CROATIA
CONTROL

ANNUAL REPORT 2025

Croatia Control Ltd.
Annual Report 2025

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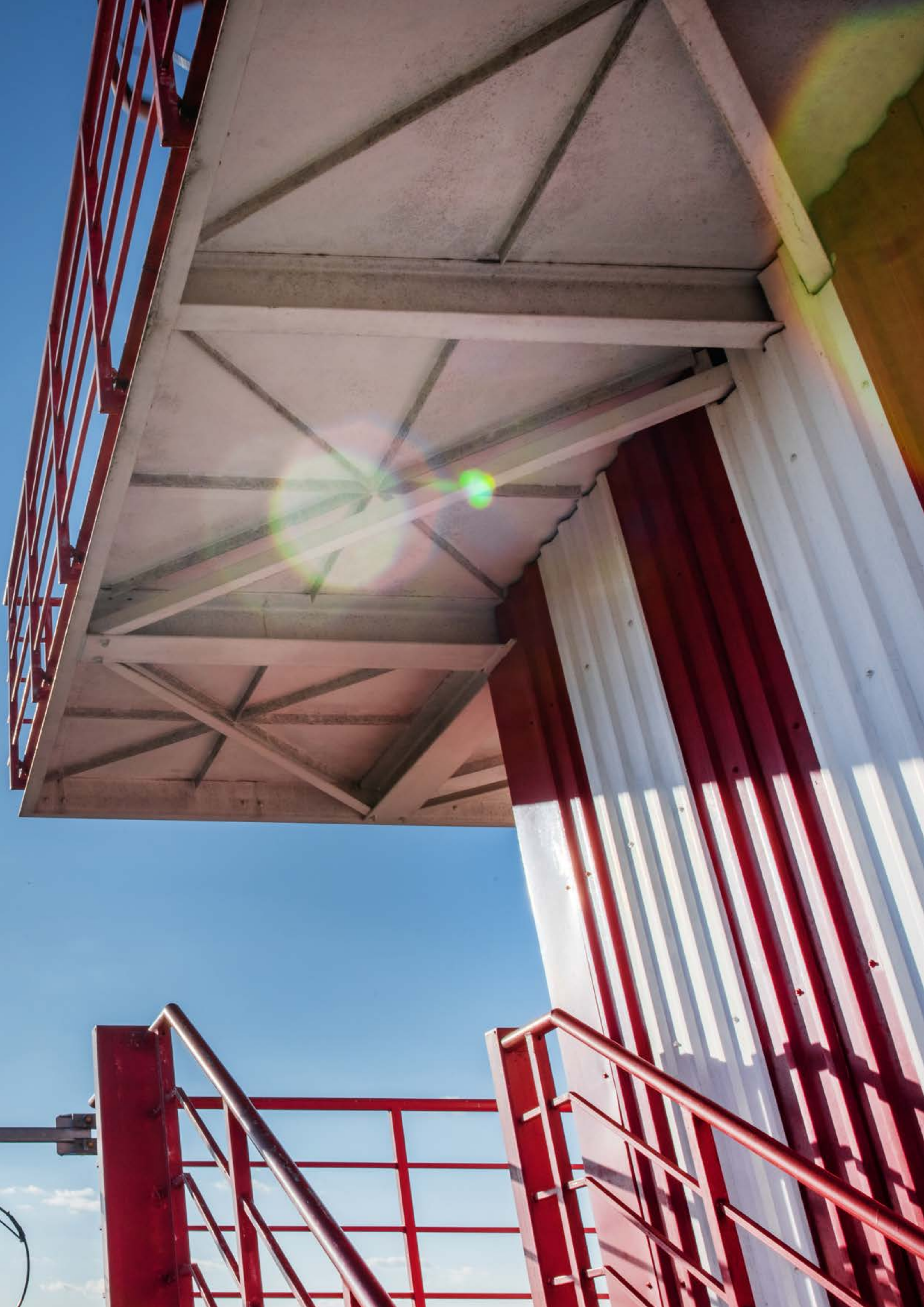


Message from the Director General

European air traffic exceeded pre-pandemic levels in 2025, reaching 11.1 million flights. Southern European states significantly surpassed their 2019 traffic levels, recording double-digit growth rates driven primarily by strong demand for leisure travel. At the same time, the south-eastern European traffic flows, including those crossing Croatian airspace, remained under considerable pressure as airline route choices continued to be influenced by airspace restrictions resulting from the war in Ukraine and geopolitical tensions in the Middle East.

More Than One Million Flights Handled

Air traffic in Croatian airspace increased for the fourth consecutive year and, for the first time in history, exceeded one million flights in 2025, representing an 8.4% increase compared with the previous year. This also marks one of the highest increases in Europe compared with 2019, with traffic up by as much as 40%. Alongside the record number of flights handled in Croatian airspace, several additional records were set. The busiest day of the year was July 12, 2025, when air navigation services were provided for 4,091 flights, while August recorded the highest monthly traffic volume, with 116,140 flights.

At the same time, delays were reduced by an impressive 74%, thanks to highly effective operational coordination and air traffic management, as well as the exceptional commitment of our operational personnel engaged in ATM activities. I would particularly like to acknowledge the professionalism and dedication of all our employees, whose efforts made this outstanding achievement possible while maintaining the highest levels of aviation safety.

The Company's financial performance also confirms successful business operations. Total revenue amounted to approximately EUR 148 million in 2025, an increase of 9.1% compared with the previous year, while profit before tax reached EUR 14.7 million.

Strong Investment Cycle and Environmental Responsibility

The year was marked by the continuation of a strong investment cycle, with investments totaling EUR 23.1 million, primarily focused on projects aimed at deploying state-of-the-art technologies to further enhance the efficiency and safety of air traffic while improving the quality of services provided to air carriers.

A particularly significant project is TopSky-ATC One, which will result in the implementation of one of the world's most advanced ATM systems currently available. Together with the other members of the COOPANS Alliance and the system supplier, CCL will develop the system in accordance with the next-generation ATM system concept, featuring advanced functionalities and a modern technology platform. Operational deployment is planned for 2028.

Significant investments were also made in the modernization of the existing ATM system to implement new operational and technical requirements. In parallel, preparations continued for the construction and equipping of the Multi-Purpose Centre in Zadar, the Company's second major strategic investment project, with construction scheduled to commence after the summer of 2026.

At the international level, the Company continued its active participation in numerous organizations and partnerships, particularly within COOPANS, CANSO and FAB CE, while also contributing to projects co-financed by the European Union under the SESAR program and the Connecting Europe Facility (CEF). These research and innovation projects support the development of a resilient and sustainable Digital European Sky.

We continually contribute to the decarbonization of aviation through the optimization of airspace design and the route network. The implementation of the Free Route Airspace concept enables airspace users to select more direct flight trajectories, thus reducing adverse environmental impact. In addition, the Company sources electricity from renewable energy sources.

Investing in People

Continued investment in our employees remains one of the Company's core priorities. By continuously improving working conditions, fostering a supportive working environment and implementing long-term human resources policies, we create a stable foundation for both professional and personal development. In doing so, we further strengthen the organization, recognizing that motivated and highly competent employees are essential to maintaining the highest standards of service quality and customer satisfaction.

We continue to strengthen our HRM through the systematic training of all personnel categories and the continuous development of competencies. In response to growing traffic demands and the need to ensure sufficient operational capacity, particular emphasis is placed on the training of new air traffic controllers. In 2025, the largest generation to date, comprising 25 candidates, commenced training.

Over the past five years, our in-house ATCO training program has resulted in 48 newly licensed ATCOs, while ensuring the continuous enhancement of the knowledge and skills of our operational personnel. This provides a strong foundation for the Company's future development.

In 2026, we will continue to strengthen and develop our Company, further demonstrating the resilience and adaptability of our entire organization in an increasingly dynamic and complex global environment. Supported by the expertise of our employees, a clear strategic direction and a continued focus on enhancing our operational and technological capabilities, we will maintain our steady progress and further reinforce our position as a successful and reliable air navigation services provider.

Director General

Mario Kunovec-Varga

Company Profile

About Us

Croatia Control Ltd. (CCL) is an ANSP fully owned by the Republic of Croatia.

CCL's priority is to provide safe, efficient and ecologically acceptable air navigation services (ANS) to civil and military users in airspace over Croatia, as well as in airspace above the eastern part of Adriatic and the northwestern part of Bosnia and Herzegovina.

CCL ensures a high level of air traffic safety according to the Single European Sky legal framework and develops and uses state-of-the-art technology to increase the efficiency of air traffic.

