and financial risks.	Gradual integration of sustainable criteria into the processes of supplier selection and monitoring; development of long-term partnership relationships with suppliers, in accordance with regulatory requirements and best practices.	Medium and long term	SC / OO

Current financial effects and risk of material adjustment of assets/liabilities in the next 12 months

In accordance with the SBM-3 requirement, Point 48(d), the Auto Hrvatska Business Group has assessed whether there are current financial effects of material risks and opportunities on the financial position, financial performance and cash flows, and whether there is a significant risk of material adjustment of the carrying amounts of assets and liabilities in the next 12 months.

Given that this is the second year of reporting, the quantitative assessment of financial effects of identified material topics is still in development. Currently, financial effects related to material topics are primarily reflected through:

- operating costs, including costs of energy, waste management, employee training and compliance activities,
- investment activities, especially investments in energy efficiency, renewable energy sources and e-mobility infrastructure,
- organisational and governance measures, such as process development, policies and training programmes, whose effects at this stage are monitored predominantly at a qualitative level.

Financial impact materiality

A risk or opportunity is considered financially material if the potential financial effect is expected to exceed 10% of the Group's EBITDA. In addition to the quantitative threshold, qualitative criteria that may indicate the need to adjust the carrying value of assets and liabilities were also taken into account in the assessment, including, among other things, changes in the regulatory framework, changes in demand, supply chain disruptions and incidents related to health and safety.

Conclusion for the next 12 months

Based on available information, no significant financial effects of material impacts, risks and opportunities are expected that would lead to material adjustments of the carrying values of assets and liabilities in the next 12 months. The above includes the assessment of possible triggers for adjustments, such as impairment of long-term tangible assets, value adjustments of inventories or the need for provisions. In the event of significant changes in circumstances (e.g. regulatory changes, sudden market disruptions or significant incidents), the assessment will be updated.

Regulatory framework assessment

The Auto Hrvatska Business Group applies the European Commission Delegated Act ("Quick Fix" - 11 July 2025, C(2025) 4812) for companies that already implement sustainability reporting in its Sustainability Report for 2025.

Further development of financial impact quantification

In subsequent reporting cycles, the Group plans to gradually improve the quantification of financial effects of selected risks and opportunities in accordance with the phased approach defined in ESRS 1, Appendix C. In the initial phase, the focus will be on topics with the highest probability of financial impact, especially E1 (climate change and energy), as well as on topics that are directly related to investments and operating costs.

Resilience of strategy and business model

For the conducted resilience analysis related to climate change, refer to the section Climate change (physical and transition risks). For other material topics, the Board of Directors considers that the strategy and business model are sufficiently resilient to manage negative impacts and risks and exploit opportunities, with continuous monitoring and gradual strengthening of internal capacities, processes and data availability.

2.3.4. Management of impacts, risks and opportunities

2.3.4.1. Disclosures on the materiality assessment process

IRO-1

Description of procedures for identification and assessment of material impacts, risks and opportunities

The Auto Hrvatska Business Group has established a structured procedure for the identification and assessment of material impacts, risks and opportunities (IROs) in accordance with the requirements of ESRS. The goal of the procedure is to ensure that material sustainability topics are identified based on double materiality, which covers impact and financial materiality, and that they are relevant to the Group's business model, strategy and value chain. The last comprehensive double materiality assessment was conducted in 2024 and represents the basis for sustainability reporting in 2025.

Methodologies and assumptions applied in the process

The double materiality assessment conducted during 2024 was based on a combination of internal and external information sources and on a structured evaluation of impact and financial materiality. Key input assumptions included the mapped value chain and business relationships of the Group, an overview of relevant topics from the ESRS standards, an analysis of the industrial and regulatory context, and expert judgement of internal functions involved in the process (governance, ESG, finance and operations).

In 2025, the Group's business model remained unchanged, while there was an expansion of the operational scope through the opening of two new locations in the Republic of Croatia (BYD sales and service centres in Zagreb and Split) and further development of the portfolio as part of the implementation of the existing strategy, including cooperation with BYD in the electric vehicle segment. In view of the above, in order to confirm the applicability of the conclusions of the 2024 assessment to the 2025 reporting period, a targeted review of changes was carried out which included:

- (i) mapping changes in scope and inclusion of new locations in reporting coverage,
- (ii) confirmation of application of existing internal policies, procedures and controls at new locations,
- (iii) review of significant events/incidents, regulatory penalties or significant disputes during 2025,
- (iv) basic verification of the key business relationship related to BYD in the context of potential ESG risks and data requirements in the value chain.

During 2025, no significant environmental incidents, significant workplace safety violations, significant regulatory fines or significant disputes were recorded that could affect the change in the assessment of the materiality of identified impacts, risks and opportunities. Based on the review carried out, it was concluded that there is no need to change the list of material topics and IROs in relation to the assessment from 2024. The next comprehensive double materiality assessment is planned in 2026 or 2027, or earlier in the event of significant changes in the business or external environment. An extraordinary review of the assessment may be initiated earlier in case of, for example, acquisitions or significant changes in the organisational scope, entry into new markets, more significant changes in the business model, establishment of significant new supplier or partner relationships, significant regulatory changes or the occurrence of a significant incident.

Overview of the IRO identification and assessment process (double materiality)

A comprehensive double materiality assessment conducted during 2024 included the following steps:

- Setting the context and mapping the value chain: key activities, business relationships and affected groups were identified in the upstream and downstream parts of the value chain. The boundaries of the assessment were defined in accordance with the organisational scope of the Group and relevant ESRS principles.
- Stakeholder identification: relevant internal and external stakeholders were identified in relation to the business model and value chain, including, among others, management, employees, suppliers and customers.
- Identification of topics for assessment: as a starting point, a list of topics, sub-topics and sub-sub-topics from the ESRS standard was used, taking into account the specifics of the automotive sector and the Group's activities.
- Stakeholder engagement: collection of stakeholder perspectives was conducted, for example through workshops, surveys and/or interviews, with the aim of confirming the relevance of topics and potential impacts, risks and opportunities.
- Assessment of the materiality of impacts: for the identified impacts, their nature of impact (positive or negative; actual or potential), time horizon and key dimensions of materiality were assessed in accordance with ESRS, including the scale and scope of the impact, the possibility of remediation for negative impacts, and the probability of occurrence.
- Assessment of financial materiality: risks and opportunities that may affect the Group's financial position and performance were assessed, including the maturity, probability of occurrence and potential scope of financial impact through impacts on revenues and costs, assets, liabilities and cash flows.
- Comparison and determination of material topics: the results of the impact and financial materiality assessment were consolidated into a double materiality matrix, on the basis of which material topics and the associated impacts, risks and opportunities (IROs) were identified, which form the basis for the structure and content of ESRS disclosures.

Roles, responsibilities and process management

The process of assessing double materiality and determining material impacts, risks and opportunities (IROs) is coordinated by the ESG function or team in cooperation with relevant organisational units, including operations, human resources, procurement, finance and legal affairs. Key decisions, including the confirmation of the results of the assessment and conclusions on material topics and related IROs, were approved by the Board of Directors.

Linking results to reporting, strategy and thematic disclosures

The identified material topics and associated IROs form the basis for the selection of relevant ESRS thematic standards and for structuring disclosures on policies, measures, targets and indicators. Material topics and IROs are further explained in the chapters relating to the Group's business model and strategy, as well as in the related thematic parts of the report.





2.4. Environment – sustainable mobility

The Group is aware of its responsibility to the environment and the impact its business has on climate change and natural resources. As part of the automotive industry, the Group recognises the key role it has in the transition to sustainable mobility, striving to optimise resource consumption, reduce emissions and develop business models that are sustainable in the long term. The Group’s sustainability strategy is based on increasing energy efficiency, electrifying the vehicle fleet and implementing the circular economy, thereby reducing negative impacts on the environment and contributing to the creation of cleaner and more efficient solutions in mobility. The Group aligns with ESRS standards, regulatory requirements and industry best practices in order to increase the resilience of its business model and provide sustainable products and services to its users. The transition to sustainable mobility is not only a regulatory requirement, but also a strategic opportunity that enables the Group to strengthen its competitiveness, reduce risks related to climate change and optimise costs through innovations in resources and technologies.

ESRS E1

Climate change

The Auto Hrvatska Business Group operates in the automotive industry, which generates significant greenhouse gas emissions throughout the value chain. Climate change and the transition to low-carbon mobility affect the Group’s operations through regulatory changes, technological development and changes in customer preferences, as well as through physical climate effects that can affect assets and operations.

The management of climate topics is based on monitoring energy consumption and greenhouse gas emissions and on the implementation of operational measures aimed at increasing energy efficiency, increasing the share of renewable energy sources and electrification. Greenhouse gas emissions are monitored in accordance with the GHG Protocol for Scopes 1 and 2, while during 2024 the key categories of Scope 3 were calculated for the first time. The analysis showed that the largest share of emissions arises from the supply and sales chain, especially from the categories of purchased goods and services and the use of sold products. Management of environmental and energy aspects in own operations is carried out through systems certified according to ISO 14001:2015 and ISO 50001:2018.

Currently, a formal base year and climate goals have not been defined, and these will be set as part of the adoption of the transition plan. At the same time, the Group already carries out concrete decarbonisation measures, including expanding renewable energy installations on buildings and car parks, developing EV charging infrastructure, and procuring green energy. As an internal goal, the Group has approved increasing the share of electric vehicles in its own fleet to 30% by 2026, and progress is monitored through the structure of the fleet and related operational indicators.

Below is an overview of material climate impacts, risks and opportunities and their interaction with strategy and business model (E1-SBM-3), while the procedures for identifying and assessing climate IROs, including the expanded assessment of physical and transitional climate risks, are presented in more detail in chapter E1-IRO-1.

E1 SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

Interaction of significant climate IROs with strategy and business model

The business model of the Auto Hrvatska Business Group is based on the sale and servicing of vehicles and the provision of related services, with strong ties to suppliers and manufacturers of vehicles and components. The largest part of the Group’s climate footprint arises in the sales chain through the use of sold vehicles by customers, while in own operations the most significant sources of emissions are related to the vehicle fleet and electricity consumption.

Material climate impacts, risks and opportunities affect the business model and strategy primarily through: (i) market and regulatory transition to low-carbon mobility (impact on demand, product and service portfolio, service needs and employee competencies), (ii) exposure to energy and energy mix (operating costs and emissions), and (iii) the need to strengthen the resilience of assets and operations to transition risks and monitor physical climate risks.

Type of climate-related risk (physical / transitional)

For each material climate risk, the Group assessed whether it is a climate-related transitional or physical risk. In the reporting period, the Group's material climate risks are predominantly transitional in nature, as they arise from regulatory changes, technological development and changes in market demand related to decarbonisation of mobility. Physical climate risks (e.g. heat waves, heavy precipitation, storm winds, hail and drought) are assessed as relevant for operational continuity and asset management, but in this cycle they were not identified as a dominant driver of material climate risks and opportunities compared to transitional factors. The assessment of physical climate risks and related adaptation measures is presented in more detail in chapter E1-IRO-1.

Summary overview of significant climate IROs, measures and time horizons

Below is a summary overview of the most significant climate impacts, risks and opportunities and their connection to strategy, including time horizons and positioning in the value chain.

Impact / Risk and Opportunity		Description		Measures and link to strategy	Time horizon	Value chain
E1 Climate change – climate change mitigation						
+/-	Significant impacts	A/P			S/M/L	SC/OO/SaC
-	The Group's business activities, primarily vehicle sales (trucks, buses, cars), are associated with significant CO ₂ emissions during the use phase of sold vehicles by customers, which represents the largest part of the Group's climate footprint in the value chain	A	Emissions from the sales chain (Scope 3 – category 11 – use of sold vehicles) represent the largest part of the Group's climate footprint in the value chain	Increasing the offer of electric and hybrid vehicles; development of charging infrastructure; training of sales and service staff for electric vehicles; monitoring of regulatory requirements and market demand.	Short, medium and long term	SaC
		A	Emissions from own operations (Scope 1 and 2) are related to the vehicle fleet and electricity consumption.	Increasing the share of renewable energy sources (RES); procurement of green energy; energy efficiency measures (ISO 50001); internal target: 30% electric vehicles in own fleet by 2026.	Medium and long term	OO / SC
Risk						
	Transition towards increasing the share of electric vehicles and related regulatory changes may increase market and operational uncertainty in the automotive sector	P	The transition to electric vehicles and related regulatory changes may increase market and operational uncertainty.	Monitoring regulations; cooperation with electric vehicle brands and suppliers; employee training; development of own charging infrastructure.	Medium and long term	SC / OO / SaC
Opportunity						
	Increase in the share of renewable energy sources, investments in charging infrastructure and strengthening the electric vehicle offering can strengthen the Group's market positioning and contribute to decarbonisation.	P	Investments in renewable energy sources, energy efficiency and e-mobility can strengthen the Group's competitiveness and market positioning	Energy efficiency of facilities; fleet electrification; investments in charging infrastructure (e.g. Heinzelova Business Centre (DGNB Platinum, 2024).	Short, medium and long term	OO / SaC
E1 Climate change – Energy						
+/-	Impact	A/P			S/M/L	SC/OO/SaC
-	Energy consumption in the Group's own operations contributes to greenhouse gas emissions and increased operating costs.	A/P		Efficient energy consumption programme; systematic energy management (ISO 50001); increasing the share of renewable energy sources; further development of the energy approach in the coming years.	Short, medium and long term	SC / OO

Legend: A/P (actual and potential), Time horizon S (short term), M (medium term), L (long term), Value chain: SC (supply chain), OO (own operations), SaC (sales chain) Note: the only material climate risk presented in the table is classified as a transitional climate risk.

Resilience of strategy and business model to climate change

During 2025, the Group improved the analysis of the resilience of the business model to climate change through a structured approach that connects climate scenarios with the operational and financial structure of key business programmes (commercial, personal, rent-a-car, real estate and production/remanufacturing). The analysis covered short-term (<1 year), medium-term (1–5 years) and long-term (>5 years) horizons.

For the purpose of the resilience assessment, NGFS1 transitional scenarios (orderly, disorderly, hot house, and net zero 2050 as the reference framework) and IPCC RCP physical scenarios (including RCP 4.5 as the basis for assessing physical risks) were used, taking into account financial indicators and operational characteristics of business programmes (e.g. revenue structure, EBITDA, energy intensity, strategic importance), and the assessment of exposure, vulnerability and resilience.

The results of the resilience analysis show that the commercial programme carries the highest level of total climate risk due to high exposure and vulnerability to transition risks, while the personal vehicle and rent-a-car programmes have a medium level of risk with greater adaptability of the business model. The real estate operations and the production and remanufacturing programme have been identified as programmes with a lower level of climate risk, with relatively higher resilience. Overall, the resilience of the Group's business model is largely determined by the ability to adapt to transitional demands (changes in regulation and demand, the pace of electrification, infrastructure and competence development), while physical climate risks in this cycle have not been identified as the primary driver of the need to change the business model.

Based on available information and the conducted resilience analysis, no risks were identified that would materially jeopardise the continuity of business or the sustainability of the business model in the short term (<1 year). Long-term challenges related to mobility and energy transition are addressed through gradual portfolio adaptation (vehicles and services), investments in infrastructure and energy efficiency, the development of employee competencies, and the direction of investments towards low-carbon mobility, while preserving financial stability and business continuity.

Details of the procedures for the identification and assessment of climate IROs (E1-IRO-1), including the expanded assessment of physical climate risks by location and methodological settings, represent the operational basis for this resilience analysis.

¹ The analysis of transition risks is based on NGFS Climate Scenarios (v5.0, 2023). Carbon price data are taken from the NGFS publication "Technical Documentation on Climate Scenarios" (2023), available at <https://www.ngfs.net/en/ngfs-climate-scenarios>

IRO-1

Description of procedures for identifying and assessing material impacts, risks and opportunities related to climate change

The Auto Hrvatska Business Group carries out a structured process of identifying and assessing climate impacts, risks and opportunities (IROs) in accordance with the requirements of ESRS E1. This process is carried out iteratively and is gradually improved, and the results of the assessment represent the operational basis for presenting the interaction of climate IROs with strategy and business model and the resilience analysis in chapter E1-SBM-3.

The assessment is conducted in three time horizons, in accordance with ESRS: short-term (<1 year), medium-term (1–5 years) and long-term (>5 years), with the mapping of IROs to relevant parts of the value chain (supply chain, own operations, sales chain/product use).

Impacts

In order to identify the climate impacts of its own operations and value chain, the Group monitors greenhouse gas emissions in accordance with the GHG Protocol: Scopes 1 and 2 for own operations (including emissions related to the vehicle fleet and electricity consumption), and Scope 3 for the value chain.

Emission analyses are used to understand where the most significant climate impacts arise and to inform the assessment of the materiality of climate IROs. As a rule, the largest part of the climate footprint arises from activities in the supply and sales chain, especially from purchased goods and services and the use of sold products, while in own operations the most significant sources of emissions are related to energy and the vehicle fleet.

Monitoring of emissions and energy is integrated into the existing environmental and energy management systems (ISO 14001 and ISO 50001), ensuring data continuity and systematic management of relevant environmental and energy aspects.

Risks

Climate risks and opportunities are identified and assessed through a combination of: external sources (scenarios and geolocation assessments of physical risks), internal sources (operational data, financial indicators, energy data, structure of the product and service portfolio, and assessments of expert functions). The assessment distinguishes between:

- transitional climate risks and opportunities (regulatory, market and technological factors),
- physical climate risks (acute and chronic climate hazards relevant to locations and assets).

During 2025, the Group conducted a review of the relevance of climate IROs identified in 2024, with an improvement in the level of quantification and comparability of the assessment by business programmes.

Transitional climate risks and opportunities

Transitional climate risks and opportunities are assessed with regard to the exposure of the business model to changes in the regulatory, market and technological environment, including:

- mobility decarbonisation requirements,
- changes in demand and sales structure (ICE/EV),
- availability and development of charging infrastructure,
- energy and carbon price trends and related effects on costs and competitiveness.

In 2025, transition risks and opportunities were further analysed by linking NGFS scenarios (orderly, disorderly, net zero 2050) with business programmes, taking into account financial and operational characteristics (revenue, EBITDA, energy intensity, strategic importance) and assessment of sensitivity to changes in regulation and the market.

Physical climate risks

During 2024, physical climate risks were assessed for a limited number of key locations. In 2025, the Group significantly expanded the scope of the physical climate risk assessment to all relevant Group locations (20+ locations) in Croatia and the region (Slovenia, Bosnia and Herzegovina and North Macedonia).

The assessment was carried out in cooperation with an external expert (CLIMATIG) using a geolocation-based approach with the IPCC RCP 4.5 scenario, with a long-term time horizon. The analysis covered acute and chronic climate hazards relevant to the business, including heat waves, heavy precipitation, storm winds, hail and drought (and other locally relevant threats).

In addition to the assessment of facility exposure, potential indirect effects of physical climate risks on operations were also assessed, including:

- disruptions to logistics and supply/distribution routes,
- exposure of vehicle inventory and fleet (including rent-a-car fleet),
- disruptions to sales and service locations and to operational continuity,
- dependence on regional infrastructure and workforce availability.

The results of the expanded analysis are used for prioritising adaptation measures, investments in asset protection and strengthening business continuity, and are integrated in more detail into the business model resilience assessment presented in E1-SBM-3.

Assessment of exposure, vulnerability and resilience by business programmes

In order to ensure comparability and clear prioritisation of climate risks, in 2025 the Group applied a structured assessment approach by business programmes that includes the assessment of:

- exposures (physical and transitional),
- vulnerabilities (operational and financial),
- resilience (existing measures, organisational readiness, management systems and investment capacity).

The assessment was based on a combination of external sources (CLIMATIG geolocation reports) and internal assessments of relevant functions, taking into account financial and operational indicators by programme. The results are used for relative comparison (high/medium/low) and for focusing management attention and planning relevant measures.

Based on this assessment of vulnerability, exposure and resilience, in 2025 a review of the relevance of climate IROs identified in 2024 was carried out. The assessment confirmed that the previously identified material impacts, risks and opportunities remain relevant, with a higher level of structuring and differentiation by business programmes. Transitional factors remain the dominant driver of material climate risks and opportunities, while physical climate risks are used as a basis for planning adaptation measures and strengthening the resilience of assets and operations.

The assessment of climate IROs is carried out by relying on existing management systems (ISO 14001 and ISO 50001) and internal processes for monitoring energy, emissions and operational risks. The Group plans to continue to improve the quality of data and assessments, including further elaboration of the quantification of selected risks and opportunities, and strengthening the integration of climate risks into the comprehensive risk management system at the Group level.

E1 GOV-3 Integration of sustainability-related results in incentive programmes

In 2025, the Auto Hrvatska Business Group did not include environmental performance indicators in incentive programmes (e.g. variable incentives or bonuses). The introduction of environmental indicators in incentive programmes is planned to be considered after the adoption of the transition plan and the establishment of a comprehensive programme of decarbonisation objectives.

E1-1 Transition plan for climate change mitigation

The Auto Hrvatska Business Group approaches climate change mitigation through systematic measurement and management of greenhouse gas emissions and the gradual definition of a transition plan, taking into account the goals of limiting global warming to 1.5°C in accordance with the Paris Agreement and the goal of climate neutrality by 2050.

During 2023, the Group prepared the first carbon footprint calculation for Scope 1 and Scope 2 emissions, thereby establishing an initial basis for monitoring direct emissions and emissions related to purchased energy consumption. In 2024, an expanded calculation was prepared covering Scopes 1, 2 and 3, whereby the main sources of emissions within the key Scope 3 categories were identified. This analysis represents the basis for a better understanding of the Group’s overall emissions profile, including emissions arising along the value chain.

In order to further improve emissions management and increase data accuracy, during 2025 the Group began to establish more detailed monitoring and improve the inventory of Scope 1, 2 and 3 emissions, including clearer definition of data sources, calculation methodology and responsibilities within the organisation. Based on the results of this process and insights obtained from the 2025 calculation, the Group plans to prepare a structured transition plan for climate change mitigation during 2026/2027.

Until the adoption of the transition plan, the Group will continue with the regular calculation of the carbon footprint and continuous improvement of data quality, with the aim of creating a reliable basis for decision-making, prioritisation of measures and monitoring of effects in subsequent reporting periods.