CCL was founded in 1998, a year after Croatia's accession to EUROCONTROL.

Mission & Vision

Our mission is to provide safe and quality ANS to the complete satisfaction of our users and owners. We will achieve our mission by cooperating with our partners in the European ATM network and fostering highly qualified employees and a motivating environment.

We strive to be among the leading ANSPs in Central Europe. We will achieve our vision through a flexible organization, adapting to the needs of our users.

Organizational Values

The values we nurture make our team successful and us an excellent employer:

- **Safety and Quality**
  Safety always comes first.
- **Excellence**
  We create added value for all stakeholders.
- **Adaptability**
  We choose actions responsibly in different situations.
- **Cooperation and Teamwork**
  We cherish cooperation and partnership with all stakeholders.
- **Boldness and Development**
  We accept new challenges and strive for overcoming obstacles or achieving something of value.

History

1992 Croatian ATS Authority was established within the Ministry of Maritime Affairs, Transport and Communications

1998 Act on The Establishment of CCL

1999 CCL was registered as a limited liability company

New ACC with new ATM system was commissioned **2005**

2009 Certificate for the provision of four types of services pursuant to SES legal framework

2011 Agreement on the Establishment of FAB CE was signed, CCL became a full COOPANS member

2014 New ATM system was commissioned, CCL became a full member of CANSO

SEAFRA implemented **2016**

SECSI established **2018**

2020

Certificate obtained for the provision of two functions as well as for ATCO Basic Training and Area Control Rating Training

2021

CCL became a full member of the MET Alliance, obtained certification to provide training for TWR and APP Control ratings, and the first ATCO completed the entire training program within CCL

2022

Certificate for the provision of FPD services, first group of Area ATCOs fully trained within CCL

2024 3D tower simulator installed

2025

A record number of flights handled in Croatian airspace

Regulatory Framework

CCL operates as a state-owned enterprise whose rights, obligations, and responsibilities are defined by the Act on the Establishment of Croatia Control Ltd. and the Air Traffic Act, while its internal organization is governed by the Company's Articles of Association.

At the European level, the regulatory framework is based on the SES initiative, whose strategic direction is set out in the European ATM Master Plan. The latest edition, published in 2025, establishes a long-term vision for transforming the European airspace into the Digital European Sky by 2045, with the objective of creating a more efficient, safer, and environmentally sustainable ATM system.

The key technological pillar supporting the implementation of the SES initiative is the Single European Sky ATM Research (SESAR) program, which develops and deploys operational and technological solutions for the modernization of the European ATM system. CCL actively participates in both the development and deployment phases of the SESAR program.

At the international level, in addition to the European Commission and the International Civil Aviation Organization (ICAO), the regulatory framework is further shaped by organizations such as the European Union Aviation Safety Agency (EASA), which develops technical regulations and standards, and EUROCONTROL, which coordinates the development of the European ATM network and network functions.

At the national level, the Croatian Civil Aviation Agency (CCAA) certifies ANSPs, conducts regulatory oversight, and ensures compliance with European aviation regulations.

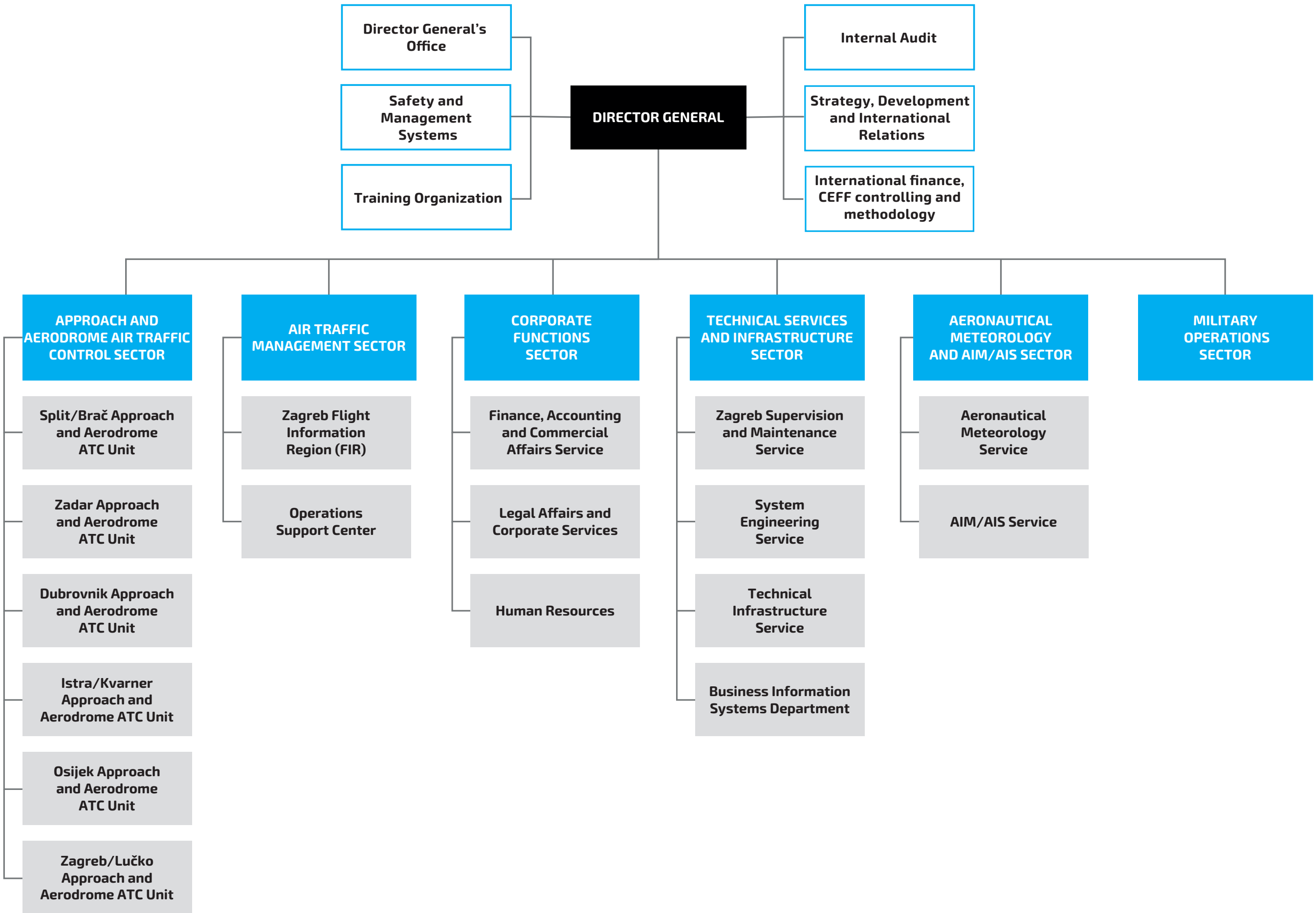
Core Business

CCL is certified for the provision of the following services and functions:

- Air Traffic Services (ATS)
- Communication, Navigation and Surveillance Services (CNS)
- Aeronautical Information Services (AIS)
- Aeronautical Meteorological Services (MET)
- Flight Procedure Design Services (FPD)
- Airspace Management (ASM)
- Air Traffic Flow Management (ATFM).

Organizational Structure

The company is headquartered in Velika Gorica, and has six regional ATC units (Zagreb/Lučko, Istra/Kvarner, Zadar, Split/Brač, Dubrovnik and Osijek) responsible for the provision of approach and aerodrome ATC, technical support, MET and administrative services.



International Cooperation

CCL has been participating in the development of the European airspace by taking part in international projects and activities of various international organizations.

ICAO

Croatia has been the member of International Civil Aviation Organization, the organization that sets global aviation standards and recommended practices, since 1992.

EUROCONTROL

Croatia has been the member of the European Organization for the Safety of Air Navigation since1997.

NATO

Since Croatia's accession to NATO in 2009, CCL has a good cooperation with NATO operational bodies in the field of ATC, especially in joint flexible use of airspace (FUA) within CCL's area of responsibility.

FAB CE

The Functional Airspace Block Central Europe is a joint initiative of Croatia, Austria, Bosnia and Herzegovina, Hungary, the Czech Republic, Slovakia, Slovenia and their ANSPs founded in 2011. The aim of this regional association is to increase air traffic safety, reduce delays and costs for airspace users and protect the environment.