E1-2 Policies related to climate change mitigation and adaptation

The Auto Hrvatska Business Group is committed to managing climate risks and improving energy efficiency in line with sustainable business policies. It has adopted the Policy for Quality, Environmental and Energy Efficiency Management (January 2023), which commits it to the systematic reduction of negative environmental impact and the development of resilience to climate change. The policy applies to the scope of the integrated system within the Group and covers key activities related to the sale and servicing of personal and commercial vehicles, after-sales services, procurement and distribution of vehicles and parts, and related corporate functions. The policy is based on the international standards ISO 14001:2015 and ISO 50001:2018 (and is part of the integrated management system), thereby ensuring a structured approach to compliance with regulatory requirements and the application of best environmental and energy management practices. The Group transparently publishes information on the policy through internal communication channels for employees and the Group's official website (www.autohrvatska.hr) for external stakeholders, and the policy is periodically reviewed to ensure its appropriateness and effectiveness.

In order to reduce greenhouse gas emissions and optimise resource consumption, the Auto Hrvatska Business Group carries out a number of initiatives aimed at improving the environmental efficiency of its business. Key priorities of the policy include activities to reduce CO₂ emissions, increase energy efficiency, optimise waste management and gradually transition to renewable energy sources. The Group continuously analyses its environmental aspects and improves operational processes to achieve long-term sustainability.

One of the main goals of the policy is to reduce total energy consumption through monitoring consumption in business facilities and implementing energy-efficient technologies. The Auto Hrvatska Business Group invests in the modernisation of service centres and office spaces and encourages the application of environmentally friendly solutions in logistics and transport. In addition, it continuously monitors climate risks and opportunities and adjusts business processes to increase resilience to potential changes in the environment.

The management of climate policies within the Auto Hrvatska Business Group is overseen by the Environmental Protection and Energy Efficiency Department, while the Board of Directors is responsible for making strategic decisions and providing financial resources for the implementation of environmental measures. Regular internal and external audits ensure the effectiveness of the policy and its adaptation to new regulatory requirements and technological innovations.

The Auto Hrvatska Business Group also pays special attention to educating employees and partners about sustainable practices so that environmental initiatives can be more comprehensively applied throughout the entire business ecosystem. Through the environmental indicator monitoring system, the Group monitors progress in reducing the ecological footprint and improving energy efficiency, and the results of analyses are used to make future decisions on climate change adaptation strategies.

By implementing these policies, the Auto Hrvatska Business Group confirms its commitment to sustainable business and contributes to reducing the negative impact on the environment and ensures long-term business resilience to climate change.

E1-3 Measures and resources related to climate policies

The Auto Hrvatska Business Group implements measures aligned with the Policy for Quality, Environmental and Energy Efficiency Management (January 2023) and the requirements of ISO 14001:2015 and ISO 50001:2018, with the aim of reducing energy consumption and improving energy efficiency in own operations. The measures are implemented within the scope of the integrated system at relevant companies and locations of the Group.

Key climate change mitigation measures include the operational management of energy in facilities, whereby energy consumption is monitored on a monthly and annual basis, savings opportunities are identified, and improvements are made to heating, cooling and lighting systems (including optimisation of lighting, e.g. LED). The Group invests in the modernisation of service centres and office spaces and uses digital systems to monitor energy consumption for trend analysis and data-based decision-making.

In the area of sustainable mobility, the Group manages the vehicle fleet with the aim of reducing emissions from its own operations and has set a goal of increasing the share of electric and hybrid vehicles in the vehicle fleet to 30% by 2026. As part of circular economy initiatives defined in the Group's strategy, the focus is on reducing waste per unit of product, increasing the share of sales of remanufactured spare parts and developing circular economy programmes, including parts remanufacturing and responsible battery management in cooperation with authorised partners, in accordance with applicable regulations.

Organisational and financial resources are provided for the implementation of measures. The environment and energy efficiency functions coordinate the implementation and monitoring of measures, while investments in the modernisation of infrastructure and equipment are planned through regular budgeting (CapEx/OpEx) in accordance with the priorities identified in the energy management system. Management oversight and continuous improvement are ensured through internal and external audits within the ISO system.

Progress is monitored through environmental and energy indicators (e.g. energy consumption) and through the emissions inventory. The Group made the first calculation of Scope 1 and 2 emissions in 2023, expanded the calculation to Scopes 1, 2 and 3 in 2024, and in 2025 further improved the emissions inventory and the precision of the calculation. In this way, a solid foundation has been established for directing measures towards areas with the greatest emission reduction potential. As a next step, the Group plans to prepare a transition plan in the period 2026/2027, which will consolidate measures, time frames, responsibilities and necessary resources and enable consistent monitoring of progress towards climate goals.

E1-4 Targets related to climate change mitigation and adaptation

In accordance with the international standards ISO 14001:2015 and ISO 50001:2018, environmental protection and energy efficiency goals are defined at the Group level and set according to SMART criteria. Key goals include reducing energy consumption, increasing the use of renewable energy sources and improving the monitoring system, with the aim of gradually reducing CO₂ emissions. The goals relate to the scope of the integrated management system and, depending on data availability, are monitored through energy consumption indicators and the calculation of emissions of all three greenhouse gas scopes.

Measures to achieve the goals are implemented in the form of resource optimisation, system modernisation, gradual integration of solar panels and regular emission measurements and reporting. During 2025, the Group further improved its emissions inventory, thereby establishing a basis for more precise definition and future quantification of target values.

The highest level of responsibility for the implementation of goals belongs to the Group's Board of Directors, while the Executive Directors are responsible for the operational implementation of measures and monitoring through regular management processes. Progress towards goals is monitored through internal environmental and energy indicators (e.g. energy consumption in facilities, results of energy efficiency measures, emission trends according to the inventory), with periodic internal and external audits within the ISO system. In the process of defining and implementing goals, the interests of key stakeholders, including employees, customers, regulatory bodies and local communities, are taken into account.

The Auto Hrvatska Business Group remains committed to the continuous improvement of environmental performance and will continue to implement energy efficiency and decarbonisation measures. Future steps are aimed at optimising resource consumption and developing solutions that contribute to the Group's climate resilience and sustainability. As part of the further development of climate topic management, the Group plans to further refine and publish quantified target values (with defined deadlines and a base year) and link them to the transition plan (E1-1).

E1-5 Energy consumption and energy source mix

The Auto Hrvatska Business Group systematically manages energy consumption in business centres through an integrated quality, environmental and energy efficiency management system in accordance with the ISO 9001:2015, ISO 14001:2015 and ISO 50001:2018 standards. Analysis of electricity and gas consumption in the period 2020–2025 is used to monitor trends, identify savings opportunities and plan energy efficiency measures, taking into account business growth and the opening of new locations.

Data on energy consumption and the energy mix are published in the table 'Energy consumption and energy source mix' and the table 'Energy mix'.

Energy consumption

Total energy consumption in the reporting period is presented in Table [E1-5-1] and includes:

- purchased electricity,
- purchased energy sources for heating (e.g. natural gas),
- other relevant forms of energy (e.g. heating oil, LPG, heat energy, fuels for stationary sources and fuels for mobile sources, where applicable),
- self-generated energy.

Consumption is monitored on a monthly and annual basis, and trends are regularly analysed to identify saving opportunities and prioritisation of energy efficiency measures. Changes in consumption are interpreted taking into account operational factors including growth in business activity, opening of new locations, changes in working hours and investments in infrastructure and equipment.

Energy source mix (energy mix)

The energy source mix (fossil, nuclear and renewable sources) is presented for purchased electricity and total energy consumption, as well as the share of self-generated energy.

For locations in the Republic of Croatia, the electricity purchased during the reporting period was sourced from 100% renewable sources through a purchased ZelEn certificate, using the same methodology as the market-based method applied in the Scope 2 calculation.

For locations outside the Republic of Croatia (Bosnia and Herzegovina, North Macedonia and Slovenia), the energy mix depends on local market conditions and contractual supply models. In the reporting period, for reporting purposes, a conservative residual-mix approach was applied, whereby electricity is treated as electricity from a conventional (predominantly fossil) mix.

The Group monitors and publishes data on self-generated energy (e.g. from photovoltaic systems) and its contribution to total energy consumption.

Methodological notes and scope

In the reporting cycle, a calculation of the energy mix for 2025 was made, and at the same time a recalculation of energy consumption data for 2024 was carried out. Namely, this is linked to the improved calculation of Scope 1 and Scope 2 for 2024 and 2025, primarily to ensure the complete scope and quality of input data. As a result, the two reporting years are comparable, the presentation aligns with ESRS E1-5 requirements, and the energy consumption and energy mix calculations are consistent with the Scope 1 and Scope 2 input data.

Energy consumption data were collected for all companies included in the Group's reporting scope, as stated in the GOV-1 section. The organisational and operational boundaries are defined according to the principle of operational control, in accordance with the approach used for calculating greenhouse gas emissions in Scope 1 and Scope 2.

The scope of energy consumption reporting includes all relevant mobile and stationary sources of energy consumption, which include:

- energy source consumption for thermal energy production,
- fuel consumption in mobile energy sources (e.g. diesel and petrol),
- purchased electricity consumption at all included locations,
- electricity generation in own photovoltaic power plants (self-generated energy).

Data sources are based on meter readings and supplier invoices. Data are expressed in megawatt-hours (MWh), using consistent data collection methods across all reporting periods.

For the conversion of liquid fuel consumption, lower heating values were used in accordance with data from the Ministry of Economy and Sustainable Development of the Republic of Croatia (petrol 32 MJ/L, diesel 36 MJ/L). Conversion from GJ to MWh was performed using the factor 1 GJ = 0.2777778 MWh.

Energy mix

Energy consumption and energy source mix	2024	2025
1) Fuel consumption from coal and coal products (MWh)		
2) Fuel consumption from crude oil and petroleum products (MWh)	404	383
3) Fuel consumption from natural gas (MWh)	3,534	4,241
4) Fuel consumption from other fossil sources (MWh)	-	-
5) Consumption of purchased or acquired electricity, heating energy, steam and cooling energy from fossil sources (MWh)	474	445
6) Total energy consumption from fossil sources (MWh) (calculated as the sum of rows 1 to 5)	4,412	5,068
Share of fossil source energy in total energy consumption (%)	51%	55%
7) Consumption from nuclear sources (MWh)	-	-
Share of nuclear source energy in total energy consumption (%)	-	-
8) Fuel consumption from renewable sources including biomass (which also includes industrial and municipal waste of biological origin, biogas, hydrogen from renewable sources, etc.) (MWh)	-	-
9) Consumption of purchased or acquired electricity, heating energy, steam and cooling energy from renewable sources (MWh)	3,555	3,517
10) Energy consumption from self-produced renewable sources (excluding fuel) (MWh)	607	595
11) Total energy consumption from renewable sources (MWh) (calculated as the sum of rows 8 to 10)	4,162	4,112
Share of energy from renewable energy sources (%)	49%	45%
Total energy consumption (MWh) (calculated as the sum of rows 6 and 11)	8,574	9,180

Review of energy consumption and energy mix trends

During the observed period, changes in energy consumption at individual locations are primarily attributable to climatic conditions and infrastructural investments, while systematic energy-efficiency management continues in parallel.

Total electricity consumption at the Group level decreased from 3,823 MWh in 2024 to 3,720 MWh in 2025, while total natural gas consumption increased from 3,534 MWh to 4,241 MWh. The increase in total energy consumption is primarily a consequence of:

- an extremely warm summer period, which led to increased energy consumption for space cooling,
- installation of air conditioning equipment in part of the Group's service facilities, including locations in Zadar, Karlovac, Hrvatski Leskovac and Dugopolje,
- a colder winter season, which resulted in increased natural gas consumption for heating larger facilities, with the additional contribution of the first full year of operation of the paint shop in Zadar,
- growth of business activities at individual Group locations.

The air-conditioning equipment was installed using energy-efficient systems in order to improve working conditions for employees. The installation of air conditioning equipment in other service centres is planned during 2026, and its impact will be considered in future energy consumption analyses.

At locations in Bosnia and Herzegovina and North Macedonia (Doboj, Tuzla, Sarajevo and Skopje), energy consumption remains relatively stable, with minor annual deviations. In Ljubljana, energy consumption has been recorded since 2024, while in 2025 there was a slight decrease in the consumption of electricity and natural gas, indicating a stabilisation of consumption at that location.

Despite these increases, the Auto Hrvatska Business Group continues to implement an integrated quality, environmental and energy efficiency management system in accordance with ISO 9001:2015, ISO 14001:2015 and ISO 50001:2018 standards. Additionally, all electricity purchased in the Republic of Croatia comes from 100% renewable sources and is certified with the ZelEn certificate, which ensures reduced environmental impact and long-term business sustainability.

Based on monitoring of energy consumption and the energy mix, the Group defines priorities for further improvements in energy efficiency and gradual decarbonisation of operations. Such measures include, among other things, optimisation and modernisation of lighting (e.g. LED), optimisation of heating, cooling and ventilation (HVAC) systems, modernisation of facilities, procurement of green energy and the installation of photovoltaic systems, where applicable.

Energy intensity

The Group publishes energy intensity as an indicator of the energy efficiency of operations, calculated as the ratio of total energy consumption to net revenue generated (in accordance with the items of the financial statement) in the reporting period. Energy intensity includes energy consumption related to the Group's business activities, including electricity purchased from the grid and fuels used in service facilities and the operational vehicle fleet. The indicator is presented in accordance with ESRS E1-5 requirements and enables comparability across reporting periods.

Indicator	Unit	2024	2025
Total energy consumption	MWh	7,631	8,311
Operating revenue	EUR	272,081,643	284,794,911
Energy intensity (energy consumption / net revenue)	MWh / thousand EUR	0.0280	0.0292

Energy intensity for 2025, calculated as the ratio of total energy consumption to operating revenue, was 0.0292 MWh/thous. EUR (2024: 0.0280 MWh/thous. EUR).

E1-6 Gross Scope 1, 2, 3 greenhouse gas emissions and total GHG emissions

The calculation of greenhouse gas emissions and the presentation of the results of the Auto Hrvatska Business Group for 2025 were prepared in accordance with the GHG Protocol Corporate Standard (2004) and cover seven main greenhouse gases (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃). Emissions are presented in tonnes of CO₂ equivalent (tCO₂e), applying IPCC GWP values over a 100-year time horizon. The Group primarily relies on IPCC AR5 GWP values, in line with the Croatian emission factors database, while some Scope 3 calculations used factors from international databases expressed in kgCO₂e, which may be based on other IPCC GWP sets (AR6). The presented emissions represent gross emissions and are not reduced by the purchase of carbon credits or offsets from regulated emissions trading schemes.

Organisational boundaries are set according to the GHG Protocol, with the operational control approach used for the consolidation of emissions. The calculation includes emissions from sources over which the Group has operational control, regardless of ownership.

The reporting scope (legal entities and locations included in the calculation) is defined in accordance with the boundaries of the Group's consolidated reporting and the scope of the integrated management system.

The list of included companies and locations is provided in the GOV-1 section. For the newly established companies in 2025, Auto Hrvatska Importer d.o.o. and Auto Hrvatska Mobility d.o.o., no emissions calculations were prepared as they did not have significant activities during the reporting period. These exclusions were assessed as immaterial for the total emissions of the Group.

The Auto Hrvatska Business Group has been calculating Scope 1 and 2 greenhouse gas emissions since 2023, while Scope 3 was first calculated in 2024. During 2025, the Group improved the methodology and quality of data collection for the calculation of greenhouse gas emissions, and, in order to ensure consistency and comparability, a recalculation of emissions for 2024 was carried out. The recalculation reflected a more detailed approach and the inclusion of a wider set of input data, primarily through a greater scope of activities and the use of more precise emission factors, resulting in significant differences compared to previously calculated values for 2024. Consequently, comparisons of 2025 with 2024 are based on recalculated data for 2024.

Compared to the previous reporting cycle, the scope of Scope 3 has been expanded by including categories 2 (Capital goods), 6 (Business travel) and 13 (Downstream leased assets). Categories 1 (Purchased goods and services), 3 (Fuel and energy-related activities), 4 (Upstream transportation and distribution), 5 (Waste generated in operations), 7 (Employee commuting), 11 (Use of sold products) and 12 (End-of-life treatment of sold products) have been fully recalculated based on more detailed data and more precise emission factors. Category 10 (Processing of sold products) was assessed as not applicable for the Group's business model and is not included in the Scope 3 inventory.

Calculations are based on a combination of primary data and secondary emission factors. Key sources of emission factors include the Croatian emission factors database, ADEME (France) and Ecoinvent.

Scope 1) direct emissions

Scope 1 emissions cover direct emissions from stationary and mobile sources and unintentional leakage of refrigerant gases from equipment and vehicles (fugitive emissions) under the operational control of the Group. Leased locations where the Group does not have operational control over boiler rooms and heating systems are excluded from Scope 1.

For stationary combustion, emission factors from the Croatian and Slovenian emission factor databases were used, and where applicable for locations outside Croatia, appropriate publicly available sources (e.g. European Commission emission factors for LPG combustion in Bosnia and Herzegovina and the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina for brown coal combustion). For mobile sources (diesel/petrol), emission factors from the Croatian database were used, regardless of the country in which the fuel was consumed. Fugitive emissions of refrigerant gases were estimated using the average leakage method in accordance with US EPA guidelines for fixed cooling systems (air conditioning, heat pumps) and for vehicles and light commercial vehicles under the Group's operational control.

In 2025, the Group continued with the electrification of its own vehicle fleet, whereby the share of electric and hybrid vehicles reached 18%, with the planned continuation of this trend in the coming years. At the same time, 2025 was the first year of operation of the paint shop in Zadar, which, along with higher gas consumption for heating due to a colder winter, resulted in an increase in emissions from stationary sources. Additionally, during 2025, projects for installing cooling systems in service centres were carried out, which led to a slight increase in fugitive emissions of refrigerant gases.

Scope 2) indirect emissions from purchased energy

Scope 2 emissions cover indirect emissions arising from the production of purchased electricity, purchased energy for heating and/or cooling and steam. Where applicable, Scope 2 emissions also cover energy consumed at Group locations that are leased and rented.

In accordance with the GHG Protocol, Scope 2 is reported according to:

- location-based method, applying grid emission factors by country (Croatia: Croatian emission factors database; Slovenia: Slovenian database; Bosnia and Herzegovina and North Macedonia: publicly available data of the European Commission),
- market-based method, with the application of contractual instruments and quality rules from the GHG Protocol Scope 2 Guidance.

For locations in the Republic of Croatia, a market-based emission factor of 0 was applied due to the procurement of electricity with ZelEn certificates / guarantees of origin, which cover 100% of the Group's electricity consumption in Croatia. For Bosnia and Herzegovina, Slovenia and North Macedonia, the residual mix was applied due to the lack of appropriate guarantees of origin in those countries.

The Scope 2 calculation also includes locations outside Croatia where the Group rents or leases. At these locations, the Group generally does not have operational control over boiler rooms and heating systems, therefore emissions related to purchased energy for space requirements are allocated according to available data, proportional to the used floor area or based on consumption data from invoices.

During 2025, the Group recorded a slight increase in natural gas consumption, while at leased locations (BiH and North Macedonia) the consumption of other energy sources (LPG and pellets) decreased. As for electricity, total consumption at the Group level decreased by 3% (in MWh), which was the main driver of the reduction of Scope 2 emissions in the reporting year.

Scope 3) value chain emissions

Scope 3 emissions cover other indirect emissions in the upstream and downstream value chain of the Group, which are not included in Scopes 1 and 2. The inventory has been prepared in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Standard and is based on a combination of primary data, secondary emission factors and estimates, with documentation of key assumptions. Intragroup transactions have been eliminated.

Calculation methodology by key Scope 3 categories

Purchased goods and services (Category 1)

The calculation includes approximately 94% coverage of purchased goods (by number of items) and around 80% of purchased services and small inventory (coverage by purchase value), covering only procurement from external suppliers. Emissions were estimated based on assumed mass by product group and by applying emission factors from the ADEME and Ecoinvent databases (depending on availability).

Capital goods (Category 2)

Emissions were calculated for the first time based on CapEx data for 2024 and 2025, using emission factors from the ADEME and Ecoinvent databases.

Fuel and energy-related activities (Category 3)

The calculation is based on energy sources and electricity covered in Scopes 1 and 2, applying factors for upstream flows by energy source from the Croatian and Slovenian emission factor databases.

Upstream transportation and distribution (Category 4)

Emissions were estimated using the spend-based approach, applying monetary ratios from the ADEME database. Due to the large number of individual deliveries and the limited availability of standardised logistics data, the activity-based approach was not applied in this cycle. The Group is considering the establishment of a more appropriate monitoring system for upcoming periods.

Waste generated in operations (Category 5)

Available data on waste types were used, along with emission factors from ADEME and the Croatian emission factors database, depending on the type of waste and factor availability.

Business travel (Category 6)

Emissions were estimated based on travel orders (average distances and types of transport). For air transport and transport by personal cars and buses, factors from the ADEME database were used (per passenger-kilometre). For cases of travel recorded as transport by truck, the factor from the Croatian emission factors database was applied.

Employee commuting (Category 7)

Emissions were calculated based on an internal survey questionnaire of employees (residence–workplace distance, primary mode of transport and, where applicable, fuel/class/EURO standard). The results were processed by Group members and extrapolated to the total employee population. Annual mileage was modelled based on the assumption of the average number of working days reduced by the average number of days of annual leave at the Group level. For personal cars and motorcycles, factors from the Croatian emission factors database were used, while for bus and train, relevant external factors were used; an emission factor of 0 was applied for tram travel due to the unavailability of factors in the Croatian database.

Use of sold products (Category 11)

Emissions were estimated based on the expected lifespan and distance travelled by sold vehicles, using factors from the Croatian emission factors database. The assumptions are: personal vehicles 20 years and 12,000 km/year; light commercial vehicles 15 years and a total of 239,000 km; trucks 15 years and 53,333 km/year; buses 15 years and 100,000 km/year. For used vehicles, the remaining life is reduced by the average age at the time of sale. In this cycle, for a conservative approach, all sold personal vehicles are assumed to be running on fossil fuels (without breakdown by propulsion).

End-of-life treatment of sold products (Category 12)

Waste streams at the end of the life cycle of sold products were estimated using emission factors from the Croatian database, ADEME and Ecoinvent, as applicable.

Downstream leased assets (Category 13)

Emissions were estimated based on the distance travelled by vehicles that the Group rents to third parties (outside the Group), over which the Group has no operational control, using factors from the Croatian emission factors database.

Non-applicable categories

Categories 8 (Upstream leased assets), 9 (Downstream transportation and distribution of products), 10 (Processing of sold products), 14 (Franchises) and 15 (Investments) were assessed as not applicable for the Group and were not included in the Scope 3 inventory.

Category 10 (Processing of sold products) was assessed as not applicable and cannot be reliably estimated in this reporting cycle due to the lack of comparable emission factors for the phase of further processing at third parties.

OVERVIEW OF CONSOLIDATED EMISSIONS AT THE AUTO HRVATSKA BUSINESS GROUP LEVEL

(in tonnes of CO ₂ e, unless otherwise indicated)	2024	2025	Change (%)
Greenhouse gas emissions from Scope 1			
Total gross emissions Scope 1	1,406	1,493	6%
Stationary sources	706	836	18%
Mobile sources	620	568	-8%
Fugitive emissions	79	89	12%
Percentage of Scope 1 greenhouse gas emissions from regulated emissions trading schemes (%)	0%	0%	
Greenhouse gas emissions from Scope 2			
Gross Scope 2 emissions (location-based)	858	851	-1%
Purchased electricity	774	760	-2%
Leased premises	84	91	9%
Gross Scope 2 emissions (market-based)	264	270	2%
Purchased electricity	181	179	-1%
Leased premises	84	91	9%
Total gross emissions Scope 1 and 2 (market-based)	1,670	1,763	6%
Greenhouse gas emissions from Scope 3			
Total gross emissions Scope 3*	860,366	768,628	-11%
Cat 1 - Purchased goods and services	128,393	126,896	-1%
Cat 2 - Capital goods	4,029	2,762	-31%
Cat 3 - Fuel and energy-related activities	424	457	8%
Cat 4 - Upstream transportation and distribution	231	231	0%
Cat 5 - Waste generated in operations	1,200	1,193	-1%
Cat 6 - Business travel	69	67	-3%
Cat 7 - Employee commuting	853	865	1%
Cat 11 - Use of sold products	710,547	620,511	-13%
Cat 12 - End-of-life treatment of sold products	13,228	13,595	3%
Cat 13 - Downstream leased assets	1,391	2,051	47%
Total gross greenhouse gas emissions			
Total gross emissions (location-based method)	862,629	770,972	-11%
Total gross emissions (market-based method)	862,036	770,390	-11%
Revenue (in thousands of euros)	272,082	284,795	4,7%
GHG emission intensity (location-based, per EUR 1,000 revenue)	3.17	2.71	-15%
GHG emission intensity (market-based, per EUR 1,000 revenue)	3.17	2.71	-15%
GHG emission intensity (market-based, per employee)	1,066	936	-12%
(in tonnes of CO ₂ e, unless otherwise indicated)	2024	2025	Promjena (%)
Biogenic emissions*			
Biogenic emissions from Scope 2	40	25	-38%
Leased premises	40	25	-38%
*Biogenic CO ₂ emissions are presented separately, in accordance with the GHG Protocol, and are not included in the total greenhouse gas emissions expressed in tCO ₂ e (Scopes 1, 2 and 3). Biogenic emissions relate to the combustion of wood pellets for heating at a leased location in North Macedonia.			

The reduction in total emissions in 2025 compared with 2024 was primarily driven by lower Scope 3 category 11 emissions (use of sold products). This reflected a lower share of truck sales in the commercial programme in 2025, since trucks, owing to higher average annual mileage and fuel consumption, generally generate significantly higher use-phase emissions than other sold vehicle categories. Lower investments in capital goods (Scope 3, category 2) also contributed to the decline, resulting in lower emissions associated with the procurement of long-term assets in the reporting period. At the same time, certain categories (e.g. end-of-life treatment of sold products and downstream leased assets) increased, but their effect did not offset the reduction in the use of sold products category.

E1-7 GHG removal projects and GHG emission mitigation projects financed through carbon credits

In the reporting period, the Auto Hrvatska Business Group did not finance any GHG removal or mitigation projects through carbon credits, and did not purchase, retire or sell carbon credits (0 credits; 0 tCO₂e). This statement covers all consolidated entities and all Group locations.

E1-8 Internal carbon pricing

The Auto Hrvatska Business Group does not currently apply an internal carbon price, either implicit or explicit. In investment and operational decision assessments, current energy and fuel prices are primarily used. The possibility of introducing a shadow carbon price is being considered as part of the development of the climate transition strategy.

E1-9 Expected financial effects of material physical and transition risks and potential climate-related opportunities

The Auto Hrvatska Business Group elected to use the phase-in provision to omit disclosure requirement E1-9 – Expected financial effects of significant physical and transition risks and climate-related opportunities in the second year of preparing its sustainability statement, in accordance with the European Commission Delegated Act (“Quick Fix” - 11 July 2025, C(2025) 4812).

ESRS E5 Resource use and circular economy

The Auto Hrvatska Business Group is committed to extending the life of products through remanufacturing, reuse and recycling processes and waste reduction. By applying circular business models, including servicing, remanufacturing and reuse of parts, it strives to reduce waste generation and improve management of waste materials.

ESRS 2 IRO-1 Description of procedures for identification and assessment of material impacts, risks and opportunities related to resource use and the circular economy

During 2024, the Auto Hrvatska Business Group conducted a double materiality assessment in accordance with ESRS, which identified actual and potential impacts, risks and opportunities (IROs) related to resource use and the circular economy (E5), with an emphasis on the generation of waste and hazardous waste; the results are presented in chapter SBM-3.

Within the assessment, a screening of assets and activities was carried out for all companies and all locations within the boundaries of the Group’s operational control, as well as for relevant parts of the upstream and downstream value chain. The screening covered own operations (services and workshops, storage and handling of materials, waste management and parts remanufacturing), upstream procurement of parts, materials and packaging and logistics, and downstream sales and distribution, customer service and aspects of end-of-life components where applicable.

The methodologies and tools used included the requirements of the ISO 14001:2015 standard, internal records (e.g. Excel registers of waste and resource streams, waste tracking sheets and accompanying documentation for transfers to authorised recoverers and disposers) and input from relevant stakeholders (workshops, surveys and/or interviews). The value chain assessment was predominantly qualitative, due to the limited availability of quantitative data. The materiality of impacts was assessed according to ESRS criteria (scale, scope, irremediable character and likelihood), while financial materiality was assessed based on the expected effect on the financial results and financial position of the Group, whereby a risk or opportunity is considered material if the expected effect exceeds 10% of EBITDA.

Based on the conducted assessment, significant negative impacts related to the generation of waste and hazardous waste in own operations were identified, as well as significant opportunities for strengthening circular practices, especially through the further expansion of parts remanufacturing activities (e.g. brake callipers).

Impact / Risk and opportunity		Description	Measures and link to strategy	Time horizon	Value chain	
E1 Climate change – climate change mitigation						
+/-	Significant impacts	A/P		S/M/L	SC/OO/SaC	
-	Production and distribution of vehicles in the Group's value chain (including personal vehicles, commercial vehicles, trucks, buses and trailers) generate large volumes of waste, including waste parts vehicles and hazardous waste (e.g. waste oils and lubricants, metal, tyres and packaging).	A	In the Group's own operations (services, workshops, warehouses and handling of materials) generate significant quantities of waste and hazardous waste (e.g. waste oils and lubricants, metal, tyres, plastic and packaging). Additional waste streams are related to the supply and sales chain. Inadequate waste management can lead to soil and water pollution, negative effects on biodiversity and air pollution, with possible consequences for the local community.	Systematic waste sorting, safe temporary storage and handover of waste to authorised partners; increasing the share recycling and recovery; continuous waste reduction through process, procurement optimisation and material use, where applicable. Measures are implemented in accordance with the integrated environmental management system (ISO 14001) and the strategic direction of improving resource efficiency.	Short, medium and long term	OO primarily; SC (packaging, parts, logistics) and SaC (waste streams related to services / customers)
Opportunity						
	By developing the circular economy, including increasing the share of recycled materials and spare parts, it is possible to increase revenues, reduce costs and establish a sustainable circular business model.	A	The development of the circular economy, including increasing the share of remanufactured and renewed spare parts, can reduce the consumption of primary resources, reduce waste quantities and contribute to the creation of additional revenue and more sustainable business models.	Expanding the capacity and range of remanufacturing activities; standardisation of quality and traceability of refurbished parts; development of cooperation with manufacturers and/or B2B customers; communication of the benefits of circular solutions (extending product life and reduced resource consumption) in line with the strategic development of the Group's circular economy.	Short, medium and long term	OO / SaC (service and sales channels); SC indirect (reduced need for new parts and materials)

E5-1 Policies related to resource use and circular economy

The Auto Hrvatska Business Group implements policies related to resource use and the circular economy through an integrated quality, environmental protection and energy efficiency management system, aligned with ISO 14001:2015 and ISO 50001:2018 standards, and, where applicable, ISO 9001:2015.

The policies have been adopted and applied at the level of each company within the Auto Hrvatska Business Group, in accordance with their individual ISO certificates and scope of certification. At the same time, they rely on a common group management framework, defined through the integrated management system manual, policies and mandatory operational procedures.

The policies are aimed at efficient resource use, reduction of waste generation, increasing the share of recycling and materials reuse, and, where technically and safely applicable, repair and remanufacturing of components and use of secondary raw materials. Operational implementation is ensured through waste management procedures that include monitoring and analysis of waste streams by category, sorting at the point of origin, safe temporary storage and cooperation with authorised collectors, recoverers and disposers, with a special focus on hazardous waste streams (e.g. waste oils and lubricants, batteries, metal parts, tyres, electronic waste and packaging contaminated with hazardous substances).

As part of the circular economy, policies and procedures include the management of secondary raw materials, including the controlled handover of selected waste streams (e.g. batteries) to authorised partners for recovery and use as secondary raw materials, with secured internal controls, records and monitoring of environmental and financial impacts.

The Group's policies and procedures, where applicable, take into account elements of sustainable procurement through existing procurement guidelines and practices, with certain aspects of sustainability, such as the possibility of recycling or reusing products, the use of returnable packaging and the availability of relevant information from suppliers, considered alongside price and quality.

For the purpose of the gradual transition to a circular economy, policies and operational procedures encourage reducing dependence on primary resources, where technically and operationally feasible, by increasing the use of secondary (recycled or reclaimed) materials and considering parts remanufacturing in accordance with the safety, technical and warranty requirements of manufacturers.

The effectiveness of the implementation of these policies and procedures is ensured through internal controls, internal and external ISO audits, regular identification and review of environmental and energy aspects, monitoring of compliance with legal and other requirements, and through monitoring of key performance indicators.

Responsibility for the implementation and oversight of policies and procedures lies with the Management Boards of individual companies and appointed management representatives for management systems (ISO), with operational implementation at the level of locations, functions and responsible persons for waste and secondary raw materials management. Policies, manuals and related procedures are available to employees through internal systems (intranet and documentation system) and are aligned with relevant national and EU regulations in the area of environmental protection, waste and the circular economy.

E5-2 Measures and resources related to resource use and circular economy

In order to achieve the goals of the waste management policy and support the transition to a circular economy, the Auto Hrvatska Business Group implements specific measures to reduce waste and increase recycling, as well as initial activities related to sustainable procurement, including:

- digital monitoring of waste streams for precise records and optimisation of waste management and recycling procedures,
- sorting waste by category at the point of origin, with a special focus on hazardous waste (e.g. motor oils, batteries, metal parts),
- implementation of programmes for remanufacturing and reuse of selected vehicle parts, where technically feasible and in accordance with safety, quality and manufacturer warranty requirements, with the aim of reducing the need for new (primary) materials,

- cooperation with authorised recycling centres and suppliers for more efficient management of waste streams and identification of opportunities for using secondary (recycled or reclaimed) materials in selected procurement categories,
- optimisation of packaging and storage by reducing the use of single-use materials and increasing the use of returnable, reusable and recyclable packaging solutions, including packaging made from renewable materials (e.g. paper and cardboard), where applicable,
- training of employees on proper handling of waste and prevention of its generation, as well as optimisation of logistics and waste transport in order to reduce related environmental impacts and emissions.

These measures are part of the Group's broader sustainability management and contribute to reducing waste and creating preconditions for the gradual strengthening of a more systematic approach to sustainable procurement, including the development and introduction of additional procurement criteria and monitoring of relevant indicators, in line with data availability and the development of internal processes.

E5-3 Targets related to resource use and circular economy

Under the management system aligned with ISO 14001:2015, the Auto Hrvatska Business Group sets goals in the area of resource use and circular economy, with a focus on reducing waste, increasing recycling and strengthening reuse and remanufacturing, where technically and safely applicable. The goals are aligned with applicable regulatory requirements and are monitored through internal processes for monitoring environmental indicators, management reviews and internal audits.

Key waste management objectives:

- reducing the amount of municipal waste through the improvement of operational procedures and systematic waste sorting at the point of origin,
- improvement of hazardous waste management procedures in accordance with national and EU regulatory framework,
- increasing the reuse and remanufacturing of selected parts (e.g. brake callipers), and responsible management of batteries and tyres in cooperation with authorised partners, with the aim of reducing the need for new (primary) materials,
- development and gradual implementation of digital tools for waste recording for greater transparency and more efficient management of material streams,
- gradual strengthening of circular practices in procurement and packaging, including reducing the use of single-use materials and, where applicable, preferring packaging solutions that can be recycled and/or made from renewable materials (e.g. paper/cardboard).

Quantified performance indicators and time frames for these goals will be defined through the Waste Management Policy and the associated Action Plan, with completion planned for 2026/2027. In the same period, initial sustainable procurement criteria for selected categories (e.g. packaging and paper) will also be gradually defined, in line with data availability and the development of internal processes.

E5-5 Outflows and waste (circular business principles)

Key products and materials exiting the production process (circular principles)

The Auto Hrvatska Business Group operates through several main segments. The commercial programme covers sale, service and parts for trucks and buses. The personal vehicle programme covers sale and service of vehicles of various brands, with an expected increase in the share of electric vehicles from 2025, partly as a result of the introduction of the BYD dealership. Other segments include real estate rental; production and remanufacturing of brake callipers (for own use and as a service to third parties); and vehicle rental, primarily on a B2B basis. A significant share of waste tyres is also regenerated through authorised companies, with part of the recycled rubber products used to manufacture protective coverings and surfaces for children's playgrounds and other areas, thereby contributing to material reuse and reduced waste disposal. Below is an overview of the processes in which circular model areas have been identified:

- Remanufactured brake callipers (heavy vehicles and trailers)

The Auto Hrvatska Business Group has been implementing a brake calliper remanufacturing programme for heavy vehicles and trailers for years. Remanufacturing involves the refurbishment of an existing component rather than replacing it with a new part, retaining the basic structure (housing) while replacing consumable and worn parts. A typical procedure includes condition diagnostics, disassembly and cleaning, replacement of seals,

gaskets, pistons and other moving elements, reassembly and functional testing, and, if necessary, additional surface protection. This extends the life of the part, reduces the consumption of primary raw materials and the amount of waste, and contributes to the principles of the circular economy. Brake calliper remanufacturing is not carried out exclusively for internal needs, but is a standard service within the service network for heavy vehicles and is available to customers, partners and vehicle fleets, including users outside the Auto Hrvatska Business Group. All procedures are carried out in accordance with applicable technical, safety and quality requirements.

- Remanufactured injectors

The Auto Hrvatska Business Group also carries out injector refurbishment as an alternative to replacing with a new part, when technically feasible. The procedure may include diagnostics and testing, disassembly and ultrasonic cleaning, replacement of wear parts (e.g. seals, filters and needles), testing on specialised equipment, and, if necessary, calibration and coding. This activity contributes to the application of circular repair principles and optimisation of resource use, with the note that remanufacturing is not possible in all cases, especially in cases of more severe mechanical or structural damage to components.

- Vehicle rental (B2B; optimisation of product use)

Vehicle rental is organised predominantly as a B2B service. The inclusion of maintenance and related costs in the rental service supports the optimisation of vehicle use and the extension of service life through planned maintenance.

- Sale of used vehicles (reuse / life extension)

The Auto Hrvatska Business Group also engages in the sale of used vehicles, including personal and light commercial vehicles and used commercial vehicles (trucks and buses). This activity contributes to the circular economy through product reuse and life-cycle extension, enabling longer use of existing vehicles before entering the final stages of the life cycle.

Resource outflows: waste from own operations

Waste generated in the Auto Hrvatska Business Group is separated at the point of origin according to type and properties and managed in accordance with the waste management hierarchy, with the aim of preventing waste generation and reducing the amount of waste that ends up in landfills. All waste is, in accordance with legal regulations, handed over to companies that have permits for waste management or are registered in the appropriate register, with a mandatory accompanying sheet.

The largest share in the total amount of waste consists of waste oils and similar oil waste (approx. 33%), iron, steel and ferrous alloys (20%), waste automotive tyres (15%) and paper and cardboard packaging (12%), lead-acid batteries (5%), mixed packaging (4%), while the remaining part consists of other waste categories (11%).

Waste diverted from disposal is defined as waste that has been recycled, prepared for reuse or recovered through other processes. The share of non-hazardous waste prepared for reuse refers to vehicle parts (brake callipers and injectors). Although the share by mass is low, in business terms it represents a contribution to the circular economy because it replaces the procurement of new components and extends the useful life of the vehicle. In addition, part of the used IT equipment and office furniture, when replacing or rearranging the premises, is donated or sold to employees at nominal prices, which further encourages the reuse of products and reduces the amount of waste that would otherwise be directed to disposal.

Waste directed to disposal includes waste that has been incinerated, landfilled or has undergone other disposal procedures. Since data on the method of disposal of waste directed to disposal by individual waste streams is not currently available, these data are presented as "n/a". The Group will seek to obtain more detailed data in the coming period in cooperation with authorised collectors and their analytics.

Waste is considered hazardous if it meets one or more of the characteristics listed in Annex III of Directive 2008/98/EC. The handling of chemicals, oils and fuels is continuously monitored. Waste water from service workshops is discharged into oil separators, which are regularly cleaned. All hazardous waste is kept in specially designated areas until it is handed over to authorised companies, and data on transfer and disposal are available for inspection at the competent authorities.

Non-recycled waste generated from own operations (in tonnes)

Total mass of waste in tonnes that was not recycled, calculated as the total amount of waste directed to disposal, plus waste prepared for reuse and waste that underwent other recovery procedures.

Share of waste prepared for reuse and recycling

The total amount of waste that has been recycled and reused, expressed as a percentage of total waste generated. Waste is classified as recycled if it undergoes any process or treatment that converts it into new materials that can have application. The share of non-hazardous waste prepared for reuse refers to vehicle parts (brake callipers and injectors). In business terms, this is a significant share of the Group's contribution to the circular economy, but given their weight, their share in total waste is very low.

Waste generated from own operations by composition (in tonnes)

Waste metric value	2025	2024
Total waste generated from own operations (tonnes)	878,4	865,1
Total diverted from disposal (tonnes)	536,8	522,9
Total directed to disposal (tonnes)	341,6	342,2
Total hazardous waste	341,6	342,2
Hazardous waste directed to disposal (tonnes)	341,6	342,2
Hazardous waste diverted from disposal (tonnes)		
Total non-hazardous waste (tonnes)	536,8	522,9
Non-hazardous waste directed to disposal (tonnes)	536,8	522,9
Non-hazardous waste diverted from disposal (tonnes)		
Non-recycled waste (%)	38,89%	39,56%
Non-recycled waste generated (tonnes)	341,6	342,2

E5-6

Expected financial effects of impacts, risks and opportunities related to material resource use and circular economy

The Auto Hrvatska Business Group elected to use the phase-in provision to omit disclosure requirement E5-6 – Expected financial effects of impacts, risks and opportunities related to significant resource use and circular economy in the second year of preparing its sustainability statement, in accordance with the European Commission Delegated Act (“Quick Fix” - 11 July 2025, C(2025) 4812).





2.5. EU Taxonomy

The EU Taxonomy is a regulatory framework introduced by the European Union for the classification of economic activities that contribute to the transition to a sustainable economy. Its goal is to direct capital towards environmentally sustainable investments and increase transparency regarding sustainable economic activities.

The EU Taxonomy covers six environmental objectives:

1. climate change mitigation
2. climate change adaptation
3. sustainable use and protection of water and marine resources
4. transition to circular economy
5. pollution prevention and control
6. protection and restoration of biodiversity and ecosystems.

Activities during 2025

During 2025, the Group continued to improve internal processes and employee knowledge with the aim of increasing the quality and efficiency of reporting in accordance with the EU Taxonomy. At the same time, the Group continuously monitored regulatory developments at the European Union level, including published clarifications and answers from the European Commission.

Based on the available regulatory clarifications and guidelines relevant for the reporting year 2025, the Group further adjusted the reporting methodology, especially in the part relating to capital expenditures (CapEx).

EU Taxonomy regulatory framework

Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment ("EU Taxonomy Regulation") represents a classification system for determining environmentally sustainable economic activities and is a key element of the European Green Deal. In the preparation of this report, the Group relied on the applicable regulatory framework of the EU Taxonomy, including amendments introduced by Commission Delegated Regulation (EU) 2026/73, published in the Official Journal of the European Union on 8 January 2026. Although these amendments formally apply from 1 January 2026, the Group already applied them in its reporting for the 2025 financial year, in accordance with the possibility of earlier application and with the aim of ensuring a more transparent, proportional and simplified presentation of Taxonomy activities.

An economic activity is considered Taxonomy-sustainable if it:

- substantially contributes to at least one environmental objective,
- does not significantly harm the achievement of other environmental objectives (DNSH criterion),
- is conducted in accordance with the minimum safeguards prescribed by Article 18 of the EU Taxonomy Regulation.

In accordance with the applicable national legislative framework, including the Accounting Act and relevant by-laws, the Auto Hrvatska Business Group publishes information on the share of Taxonomy-eligible and non-eligible economic activities in its:

- revenue (total sales and services),
- capital expenditures (CapEx),
- operating expenses (OpEx).

The reporting covers environmental objectives in accordance with the EU Taxonomy and European Sustainability Reporting Standards (ESRS), and relates to:

- climate change mitigation and climate change adaptation (ESRS E1),
- sustainable use and protection of water and marine resources (ESRS E3),
- transition to circular economy (ESRS E5),
- pollution prevention and control (ESRS E2),
- protection and restoration of biodiversity and ecosystems (ESRS E4).

Taxonomy-eligible activities

In the process of aligning with the EU Taxonomy, the Group identified Taxonomy-eligible activities by analysing the economic activities defined in the relevant European Commission Delegated Acts, including:

- Delegated Climate Acts,
- Complementary Delegated Climate Acts,
- Delegated Environmental Act, and amendments to these regulations.