In order to reduce costs of FAB CE programs implementation and to achieve better administrative and operational efficiency on the service providers level, six FAB CE members (excluding BHANSA) established a joint legal entity FAB CE Aviation Services Ltd in 2014. (FCE) with its head office in Ljubljana. FCE renders full and consistent support to its owners through its services of program management and project support.

Significant activities in 2025:

- Cross-border airspace sectorization optimization and Free Route Airspace (FRA) development continued throughout the year. During the summer season, effective operational coordination was maintained despite greater-than-expected traffic variability. The common operational performance analysis tool was further enhanced, including the integration of environmental performance indicators.
- In the area of Dynamic Airspace Reconfiguration (DAR), a common concept was developed to support the safe integration of unmanned aircraft systems (UAS) operations, while preparations commenced for a public demonstration scheduled for 2026.
- In the CNS domain, work began on the revision of the European Minimum Operational Network (MON) concept. The first phase of the joint assessment was completed, including an initial evaluation of safety and resilience. The analysis of surveillance coverage was also updated, confirming the effectiveness of cross-border data-sharing arrangements and identifying opportunities for further optimization. In parallel, cooperation on Global Navigation Satellite System (GNSS) resilience continued.

- In the area of HRM, activities related to the evaluation of ATCO training were concluded, resulting in a compendium of best practices.

COOPANS

COOPANS is an international partnership between ANSPs of Austria (Austro Control), Croatia (Croatia Control), Denmark (Naviair), Ireland (Airnav Ireland), Portugal (NAV Portugal) and Sweden (LFV).

Alliance Board Meeting on 15–16 September 2025 in Dubrovnik

The COOPANS Alliance capitalizes on joint and harmonized system development between members and positively influences the European environment to operate a world-class, safe, sustainable and cost-effective system. COOPANS Alliance is considered as the leading example of such industrial partnership in Europe. COOPANS continuously performs the synchronized deployment of harmonized software at all 8 ACCs across 6 ANSPs.

In January 2025, CCL's Director General assumed the two-year chairmanship of the COOPANS Alliance Board.

Significant activities in 2025:

- Version 3.10.1 and 3.10.2 upgrades were successfully deployed, further strengthening cybersecurity measures and expanding System Wide Information Management (SWIM) capabilities. In addition, the implementation of the new LARA ASM functionality ensured compliance with the Common Project One (CP1) regulatory requirements. The replacement of end-of-life hardware and the modernization of the network infrastructure continued, ensuring the stable and reliable operation of the current ATM system until the deployment of the next-generation TopSky-ATC One system.

- TopSky-ATC One represents a comprehensive upgrade of the ATM system, incorporating advanced functionalities and a modern technology platform designed to address increasing traffic demand, enhance safety, and ensure compliance with the European Commission's strategic objectives and regulatory requirements.

- Activities also continued under the ATC-TBO and ISLAND innovation and development projects, together with the implementation of the EXODUS and Clean ATM projects (implementation of CP1 regulatory requirements). The successful execution of these projects demonstrated the organizational and technical capability to manage complex international development initiatives while effectively utilizing available EU funding. At the same time, new projects aimed at the continued digitalization and modernization of the ATM system were prepared and submitted for funding.

A6

Following the signing of a Memorandum of Cooperation in 2015, COOPANS joined the A6 Alliance, which brings together ANSPs from France, Spain, Italy, Germany, the United Kingdom, Poland, and the B4 consortium. The alliance is focused on SESAR development and deployment.

Gate One

Gate One is a cooperation of 13 ANSPs grouped into 3 FABs (FAB CE, Baltic FAB, Danube FAB) and 2 non-EU FIRs (Belgrade and Skopje). Its purpose is promoting efficient European ATM, strengthening the cooperation of ANSPs and facilitating the stronger and better coordinated representation of the countries in European decision-making processes.

CANSO

CCL operates within CANSO Europe and actively participates in the work of various committees. Civil Air Navigation Service Organization is recognized as a global voice of the ATM industry and represents the views and interests of members at relevant European and international institutions and on a range of contemporary issues across the industry.

In January 2025, CCL's Director General was appointed Vice Chair of the CANSO Europe Executive Committee (EC3) for a two-year term.

Significant activities in 2025:

- Following the entry into force of the SES2+ regulatory framework in December 2024, CANSO actively contributed to the development of implementing legislation, particularly amendments to the SES Performance and Charging Schemes for Reference Period 5 (RP5) and revisions to the ATM Network Functions Implementing Regulation, while maintaining continuous dialogue with the EU institutions.
- Continued advocacy for sustained political support and funding for the SESAR program beyond 2027 through public consultations and joint initiatives with other European aviation stakeholders.
- Consideration of key strategic topics, including research and innovation, digitalization, civil-military cooperation, and challenges associated with the integration of UAS.
- Review and update of CANSO strategic documents to reflect evolving regulatory and operational developments in the European ATM environment (CANSO Europe Vision 2035).

SESAR 3 JU

COOPANS became a full member of the SESAR Joint Undertaking in 2016, enabling its members, including CCL, to participate in SESAR 2020's industrial research and demonstration program. At the end of 2021, the SESAR 3 Joint Undertaking (SESAR 3 JU) was established, succeeding its predecessor.

The SESAR 3 program builds on the achievements of previous SESAR research and aims to drive further development of the European ATM system, supporting the creation of the Digital European Sky. The program consists of foundational research, industrial research and validation, as well as Digital Sky Demonstrators (DSDs) that will test solutions needed for the implementation of Digital European Sky in live operational environments.

CCL actively participates in SESAR 3 JU activities alongside other COOPANS members. In 2025 CCL was involved in the governance structures of SESAR 3 JU and participated in SESAR 3 projects including EXODUS, ISLAND, and ATC-TBO.

SESAR Deployment Manager

Since late 2014, through COOPANS, CCL has been part of the management consortium performing the role of SESAR Deployment Manager.

As of June 1, 2022, the SESAR Deployment & Infrastructure Partnership (SDIP) assumed the role of SDM and Framework Partnership Agreement Coordinator, following formal appointment by the European Commission. A key distinction in this new structure is the inclusion of EUROCONTROL – Network Manager as the fourth consortium group. While its composition changed, SDM's tasks remain focused on fulfilling CP1 regulatory obligations and managing the implementation of the SESAR Deployment Programme (SDP).

In 2025, CCL contributed to SDIP governance through coordination with the COOPANS joint representative on the SDIP Steering Board. Furthermore, CCL participated in the ASM SWIM project.

MET Alliance

MET Alliance is a group of national aeronautical meteorological service providers from Austria, Belgium, Germany, Ireland, Switzerland, the Netherlands, France, Luxembourg and Croatia.

Sharing the knowledge and common resources is the way in which MET Alliance wants to improve and rationalize the provision of aeronautical meteorology services.

EU Co-funded Projects

CCL partakes in numerous projects co-funded by the EU and has drawn significant funds from the CEF between 2014 and 2025 to support its development projects. This amounts to a total of EUR 52 million, with co-funding of up to EUR 34.5 million (an average of 66%).

In most of the projects, CCL has participated in cooperation with its foreign partners through joint applications coordinated by the SDM or directly through applications to INEA (later CINEA). The aim of those projects is to follow and implement state-of-the-art technology, primarily referring to the continuous and intense modernization of the main ATM system.

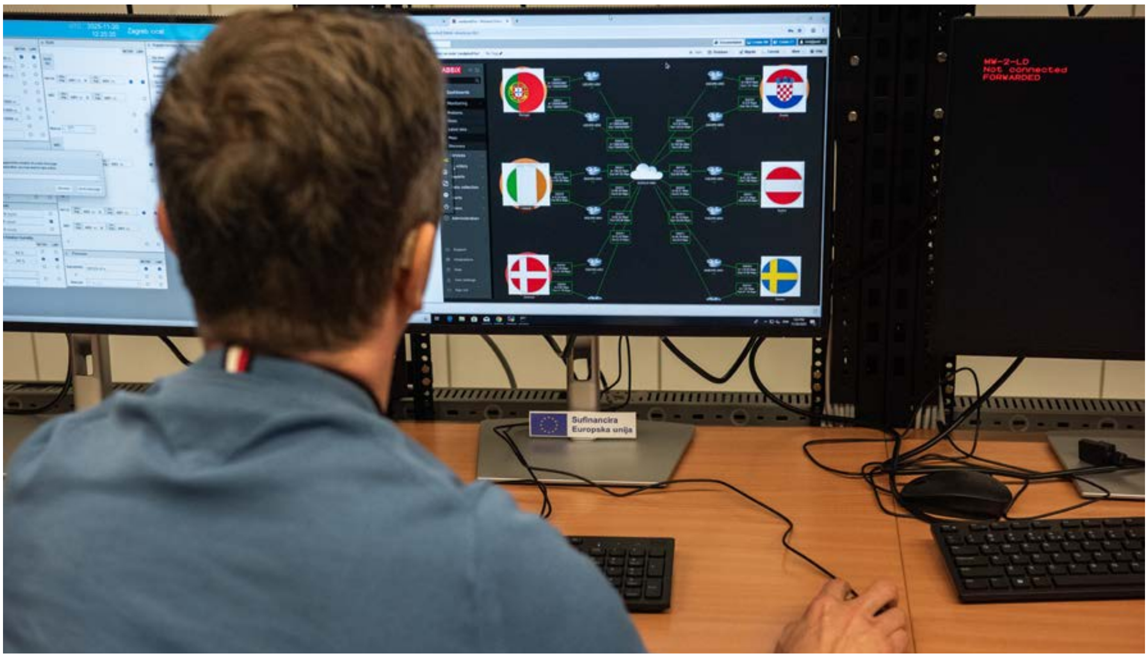
Out of a total of 19 co-financed projects, 17 have been completed. The following projects are still active:

ASM SWIM funded via the CEF 2022 call, with target implementation date December 2025.

ASM SWIM is a multi-stakeholder project, bringing together 20 organizations, 12 of which receive EU funding, working together to ensure the timely and synchronized implementation of CP1 in line with the assumptions defined in the SDP.

The main task of the project is to digitalize the exchange of information in the ASM Domain. The project will enable SWIM exchanges across ASM support systems and real-time exchanges of airspace status information between ASM Support System and ATC System, enhancing flight safety, improving civil-military ASM tactical coordination and facilitating Cross-Border Operations. This will translate into an increased airspace capacity by optimizing flown trajectories and a reduction of CO2 emissions.

EXODUS is a Digital Sky Demonstrator project under CEF 2022 call, to be implemented by the end of 2026.



Implementation of EXODUS project in CCL

The project aims to make the first move towards a virtual ATM environment, shifting from location-based systems to service-oriented, location-independent setups. EXODUS participating organizations are Austro Control, CCL, Naviair, AirNav Ireland, NAV Portugal, LFV, and EUROCONTROL.

EXODUS demonstrates the viability of a common system for members of the COOPANS Alliance based on a virtual centre (VC) model that geographically separates the ATM data service provider (ADSP) from the location of the air traffic service unit (ATSU). The goal is to prove the operational and business viability of a future common COOPANS operating model based on two SESAR Solutions on the rationalization of infrastructure and delegation of ATM services for test and training including supervisory positions.

CCL also participates in two more research and development projects co-financed under the Horizon Europe program, with CCL's share amounting to EUR 320,000 and a co-financing rate of 70%. These projects are:

ISLAND which involves industrial research aimed at the timely and efficient creation and use of airspace capacity, combined with targeted and effective requirements and/or measures.

The project team includes EUROCONTROL, 10 ANSPs, 3 research establishments and 3 companies.

ATC-TBO which aims to validate trajectory-based operations use cases for optimized flight profiles, supporting sustainable air traffic growth.

Under the overall coordination of EUROCONTROL, the project team includes 14 ANSPs, 1 airspace user, 5 research establishments, and 1 university.

Co-funded by
the European Union

Corporate Governance

CCL's governance structure comprises the Assembly, the Supervisory Board and the Management.

Assembly

The Assembly consists of:

- Oleg Butković, Vice President of the Croatian Government and Minister of the Sea, Transport and Infrastructure – President
- Marko Primorac, Vice President of the Croatian Government and Minister of Finance – Member
- Ivan Anušić, Vice President of the Croatian Government and Minister of Defense – Member

Supervisory Board

The Supervisory Board monitors the activities of the Company. It appoints the Director General of the company on the basis of open competition for a period of five years. The Director General can be re-appointed for another term.

The Supervisory Board consists of five members, four of whom are appointed and may be recalled by the Assembly and one of whom is a company employee. Members can be re-appointed.

The members of the Supervisory Board are:

- Dora Matošić – President
- Davor Tretinjak – Member
- Mihovil Anđelinović – Member
- Zlatko Bayer – Member (elected by the employees)

Management and Executive Directors

- Mario Kunovec-Varga, Director General

Pursuant to the Act on the Establishment of Croatia Control Ltd. and the Articles of Association, the Company management is one person - Director General, who is appointed by the Supervisory Board of the Company.

The Director General is appointed for a term of five years on the basis of public competition, and the same person may be re-appointed as the Director of the Company. The Director General defines business policy, adopts plans, decisions and other acts in accordance with his power, organizes and manages the business of the Company.

CCL is organized in 6 sectors, the largest of which are Approach and Aerodrome Air Traffic Control Sector and Air Traffic Management Sector. These sectors are in charge of the implementation of operations and central operations of ANS, particularly of air traffic control, alerting service, flight information and preflight information service, all aimed at safe, orderly and smooth operating of air traffic.

All sectors are managed by executive directors, who are responsible for their operation. The special organizational units of the Director's Office are independent offices managed by the Heads of Offices. Executive Directors are appointed by Director General for the period of three years which may be extended.

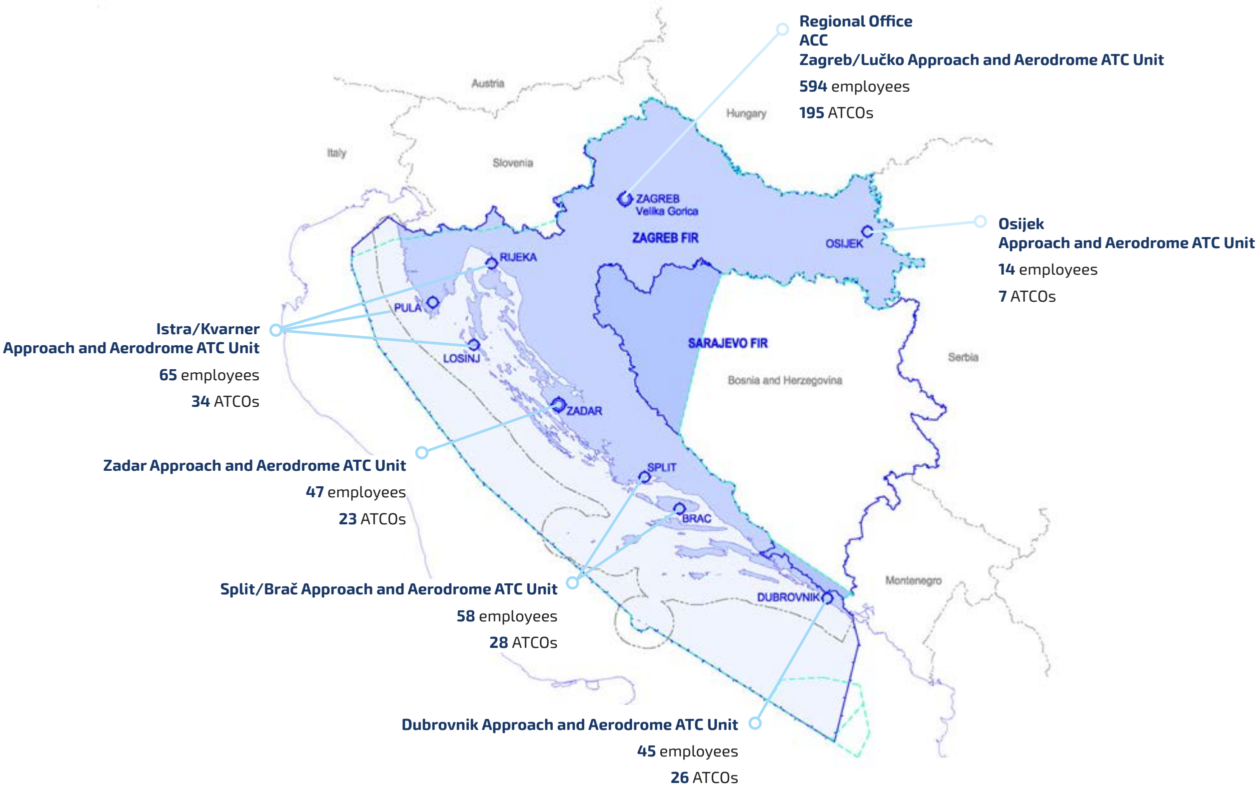
Sector	Executive Director
Air Traffic Management Sector (ATM Sector) Area Control Center and Operations Support Center are the organizational units of the ATM Sector.	Dubravko Meco
Approach and Aerodrome Air Traffic Control Sector Approach and Aerodrome ATC Units, i.e. regional ATC units Split/Brač, Zadar, Dubrovnik, Istra/Kvarner, Osijek and Zagreb/Lučko are the organizational units within the Sector.	Jakša Žižak (until 1st November 2025) Marko Neveščanin (from 1st November 2025)
Aeronautical Meteorology (MET) and AIM/AIS Sector The sector is responsible for the provision of aeronautical meteorology and aeronautical information services.	Igor Kos
Technical Services and Infrastructure Sector The Sector's primary task is the continuous modernization of technical systems with the aim of increasing air traffic safety and improving the overall level of air traffic control and management services, as well as for the design, construction and supervision and investment maintenance of facilities and associated infrastructure.	Jurica Baričević
Corporate Functions Sector This Sector performs centralized functions of managing financial, legal and corporate services. It also has the central role in HRM.	Teo Bratinčević
Military Operations Sector This Sector is responsible for coordinating the provision of services to military aircraft with the Ministry of Defense.	Nedeljko Zmajić