In accordance with the definitions of the EU Taxonomy, key business activities in 2025 related to revenue, capital expenditures and operating expenses include:

Business activity of the Auto Hrvatska Business Group	EU Taxonomy activity		Relevance (revenue, OpEx, CapEx)
Service activities at the Group's sales-service centres: AH PSC, AH Automobili, KAM i BUS, KAM in BUS importer, MAN Importer Makedonija.	CCM 3.3	Production of low-carbon transport technologies	Revenue OpEx
Remanufacturing of brake callipers, injectors and other vehicle parts (AH PSC Varaždin)	CE 5.3	Preparation for reuse of products and product components at end of life	Revenue
Sale of used vehicles (extending product lifespan / reuse within the circular economy)	CE 5.4	Sale of used vehicles (circular economy)	Revenue
Vehicle procurement, leasing and fleet management (AH Automobili)	CCM 6.5	Transport by motorcycles, personal cars and light commercial vehicles	Revenue CapEx
Investments in major building renovations	CCM 7.2	Renovation of existing buildings	CapEx
Heat pumps, air conditioning of service workshops, boiler room reconstructions, reconstruction of space heating and cooling (Auto Hrvatska d.d., AH PSC, AH Automobili)	CCM 7.3	Installation, maintenance and repair of energy efficiency equipment	CapEx
Real estate management (Auto Hrvatska d.d.)	CCM 7.7	Purchase and ownership of buildings	Revenue CapEx OpEx

Compared to the reporting year 2024, reporting has been further improved through more precise mapping of business activities to Taxonomy categories and alignment of presentation with available regulatory clarifications. The most significant changes include:

- inclusion of activity CE 5.4 – Sale of used vehicles (circular economy) in Taxonomy-eligible revenue,
- additional accruals and methodological clarifications in the area of capital expenditures (CapEx), especially regarding investments in the energy efficiency of technical systems in buildings,
- improved internal mapping of business activities to Taxonomy categories.

For the purpose of comparability, comparative data for the previous period are presented on a comparable basis, where possible, in accordance with the updated methodology

CCM 3.3 Production of low-carbon transport technologies

In accordance with the official questions and answers of the European Commission related to the EU Taxonomy, activity 3.3 – Production of low-carbon transport technologies covers the production, repair, maintenance, retrofitting, repurposing and upgrading of vehicles, rail vehicles and vessels.

In accordance with these guidelines, this activity also covers service and vehicle maintenance activities, regardless of the actual low-carbon nature of the individual vehicle. Consequently, the service activities carried out by the Auto Hrvatska Business Group are classified as Taxonomy-eligible activities under the EU Taxonomy.

CE 5.3 Preparation for reuse of products and product components at end of life

At the Auto Hrvatska PSC Varaždin production facility, the principle of complete remanufacturing of brake callipers is applied, ensuring that the remanufactured products have performance equal to original parts, while at the same time providing financial savings for users. Additionally, the Auto Hrvatska Business Group provides turbocharger remanufacturing services within the Bosch Diesel Centre in Hrvatski Leskovac.

The described remanufacturing procedures are aligned with the principles of preparation for reuse as defined in the Delegated Environmental Act. Preparation for reuse refers to procedures by which products or components that have become waste are prepared for reuse without further material processing.

Given that brake callipers and injectors are classified as waste before entering the remanufacturing process and that there is no significant material restructuring during the procedure, these activities meet the criteria for classification under CE 5.3. Additionally, the application of the energy management system in accordance with the ISO 50001 standard at the relevant location contributes to the energy efficiency and sustainability of operational processes.

CE 5.4 Sale of used vehicles (circular economy)

The Auto Hrvatska Business Group generates part of its revenue through the purchase/procurement of used vehicles, assessment of their condition, preparation for sale (including service and repair interventions) and resale on the market. This business model directly contributes to the goal of “transition to a circular economy” because it enables the extension of vehicle life, increases the reuse of products and components, and reduces the need for the production of new vehicles and related environmental impacts throughout the life cycle.

Within the methodology of the EU Taxonomy, the Group classifies this activity as a Taxonomy-eligible activity in the area of circular economy (CE 5.4), given that it involves putting products back into use through an organised process of resale after technical preparation. The process includes:

- incoming inspection and assessment of the used vehicle (technical fitness and safety),
- defining necessary interventions to bring the vehicle to a condition suitable for further use,
- carrying out service and repair work (e.g. replacement of worn parts, diagnostics, repairs of mechanical and electronic systems, preparation of vehicles for sale),
- documenting performed interventions and selling the used vehicle to end customers.

Revenue related to CE 5.4 includes revenue from the sale of used vehicles that have undergone this preparation for sale process. In reporting, the Group ensures consistency and the avoidance of double counting through the delineation of revenue from the sale of used vehicles (CE 5.4) and revenue from service activities that are presented separately under other relevant activities where applicable.

CCM 6.5 Transport by motorcycles, personal cars and light commercial vehicles

During the reporting year 2025, the Group continued to implement activity CCM 6.5 – Transport by motorcycles, personal cars and light commercial vehicles, which includes the procurement, financing, leasing, rental and management of vehicles of categories M1, N1 and L.

In accordance with EU Taxonomy guidelines and relevant clarifications from the European Commission, investments in newly acquired vehicles within this activity are classified as Taxonomy-eligible, regardless of their individual low-carbon nature.

CCM 7.2 Renovation of existing buildings

During the reporting year 2025, the Group continued to implement activity CCM 7.2 – Renovation of existing buildings, which includes the reconstruction and improvement of existing real estate in accordance with the applicable requirements for major renovation.

The activities carried out include the adaptation and improvement of infrastructural elements of buildings with the aim of increasing energy efficiency, reducing energy consumption and compliance with relevant regulations on sustainability, thereby contributing to the environmental objective of climate change mitigation.

CCM 7.3 Installation, maintenance and repair of energy efficiency equipment

During the reporting year 2025, the Auto Hrvatska Business Group carried out investments related to the modernisation of heating, cooling and air conditioning systems at its own locations, which are classified within activity CCM 7.3 – Installation, maintenance and repair of energy efficiency equipment.

Activities included the modernization of HVAC systems, encompassing the refurbishment of boiler rooms as well as the installation and replacement of indoor and outdoor units. The installation of heat pumps was completed in previous reporting periods, while activities in 2025 focused on further system enhancements.

These investments are aimed at increasing energy efficiency and reducing energy consumption in business facilities and are classified as Taxonomy-eligible. The assessment of Taxonomy alignment is considered where applicable and where relevant data are available.

Taxonomy-eligible and aligned activities

CCM 7.7 Purchase and ownership of buildings

The Auto Hrvatska Business Group manages a portfolio of commercial real estate, including properties leased to third parties, which are classified within the activity CCM 7.7 – Purchase and ownership of buildings.

The business property on Heinzelova Street meets high standards of sustainability and has a DGNB Platinum certificate, thereby providing tenants with energy-efficient and environmentally friendly business conditions. In accordance with the applicable technical screening criteria, the activity related to this property is classified as a Taxonomy-aligned activity.

Accounting policies relevant for the Auto Hrvatska Business Group in the context of the EU Taxonomy -

The Auto Hrvatska Business Group applies accounting policies in accordance with the International Financial Reporting Standards (IFRS/IAS), the applicable Accounting Act and relevant regulatory requirements of the EU Taxonomy and the European Sustainability Reporting Standards (ESRS).

Taxonomy key performance indicators (KPIs) are calculated at the consolidated Group level, eliminating intra-Group transactions to ensure comparability and avoid double counting.

The Group's financial reporting system (general ledger and auxiliary records) and relevant analytical records (e.g. investment projects, maintenance and training records) were used as the primary data source. Applied control mechanisms focused on:

- alignment of KPI denominator amounts with consolidated financial statements,
- consistent classification of items in the Taxonomy numerator (eligible/aligned),
- documentation of assumptions and allocation keys (where applicable).

Definition and calculation of KPIs

Revenue (turnover) - The revenue in the denominator of the Taxonomy revenue KPI corresponds to consolidated revenue recognised in accordance with IFRS 15. The numerator includes revenue that can be mapped to Taxonomy-eligible and, where applicable, Taxonomy-aligned activities according to the EU Taxonomy.

Capital expenditures (CapEx) The CapEx denominator includes additions to long-term tangible and intangible assets during the reporting period, as well as additions to right-of-use (ROU) assets where applicable, in accordance with IAS 16, IAS 38 and IFRS 16.

The CapEx numerator includes investments that can be linked to:

- Taxonomy-eligible activities (e.g. renovation of existing buildings, investments related to specific Taxonomy activities), and/or
- investments supporting Taxonomy-aligned activities, in accordance with applicable technical screening criteria.

Right-of-use assets (IFRS 16) - Right-of-use assets are included in CapEx to the extent that they arose through new lease agreements or contract amendments during the reporting period and are related to Taxonomy-eligible or aligned activities. The classification approach is based on the purpose of the asset (e.g. buildings/equipment/vehicles) and its connection to the relevant Taxonomy activity.

Operating expenses (OpEx) - The OpEx denominator is defined in accordance with the EU Taxonomy and includes, where applicable, direct non-capitalised costs related to:

- maintenance and repairs of real estate, plant and equipment,
- short-term leases,
- costs related to daily servicing/maintenance of assets (where relevant and possible to delineate),
- costs of education and training of employees that are directly related to the implementation of Taxonomy-eligible activities (e.g. training of service and production employees).

The OpEx numerator includes the portion of these expenses that can be directly attributed to Taxonomy-eligible activities, and alignment is assessed where applicable and where evidence is available for meeting the technical screening criteria, including DNSH and minimum safeguards.

Main exclusions from the OpEx KPI - In accordance with the EU Taxonomy definition, the OpEx denominator generally does not include expenses that are not covered by the Taxonomy definition of OpEx, such as: sales and marketing costs, logistics costs, administrative overhead costs, costs of materials and goods for sale, employee costs (except for clearly identified training), depreciation and other costs that are not related to maintenance/short-term leases/defined OpEx categories under the EU Taxonomy.

Where applicable, expenses are allocated to Taxonomy activities based on documented and consistent allocation keys (e.g. by location, projects, types of assets or work orders). The Group applies procedures that ensure that the same item is not double-counted in different Taxonomy KPIs or activities.

TEMPLATES FOR KEY PERFORMANCE INDICATORS (KPIs) OF NON-FINANCIAL COMPANIES															
Template I: Share of revenue, CapEx and OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure for the reporting year (N) (summary KPI indicators)															
Reporting year	2025				Breakdown by environmental objectives of Taxonomy-aligned activities										
Economic activities (1)	Total (2)	Share of Taxonomy-eligible activities (3)	Taxonomy-aligned activities (4)	Share of Taxonomy-aligned activities (5)	Climate change mitigation (6)	Climate change adaptation (7)	Water resources (8)	Circular economy (9)	Pollution (10)	Biodiversity (11)	Enabling activities share (12)	Transitional activities share (13)	Non-assessed activities considered immaterial (14)	Taxonomy-aligned activities in the previous financial year (2024) -15	Share of Taxonomy-aligned activities in the previous financial year (2024) (16)
Text	Currency	%	Currency	%	%	%	%	%	%	%	%	%	%	Currency	%
Revenue (Turnover)	284,794,911	32.9%	3,596,360	1.3%	1.3%	%	%	%	%	%	%	%	%	3,352,439	1.2%
Capital expenditures (CapEx)	10,435,972	48.4%	0	%	%	%	%	%	%	%	%	%	%	-	%
Operating expenses (OpEx)	1,707,281	16.6%	299,982	17.6%	%	%	%	%	%	%	%	%	%	273,320	14.1%

Stable revenues, adjusted investment structure and improved reporting

During 2025, the EU Taxonomy KPIs of the Auto Hrvatska Business Group reflect further improvements to the internal reporting methodology and focus of investments in selected areas of Taxonomy-eligible activities, while at the same time improving the mapping of business activities to Taxonomy categories.

Revenue (Turnover KPI)

The share of Taxonomy-eligible revenue (A.1 + A.2) in 2025 is 34.1% of total consolidated revenue (2024: 33.3%), which represents a slight increase compared to the previous year. The increase primarily reflects revenue from the sale of used vehicles under activity CE 5.4, together with a stable volume of service activities under CCM 3.3.

The share of Taxonomy-aligned revenue (A.1), related to the business building on Heinzlova Street under CCM 7.7, remained at a comparable level and amounts to 1.3% (2024: 1.2%).

Capital expenditures (CapEx KPI)

The share of Taxonomy-eligible CapEx (A.1 + A.2) in 2025 amounts to 48.4% (2024: 48.5%), maintaining a stable level of investment in activities covered by the EU Taxonomy. The structure of investments remains focused on: vehicle fleet (CCM 6.5), renovation of existing buildings (CCM 7.2) and equipment for energy efficiency in buildings (CCM 7.3).

Additionally, an improvement in the methodology for mapping investments to Taxonomy activities contributed to a more precise delineation of CapEx under the EU Taxonomy.

Operating expenses (OpEx KPI)

The share of Taxonomy-eligible OpEx (A.1 + A.2) in 2025 amounts to 34.1% (2024: 30.0%), which represents an increase compared to the previous year. This development reflects a combination of methodological adjustments in OpEx accrual and changes in the structure of real estate maintenance costs and employee training related to Taxonomy-eligible activities.

In 2026, a further increase in the share of Taxonomy-eligible, and gradually also Taxonomy-aligned, CapEx is expected, primarily through planned procurement of electric vehicles within its own fleet, rental fleet and vehicles for sale, as well as through potential additional investments in renewable energy sources.

At the same time, the improvement of the data collection and monitoring system necessary for the assessment of Taxonomy alignment will continue, including DNSH and minimum safeguards.

Revenue aligned with EU Taxonomy

The primary activity of the Auto Hrvatska Business Group, which includes the sale of personal and commercial vehicles, buses and the provision of service activities, is not fully covered by the classification of economic activities under the EU Taxonomy. Consequently, the share of revenue that can be classified as Taxonomy-eligible (A.1) in 2025 amounts to 1.3% of total consolidated revenue, while the share of Taxonomy-eligible revenue (A.1 + A.2) amounts to 34.1%.

The share of aligned revenue remains at a relatively low level due to the nature of the core business, while the share of eligible activities is gradually increasing in line with the development of the business portfolio and further improvements in the activity mapping methodology.

Taxonomy-eligible revenues in the reporting year 2025 were generated under the following activities:

- 3.3 Production of low-carbon transport technologies – in the form of revenue from vehicle repair and maintenance services provided at the Group's sales and service centres
- 6.5 Vehicle fleet for leasing and rental – which includes revenue from vehicles with improved energy characteristics for the purposes of fleet management, including electric vehicles and other vehicles with improved energy characteristics, thereby gradually improving the energy mix and emissions profile of the fleet.
- 5.3 Preparation for reuse of products and product components – in the form of revenue from the sale of remanufactured brake callipers and injectors.
- 5.4. Sale of used vehicles (circular economy) – in the form of revenue from the sale of used vehicles that have undergone technical inspection and preparation for further use, thereby contributing to extending the product life and reuse in accordance with circular economy principles.

Revenue generated under activity CCM 7.7 – Purchase and ownership of buildings is divided into:

- Taxonomy-aligned revenue (A.1) relating to the business building on Heinzlova Street, which meets all applicable technical screening criteria, including the Do No Significant Harm (DNSH) criterion, and
- Taxonomy-eligible but environmentally non-sustainable revenue (A.2) relating to other real estate from the Group's portfolio that is covered by activity CCM 7.7, but for which not all conditions for classification as Taxonomy-aligned were met in the reporting period.

Reporting year	2025			Substantial contribution criteria						
	Economic activities (1)	Label (2)	Revenue amount (3)	Revenue share, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)
Text		Currency	%	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
7.7 Purchase and ownership of buildings	CCM 7.7	3,596,360	1.3%	1.3%	-	-	-	-	-	-
Revenue from environmentally sustainable activities (Taxonomy-aligned) (A.1)		3,596,360	1.3%	1.3%	-	-	-	-	-	-
Enabling activities		0	%	%	-	-	-	-	-	-
Transitional activities		0	%	%	-	-	-	-	-	-
A.2. Taxonomy-eligible but environmentally non-sustainable activities										
Text		Currency	%	%	%	%	%	%	%	%
3.3 Production of low-carbon transport technologies, repair, maintenance, retrofitting, repurposing and upgrading of low-carbon vehicles, rail vehicles and vessels.	CCM 3.3	39,880,077	14.0%	14.0%	-	-	-	-	-	-
7.7 Purchase and ownership of buildings	CCM 7.7	521,540	0.2%	0.2%	-	-	-	-	-	-
5.3. Preparation for reuse of products and product components at end of life (remanufacturing of brake callipers and turbochargers - remanufacturing and putting back into use)	CE 5.3	861,362	0.3%	-	-	-	-	0.3%	-	-
5.4. Sale of used vehicles (circular economy)	CE 5.4	49,554,110	17.4%	-	-	-	-	17.4%	-	-
6.5 Transport by motorcycles, personal cars and light commercial vehicles - A fleet of over 1,000 vehicles for leasing/rental. Vehicles are rented externally and internally.	CCM 6.5	2,819,202	1.0%	1.0%	-	-	-	-	-	-
Revenue from Taxonomy-eligible but environmentally non-sustainable activities (A.2)		93,636,291	32.9%	14.2%	-	-	-	17.7%	-	-
A. Total revenue (A.1 + A.2)		97,232,652	34.1%	15.4%	-	-	-	17.7%	-	-
B. Taxonomy NON-ELIGIBLE ACTIVITIES										
Revenue from Taxonomy non-eligible activities		187,562,259	65.9%							
TOTAL (A + B)		284,794,911	100%							

DNSH criteria ("do no significant harm")										
Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Share of Taxonomy-aligned activities in total revenue, year 2024 (18)	Share of Taxonomy-aligned revenue, year 2024 (19)	Enabling activity category (20)	Transitional activity category (21)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Currency	%	(E – where applicable)	(T – where applicable)
Y	Y	Y	Y	Y	Y	Y	3,352,439	1.2%		
							3,352,439	1.2%		
							0	%		
							0	%		
							Currency	%		
							38,947,797	14.3%		
							548,800	0.2%		
							964,515	0.4%		
							46,924,274	17.2%		
							2,643,618	1.0%		
							90,029,003	32.1%		
							93,381,442	33.3%		

Capital expenditures aligned with EU Taxonomy

The Auto Hrvatska Business Group's capital expenditures include investments in long-term tangible and intangible assets, with an emphasis on improving energy efficiency, modernising infrastructure and business development.

During the reporting year 2025, a stable level of the share of capital expenditures that can be classified as Taxonomy-eligible was maintained, comparable to the previous year. These capital expenditures relate to investments in the following activities covered by the EU Taxonomy:

- 6.5 Vehicle fleet for leasing and rental – which includes the procurement of vehicles with improved energy characteristics for the purposes of fleet management, including electric vehicles and other vehicles with improved energy characteristics, thereby gradually improving the energy mix and emissions profile of the fleet,
- 7.2 Renovation of own buildings – which includes investments aimed at increasing energy efficiency and reducing energy consumption in existing business facilities,
- 7.3 Energy efficiency equipment in buildings - which includes investments aimed at the modernisation of heating, cooling and air conditioning systems in business facilities with the aim of increasing energy efficiency and reducing energy consumption.

Capital expenditures related to these activities are classified as Taxonomy-eligible, while their Taxonomy alignment is assessed in accordance with the applicable technical screening criteria, including the Do No Significant Harm (DNSH) criterion and minimum safeguards.

Reporting year	2025		Criteria of significant contribution						
	Economic activities (1)	Label (2)	Capital expenditure amount (3)	Expense share, Year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)
Text		Currency	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
CapEx from environmentally sustainable activities (Taxonomy-aligned) (A1)		0	0.0%	%	-	-	-	-	-
Enabling activities		0	%	%	-	-	-	-	-
Transitional activities		0	%	%					
A.2. Taxonomy-eligible but environmentally non-sustainable activities									
Text		Currency	%	%	%	%	%	%	%
7.3 Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	427,765	4.1%	4.1%	-	-	-	-	-
6.5 Transport by motorcycles, personal cars and light commercial vehicles - A fleet of over 1,000 vehicles for leasing/rental. Vehicles are rented externally and internally.	CCM 6.5	3,870,578	37.1%	37.1%	-	-	-	-	-
7.2 Renovation of existing buildings - Renovations of own buildings.	CCM 7.2	748,209	7.2%	7.2%	-	-	-	-	-
7.7 Purchase and ownership of buildings	CCM 7.7	0	0.0%	0.0%	-	-	-	-	-
CapEx from Taxonomy-eligible but environmentally non-sustainable activities (A.2)		5,046,552	48.4%	48.4%	%	%	%	%	%
A. Total CapEx (A.1+A.2)		5,046,552	48.4%	48.4%	%	%	%	%	%
B. Taxonomy NON-ELIGIBLE ACTIVITIES									
CapEx from Taxonomy non-eligible activities		5,389,420	51.6%						
TOTAL (A + B)		10,435,972	100%						

DNSH criteria ("do no significant harm")												
	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Share of Taxonomy-aligned activities in capital expenditures, year 2024 (18)	Share of Taxonomy-aligned capital expenditures, year N (19)	Enabling activity category (20)	Transitional activity category (21)
	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Currency	%	(E – where applicable)	(T – where applicable)
	-	Y	Y	Y	Y	Y	Y	Y	0	%		
	-								0	%		
	%								Currency	%		
	-								200,752	20%		
	-								3,340,623	32.8%		
	-								1,066,106	10.5%		
	-								328,832	3.2%		
	%								4,936,313	48.5%		
	%								4,936,313	48.5%		

Operating expenses aligned with EU Taxonomy

The Auto Hrvatska Business Group's operating expenses include current business costs related to the maintenance of business infrastructure, resource management and improvement of energy efficiency, as well as the costs of training service and production employees.

During the reporting year 2025, the share of operating expenses that can be classified as Taxonomy-eligible decreased compared to previous periods, primarily as a result of earlier methodological adjustments to the calculation and further alignment with the interpretation of the requirements of the EU Taxonomy.

Taxonomy-eligible operating expenses in the reporting year 2025 relate to the following activities:

- 7.7 Purchase and ownership of buildings – including maintenance costs of the business building in Heinzelova Street, which are classified as Taxonomy-aligned, as well as maintenance costs of other business facilities of the Group, which are classified as Taxonomy-eligible
- 3.3 Production of low-carbon transport technologies relating to the cost of training service and production employees

Operating expenses presented within EU Taxonomy reporting differ from the total operating expenses presented in the financial statements. The denominator of the Taxonomy operating expenses indicator includes all costs of real estate maintenance and costs of training service and production employees, while the numerator includes the relevant part of expenses that can be classified as Taxonomy-eligible.