Operations and Infrastructure

Operational Units

CCL's main operational units are as follows:

- Zagreb ATCC: Zagreb Air Traffic Control Center provides area control services for both Zagreb Control Area (CTA) and a part of the Control Area (CTA) in Sarajevo FIR. It also provides approach control services in Zagreb TMA.
- Zagreb/Lučko Aerodrome Control: provides tower control in Zagreb Control Zone and Lučko aerodrome Control Zone (CTR)
- five regional ATC units providing approach and tower control: Osijek, Istra/Kvarner, Zadar, Split/Brač, Dubrovnik



Area of responsibility for upper airspace (FL 285 - 660)

Traffic Flow

The European network recorded 11.1 million flights in 2025, representing a 4.3% increase over the previous year and bringing traffic to 100.2% of pre-pandemic (2019) levels.

During the summer of 2025, the Network Manager Operations Centre introduced new pre-tactical measures, known as Capacity and Weather Based Operations (CWBO), to improve demand-capacity balancing across the European network, particularly during weather-related disruptions. These measures contributed to a 13.7% reduction in weather-related ATFM delay.

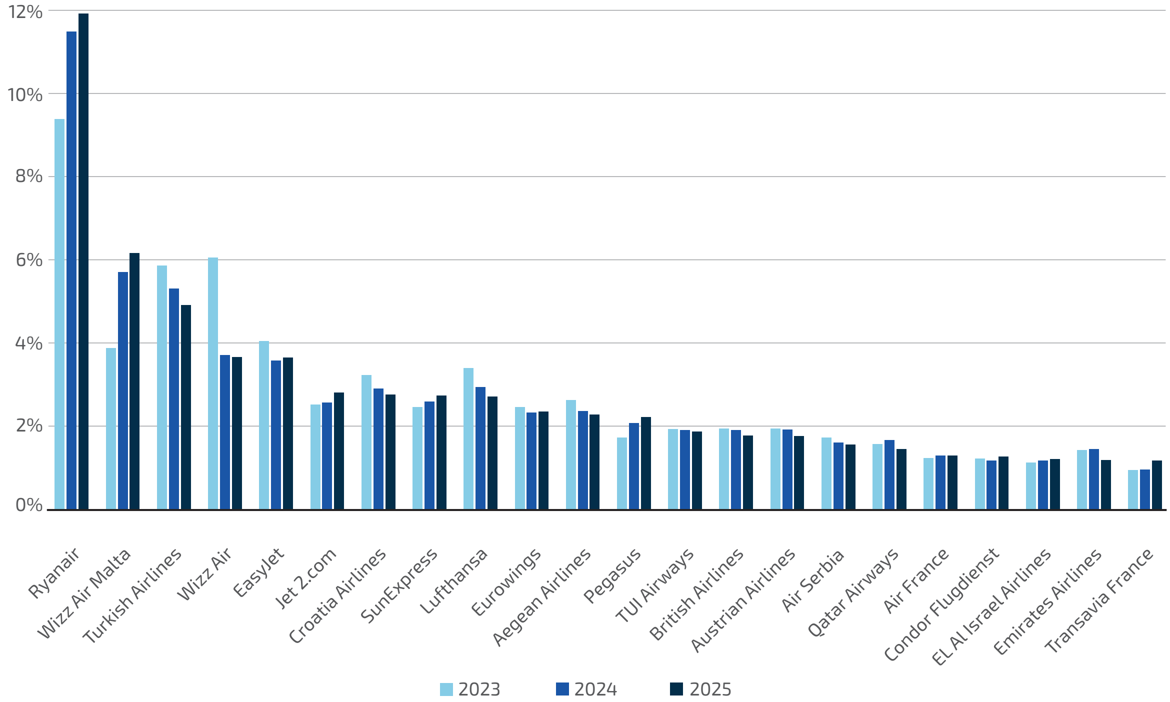
The upward trend in traffic continued in Croatian airspace throughout 2025. En route flights accounted for the majority of traffic, representing 87% of the total, while domestic flights accounted for 1% and international arrivals and departures for the remaining 12%.

The majority of en route traffic consisted of standard traffic flows between Western Europe — primarily the United Kingdom and Germany to mostly Greece and Turkey and back. The number of en route flights increased by 9% compared with 2024, while ATFM delay decreased by 74%.

Analysis of traffic flows showed that the highest traffic volume was recorded between the United Kingdom and Greece, followed by traffic between Germany and Greece. Other frequently operated routes included Italy–Poland and Egypt–Germany.

As in the previous year, Ryanair accounted for the largest share of total traffic in 2025, followed by Wizz Air Malta, Turkish Airlines, Wizz Air, and easyJet.

The peak traffic day was in mid-July, on July 12, 2025 (Saturday), with 4,091 flights (1.6% more than on the peak traffic day in 2024).



Air carriers share in en route flights 2023 - 2025

Operational Improvements

During 2025, CCL continued to implement operational improvements through its regular annual planning process, in accordance with regulatory requirements and in close coordination with neighboring ANSPs, the Network Manager, airports, and other stakeholders. These initiatives focused primarily on enhancing ATM systems, optimizing airspace design and organization, and optimizing operational procedures.

A series of airspace improvements was progressively introduced throughout the year. The capacity of ACC Zagreb was increased by raising the upper limit of the Lower ACC sectors from FL325 to FL335. Consequently, the lower limit of the Upper ACC sector was adjusted, resulting in a more balanced distribution of air traffic between sectors.

In addition, the upper limit of Class D airspace was raised from 7,500 ft MSL to 10,000 ft MSL, aligning it with the transition altitude and improving operational consistency.

Operational procedures were further refined to achieve a more balanced distribution of traffic, improve traffic predictability, facilitate efficient management of unplanned situations and reduce workload for ATCOs and supervisors.

To further enhance operational efficiency and reduce airspace complexity during the summer season, Network Manager implemented Rerouting scenarios and Flight level (FL) capping measures across the European network. ACC Zagreb complemented these initiatives by introducing local FL capping measures which are activated during predefined periods to support the same objectives.

Operational personnel, including TWR and ACC ATCOs, as well as Flow Management Position (FMP) officers, received dedicated briefings through the Think Network campaign. These activities reinforced the importance of close cooperation among controllers, airports, aircraft operators and all other stakeholders in achieving optimal network performance.

Particular attention was placed on adherence to filed flight plans, recognizing that traffic demand forecasting and sector staffing are directly based on submitted flight plan data. To provide access to the filed flight plan, an information system has been installed on iPads at the operational positions. The system also provides access to operational documentation and essential information required for the controllers' work, including AMC portal, CroVIBE, AIP, charts, ATSOM, manuals, etc.

Further improvements to supervisory functions were introduced through the implementation of horizontal frequency coupling. In addition, triple vertical frequency coupling was implemented, extending the previously available double vertical coupling and providing increased flexibility in ACC sector configuration and management.

Letters of Agreement with neighboring ANSPs were also revised and updated to further facilitate cross-border traffic management and strengthen regional operational cooperation.

A new software release, Topsky B3_10_1 was deployed, including the activation of ADS-B, which enhanced surveillance capabilities in Zagreb AOR.

The potential impact of the increasing number of state and military operations (together with the introduction of new platforms) on commercial aviation was mitigated through FUA concept and tight cooperation between ASM stakeholders on all three levels.

The introduction of new military fighter aircraft and military MALE RPAS (medium-altitude, long-endurance Remotely Piloted Aircraft System) Bayraktar TB2, together with new operational requirements, necessitated the reassessment of existing military areas and the design and publication of new modular airspace structures.

The increased number of operations required changes to ASM Level 3 responsibilities, as well as the implementation of additional procedures and enhancements to ASM support systems (the EUROCONTROL LARA SWIM-compliant system and the AMC Portal).

To comply with the requirements of the CP1 regulation, CCL implemented SWIM-compliant ASM services during 2025, namely Airspace Structure, Airspace Availability, and Airspace Reservation services.

Civil-Military Coordination

In Croatian airspace CCL is also responsible for the provision of services to the Ministry of Defense of the Republic of Croatia and its Air Force.

For the purpose of maintaining a high level of safety and quality, relevant air traffic data are regularly exchanged between these two parties, which is the basis for creating the conditions for an efficient protection of the airspace without compromising the safety of all users nor deteriorating overall capacity.

In 2025, the integration of the Rafale multirole fighter aircraft and the Bayraktar TB2 long-range unmanned aircraft systems into Croatian airspace was successfully completed. Key activities focused on the operational preparation of Rafale pilots, who assumed responsibility for the surveillance and protection of Croatian airspace on January 1, 2026. To support the integration of the Bayraktar TB2 system, the AMC Portal was technologically enhanced, and operational personnel completed specialized trainings.

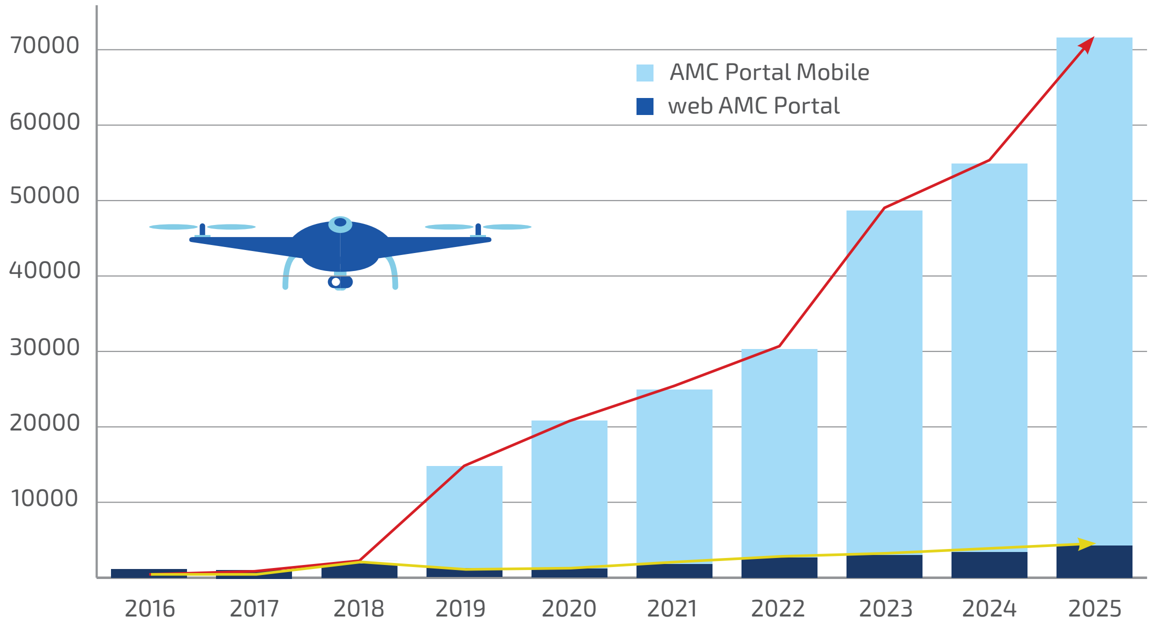
The primary challenge was to accommodate increased military operational requirements while maintaining the highest levels of safety for civil air traffic. Particular emphasis was placed on dynamic airspace management and the application of the FUA concept. This minimized the impact of military operations on commercial air traffic, even under the record traffic levels experienced in 2025.

CCL successfully established all operational and technical conditions required for the safe and seamless transition to the new national air surveillance system, further reinforcing its role as a strategic company within Croatia's national security framework.

UAS

CCL developed AMC portal as its own tool for ASM and safe integration of UAS activities. It provides relevant information to all airspace users in real time and enables direct communication between all airspace users and the ASM organization. By providing targeted information, it gives users the opportunity of making reservations of airspace by directly submitting a request and communicating with the ASM organization.

For some years we've been witnessing a steady increase in reported UAS operations of civilian private and commercial users through the AMC Portal system. There has also been a noticeable trend in the growth of new ways of using UAS technology and exploring areas and concepts for their future application on a commercial basis.



The number of UAS operations via AMC Portal in the period 2016-2025

In order to maintain the level of safety of all airspace users and to reduce the adverse impact on air traffic, CCL has started proactively with the coordination of government UAS activities. Separate procedures have been developed for the purpose of carrying out the operational tasks of the Croatian emergency services via AMC Portal system. These procedures enable safe access to airspace in a very short time through rapid coordination of the relevant CCL organizational units.

CCL employees from ASM/UTM Department and MET Sector held numerous training courses for government employees (Ministry of the Interior, Croatian Mountain Rescue Service, Firefighting Service, Civil Protection etc.). The use of UAS by government users significantly contributes to the protection of the state border, territorial sea, people and property, and sometimes it is crucial for the search and rescue of people and supervision and protection of infrastructure and natural resources of the Republic of Croatia.

Technical Infrastructure

Overview of Investments

CCL has made significant investments due to compliance with regulatory requirements and the need to enhance safety and quality of services and achieve performance targets. A strong investment cycle has been planned for RP4, including 2025 - the first year of that reference period. It is continuation of the ambitious investment plan from 2024, with an emphasis on projects that focus on the most modern technology to increase the efficiency and safety of air traffic and provide better quality services to airlines.

The investment plan for 2025 has contained projects and individual acquisitions of long-term assets with a total investment potential of EUR 29.5 million which had been assessed as necessary for the continuation of sustainable operations and meeting growing business requirements and the expected increase in air traffic.

CCL implemented the investment plan in the amount of EUR 23.1 million, which represents 78.1% of the Plan and indicates the Company's strong focus on the implementation of planned strategic investment projects. The table below provides a consolidated overview of the implementation of investment projects in 2025, including comparison with past years.

	2023	2024	2025
Investment Plan (mil. EUR)	26,54	33,06	29,53
Implemented (mil. EUR)	13,07	28,22	23,08

The table below lists the main investment projects in 2025, compared with the annual business plan for 2025:

Investment project in ('000 EUR)	Business plan for 2025	Implemented in 2025
Upgrade of other ATM systems	4,757	2,831
Upgrade of COOPANS ATM system	1,509	1,783
Modernization of the COOPANS ATM system (ATC-1)	7,669	8,296
Upgrade and modernization of telecommunication and network infrastructure	2,313	1,745
Modernization of communication, navigation and surveillance systems	2,247	2,865
Reconstruction of buildings and infrastructure and modernization of HVAC and electric power systems	1,896	1,324
Other investments	9,142	4,231
TOTAL investments in 2025	**29,533**	**23,075**

Investment Highlights

Navigation Systems

The installation and commissioning of stand-alone radio navigation systems DMEs (Distance Measuring Equipment) at appropriate positions ensure a minimum operational network functionality in degraded conditions (MON) for the needs of DME/DME spatial navigation in accordance with the needs of PBN.

This ensures high quality navigation services to aviation users in the event of GNSS unavailability, thereby increasing resilience, safety and capacity. Phase 1 of DME project was implemented in 2025, and it included two new stand-alone DMEs in the Zadar area, two in Istria and two DMEs in the vicinity of Zagreb.

Radars

Renewal and upgrading the existing radar systems at Kozjak and Psunj sites has included the replacement of all electronic components, renewed mechanical components (antenna and drive system). Moreover, the functional system upgrade has been done in accordance with new functional requirements and trends (integrated ADS-B, increased level of cybersecurity and general system resilience).

The project was started in 2024 and completed in 2025. It ensures better integrity and availability of surveillance information, which is an essential prerequisite for ensuring a high level of security and supporting the further expansion of ATS capacity.