Taxonomy alignment of operating expenses, except for the part related to activity CCM 7.7 for the business building on Heinzelova Street, was not determined, given the nature of the expenses and the applicable requirements of the EU Taxonomy.

Reporting year	2025		Criteria of significant contribution							
	Economic activities (1)	Label (2)	Operating expense amount (3)	Expense share, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)
Text		Currency	%	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1. Environmentally sustainable activities (Taxonomy-aligned)										
7.7 Purchase and ownership of buildings	CCM 7.7	299,982	17.6%	%	%	%	%	%	%	%
OpEx from environmentally sustainable activities (Taxonomy-aligned) (A.1)		299,982	17.6%	%	%	%	%	%	%	%
Enabling activities		0	%	%	%	%	%	%	%	%
Transitional activities		0	%	%						
A.2. Taxonomy-eligible but environmentally non-sustainable activities										
Text		Currency	%	%	%	%	%	%	%	%
3.3 Production of low-carbon transport technologies - Production, repair, maintenance, retrofitting, repurposing and upgrading of low-carbon vehicles, rail vehicles and vessels.	CCM 3.3	74,053	4.3%							
7.7 Purchase and ownership of buildings	CCM 7.7	208,729	12.2%							
OpEx from Taxonomy-eligible but environmentally non-sustainable activities (A.2)		282,781	16.6%	%	%	%	%	%	%	%
A. Total OpEx (A.1+A.2)		582,763	34.1%	%	%	%	%	%	%	%
B. Taxonomy NON-ELIGIBLE ACTIVITIES										
OpEx from Taxonomy non-eligible activities		1,124,518	65.9%							
TOTAL (A + B)		1,707,281	100%							

DNSH criteria ("do no significant harm")										
Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Share of Taxonomy-aligned activities in total revenue, year 2024 (18)	Share of Taxonomy-aligned revenue, year 2024 (19)	Enabling activity category (20)	Transitional activity category (21)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Currency	%	(E – where applicable)	(T – where applicable)
Y	Y	Y	Y	Y	Y	Y	273,320	14%		
							273,320	14%		
							0	%		
							0	%		
							Currency	%		
							88,728	5%		
							227,907	12%		
							316,635	16%		
							589,955	30%		

Activities related to nuclear energy and fossil fuels

In accordance with Article 8 of Regulation (EU) 2020/852 on establishing a framework to facilitate sustainable investment (EU Taxonomy), undertakings are required to publish information on the share of revenue, capital expenditures (CapEx) and operating expenses (OpEx) relating to Taxonomy-eligible and Taxonomy-aligned economic activities. Part of the above disclosures also includes information on exposure to activities related to nuclear energy and fossil fuels, as additionally prescribed by relevant European Commission Delegated Acts.

Based on the conducted analysis of business activities, the Auto Hrvatska Business Group does not carry out or finance, nor is it directly exposed to, economic activities related to nuclear energy or fossil fuels, as defined in Annex I of the Commission Delegated Regulation (EU) 2021/2139.

In accordance with the above, the Auto Hrvatska Business Group has no revenue, capital expenditures or operating expenses related to activities linked to nuclear energy or fossil fuels, and such activities are not included in the Group's EU Taxonomy reporting for the reporting year 2025.





2.6. Social issues – people are our key strength

ESRS S1 Own workforce

Our employees are the foundation of the success and long-term resilience of the Auto Hrvatska Business Group. The expertise and engagement of employees are crucial for the quality of sales and after-sales services, work safety, compliance with regulatory requirements and customer satisfaction. In accordance with the requirements of ESRS, the Group is committed to creating a safe, stimulating and inclusive working environment, with special emphasis on the development of employee competencies, especially in the context of vehicle electrification, new technologies and digitalisation of business processes, as well as on the protection of occupational health and safety.

In order to ensure business stability and support the further development of the Group, activities in the area of own workforce are focused on the following key areas:

- continuous training and development of employee skills, including technical, sales and digital competencies,
- improving working conditions and strengthening occupational health and safety standards,
- strengthening corporate culture, employee engagement and retention of key employees.

S1 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The scope of the disclosure includes all employees in our own workforce who may be affected by our business. The scope refers to persons working in our own operations and, where applicable, to non-employees included in operational processes in such a way that they may be exposed to working conditions and risks similar to those of employees.

The geographical coverage includes operations of the Auto Hrvatska Business Group in Croatia, Slovenia, North Macedonia and Bosnia and Herzegovina.

The backbone of our own workforce consists of employees engaged through employment contracts. Additionally, we occasionally engage persons through student contracts and service contracts; their share is still low (around 2%) compared to the number of employees based on employment contracts. In such engagements, we employ both sexes equally, in accordance with the needs of the work and the availability of personnel.

Our business model (vehicle and mobility sales, service and after-sales services) directly depends on the availability of a qualified workforce and safe working conditions. Market trends in 2025, especially fleet electrification, changes in technologies, diagnostics and software solutions, increase the need for:

- faster and more structured competence development,
- standardisation and modernisation of equipment and processes,
- additional occupational safety measures in service activities (e.g. high-voltage work on EVs, chemicals, waste).

Identified impacts, risks and opportunities directly inform investment priorities in training, capacity planning, employee retention programmes, and further strengthening of the safety and health protection system.

Although the transition plan had not yet been formally adopted at the time of reporting, based on current analyses and planned measures, no negative effects on employment or significant restructuring of its own workforce related to decarbonisation measures are expected. However, changes in the structure of required competencies are expected (especially in service and sales), which is why the focus is on reskilling and upskilling and adapting the content and scope of training.

We have not identified operations with a high risk of forced/compulsory or child labour in our own operations, nor do we operate in geographical areas where such risks would be pronounced.

Overview of impacts, risks and opportunities (IROs) for material topic S1 – Own workforce

The table shows an overview of impacts, risks and opportunities for material topic S1 – Own workforce:

Impact / risk and opportunity		Current/ potentially	Measures and link to strategy	Time period	Value chain
Own workforce (S1) – Training and skills development					
+/-	Significant impacts	A/P		S/M/L	SC/OO/SaC
+	Increasing the skills and competencies of employees can directly affect the quality of service in the sale, service and rental of vehicles, especially in the context of the new knowledge necessary for electric vehicles and mobility services. This contributes to a higher quality of service, customer satisfaction and loyalty, and positively affects business results.	A	Investment in internal and external training programmes: certifications and specialist training for EV technologies, including high-voltage work, diagnostics, new vehicle models, sales and digital skills; development plans by role; monitoring of training completion and competence development by role.	S	VO/PL
Risk					
-	Changes in the industry, including electrification, require new knowledge in numerous departments of the Auto Hrvatska Business Group (services, sales, maintenance). If employees are not trained in a timely manner, the Group may face operational problems, delays in services and a drop in quality, which may negatively affect revenues and profitability.	A	Planning of competence needs by location and function; mentoring and “train-the-trainer” model; cooperation with importers/manufacturers and key suppliers in the implementation of training; standardisation of work procedures and strengthening of work quality control; targeted recruitment of profiles in short supply.	M/L	OO
Opportunity					
+	Investing in continuous education and development can attract and retain talented employees, improve the working atmosphere and reduce turnover. This reduces the costs of onboarding and ensures greater stability of business results.	P	Employee development and retention programmes (career paths, internal tenders, development of leadership competencies), linking training with advancement; regular monitoring of turnover and employee satisfaction; implementation of targeted measures for critical roles (service technicians, diagnosticians, sales consultants).	M/L	OO
Own workforce (S1) – Health and safety					
+/-	Significant impacts	A/P		S/M/L	SC/OO/SaC
-	Service employees are exposed to the risk of working with machines and equipment and inhalation of gases and exposure to hazardous waste, working with waste oils, etc., which can negatively affect their health, and work accidents can have serious consequences due to the nature of the work.	A	Strict occupational safety rules, mandatory training and periodic knowledge checks; workplace risk assessments; use of appropriate personal protective equipment; procedures for working with hazardous substances and waste; additional procedures and training for electric vehicles (safe work with high voltage); regular inspections and internal supervision.	S/M	OO
Risk					
-	Work-related injuries, sick leave or deterioration of employee health may lead to direct costs (e.g. reduced efficiency, replacement costs) and indirect costs (e.g. hiring new employees, higher insurance and compensation costs), as well as to a reduction in productivity.	A	Preventive programmes (safety campaigns, “near-miss” reports where applicable), equipment modernisation and ergonomics, optimisation of workload and shift planning; additional compliance controls; targeted interventions at locations with elevated risk.	S/M	OO

S1-1

Policies related to own workforce

Policy framework and scope of application

The Auto Hrvatska Business Group manages topics related to its own workforce through a set of internal policies, regulations and decisions governing labour relations, protection of workers’ rights, occupational health and safety, equal treatment, competence development and mechanisms for reporting irregularities.

Scope of application: these acts and related procedures apply to all companies operating in Croatia within the Auto Hrvatska Business Group, and individual acts to companies in other countries in which the Group operates (Slovenia, North Macedonia and Bosnia and Herzegovina). They primarily relate to employees, while relevant requirements (e.g. dignity protection, prohibition of discrimination and harassment and occupational safety rules) also apply to persons engaged through other forms of work when they work on Group premises or under its operational instructions.

Key internal acts regulating the treatment of own workforce include:

- Human resources policy (staff management, principles of equality and legality),
- Employment regulations,
- Decisions on other material employee rights (benefits based on employment),
- Acts and standards related to employee training and development,
- Occupational Safety Regulations and Fire Extinguishing Equipment Regulations, including risk assessment and prescribed procedures,
- Decision on appointment of a dignity protection officer and related procedures,
- Regulations on the procedure for reporting internal irregularities and the Decision on the appointment of an officer for reporting irregularities,
- Code of fair and conscientious business conduct and relevant ethical provisions,
- Human rights, workers’ rights and social dialogue.

In its business, the Auto Hrvatska Business Group applies the principles of respect for human and workers’ rights and ensures compliance with relevant regulations (including the Labour Act), applicable collective agreements and internal acts. The Human Resources Policy prescribes adherence to the principles of equality and legality, and business practice is continuously aligned with applicable regulations and internal rules.

Policies related to its own workforce are based on generally accepted international principles of human rights, including the UN Guiding Principles on Business and Human Rights, which will be further formalised and integrated into business processes in the coming period.

We inform employees and their elected representatives in a timely manner about significant changes in the business that could have a more significant impact on employees, in accordance with legal obligations. The Group maintains a constructive social dialogue with trade union representatives and carries out consultations on measures that affect employees, in accordance with regulations and good practice.

During the reporting period, through established channels for reporting and monitoring, no cases of violations of employees’ rights were recorded.

Equal opportunities, non-discrimination and dignity protection

The Auto Hrvatska Business Group ensures equal opportunities and prohibits any form of direct or indirect discrimination in employment, promotion, professional development and working conditions, in accordance with applicable regulations and internal acts.

For the protection of employee dignity, officers have been appointed whom employees can contact in case of harassment, discrimination or violation of dignity. The handling of the report is regulated by the Employment Regulations and includes consideration of the complaint, determination of relevant facts and taking appropriate protective measures and, if necessary, measures against the perpetrator, in accordance with regulations and internal procedures.

Whistleblowing mechanisms and whistleblower protection

Anonymous and non-anonymous channels for reporting complaints and irregularities are available to employees, including internal communication channels, contacting the competent organisational units and the appointed officer for irregularities. Handling of reports is regulated by internal regulations.

The Group ensures the protection of whistleblowers who act in good faith, including the prohibition of retaliation, and acts in accordance with applicable legislative requirements and internal procedures.

Occupational health and safety (accident prevention)

Occupational health and safety protection is one of the key areas of management, especially in service and operational functions. The Group carries out workplace risk assessments, training for safe work, procedures for handling work-related injuries, and implements measures for equipment maintenance and work organisation with the aim of protecting the life and health of employees, in accordance with the nature of the work and special regulations.

Training and awareness raising (communication and policy implementation)

Policies related to own workforce are implemented and strengthened through continuous education and training, including topics related to working conditions, compliance, occupational safety and organisational culture. Policies, procedures and expected behaviours are regularly communicated to employees through internal communication channels and management processes.

The Human Resources (HR) department is responsible for managing policies related to its own workforce and coordinating their implementation, in cooperation with other competent functions (e.g. occupational safety, legal affairs) and the Management, depending on the area.

S1-2

Processes for cooperation with own workforce and workers' representatives regarding impacts

The Auto Hrvatska Business Group carries out structured procedures for cooperation with employees and their representatives with the aim of identifying and managing actual and potential impacts on its own workforce, especially in the areas of occupational health and safety, training and skills development, working conditions, and equal opportunities and dignity protection.

Cooperation channels and engagement

Cooperation is achieved through a combination of formal and informal mechanisms, including:

- Annual (and, if necessary, more frequent) employee satisfaction surveys, which collect feedback on working conditions, work organisation, culture, development and workplace relationships.
- Regular communication with workers' representatives and the trade union, whereby the trade union representative and employee representatives are involved in informing and consulting on decisions that may have a significant impact on employees, in accordance with legal requirements.
- Employee representative on the Board of Directors, who participates in discussions and decision-making relevant to employees.
- Annual meetings of employees and the Board of Directors, at which business results, plans and changes that may affect employees are presented, with the opportunity to ask questions and make suggestions.
- Weekly time slots for employees to have conversations with members of the Board of Directors and Executive Directors were introduced in 2025 ("Open with the Management"), enabling open dialogue and making management available to employees as needed.
- Continuous feedback channels via internal communication channels and digital tools available to employees.

Involvement in impact management and decision-making

The results of cooperation with employees and their representatives are used in managing material topics for its own workforce, especially when:

- planning and adaptation of training and skills development programmes (including competencies related to technological changes in the industry),
- implementation of targeted training programmes for future managers with the aim of timely development of managerial competencies,
- defining measures to improve working conditions and work organisation,
- strengthening preventive measures of occupational health and safety (e.g. additional training, equipment modernisation, procedure corrections),
- improving measures to protect employee dignity and ensure equal opportunities.

Monitoring of cooperation effectiveness

The effectiveness of cooperation is monitored through the analysis of the results of satisfaction surveys, feedback from annual meetings and through continuous communication with workers' representatives. During 2025, approaches to engaging employees were further improved to ensure the equitable participation of all relevant groups of employees, including employees in operational functions and at all Group locations.

S1-3

Procedures for remediating negative impacts and channels through which its own workforce can raise concerns

The Auto Hrvatska Business Group provides mechanisms through which employees can express concerns, file complaints or report irregularities, as well as procedures for the timely processing of reports and remediation of possible adverse impacts. The mechanisms are available to all employees, including employees in operational functions and at all locations of the Group.

Channels for raising concerns and reporting

The following channels are available to employees, anonymously or non-anonymously, depending on the channel and type of report:

- Human Resources (HR) Department – matters of labour rights, working conditions and professional development;
- Trade union representative – support and mediation on working conditions and rights;
- Dignity protection officer – reports of harassment, discrimination and dignity violations;
- Confidential person/officer for internal reporting of irregularities – reports of violations of laws or ethical standards;
- Internal digital channels (Jenz) – the ability to anonymously submit inquiries and reports;
- Direct contact with the Management, Board of Directors and Executive Directors – regular weekly slots for employees to have conversations with members of the Board of Directors and Executive Directors (“Open with the Management”), especially in case of serious concerns;
- Annual employee and management meetings – an additional opportunity to raise questions and proposals.

Handling of reports and remediation

Handling of received reports is carried out in accordance with relevant internal acts and depends on the type of report and generally includes:

- receipt and recording of reports by the responsible person,
- assessment and investigation (fact analysis and information gathering),
- determination and implementation of appropriate corrective and preventive measures,
- monitoring the effectiveness of measures taken and, where applicable, measures to prevent the recurrence of irregularities.

Possible measures include, depending on the case, corrections of work processes, additional training, changes in work organisation, measures to protect the whistleblower or the injured person, and disciplinary measures in accordance with applicable regulations and internal acts.

The Regulations on Internal Reporting of Irregularities also define whistleblower protection mechanisms, including protection from retaliation for persons who submit a report in good faith.

To ensure all employees have access to channels:

- computers and access to digital channels are provided in service workshops as well,
- the Jenz platform enables anonymous submission of inquiries and reports via mobile devices,
- information on appointed officers and available channels is regularly published internally and accessible to employees.

Monitoring of mechanism effectiveness

The effectiveness of channels and procedures is monitored through regular evaluation and improvements, along with monitoring internal indicators (e.g. number of received reports, type of reports, resolution time, recurrence of irregularities and implementation of corrective measures), with respect for confidentiality and protection of personal data.

S1-4

Taking measures for material impacts on own workforce, approaches to managing material risks and pursuing material opportunities related to own workforce and their effectiveness

The Auto Hrvatska Business Group recognises training and skills development and occupational health and safety as key areas of activity in managing material impacts, risks and opportunities related to its own workforce. In addition to the above, topics that contribute to the resilience of the workforce and employee retention, including work-life balance and the fairness and competitiveness of the reward system, are continuously monitored and improved.

Measures are designed to:

- reduce negative impacts (e.g. work-related injuries, health risks, employee overload),
- increase positive impacts (e.g. competence development and employability, safer working conditions),
- to manage business risks (e.g. shortage of skilled staff in the context of technological changes and operational disruptions),
- seize opportunities (e.g. strengthening competencies for electrification and digitalisation and attracting and retaining talent).

Training and skills development

To support the professional development of employees and alignment with technological changes in the industry, we implement the following measures:

- Training and education programmes tailored to workplaces, including internal and external training for sales, service and administrative functions.
- Implementation of adapted training programmes for future managers with the aim of timely development of managerial and leadership competencies in line with business needs.
- Development of digital competencies, especially for administrative and sales roles, for more efficient work and higher-quality customer service.
- Subsidising professional certifications and external training to enable employees to continuously upgrade their knowledge and specialisation.
- Regular meetings and alignment of development plans between employees, immediate supervisors and management in order to link development needs with business needs.

We monitor the effectiveness of measures through a combination of indicators, including turnover trends and results of exit interviews (reasons for leaving), results of employee satisfaction and engagement surveys, implementation indicators (e.g. participation in training, training hours completed, completed programmes and certifications where applicable) and results of annual performance reviews and development plans.

Employee health and safety

Special attention is paid to employee health and safety, especially in service workshops. Key measures include:

- Regular risk assessments at all workplaces and updating of protective measures.
- Training for safe work in accordance with legal requirements and internal standards, including periodic training.
- Modernisation of service workshops and ergonomic improvements to reduce injury risks and improve working conditions.
- Preventive health protection measures, including systematic examinations and mental health support programmes and psychological services.
- Organisational measures aimed at work-life balance and reducing overload, including the abolition of Saturday work for service employees (shortening the working week), and the possibility of remote work for office employees for up to 24 days per year, where the nature of the work permits.

Continuous improvement and evaluation of measures is carried out through regular collection of employee feedback, including satisfaction surveys (at least every year and a half), analysis of exit interviews and monitoring of indicators relevant to working conditions and employee well-being.

Remuneration, retention and fairness (risk and opportunity management)

In order to strengthen workforce resilience and employee retention, and to reduce risks related to remuneration competitiveness and availability of key competencies, the Auto Hrvatska Business Group carries out the following activities:

- monitoring key employee retention factors through exit interviews,
- benchmarking of working conditions against industry and market averages,
- monitoring the gender pay gap,
- comparison of average employee salaries with relevant market standards.

In 2025, a Remuneration Committee was established, with key tasks including:

1. development of criteria for determining employee and management remuneration,
2. monitoring and proposing alignment of remuneration with economic, market and other relevant circumstances,
3. continuous monitoring of implementation and application of remuneration decisions,
4. providing proposals and recommendations to the Board of Directors and Executive Directors regarding the remuneration policy.

Responsibilities for implementing measures are allocated by area:

- the Director of Human Resources is responsible for measures for training, development and retention of employees,
- the Director of the Investments Department and the Director of Auto Tangenta are responsible for the area of occupational health and safety,
- other topics related to the management of own workforce are under the supervision of the executive directors and the Board of Directors.

The Auto Hrvatska Business Group continuously monitors, evaluates and adjusts measures for managing its own workforce in accordance with the needs of employees, business development and ESRS requirements, with the aim of ensuring safe working conditions, developing competencies in the context of technological changes and long-term sustainability, competitiveness and employee satisfaction.

S1-5 Targets related to managing material adverse impacts, promoting positive impacts, and managing material risks and opportunities

Target setting, performance monitoring and identified improvements

The Auto Hrvatska Business Group sets target values related to its own workforce with the aim of reducing significant adverse impacts (e.g. work-related injuries and health risks), promoting positive impacts (skill development and employability) and managing significant risks and opportunities (employee retention and competence development in the context of technological changes).

Goals are defined based on the results of internal satisfaction and engagement surveys, turnover analyses, annual performance reviews and development plans, and assessments of the need for skill development. The Board of Directors, executive directors and the Human Resources Department are involved in the goal-setting process, taking into account employee feedback through internal communication channels.

Progress towards set goals is monitored through defined key performance indicators (e.g. employee turnover, participation in training, survey results, occupational health and safety indicators). Results are regularly analysed and presented to the Board of Directors. Employees participate in monitoring through surveys and regular meetings with management, and findings are used to adapt measures (e.g. training programmes, work organisation and safety protocols) and for comparison with relevant industry standards.

Targets and achievements for 2025:

- Employee turnover: target reduction of 10%; Turnover in 2025 was 15.12%, which is approximately the same level of turnover as in 2024, when it was 15%.
- Annual performance reviews and development plans: target >90% coverage; achieved 95%.
- Succession plan and key employees: target - implementation of the action plan; status: Successors and key employees of the Group have been identified. Multi-faceted assessments of the competences of identified employees (360 assessment method) have been carried out and individual development plans have been prepared. Successors and key employees are included in the internal Leadership Academy for

developing competencies and knowledge.

- Training (average hours per employee): target 7–8 hours; achieved 10 hours.
- Severe work-related injuries: target 0%; achieved 0%.
- Minor work-related injuries: target - continuous reduction; achievement: increase from 13 to 15 (from 1.6% to 1.8% of the total number of employees).
- Systematic health checks: target to enable for 90% of employees; achieved 79%.

For 2026 and subsequent reporting periods, target values and planned measures will be further updated based on the achievements from 2025, survey findings, exit interviews, market benchmarking and activities of the Remuneration Committee, including the development of remuneration criteria, alignment with market conditions and monitoring of implementation.

S1-6 Characteristics of company employees

The Auto Hrvatska Business Group considers employees to be key to achieving business results and has included the strengthening of its position as a desirable employer among its strategic goals. The competencies, motivation and dedication of employees support the Group's operational success and its long-term sustainability.

As at 31 December 2025, the Auto Hrvatska Business Group had 823 employees (headcount). In accordance with the criterion of separate reporting for countries with at least 50 employees constituting at least 10% of the total workforce, the Republic of Croatia is reported separately, with 724 employees as at the reference date.

During 2025, 123 employees left the organisation, and the turnover rate was 15.12%. Data are presented as actual status (headcount). The turnover rate was calculated as: the number of employees who left the organisation divided by the average number of employees per month and multiplied by 100. The average number of employees was calculated according to the formula: the sum of the number of employees at the end of each month / 12. The total turnover rate is presented, which includes both desired and undesired turnover.

Total number of employees by gender as at 31 December 2025	
Gender	Number of employees
Men	660
Women	163
Other	-
Not reported	-
Total employees	823

Number of employees of the Auto Hrvatska Business Group by contract type				
As at 31 December 2025				
WOMEN	MEN	OTHER (*)	NOT DISCLOSED	TOTAL
Number of employees (headcount/FTE)				
163	660	-	-	823
Number of permanent employees (headcount/FTE)				
155	593	-	-	748
Number of temporary employees (headcount/FTE)				
8	67	-	-	75
Number of employees with non-guaranteed working hours (headcount/FTE)				
-	-	-	-	-
Number of full-time employees (headcount/FTE)				
161	652	-	-	813
Number of part-time employees (headcount/FTE)				
2	8	-	-	10

(*) Gender as stated by the employees themselves.

Total number of permanent employees as at 31 December 2025			
Company	Men	Women	Total
Auto Hrvatska Automobili d.o.o.	220	37	257
Auto Hrvatska Prodajno servisni centri d.o.o.	211	31	242
Auto Hrvatska d.d.	30	58	88
MAN Importer Hrvatska d.o.o.	52	17	69
Kam i Bus Importer d.o.o.	2	0	2
Auto Tangenta d.o.o.	0	3	3
Kam i Bus d.o.o.	47	4	51
Kamion Importer d.o.o.	1	0	1
MAN Importer Makedonija d.o.o.e.l.	19	3	22
Kam in Bus Importer d.o.o.	11	2	13
Total employees	593	155	748

Total number of temporary employees as at 31 December 2025			
Company	Men	Women	Total
Auto Hrvatska Automobili d.o.o.	23	4	27
Auto Hrvatska Prodajno servisni centri d.o.o.	27	1	28
Auto Hrvatska d.d.	2	1	3
MAN Importer Hrvatska d.o.o.	3	1	4
Kam i Bus Importer d.o.o.	0	0	0
Auto Tangenta d.o.o.	0	1	1
Kam i Bus d.o.o.	9	0	9
Kamion Importer d.o.o.	0	0	0
MAN Importer Makedonija d.o.o.e.l.	2	0	2
Kam in Bus Importer d.o.o.	1	0	1
Total employees	67	8	75

S1-7 Characteristics of non-employee workers

The Auto Hrvatska Business Group has no workers who are not in an employment relationship with the Group, has no individual contractors (self-employed persons), nor does it use workers provided by companies whose primary activity is employment activities (NACE N78).

S1-11 Social protection

All employees of the Auto Hrvatska Business Group are covered by social protection through public social security programmes in the countries where the Group operates, as well as additional benefits provided by the Group. Social protection covers key life events, including illness, unemployment, work-related injury and acquired disability, parental leave and retirement.

- **Illness:** in addition to the legally prescribed benefits from the Croatian Health Insurance Fund (HZZO) and competent institutions in other countries of operation, the Business Group provides additional benefits. In the event of long-term sick leave (longer than 90 days), the employer pays additional support. During sick leave, employees are paid a meal allowance and occasional awards and a reward for work results, up to the maximum tax-exempt amount. The employer pays additional 24-hour insurance that includes the payment of insured sums in the event of illness.
- **Unemployment:** employees are covered by social protection measures in force in the countries of the Group’s operation, including statutory severance payments in the event of termination of employment and rights to unemployment benefits, in accordance with applicable regulations.

- **Work-related injuries and acquired disability:** in addition to benefits from the Croatian Health Insurance Fund and other competent bodies, during absence due to a work-related injury or disability, employees retain the right to a meal allowance and occasional awards and a reward for work results up to the maximum tax-exempt amount. The employer also provides 24-hour insurance that includes the payment of insured sums in the event of an accident, injury or acquired disability.
- **Parental leave:** in addition to statutory benefits during maternity and parental leave, the Auto Hrvatska Business Group pays employees a meal allowance and occasional awards and a reward for work results. Additional benefits for employees' children are also provided, including occasional gifts at the beginning of the pre-school and school year and for the Christmas holidays, as well as a one-time support for the birth of a child up to the maximum tax-exempt amount.
- **Retirement:** upon retirement, the employer pays severance and pays the maximum tax-deductible premium for voluntary pension insurance in the third pension pillar, in the closed Auto Hrvatska fund.

These additional benefits relate primarily to employees in the Republic of Croatia, while employees in other countries of the Auto Hrvatska Business Group's operations receive social protection and additional benefits in accordance with the local legal, tax and institutional framework and possibilities.

S1-12 Persons with disabilities

As at 31 December 2025, for 2 out of a total of 823 insured persons, the status of a person with disability was confirmed under Article 4 of the Register Regulations, which amounts to 0.24%.

S1-13 Training and skills development indicators

During 2025, 51.52% of employees participated in training. The structure of participants was 79% male and 21% female, proportional to the share in the total number of employees. A total of 111 training topics were conducted.

Participation in training				
Gender	Number of employees who participated in training	Share by gender	Total number of employees	Share of employees who participated in training
Men	333	79%	660	40.46%
Women	91	21%	163	11.06%
Total employees	424	100%	823	51.52%

The Auto Hrvatska Business Group has 748 permanent employees out of a total of 823 employees, and the average number of training hours per employee is 10 hours.

Number of training hours			
Gender	Number of hours	Number of employees	Average hours per employee
Men	7,108	660	10.77
Women	1,132	163	6.94
Total employees	8,240	823	10.01

Annual reviews (performance assessment) conducted in December 2025 and January 2026 showed that the review was conducted for 779 of 823 employees as at 11 February 2026, i.e. 95%. Additionally, work performance assessment is carried out differentiated, depending on the role: for employees in vehicle sales on a monthly basis within the variable part of the salary, for managers on an annual basis through the bonus system, while for other employees, above-average and significant contribution is periodically recognised and rewarded, including semi-annual salary supplements where applicable.

S1-14 Health and safety indicators

The Auto Hrvatska Business Group reports on occupational health and safety at the Group level, with separation by country and/or individual companies where applicable. Reporting is based on data from the occupational safety management system, internal records of work-related injuries and mandatory reports to competent institutions. In 2025, the focus is on more complete ESRS alignment through clearer definition of scope, methodology and comparable indicators.

Health and safety management system (scope and coverage)

The occupational health and safety management system is based on applicable legal requirements and internal procedures and covers all employees of the Auto Hrvatska Business Group (100%). The system is applied at all locations of the Group, taking into account the national legal frameworks in the countries in which the Group operates.

Systematic health checks (coverage): In 2025, permanent employees in the Republic of Croatia had the right to a systematic health check. In total, 89% of employees (642 out of 719) were entitled to a systematic check. In North Macedonia, the employer does not provide a systematic health check to the same extent, since partial systematic examinations are regulated by local legislation and provided through the mandatory public health system. In Bosnia and Herzegovina and Slovenia, systematic examinations are carried out every two years, and a new cycle is planned in 2026. In 2025, the Group continued monitoring health and safety records, with a clearer distinction now made between: who has the right to a systematic examination, who actually underwent the examination, and the reasons for non-coverage (e.g. type of contract, country of employment, local legal framework).

Work-related injuries

In 2025, a total of 15 work-related injuries were reported to the Croatian Health Insurance Fund (5 in Auto Hrvatska Automobili d.o.o., 8 in Auto Hrvatska Prodajno servisni centri d.o.o. and 2 in Auto Hrvatska d.d.). Relative to 724 employees in Croatia, the injury rate was 2.1%. 8 of the 15 reported work-related injuries were recognised.

In 2025:

- there were no work-related fatalities due to work accidents, work-related diseases or illnesses,
- there were no occupational diseases (diseases caused by prolonged direct influence of processes and working conditions in certain jobs).

Working days lost due to work-related injuries (2025): a total of 92 working days lost (738 hours). By companies: Auto Hrvatska Automobili d.o.o. 9 days (72 hours), Auto Hrvatska PSC d.o.o. 83 days (666 hours). In other companies, there were no work-related injuries in terms of accidents.

Note on scope: These indicators refer to employees of the Auto Hrvatska Business Group. If non-employees are included in “own workforce” in the future (e.g. contractors/temporary workers), this will be clearly indicated.

S1-15 Work-life balance indicators

The Auto Hrvatska Business Group ensures work-life balance through rights to family leave and absences, in accordance with the regulations of the country in which the employee is employed and applicable internal acts. All employees of the Auto Hrvatska Business Group (100%) have the right to family leave in accordance with relevant legal and internal frameworks.

In the Republic of Croatia, employees have access to the following statutory rights: maternity leave, parental leave, paternity leave, leave for child care, leave for care of an ill family member, and leave for the commencement of the child’s pre-school and school education system. All male employees in the Republic of Croatia and the Republic of Slovenia have the right to paternity leave in accordance with the applicable legislation of those countries.

Additionally, in the Republic of Croatia, employees have access to the following rights:

- 3 days of paid leave in case of serious illness or urgent medical treatment of a family member, in accordance with the Collective Agreement for Trade,
- 5 days of unpaid leave for care of an ill family member, in accordance with the Labour Act and Employment Regulations,
- the possibility of approving unpaid leave of up to 30 days for the care of a family member, in accordance with the Collective Agreement for Trade.

In accordance with the Employment Regulations, the employer may also grant paid leave of up to 30 days in particularly important life situations, providing additional flexibility above the minimum legal requirements when circumstances justify it. The rights to family leave and absences are applied in accordance with collective agreements, employment regulations and/or social policies in the countries in which employees are employed.

S1-17

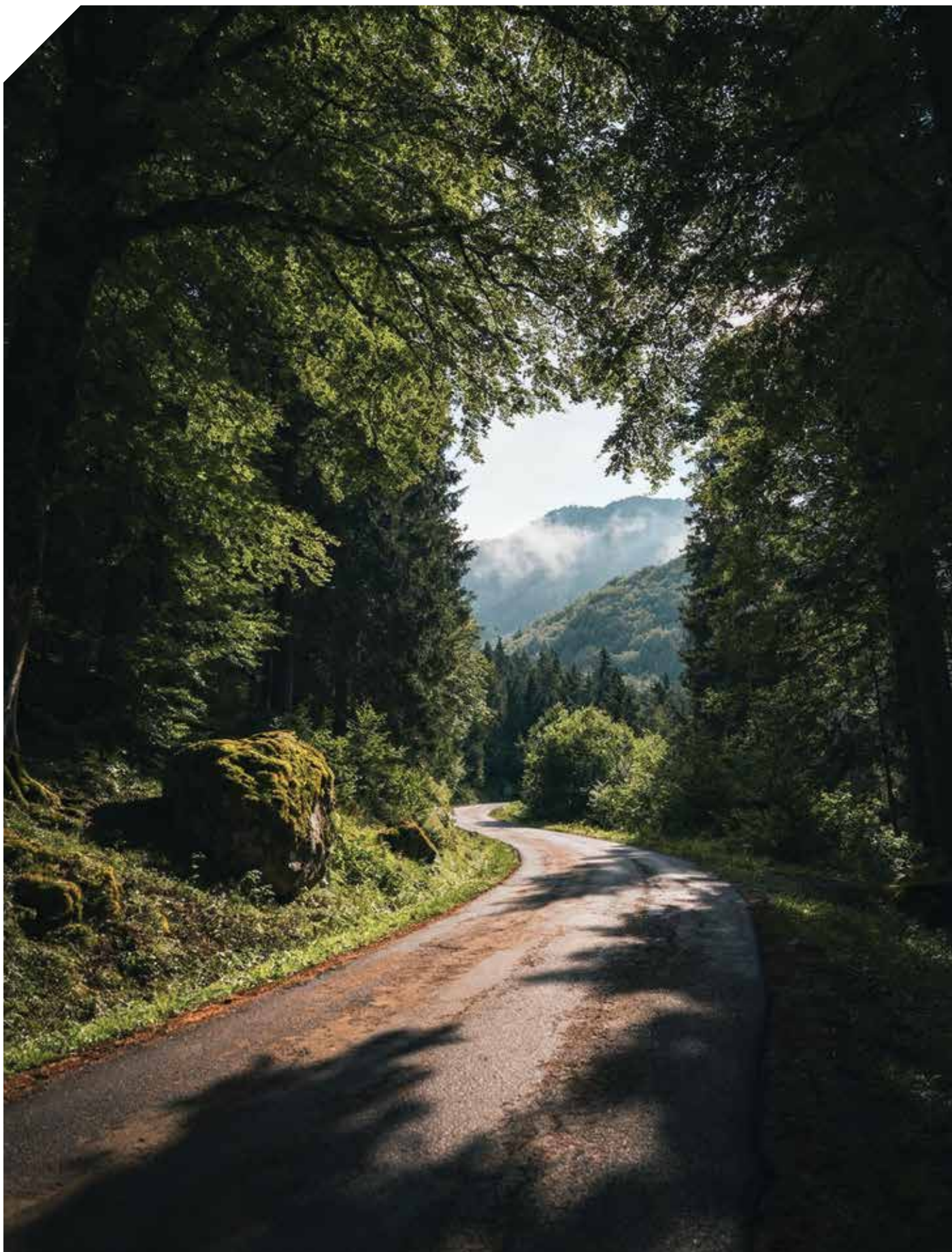
Cases, complaints and serious impacts related to human rights

During 2025, no case of filing a request for the protection of workers' dignity was recorded in the Auto Hrvatska Business Group, nor were there any reports of irregularities through the irregularity reporting channels.

Through the internal communication channels for (anonymous) submission of questions to management structures, 49 inquiries were received. All inquiries were answered in a timely manner, with answers published internally.

In the reporting period, no fine, sanction or compensation for damages related to these cases was recorded. Also, no serious incidents related to human rights were identified, nor were any fines, sanctions or compensation obligations imposed.





2.7. Governance and compliance

ESRS G1 Business conduct

Responsible governance and compliance with regulatory and ethical standards form the foundation of the long-term sustainability and resilience of the Auto Hrvatska Business Group’s operations. The Group considers transparency, ethics and integrity to be key business principles that go beyond purely legal obligations and contribute to strengthening stakeholder trust.

The Group’s governance system encompasses strategic leadership, risk management and ensuring regulatory compliance, including compliance with relevant ESG standards. Special attention is paid to relationships with suppliers, business partners and regulatory bodies, with the aim of promoting responsible procurement and high standards of business ethics throughout the entire value chain.

Through established policies, internal controls and mechanisms for preventing corruption, whistleblower protection and compliance monitoring, the Group strives to ensure responsible business conduct and long-term business stability.

GOV-1 Role of administrative, supervisory and management bodies

The administrative, management and supervisory bodies of the Auto Hrvatska Business Group set and oversee business conduct standards and ensure compliance with relevant laws, regulations and internal policies. The supervisory body plays a key role in overseeing the framework of integrity, ethics and compliance and regularly considers significant business conduct risks, including risks related to corruption, conflicts of interest, irregularities in procurement and unethical conduct towards partners and suppliers. The management body is responsible for the operational implementation of policies and controls, ensuring resources for compliance and implementing corrective measures in case of identified irregularities.

Members of the management and supervisory bodies possess relevant expertise and are continuously trained on compliance, anti-corruption policies and corporate governance.

The management and supervisory bodies periodically review key business conduct policies (e.g. code of ethics, conflict of interest policies, gifts and hospitality, reporting of irregularities and whistleblower protection) and monitor their implementation through regular reporting on compliance, incidents and measures taken. In the event of significant allegations or confirmed violations, timely escalation to the management and/or supervisory body, oversight of handling and approval of corrective measures until the case is closed is ensured.

The role of the management and supervisory bodies also includes the supervision of business conduct standards in relationships with suppliers and partners, including defining expectations regarding integrity and action in case of non-compliance with those standards.

The Audit Committee oversees the system of internal controls, risk management and compliance. The Committee receives and reviews regular reports on compliance and business conduct and, where applicable, monitors the status of reported cases and the implementation of corrective actions.

IRO-1 Description of procedures for identification and assessment of material impacts, risks and opportunities

The Auto Hrvatska Business Group conducts the process of identifying and assessing material impacts, risks and opportunities (IROs) related to business conduct as part of the double materiality assessment, aligned with ESRS requirements. The last comprehensive assessment was conducted in 2024, while for the purposes of reporting for 2025, a targeted review of changes was carried out to confirm the relevance of conclusions in relation to changes in the business and the external environment. The process covers the IRO assessment along the entire value chain (supply chain, own operations and sales chain – SC/OO/SaC).

In the context of business conduct, criteria of location, activity, sector and structure of transactions and business relationships are considered. The assessment includes all operational locations in Croatia, including new locations (BYD sales and service centres in Zagreb and Split), as well as relevant business relationships with OEM partners and key suppliers, including the business relationship in the EV segment (BYD).

The procedure includes: (1) mapping of the value chain and key business relationships, (2) identification of relevant stakeholders, (3) identification of topics and potential IROs based on the ESRS list with adaptation to the Group's context, (4) engagement of stakeholders to confirm the relevance of topics and identified IROs, and (5) assessment of impact and financial materiality (probability, maturity and scope of impact), on the basis of which material topics and related IROs are confirmed.

Process management and policies

The double materiality process is coordinated by the ESG function in cooperation with relevant organisational units, while the Board of Directors approves key conclusions and results of the assessment. A comprehensive double materiality assessment is conducted periodically; the next one is planned for 2026 or 2027, or earlier in the event of significant changes in the business or in the external environment. In 2025, based on the targeted review of changes, no need was identified to change the list of material G1 topics and associated IROs.

The management of business conduct and relevant IROs is based on existing policies and controls, including the Employment Regulations, the Code of Fair and Conscientious Conduct in Business Operations, the Procurement and Sales Policy and the Financial Policy, as well as on mechanisms for reporting irregularities, regular risk assessment and compliance monitoring and implementation of employee training.

The table below presents the material impacts, risks and opportunities for the topic G1 – Business conduct, including the corresponding time horizons and the place of origin in the value chain.

Impact / risk and opportunity		Current / potentially	Measures and link to strategy	Time period	Value chain
Business conduct (G1) – Business conduct and corporate culture (Code of Corporate Governance and Risk Management)					
+/-	Significant impacts	A/P		S/M/L	DL/VO/PL
+	Promoting a strong corporate culture, ethical business, transparency and effective corporate governance contributes to business stability, reputation strengthening and stakeholder trust.	A	Implementation and regular updating of the Corporate Governance Code and Code of Business Ethics; training employees; strengthening internal controls and compliance oversight, including new locations.	M/L	SC/OO/SaC
-	Inadequate risk management can lead to financial losses, operational disruptions, reduced competitiveness and damage to the Group's reputation.	A	Regular identification and updating of key risks; implementation of mitigation measures; employee training; targeted verification of changes when expanding the scope of operations and entering new business models.	M/L	OO
Opportunity					
+	Systematic and proactive risk management increases the Group's resilience and adaptability to changes in market and regulatory conditions and can contribute to better business results.	P	Gradual development and strengthening of a comprehensive risk management system (ERM); monitoring of key risks at Group level and their involvement in strategic decision-making.	M/L	OO
Business conduct (G1) – Management of supplier relationships (responsible procurement)					
+/-	Significant impacts	A/P		S/M/L	DL/VO/PL
+	Promoting responsible procurement contributes to strengthening sustainability and ethics in the supply chain and positively affects the Group's reputation and long-term stability.	A	Planned adoption and gradual implementation of the responsible procurement policy; cooperation with renowned suppliers; gradual introduction of sustainable and ethical criteria in supplier evaluation, with adjustments by location and type of service.	S/M/L	DL/VO
Risk					
-	Cooperation with suppliers who do not honour undertaken obligations in the area of environmental protection, human rights or business ethics can lead to reputational and financial risks.	P	ISO supplier audits where applicable; supplier evaluation; development of long-term partnerships; supplier assessment taking into account location, type of activity and transaction risk; gradual introduction of a responsible procurement policy.	S/M/L	DL/VO

G1-1

Business conduct policies and corporate culture

The Auto Hrvatska Business Group develops and nurtures a corporate culture based on clearly defined internal and publicly published acts, including the Code of Fair and Conscientious Conduct in Business Operations, the Employment Regulations, the Human Resources Policy and the Data Protection (GDPR) Rules. The Group has committed itself to the application of the Zagreb Stock Exchange (ZSE) Corporate Governance Code, thereby further strengthening the principles of integrity, transparency and responsibility in business. Business conduct policies apply to all employees and managers of the Group and, where applicable, are also communicated to business partners, including suppliers.

The Board of Directors has the highest responsibility for establishing business conduct policies and overseeing their implementation, while the Executive Directors and competent organisational departments are responsible for operational application. Compliance and ethical issues are monitored through clearly defined roles, internal controls and the risk management system, as well as through internal and external audits. Policies are periodically reviewed and, if necessary, updated on an ad hoc basis, for example in the event of regulatory changes, the establishment of significant new business relationships or identified irregularities.

The Auto Hrvatska Business Group has established confidential mechanisms for reporting irregularities and whistleblower protection, in accordance with Directive (EU) 2019/1937 (see also S1-3). The Regulations on the Procedure for Internal Reporting of Irregularities regulate the receipt and processing of reports, the protection of the whistleblower and handling of identified irregularities. The Employee Dignity Protection Officer and the compliance advisor are responsible for receiving and handling reports. Reporting mechanisms also cover topics of business integrity, including suspicions of corruption, conflicts of interest, fraud and other unethical conduct, with clearly defined responsibilities, escalation and implementation of corrective measures.

Anti-corruption and business ethics

The Auto Hrvatska Business Group currently does not have a separate policy formally aligned with the UN Convention against Corruption, but the principles of business ethics, integrity and anti-corruption are implemented through existing codes and internal acts. These include the Code of Fair and Conscientious Conduct in Business Operations and relevant internal regulations, and, where applicable, the Group also applies external codes and business partner requirements — for example, the Croatian Chamber of Commerce (CCC) Code of Ethics and codes of individual OEM partners such as MAN.