Communication Systems

VHF radio systems are used for direct voice communication between pilots and ATCOs. Replacement and modernization of VHF systems at the Zadar and Dubrovnik locations enable a simple transition to VoIP technology and increase the amount of operating radio frequencies for the needs of ATCOs at the airports Zadar and Dubrovnik.

Further, a new radio center has been established at the Zemunik location (Zadar LZK), which improves the availability of air-ground communication as well as radio signal coverage for the needs of the CCL's remote site Zadar.

Safety and Management Systems

Safety remains a fundamental priority for CCL and an essential element of all operational activities. To ensure continuous improvement of service quality and operational performance, Safety and Management Systems are established at the corporate level and report directly to the Director General.

The Safety and Management Systems function oversees the implementation and continuous development of the organization-wide management framework, including:

- Safety Management
- Environment Management
- Risk Management
- Change and Project Management
- Occupational Health and Safety Management
- Quality Management
- Security Management
- Performance Management
- Compliance Monitoring
- Internal Control and Auditing

Safety Management

Maintaining the highest level of safety in the provision of ANS remains CCL's primary objective and takes precedence over commercial, operational, social and other business considerations.

Through a proactive and systematic approach to safety management, CCL continuously works towards achieving and maintaining an acceptable level of safety while contributing to the overall safety performance of the European ATM network.

Safety Management System

CCL's Safety Management System (SMS) is built around a comprehensive framework of policies, processes and procedures designed to ensure effective safety oversight and continuous improvement.

The Safety Management Manual serves as the core SMS document, defining organizational responsibilities, key processes and operational procedures in accordance with national regulations, SES requirements and applicable European safety standards.

Safety Performance

Continuous monitoring and assessment of safety performance provide valuable insights into the effectiveness of safety measures and support further improvements across the organization. CCL's safety performance framework is aligned with Commission Implementing Regulation (EU) 2019/317 establishing the performance and charging scheme within the Single European Sky.

The primary safety performance area monitored by CCL is:

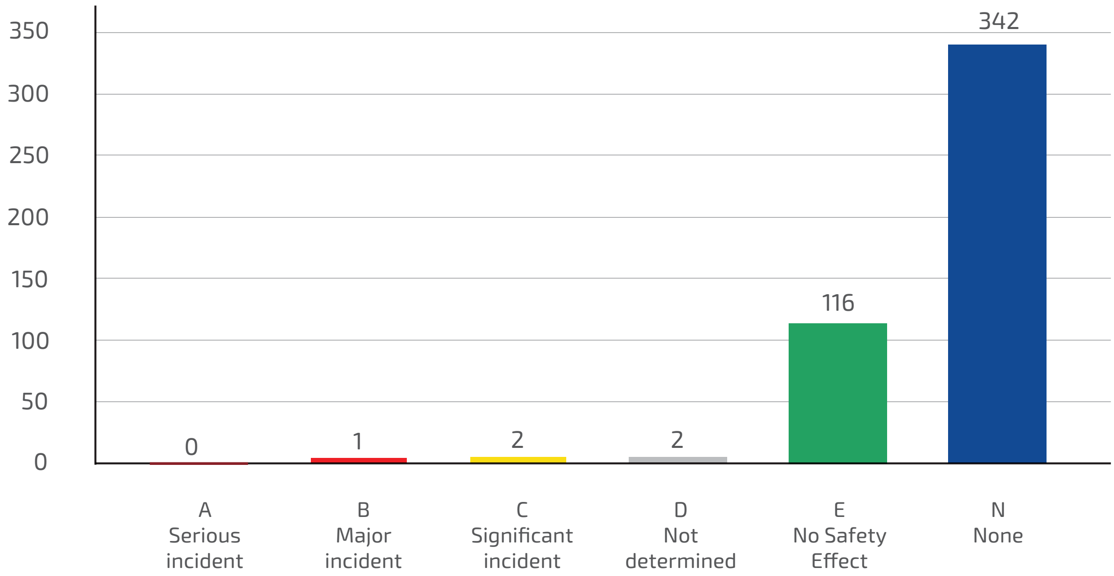
- Effectiveness of Safety Management (EoSM)

All Key Performance Indicator (KPI) targets established in the 2025 Performance Plan were successfully achieved. Furthermore, the monitored Performance Indicators (PIs) demonstrated stable and positive trends throughout the reporting period.

EOSM	LEVEL (SELECT)
Safety culture	B
Safety policy and objectives	C
Safety risk management	B
Safety assurance	B
Safety promotion	B

✈ Classification of severity of occurrences using the Toolkit for ATM occurrence investigation (TOKAI)

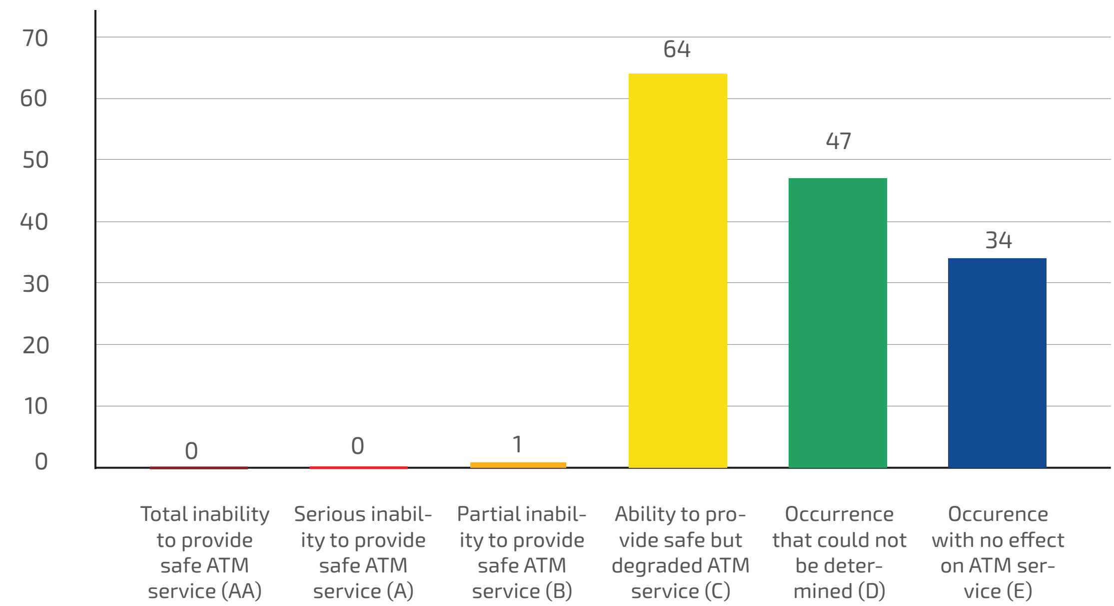
In 2025 there were 616 reported safety occurrences, of which were 457 ATM occurrences, 6 Air Safety Report and 153 specific occurrences in ATM.



ATM occurrences - severity effect 2025

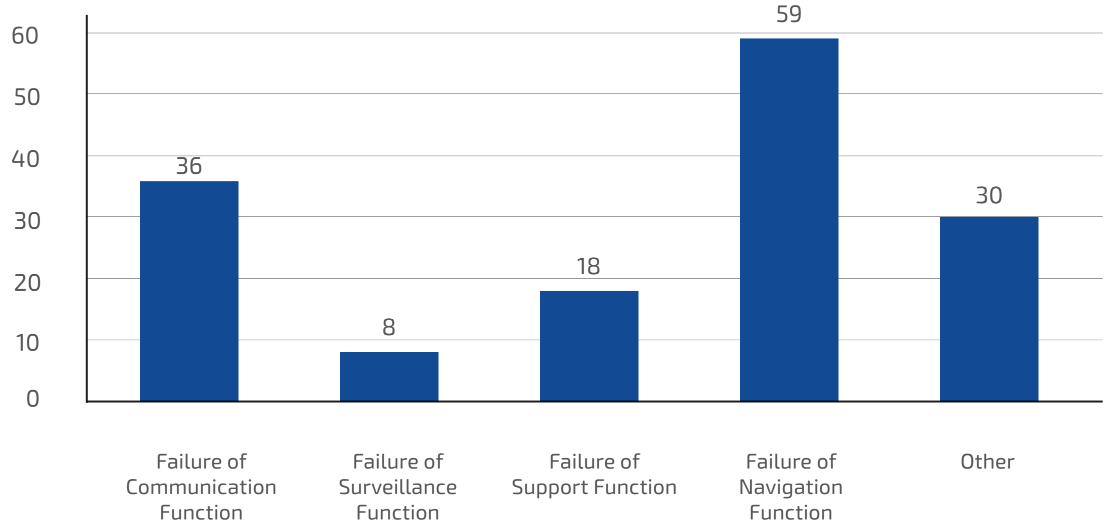
Severity of ATM occurrences was classified as follows:

Out of 8 separation minima infringement (SMI) events, CCL was directly involved in 6 events and indirectly involved in 1. CCL was indirectly involved in 1 event of runway incursion (RI).