During 2025, minimum standards of business conduct were further strengthened, covering the prohibition of bribery and other forms of corruption, rules on gifts and hospitality, and management of conflicts of interest with third parties (e.g. intermediaries, suppliers and business partners).

Areas of increased risk are identified through internal risk assessments and monitoring of business activities. Risk mitigation measures include targeted employee training, communication of relevant rules and expectations, and compliance checks. For riskier transactions and new or expanded business relationships, a risk assessment approach is applied that takes into account the location, type of activity or sector and the structure of the business relationship or transaction (e.g. contractual arrangements, use of intermediaries). In such cases, appropriate integrity obligations and requirements for the submission of relevant information are contracted. Further formalisation and alignment of the anti-corruption framework with international standards is planned for future reporting periods.

Policies and rules of business conduct are available to employees via the intranet and are implemented through regular training and daily management processes. The effectiveness of implementation is monitored through management information, including completed training, findings of internal and external audits and controls and the status of received reports and measures taken, with continuous improvement of data quality in subsequent reporting cycles.

Positions with potentially increased exposure to corruption and bribery risks are primarily related to functions that include sales activities, procurement and contracting with third parties, given their role in making commercial decisions, managing financial transactions and interactions with business partners.

G1-2

Management of relationships with suppliers

Policy for prevention of late payments, especially to small and medium enterprises

The Auto Hrvatska Business Group applies the Financial Policy and adapted procurement and sales policies at the level of individual companies, which define payment deadlines, payment security instruments and methods for conducting transactions. Payments are regularly monitored and analysed with the aim of ensuring timely settlement of obligations, minimising financial risks for suppliers (including small and medium enterprises) and ensuring compliance with agreed payment deadlines.

Approach to managing supplier relationships and supply chain risks

Management of supplier relationships is based on the assessment of reliability, delivery quality and ethical business standards, with continuous monitoring of risks in the supply chain. Regular weekly financial checks of the solvency and reliability of suppliers (FIN INFO) are carried out, while the procurement manager conducts an annual assessment of suppliers according to defined criteria, including delivery times, quality, price and compliance with technical standards.

For significant suppliers, based on risk assessment, additional checks may be carried out to assess business continuity, operational capacities and monitoring of the implementation of corrective measures. Expectations of suppliers also arise from the Code of Fair and Conscientious Conduct in Business Operations, which covers lawful conduct of business, respect for fundamental human rights, prohibition of child labour, protection of health and safety and environmental protection, as well as the principles of ethical business and fair market competition.

Integration of social and environmental criteria in the supplier selection process

The Auto Hrvatska Business Group currently does not have a separate responsible procurement policy. However, the requirements of the ISO 9001, ISO 14001 and ISO 50001 standards are applied in business, and suppliers are expected to meet technical, quality and contractual requirements. Where applicable and where the Group has the possibility of decision-making, elements related to energy efficiency and environmental aspects of deliveries are also taken into account.

In relationships with certain business partners, external codes of conduct are also applied, such as the MAN Code of Conduct for suppliers and business partners, which defines standards of corporate responsibility, anti-corruption, environmental protection, transparency and legal business. By accepting such codes, the Group undertakes to respect these standards in relevant business relationships.

With this approach, the Auto Hrvatska Business Group ensures transparency and stability in supply chain management and reduces risks associated with late payments and unethical business practices. In future reporting periods, the gradual strengthening and formalisation of the integration of ESG criteria into supplier management processes is planned, in line with the development of internal policies and data availability.

G1-3

Prevention and detection of corruption and bribery

Procedures for preventing, detecting and addressing corruption and bribery

The Auto Hrvatska Business Group carries out the prevention, detection and resolution of corruption and bribery through existing internal acts and control mechanisms, primarily through the Employment Regulations, the Code of Fair and Conscientious Conduct in Business Operations, relevant organisational acts and policies regulating key business processes (including the Procurement and Sales Policy and the Decision on Donations). These acts apply to employees and, where relevant, to business partners.

The Code clearly prohibits offering, promising, requesting and accepting bribes in any form. It also regulates rules related to gifts and hospitality (including the principle of nominal value, internal limits and the obligation to keep records), management of conflicts of interest (obligation to report actual or potential conflicts) and prevention of money laundering, including monitoring and reporting of suspicious transactions in accordance with applicable regulations.

Procedures for reporting, processing and resolving suspicions of irregularities are formalised through the Regulations on the Procedure for Internal Reporting of Irregularities, which define reporting channels, whistleblower protection, responsibilities for handling and measures in the event of confirmed violations. Implementation mechanisms include available channels for reporting irregularities, conducting independent checks and investigations, and reporting to administrative, management and supervisory bodies.

In case of identified violations, corrective measures and sanctions are applied in accordance with internal acts and legislation. A compliance advisor has been appointed, and the Board of Directors reports at least once a year on the application of the Code and significant matters of business conduct.

Policies and expectations in the area of business ethics are communicated to employees via the intranet and internal notifications. Training is conducted through internal training, with planned consideration of targeted training for functions with potentially increased exposure to corruption and bribery risks (e.g. sales, procurement, contracting with third parties).

Within the framework of compliance, Data Protection (GDPR) Rules are also applied, including a designated contact point for personal data protection (zastita.podataka@autohrvatska.hr), technical and organisational protection measures and defined procedures in the event of a personal data breach.

G1-4 Cases of corruption or bribery

During 2025, there were no confirmed cases of corruption or bribery in the Auto Hrvatska Business Group. No judicial, administrative or other proceedings related to corruption and bribery were initiated or legally concluded during the reporting period, nor were any fines or other sanctions imposed (EUR 0).

Compliance with relevant legislation and internal acts in the area of business ethics and anti-corruption is continuously monitored through the existing system of internal controls, supervision and reporting. As no violations in this area were recorded in 2025, no corrective measures were necessary.

ESRS 2 IRO-2

Disclosure requirements in ESRS covered by the company's sustainability statement

The Auto Hrvatska Business Group has identified the disclosure requirements that have been fulfilled in preparing the sustainability statement, based on the results of the materiality assessment, and presents them in the table of contents.

A table with all data arising from other European Union regulations, as specified in Annex B – ESRS 2, has been published as part of the comprehensive annual report of the Auto Hrvatska Business Group, available on the Group's official website:

<https://www.autohrvatska.hr>

List of data in cross-sector and thematic standards arising from other EU regulations (Appendix B – ESRS 2)

Disclosure requirement and related data point	Reference to the Sustainable Finance Disclosure Regulation	Reference to the third pillar	Reference to benchmark regulations	Reference to the European Climate Law	Chapter in the sustainability statement
ESRS 2 GOV-1 Gender diversity in management, Point 21 (d)	Indicator No. 13 from Table 1 of Annex I.		Commission Delegated Regulation (EU) 2020/1816, Annex II.		ESRS 2 GOV-1
ESRS 2 GOV-1 Percentage of independent board members, Point 21 (e)			Commission Delegated Regulation (EU) 2020/1816, Annex II.		ESRS 2 GOV-1
ESRS 2 GOV-4 Due diligence statement, Point 30.	Indicator No. 10 from Table 3 of Annex I.				ESRS 2 GOV-4
ESRS 2 SBM-1 Participation in activities related to fossil fuels and energy, Point 40 (d), sub-point i.	Indicator No. 4 from Table 1 of Annex I.	Regulation (EU) No 575/2013, Article 449a Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Commission Delegated Regulation (EU) 2020/1816, Annex II.		N/A – The Auto Hrvatska Business Group does not participate in these activities.
ESRS 2 SBM-1 Participation in activities related to chemical production, Point 40 (d), sub-point ii.	Indicator No. 9 from Table 2 of Annex I.		Commission Delegated Regulation (EU) 2020/1816, Annex II.		N/A – The Auto Hrvatska Business Group does not participate in these activities.
ESRS 2 SBM-1 Participation in activities related to controversial weapons, Point 40 (d), sub-point iii.	Indicator No. 14 from Table 1 of Annex I.		Commission Delegated Regulation (EU) 2020/1818, Commission Delegated Regulation (EU) 2020/1816, Article 12, paragraph 1, Annex II.		N/A – The Auto Hrvatska Business Group does not participate in these activities.

Disclosure requirement and related data point	Reference to the Sustainable Finance Disclosure Regulation	Reference to the third pillar	Reference to benchmark regulations	Reference to the European Climate Law	Chapter in the sustainability statement
ESRS 2 SBM-1 Participation in activities related to tobacco growing and production, Point 40 (d), sub-point iv.			Commission Delegated Regulation (EU) 2020/1818, Commission Delegated Regulation (EU) 2020/1816, Article 12, paragraph 1, Annex II.		N/A – The Auto Hrvatska Business Group does not participate in these activities.
ESRS E1-1 Transition plan to achieve climate neutrality by 2050, Point 14.				Regulation (EU) 2021/1119, Article 2. paragraph 1.	ESRS E1-1
ESRS E1-1 Companies excluded from Paris Agreement benchmark values, Point 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Form 1: Book of positions – Climate change transition risk: Credit quality of exposures by sector, emissions and remaining maturity	Commission Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1, points (d) to (g) and Article 12, paragraph 2.		N/A
ESRS E1-4 Greenhouse gas emission reduction targets, Point 34.	Indicator No. 4 from Table 2 of Annex I.	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Form 3: Book of positions – Climate change transition risk: Compliance indicators	Commission Delegated Regulation (EU) 2020/1818, Article 6.		ESRS E1-4
ESRS E1-5 Energy consumption from fossil sources broken down by source (only sectors with significant climate impact), Point 38.	Indicator No. 5 from Table 1 and Indicator No. 5 from Table 2 of Annex I.				ESRS E1-5
ESRS E1-5 Energy consumption and energy source mix, Point 37.	Indicator No. 5 from Table 1 of Annex I.				ESRS E1-5
ESRS E1-5 Energy intensity related to activities in sectors that significantly affect the climate, Points 40 to 43.	Indicator No. 6 from Table 1 of Annex I.				ESRS E1-5

Disclosure requirement and related data point	Reference to the Sustainable Finance Disclosure Regulation	Reference to the third pillar	Reference to benchmark regulations	Reference to the European Climate Law	Chapter in the sustainability statement
ESRS E1-6 Gross greenhouse gas emissions from Scope 1, 2, 3 and total greenhouse gas emissions, Point 44.	Indicators No. 1 and 2 from Table 1 of Annex I.	Article 449a, Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Form 1: Book of positions – Climate change transition risk: Credit quality of exposures by sector, emissions and remaining maturity	Commission Delegated Regulation (EU) 2020/1818, Article 5. paragraph 1, Article 6 and Article 8, paragraph 1.		ESRS E1-6
ESRS E1-6 Gross greenhouse gas emission intensity, Points 53 to 55.	Indicator No. 3 from Table 1 of Annex I.	Regulation (EU) No 575/2013, Article 449a, Commission Implementing Regulation (EU) 2022/2453, Form 3: Book of positions – Climate change transition risk: Compliance indicators	Commission Delegated Regulation (EU) 2020/1818, Article 8. paragraph 1.		ESRS E1-6
ESRS E1-7 Greenhouse gas removals and carbon credits, Point 56.				Regulation (EU) 2021/1119, Article 2. paragraph 1.	N/A – The Auto Hrvatska Business Group does not participate in these activities.
ESRS E1-9 Benchmark portfolio exposure to physical risks related to climate change, Point 66.			Commission Delegated Regulation (EU) 2020/1818, Commission Delegated Regulation (EU) 2020/1816, Annex II.		N/A – phase-in provision
ESRS E1-9 Breakdown of monetary amounts by acute and chronic physical risk, Point 66 (a)		Regulation (EU) No 575/2013, Article 449a, Commission Implementing Regulation (EU) 2022/2453, Points 46 and 47, Form 5: Book of positions – Physical risk climate change: Exposures subject to physical risk.			N/A – phase-in provision
ESRS E1-9 Location of significant assets exposed to significant physical risk, Point 66 (c)					N/A – phase-in provision

Disclosure requirement and related data point	Reference to the Sustainable Finance Disclosure Regulation	Reference to the third pillar	Reference to benchmark regulations	Reference to the European Climate Law	Chapter in the sustainability statement
ESRS E1-9 Breakdown of the carrying amount of company real estate by energy efficiency class, Point 67 (c).		Regulation (EU) No 575/2013, Article 449a, Commission Implementing Regulation (EU) 2022/2453, Point 34, form 2: Book of positions – Climate change transition risk: Loans with real estate as collateral – Energy efficiency of collateral			N/A – phase-in provision
ESRS E1-9 Degree of portfolio exposure to opportunities related to climate change, Point 69.			Commission Delegated Regulation (EU) 2020/1818, Annex II.		N/A – phase-in provision
ESRS E2-4 Quantity of each pollutant listed in Annex II of the Regulation on E-PRTR (European Pollutant Release and Pollutant Transfer Register) released into air, water and soil, Point 28.	Annex I, Indicator No. 8 from Table 1; Annex I, Indicator No. 2 from Table 2; Annex I, Indicator No. 1 from Table 2; Annex I, Indicator No. 3 from Table 2				N/A – not material
ESRS E3-1 Water and marine resources, Point 9.	Indicator No. 7 from Table 2 of Annex I.				N/A – not material
ESRS E3-1 Specific policy, Point 13.	Indicator No. 8 from Table 2 of Annex I.				N/A – not material
ESRS E3-1 Sustainable oceans and seas, Point 14.	Indicator No. 12 from Table 2 of Annex I.				N/A – not material
ESRS E3-4 Total amount of recycled and reused water, Point 28 (c)	Indicator No. 6.2. from Table 2 of Annex I.				N/A – not material
ESRS E3-4 Total water consumption in m3 per net revenue from own operations, Point 29.	Indicator No. 6.1. from Table 2 of Annex I.				N/A – not material
ESRS 2- IRO 1 – E4 Point 16 (a), sub-point i.	Indicator No. 7 from Table 1 of Annex I.				N/A – not material

Disclosure requirement and related data point	Reference to the Sustainable Finance Disclosure Regulation	Reference to the third pillar	Reference to benchmark regulations	Reference to the European Climate Law	Chapter in the sustainability statement
ESRS 2- IRO 1 – E4 Point 16 (b)	Indicator No. 10 from Table 2 of Annex I.				N/A – not material
ESRS 2- IRO 1 – E4 Point 16 (c)	Indicator No. 14 from Table 2 of Annex I.				N/A – not material
ESRS E4-2 Sustainable land/agricultural practices or policies, Point 24 (b)	Indicator No. 11 from Table 2 of Annex I.				N/A – not material
ESRS E4-2 Sustainable ocean/sea practices or policies, Point 24 (c)	Indicator No. 12 from Table 2 of Annex I.				N/A – not material
ESRS E4-2 Policies for addressing deforestation issues, Point 24 (d)	Indicator No. 15 from Table 2 of Annex I.				N/A – not material
ESRS E5-5 Non-recycled waste, Point 37 (d)	Indicator No. 13 from Table 2 of Annex I.				ESRS E5-5
ESRS E5-5 Hazardous and radioactive waste, Point 39.	Indicator No. 9 from Table 1 of Annex I.				ESRS E5-5
ESRS 2 – SBM3 – S1 Risk of forced labour, Point 14 (f)	Indicator No. 13 from Table 3 of Annex I.				ESRS 2 – SBM3 – S1
ESRS 2 – SBM3 – S1 Risk of child labour, Point 14 (g)	Indicator No. 12 from Table 3 of Annex I.				ESRS 2 – SBM3 – S1
ESRS S1-1 Commitments in the area of human rights policy, Point 20.	Indicator No. 9 from Table 3 and Indicator No. 11 from Table 1 of Annex I.				ESRS S1-1
ESRS S1-1 Due diligence policies on issues covered by fundamental conventions 1 to 8 of the International Labour Organization, Point 21.			Commission Delegated Regulation (EU) 2020/1816, Annex II.		ESRS S1-1
ESRS S1-1 Procedures and measures for preventing human trafficking, Point 22.	Indicator No. 11 from Table 3 of Annex I.				ESRS S1-1

Disclosure requirement and related data point	Reference to the Sustainable Finance Disclosure Regulation	Reference to the third pillar	Reference to benchmark regulations	Reference to the European Climate Law	Chapter in the sustainability statement
ESRS S1-1 Work accident prevention policy or management system, Point 23.	Indicator No. 1 from Table 3 of Annex I.				ESRS S1-1
ESRS S1-3 Grievance mechanism, Point 32 (c)	Indicator No. 5 from Table 3 of Annex I.				ESRS S1-3
ESRS S1-14 Number of fatalities and number and rate of accidents at work, Point 88, sub-points (b) and (c)	Indicator No. 2 from Table 3 of Annex I.		Commission Delegated Regulation (EU) 2020/1816, Annex II.		ESRS S1-14
ESRS S1-14 Number of days lost due to injuries, accidents, fatalities or illness, Point 88 (e)	Indicator No. 3 from Table 3 of Annex I.				ESRS S1-14
ESRS S1-16 Unadjusted gender pay gap, Point 97 (a)	Indicator No. 12 from Table 1 of Annex I.		Commission Delegated Regulation (EU) 2020/1816, Annex II.		N/A – not material
ESRS S1-16 Excessive pay gap between directors and employees, Point 97 (b)	Indicator No. 8 from Table 3 of Annex I.				N/A – not material
ESRS S1-17 Cases of discrimination, Point 103 (a)	Indicator No. 7 from Table 3 of Annex I.				ESRS S1-17
ESRS S1-17 Non-compliance with UN Guiding principles on business and human rights and OECD guidelines, Point 104 (a)	Indicator No. 10 from Table 1 and Indicator No. 14 from Table 3 of Annex I.		Commission Delegated Regulation (EU) 2020/1816, Commission Delegated Regulation (EU) 2020/1818, Annex II, Article 12, paragraph 1.		ESRS S1-17
ESRS 2 – SBM3 – S2 High risk of child labour or forced labour in the value chain, Point 11 (b)	Indicators No. 12 and 13 from Table 3 of Annex I.				N/A – not material
ESRS S2-1 Commitments in the area of human rights policy, Point 17.	Indicator No. 9 from Table 3 and Indicator No. 11 from Table 1 of Annex I.				N/A – not material
ESRS S2-1 Policies relating to workers in the value chain, Point 18.	Indicators No. 11 and 4 from Table 3 of Annex I.				N/A – not material

Disclosure requirement and related data point	Reference to the Sustainable Finance Disclosure Regulation	Reference to the third pillar	Reference to benchmark regulations	Reference to the European Climate Law	Chapter in the sustainability statement
ESRS S2-1 Non-compliance with UN Guiding principles on business and human rights and OECD guidelines, Point 19.	Indicator No. 10 from Table 1 of Annex I.		Commission Delegated Regulation (EU) 2020/1816, Commission Delegated Regulation (EU) 2020/1818, Annex II, Article 12, paragraph 1.		N/A – not material
ESRS S2-1 Due diligence policies on issues covered by fundamental conventions 1 to 8 of the International Labour Organization, Point 19.			Commission Delegated Regulation (EU) 2020/1816, Annex II.		N/A – not material
ESRS S2-4 Human rights issues and incidents related to upstream and downstream value chain, Point 36.	Indicator No. 14 from Table 3 of Annex I.				N/A – not material
ESRS S3-1 Commitments in the area of human rights protection policy, Point 16.	Indicator No. 9 from Table 3 of Annex I. and Indicator No. 11 from Table 1 of Annex I.				N/A – not material
ESRS S3-1 Non-compliance with UN Guiding principles on business and human rights, ILO principles and OECD guidelines, Point 17.	Indicator No. 10 from Table 1 of Annex I.		Commission Delegated Regulation (EU) 2020/1816, Commission Delegated Regulation (EU) 2020/1818, Annex II, Article 12, paragraph 1.		N/A – not material
ESRS S3-4 Issues and incidents related to human rights, Point 36.	Indicator No. 14 from Table 3 of Annex I.				N/A – not material
ESRS S4-1 Policies relating to consumers and end-users, Point 16.	Indicator No. 9 from Table 3 and Indicator No. 11 from Table 1 of Annex I.				N/A – not material
ESRS S4-1 Non-compliance with UN Guiding principles on business and human rights and OECD guidelines, Point 17.	Indicator No. 10 from Table 1 of Annex I.		Commission Delegated Regulation (EU) 2020/1816, Commission Delegated Regulation (EU) 2020/1818, Annex II, Article 12, paragraph 1.		N/A – not material
ESRS S4-4 Issues and incidents related to human rights, Point 35. Disclosure requirement and related data point	Indicator No. 14 from Table 3 of Annex I. Reference to the Sustainable Finance Disclosure Regulation	Reference to the third pillar	Reference to benchmark regulations	Reference to the European Climate Law	N/A – not material

Disclosure requirement and related data point	Reference to the Sustainable Finance Disclosure Regulation	Reference to the third pillar	Reference to benchmark regulations	Reference to the European Climate Law	Chapter in the sustainability statement
ESRS G1-1 United Nations Convention against Corruption, Point 10 (b)	Indicator No. 15 from Table 3 of Annex I.				ESRS G1-1
ESRS G1-1 Whistleblower protection, Point 10 (d)	Indicator No. 6 from Table 3 of Annex I.				ESRS G1-1
ESRS G1-4 Fines for violations of anti-corruption and anti-bribery regulations, Point 24 (a)	Indicator No. 17 from Table 3 of Annex I.		Commission Delegated Regulation (EU) 2020/1816, Annex II.		ESRS G1-4
ESRS G1-4 Anti-corruption and anti-bribery standards, Point 24 (b)	Indicator No. 16 from Table 3 of Annex I.				ESRS G1-4







3. Financial Statements for Fiscal Year 2025

Balance Sheet

as at 31.12.2025 in euros | Obligor: Auto Hrvatska Business Group

Position title	AOP label	Last day of the previous financial year	At the reporting date of the current period
1	2	3	4
A) SUBSCRIBED BUT UNPAID CAPITAL	001	0	0
B) LONG-TERM ASSETS (items 003+010+020+031+036)	002	53,413,641	54,825,764
I. INTANGIBLE ASSETS (items 004 to 009)	003	1,939,681	2,013,506
1. Development expenditures	004	0	0
2. Concessions, patents, licences, trademarks, software and other rights	005	1,828,622	1,902,447
3. Goodwill	006	111,059	111,059
4. Advance payments for intangible assets	007	0	0
5. Intangible assets under development	008	0	0
6. Other intangible assets	009	0	0
II. TANGIBLE ASSETS (items 011 to 019)	010	50,232,527	52,788,088
1. Land	011	611,535	2,769,853
2. Buildings	012	2,389,486	2,215,518
3. Plant and equipment	013	2,105,602	1,598,445
4. Tools, plant inventory and transport assets	014	11,740,132	13,816,128
5. Biological assets	015	0	0
6. Advance payments for tangible assets	016	0	0
7. Tangible assets under construction	017	1,965,799	1,410,793
8. Other tangible assets	018	87,309	67,805
9. Investment property	019	31,332,664	30,909,546
III. LONG-TERM FINANCIAL ASSETS (items 021 to 030)	020	1,207,000	8,633
1. Investments in shares of entities within the group	021	0	0
2. Investments in other securities of entities within the group	022	0	0
3. Loans, deposits and similar given to entities within the group	023	0	0
4. Investments in shares of companies with participating interest	024	0	0
5. Investments in other securities of companies with participating interest	025	0	0
6. Loans, deposits and similar given to companies with participating interest	026	0	0
7. Investments in securities	027	0	0
8. Loans, deposits and similar given	028	1,207,000	8,633
9. Other investments accounted for using the equity method	029	0	0
10. Other long-term financial assets	030	0	0
IV. RECEIVABLES (items 032 to 035)	031	3,800	3,050
1. Receivables from entities within the group	032	0	0
2. Receivables from companies with participating interest	033	0	0
3. Trade receivables	034	0	0
4. Other receivables	035	3,800	3,050
V. DEFERRED TAX ASSETS	036	30,633	12,487
C) CURRENT ASSETS (items 038+046+053+063)	037	79,274,521	94,530,287
I. INVENTORIES (items 039 to 045)	038	45,106,032	49,811,619
1. Raw materials	039	1,005,387	639,068
2. Work in progress	040	0	0
3. Finished products	041	0	0
5. Advance payments for inventories	043	3,166,270	2,657,584
6. Long-term assets held for sale	044	0	0
7. Biological assets	045	0	0
II. RECEIVABLES (items 047 to 052)	046	14,675,370	14,984,185
1. Receivables from entities within the group	047	0	0
2. Receivables from companies with participating interest	048	0	0
3. Trade receivables	049	12,380,190	12,910,115
4. Receivables from employees and members of the company	050	16,022	8,294
5. Receivables from the state and other institutions	051	1,662,441	1,282,545
6. Other receivables	052	616,717	783,231
III. SHORT-TERM FINANCIAL ASSETS (items 054 to 062)	053	521,234	293,083
1. Investments in shares of entities within the group	054	0	0
2. Investments in other securities of entities within the group	055	0	0
3. Loans, deposits and similar given to entities within the group	056	0	0
4. Investments in shares 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 similar given to companies with participating interest	059	0	0
7. Investments in securities	060	0	0
8. Loans, deposits and similar given	061	521,234	293,083
9. Other financial assets	062	0	0

Position title	AOP label	Last day of the previous financial year	At the reporting date of the current period
1	2	3	4
IV. CASH IN BANK AND CASH ON HAND	063	18,971,885	29,441,400
D) PREPAID EXPENSES AND ACCRUED INCOME	064	2,059,432	2,205,419
E) TOTAL ASSETS (items 001+002+037+064)	065	134,747,594	151,561,470
F) OFF-BALANCE SHEET ITEMS	066	128,437,138	132,552,633
LIABILITIES			
A) EQUITY AND RESERVES (items 068 to 070+076+077+084+087+090)	067	88,269,077	95,084,049
I. SHARE (SUBSCRIBED) CAPITAL	068	7,800,000	7,800,000
II. CAPITAL RESERVES	069	6,357,735	6,357,735
III. RESERVES FROM PROFIT (items 071+072-073+074+075)	070	6,057,433	4,846,100
1. Legal reserves	071	398,168	398,168
2. Reserves for treasury shares	072	3,034,986	4,419,222
3. Treasury shares and interests (deduction item)	073	-3,034,986	-4,419,222
4. Statutory reserves	074	2,107,607	2,280,181
5. Other reserves	075	3,551,658	2,167,751
IV. REVALUATION RESERVES	076	0	0
V. FAIR VALUE RESERVES AND OTHER (items 078 to 083)	077	0	0
1. Fair value of financial assets through other comprehensive income (or available for sale)	078	0	0
2. Effective portion of cash flow hedges	079	0	0
3. Effective portion of net investment hedges in foreign operations	080	0	0
4. Other fair value reserves	081	0	0
5. Exchange rate differences from translation of foreign operations (consolidation)	082	0	0
6. Exchange rate differences from translation to presentation currency	083	0	0
1. Retained earnings	085	56,102,984	63,312,717
2. Accumulated loss	086	0	0
VII. PROFIT OR LOSS FOR THE FINANCIAL YEAR (items 088-089)	087	11,950,925	12,767,497
1. Profit for the financial year	088	11,950,925	12,767,497
2. Loss for the financial year	089	0	0
VIII. MINORITY (NON-CONTROLLING) INTEREST	090	0	0
B) PROVISIONS (items 092 to 097)	091	272,360	431,486
1. Provisions for pensions, severance and similar obligations	092	0	0
2. Provisions for tax liabilities	093	0	0
3. Provisions for pending litigation	094	272,360	416,986
4. Provisions for natural resource restoration costs	095	0	0
5. Provisions for warranty expenses	096	0	0
6. Other provisions	097	0	14,500
C) LONG-TERM LIABILITIES (items 099 to 109)	098	2,125,649	1,912,453
1. Liabilities to entities within the group	099	0	0
2. Liabilities for loans, deposits and similar from entities within the group	100	0	0
3. Liabilities to companies with participating interest	101	0	0
4. Liabilities for loans, deposits and similar from companies with participating interest	102	0	0
5. Liabilities for loans, deposits and similar	103	470,560	472,920
6. Liabilities to banks and other financial institutions	104	0	0
7. Advance payment obligations	105	0	0
8. Trade payables	106	0	0
9. Liabilities from securities	107	0	0
10. Other long-term liabilities	108	1,655,089	1,439,533
11. Deferred tax liability	109	0	0
D) SHORT-TERM LIABILITIES (items 111 to 124)	110	42,234,618	51,933,766
1. Liabilities to entities within the group	111	0	0
2. Liabilities for loans, deposits and similar from entities within the group	112	0	0
3. Liabilities to companies with participating interest	113	0	0
4. Liabilities for loans, deposits and similar from companies with participating interest	114	0	0
5. Liabilities for loans, deposits and similar	115	0	0
6. Liabilities to banks and other financial institutions	116	11,300,049	14,500,000
7. Advance payment obligations	117	9,818,389	8,789,036
8. Trade payables	118	14,530,022	21,830,902
9. Liabilities from securities	119	0	0
10. Liabilities to employees	120	1,372,827	1,635,552
11. Liabilities for taxes, contributions and similar charges	121	3,400,468	4,006,466
12. Liabilities from profit sharing	122	273,892	68,586
13. Liabilities for long-term assets held for sale	123	0	0
14. Other short-term liabilities	124	1,538,971	1,103,224
E) DEFERRED EXPENSES AND ACCRUED INCOME	125	1,845,890	2,199,716
F) TOTAL - LIABILITIES (items 067+091+098+110+125)	126	134,747,594	151,561,470
G) OFF-BALANCE SHEET ITEMS	127	128,437,138	132,552,633

Profit and loss statement

for the period 01.01.2025 to 31.12.2025 in euros | Obligor: Auto Hrvatska Business

Position title	AOP label	Same period of the previous year	Current period
1	2	3	4
I. OPERATING INCOME (items 002 to 006)	001	270,196,879	284,242,725
1. Sales revenue from entities within the group	002	0	0
2. Sales revenue	003	265,246,029	279,421,992
3. Income from use of own products, goods and services	004	187,054	198,819
4. Other operating income from entities within the group	005	0	0
5. Other operating income (outside the group)	006	4,763,796	4,621,914
II. OPERATING EXPENSES (items 008+009+013+017+018+019+022+029)	007	255,787,610	268,546,570
1. Changes in value of work-in-progress and finished goods inventories	008	0	0
2. Material costs (items 010 to 011)	009	216,589,431	227,126,216
a) Raw material costs	010	2,247,900	1,960,034
b) Cost of goods sold	011	203,483,585	213,406,252
c) Other external expenses	012	10,857,946	11,759,930
3. Personnel expenses (items 014 to 016)	013	25,784,747	26,107,889
a) Net salaries and wages	014	16,007,924	15,918,113
b) Tax and contribution expenses from salaries	015	6,753,114	6,888,534
c) Payroll contributions	016	3,023,709	3,301,242
4. Depreciation	017	7,344,904	8,016,967
5. Other expenses	018	4,572,129	4,874,224
6. Value adjustments (items 020+021)	019	448,806	363,542
a) long-term assets other than financial assets	020	0	0
b) short-term assets other than financial assets	021	448,806	363,542
7. Provisions (items 023 to 028)	022	52,763	351,771
a) Provisions for pensions, severance and similar obligations	023	50,509	79,342
b) Provisions for tax liabilities	024	0	0
c) Provisions for pending litigation	025	2,254	184,529
d) Provisions for natural resource restoration costs	026	0	0
e) Provisions for warranty expenses	027	0	87,900
f) Other provisions	028	0	0
8. Other operating expenses	029	994,830	1,705,961
III. FINANCIAL INCOME (items 031 to 040)	030	551,565	545,718
1. Income from investments in shares of entities within the group	031	0	0
2. Income from investments in shares of companies with participating interest	032	0	0
3. Income from other long-term financial investments and loans to entities within the group	033	0	0
4. Other interest income from relationships with entities within the group	034	0	0
5. Exchange rate differences and other financial income from entities within the group	035	0	0
6. Income from other long-term financial investments and loans	036	0	0
7. Other interest income	037	544,722	447,877
8. Exchange rate differences and other financial income	038	6,843	97,841
9. Unrealised gains (income) from financial assets	039	0	0
10. Other financial income	040	0	0
1. Interest expenses and similar charges with entities within the group	042	0	0
2. Exchange rate differences and other expenses with entities within the group	043	0	0
3. Interest expenses and similar charges	044	222,965	121,974
4. Exchange rate differences and other expenses	045	18,582	100,558
5. Unrealised losses (expenses) from financial assets	046	0	0
6. Value adjustments of financial assets (net)	047	0	0
7. Other financial expenses	048	135,380	141,021
V. SHARE IN PROFIT FROM COMPANIES WITH PARTICIPATING INTEREST	049	0	0
VI. SHARE IN PROFIT FROM JOINT VENTURES	050	0	0
VII. SHARE IN LOSS FROM COMPANIES WITH PARTICIPATING INTEREST	051	0	0
VIII. SHARE IN LOSS FROM JOINT VENTURES	052	0	0
IX. TOTAL INCOME (items 001+030+049 +050)	053	270,748,444	284,788,443
X. TOTAL EXPENSES (items 007+041+051 + 052)	054	256,164,537	268,910,123
XI. PROFIT OR LOSS BEFORE TAX (items 053-054)	055	14,583,907	15,878,320
1. Profit before tax (items 053-054)	056	14,583,907	15,878,320
2. Loss before tax (items 054-053)	057	0	0
XII. INCOME TAX	058	2,632,982	3,110,823

Position title	AOP label	Same period of the previous year	Current period
1	2	3	4
XIII. PROFIT OR LOSS FOR THE PERIOD (items 055-059)	059	11,950,925	12,767,497
1. Profit for the period (items 055-059)	060	11,950,925	12,767,497
2. Loss for the period (items 059-055)	061	0	0
DISCONTINUED OPERATIONS (completed by IFRS-obligated entity only if it has discontinued operations)			
XIV. PROFIT OR LOSS FROM DISCONTINUED OPERATIONS BEFORE TAX (items 063-064)	062	0	0
1. Profit from discontinued operations before tax	063	0	0
2. Loss from discontinued operations before tax	064	0	0
XV. INCOME TAX FROM DISCONTINUED OPERATIONS	065	0	0
1. Profit from discontinued operations for the period (items 062-065)	066	0	0
2. Loss from discontinued operations for the period (items 065-062)	067	0	0
TOTAL OPERATIONS (completed only by IFRS-obligated entity with discontinued operations)			
XVI. PROFIT OR LOSS BEFORE TAX (items 055+062)	068	0	0
1. Profit before tax (item 068)	069	0	0
2. Loss before tax (item 068)	070	0	0
XVII. INCOME TAX (items 058+065)	071	0	0
XVIII. PROFIT OR LOSS FOR THE PERIOD (items 068-071)	072	0	0
1. Profit for the period (items 068-071)	073	0	0
2. Loss for the period (items 071-068)	074	0	0
SUPPLEMENT TO P&L (completed by entity preparing consolidated annual financial statements)			
XIX. PROFIT OR LOSS FOR THE PERIOD (items 076+077)	075	11,950,925	12,767,497
1. Attributable to equity holders of the parent	076	11,950,925	12,767,497
2. Attributable to minority (non-controlling) interest	077	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (completed by IFRS-obligated entity)			
I. PROFIT OR LOSS FOR THE PERIOD	078	11,950,925	12,767,497
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (items 80 + 87)	079	13,960	-6,710
1. Changes in revaluation reserves of long-term tangible and intangible assets	081	0	0
2. Gains or losses from subsequent measurement of equity securities at fair value through other comprehensive income	082	0	0
3. Changes in fair value of financial liability at fair value through profit or loss attributable to changes in credit risk of the liability	083	0	0
4. Actuarial gains/losses on defined benefit plans	084	0	0
5. Other items that will not be reclassified	085	0	0
6. Income tax relating to items that will not be reclassified	086	0	0
IV. Items that may be reclassified to profit or loss (items 088 to 095)	087	13,960	-6,710
1. Exchange rate differences from translation of foreign operations	088	13,960	-6,710
2. Exchange rate differences from translation to presentation currency	089	0	0
3. Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	090	0	0
4. Profit or loss from effective cash flow hedging	091	0	0
5. Profit or loss from effective hedging of net investments in foreign operations	092	0	0
6. Share in other comprehensive income/loss of companies with participating interest	093	0	0
7. Changes in fair value of time value of options	094	0	0
8. Changes in fair value of forward elements of forward contracts	095	0	0
9. Other items that may be reclassified to profit or loss	096	0	0
10. Income tax relating to items that may be reclassified to profit or loss	097	0	0
V. NET OTHER COMPREHENSIVE INCOME OR LOSS (items 080+087 - 086 - 096)	098	13,960	-6,710
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (items 078+097)	099	11,964,885	12,760,787
SUPPLEMENT to the Statement of Other Comprehensive Income (completed by entity preparing consolidated statements)			
VII. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (items 100+101)	100	11,964,885	12,760,787
1. Attributable to equity holders of the parent	101	11,964,885	12,760,787
2. Attributable to minority (non-controlling) interest	102	0	0

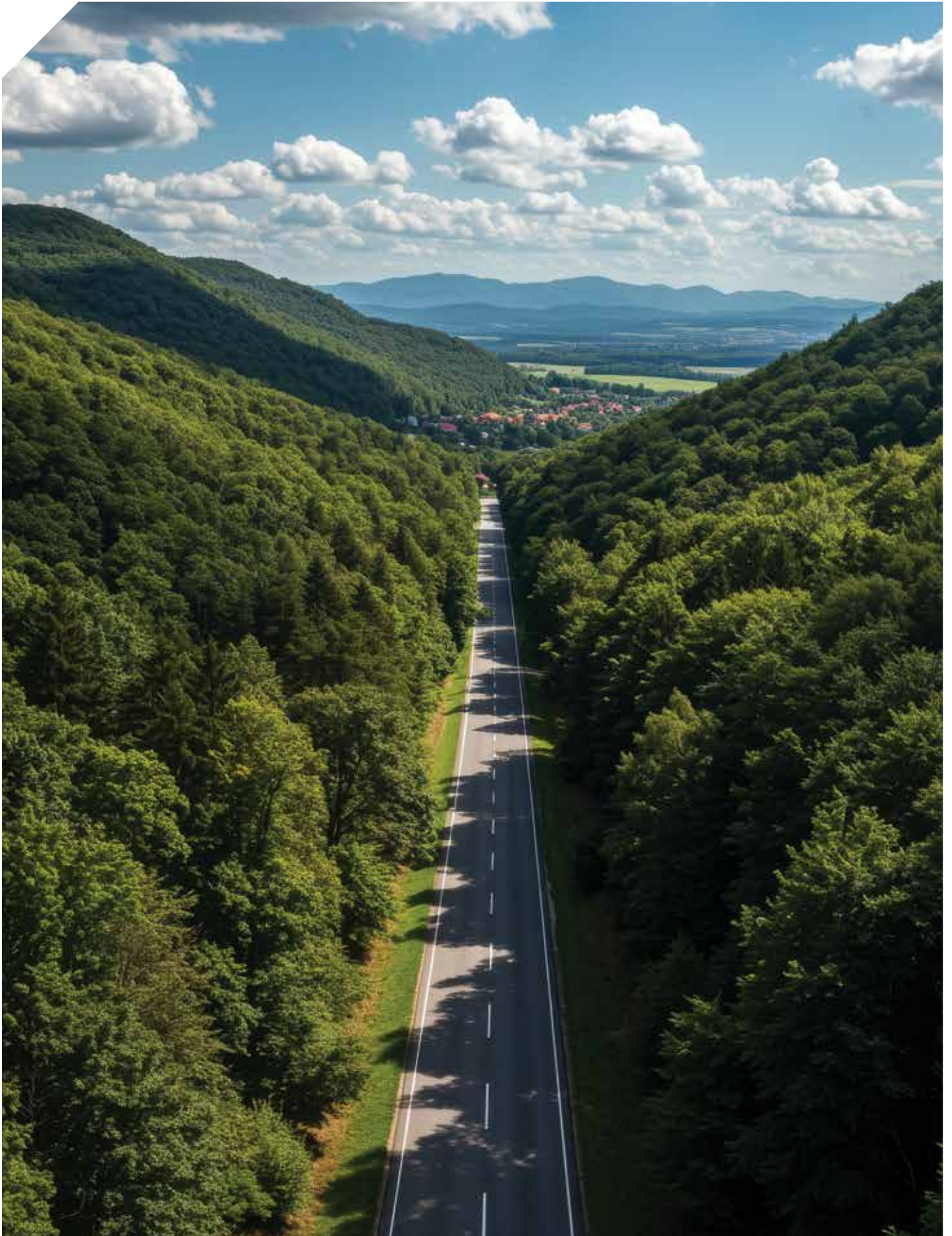
Cash flow statement

- Indirect method

for the period 01.01.2025 to 31.12.2025 in euros | Obligor: Auto Hrvatska Business Group

Position title	AOP label	Same period of the previous year	Current period
1	2	3	4
Cash flows from operating activities			
1. Profit before tax	001	14,583,907	15,878,320
2. Adjustments (items 003 to 010):	002	8,691,349	9,397,747
a) Depreciation	003	7,344,904	8,016,967
b) Gains and losses from sale and value adjustments of long-term tangible and intangible assets	004	0	0
c) Gains and losses from sale and unrealised gains and losses and value adjustments of financial assets	005	0	0
d) Interest and dividend income	006	-544,722	-447,877
e) Interest expenses	007	222,965	121,974
f) Provisions	008	-13,530	159,126
g) Exchange rate differences (unrealised)	009	0	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	1,681,732	1,547,557
I. Increase or decrease in cash flows before changes in working capital (items 001+002)	011	23,275,256	25,276,067
3. Changes in working capital (items 013 to 016)	012	-6,992,729	2,477,825
a) Increase or decrease in short-term liabilities	013	-5,761,047	7,683,269
b) Increase or decrease in short-term receivables	014	-695,580	-610,254
c) Increase or decrease in inventories	015	148,308	-5,014,299
d) Other increases or decreases in working capital	016	-684,410	419,109
II. Cash from operations (items 011+012)	017	16,282,527	27,753,892
4. Cash payments for interest	018	-222,965	-121,974
5. Income tax paid	019	0	-3,110,823
A) NET CASH FLOWS FROM OPERATING ACTIVITIES (items 017 to 019)	020	16,059,562	24,521,095
Cash flows from investing activities			
1. Cash receipts from sale of long-term tangible and intangible assets	021	955,732	205,669
2. Cash receipts from sale of financial instruments	022	0	0
3. Cash receipts from interest	023	544,722	447,877
4. Cash receipts from dividends	024	0	0
5. Cash receipts from repayment of loans and savings deposits	025	0	1,426,518
6. Other cash receipts from investing activities	026	1,619,277	0
III. Total cash receipts from investing activities (items 021 to 026)	027	3,119,731	2,080,064
1. Cash payments for purchase of long-term tangible and intangible assets	028	-11,910,469	-10,954,261
2. Cash payments for acquisition of financial instruments	029	0	0
3. Cash payments for loans and savings deposits for the period	030	0	0
4. Acquisition of subsidiary, net of cash acquired	031	0	0
5. Other cash payments from investing activities	032	-2,993	-1,028,603
IV. Total cash payments from investing activities (items 028 to 032)	033	-11,913,462	-11,982,864
Cash flows from financing activities			
1. Cash receipts from increase in share (subscribed) capital	035	0	0
2. Cash receipts from issuance of equity and debt financial instruments	036	0	0
3. Cash receipts from loan principal, borrowings and other advances	037	9,978,113	3,202,311
4. Other cash receipts from financing activities	038	758,609	0
V. Total cash receipts from financing activities (items 035 to 038)	039	10,736,722	3,202,311
1. Cash payments for loan principal repayments, borrowings and other advances and debt financial instruments	040	0	0
2. Cash payments for dividend distribution	041	-4,548,056	-4,571,864
3. Cash payments for finance leases	042	-1,004,808	-1,179,435
4. Cash payments for repurchase of treasury shares and reduction of share (subscribed) capital	043	-398,720	-1,384,235
5. Other cash payments from financing activities	044	-717,236	-215,557
VI. Total cash payments from financing activities (items 040 to 044)	045	-6,668,820	-7,351,091
C) NET CASH FLOWS FROM FINANCING ACTIVITIES (items 039+045)	046	4,067,902	-4,148,780
1. Unrealised exchange rate differences on cash and cash equivalents	047	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (items 020+034+046+047)	048	11,333,733	10,469,515
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	7,638,152	18,971,885
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (items 048+049)	050	18,971,885	29,441,400





You can view the complete consolidated and non-consolidated financial statements at:

<https://www.autohrvatska.hr/dionicko-drustvo.aspx>



AUTOHRVATSKA

0800 1952

autohrvatska.hr