ATM specific occurrences - severity classification 2025

Severity of SATM occurrences was classified as follows:



ATM specific occurrences - type of events 2025

Just Culture

The Just Culture Policy and special JC procedures are set up in CCL. The JC concept has been disseminated to the staff and the management through the Intranet and safety promotion workshops in order to develop culture in which front line operators and others are not punished for actions, omissions or decisions they took and which are commensurate with their experience and training, while gross negligence, willful violations and destructive acts are not tolerated.

Quality Management

CCL has implemented Quality Management System (QMS) for which it is certified in compliance with the ISO 9001:2015 international standard requirements.

QMS helps CCL to improve its overall performance and it provides a solid base for sustainable development. In addition, it enhances the continuous provision of services aimed at meeting customer, organizational and regulatory requirements through continuous improvement, in addressing associated risks, opportunities and ability to show conformity to specified requirements.

The quality of CCL's services is granted by an integrated QMS which is periodically reviewed and assessed for its long-term suitability, adequacy and effectiveness.

Consultation with service users

The quality of services is being continuously improved by regular consultations with users, i.e. by taking into consideration their remarks or suggestions. CCL plans the user consultation annually by its User consultation plan for the current year.

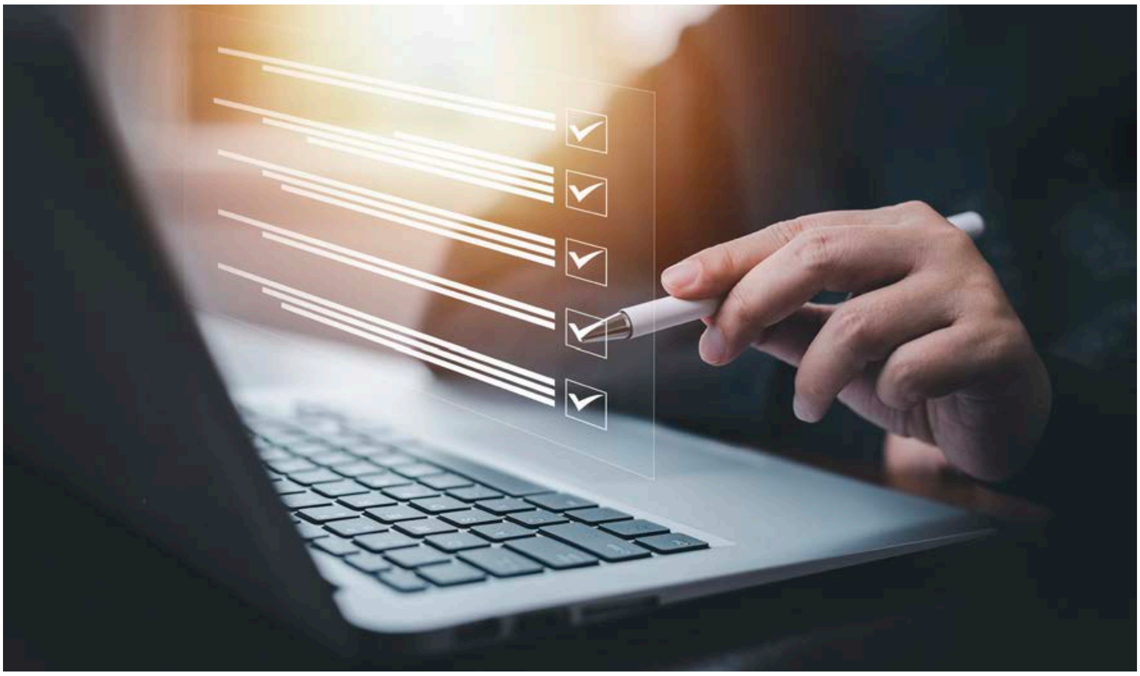
The information on user satisfaction are collected in direct communication with users by means of surveys. These surveys are published on CCL website, or are delivered by e-mail or via user forums/meetings.

After the analysis of performed consultation, the quality manager proposes the improvements of activities or service quality, and includes them as input elements in the assessment of the Company Management.

In 2025, one user consultation was conducted via survey and additionally, 10 regular forums, conferences, and meetings were held with service users.

Consultations realized in the form of survey

Type of service/ function/process	Topic	User profile
AIS	Satisfaction with service and its products	Air carriers, airports, aeroclubs, MoD/Croatian Air Force, CCAA, Ministry of the Sea, Transport and Infrastructure, other state bodies



Consultations realized in the form of forum/consultations/meetings

Type of service/ function/process	Topic	User profile
ATFM	Operational development, new functionalities, and tools aimed at network efficiency enhancements	ANSPs, AOLO, NM, ATC Tactical team
CNS	Monitoring of the implementation of the Contract on coordination procedures in operational use of the system	MoD, Airspace Surveillance and Control Battalion
CNS	Monitoring of the implementation of the Contract on the Provision of Radar Data	BHANSA
Business planning management - financial aspect	Defining cost bases and unit price, regulations, traffic, business development	IATA, A4E, EC, Lufthansa, EUROCONTROL/CRCO/STATFOR, ANSPs
MET	Introduction to new MET portal	Airports
MET	Introduction to new MET portal and new MET product	MoD
FPD	Flight procedure validation, flight procedure implementation plans, airport works affecting flight procedures	Airports, Croatia Airlines and other air carriers, data houses, ENAV, CCAA, MoD
ATS and ASM	Changes to Croatian airspace (expansion of Class G airspace); new concept of implementing parachute operations; emergency services operations; UAS operations, safety	General aviation, representatives of sports organizations, government, commercial, and military airspace users
ATS and ASM	Changes to Croatian airspace (expansion of Class G airspace); new concept of implementing parachute operations; operational aspects of parachute operations, safety	Croatian parachuting community (civil, military, and government representatives)
AIS	Improvements to data requirements and data processing for aeronautical information publication, including information security and business continuity aspects	Airports

5.3 Environment Management System

CCL recognizes the importance of environmental protection, so it endeavors to reduce the negative impact on the environment by providing safe and quality ANS. CCL's EMS also covers environmental aspects, and it is ISO 14001:2015 certified. CCL has also defined the Environmental Management Policy, to ensure the identification and management of environmental risks in a systematic way.

The basic goals of environmental protection in air navigation focus on reducing:

- aircraft noise impacts caused by flight operations
- aviation-related emissions contributing to local air pollution
- aviation-related impact on greenhouse gas emissions and on climate changes.

CCL has an **indirect impact on the environment** by continuously reducing the emission of noxious gasses and aircraft noise abatement, by optimization of the airspace and route network. Service users have at their disposal certain possibilities aimed at protecting the environment by shortening the route, and it is up to the users whether they will seize this possibility or not.

CCL has a **direct impact on the environment** by means of utilization of CNS systems, by noise caused by operating devices and machines, as well as central air conditioning system, by use of renewable sources of energy and rational use of natural resources (electric energy, water and fuel for operating the equipment), as well as by producing waste. Measuring of electromagnetic fields is performed in 2-years cycles on 110 locations, as well as for newly installed equipment, pursuant to the administrative decision of the Ministry of Health. No radiation levels have been exceeded since the introduction of measurement in 2015.

CCL demonstrates its care for the environment by rational use of energy products and improving electric energy management. CCL buys electric energy only from renewable sources. In this way, CCL contributes to the reduction of greenhouse gas emissions, supporting broader efforts in environmental protection and sustainable development.

CCL is one of the first ANSPs in Europe that implemented renewable energy sources generating 345 kW for the purpose of business operations. One of the significant changes in the power system in CCL's headquarters was the installation of the heat pumps system connected to underground wells, so that a new air conditioning system was used in CCL. This system is more beneficial as far as electric energy is concerned since in summer it uses cooling heat of water from the well.

Waste management and generating hazardous waste is a significant aspect for CCL, which is continuously being monitored and updated. In waste management, CCL proceeds by respecting the basic principles and implementing waste hierarchy. Besides the municipal waste, CCL collects, separates and ecologically disposes of hazardous and non-hazardous waste.

Security Management

The primary purpose of CCL's Security Management System (SecMS) is providing a secure environment for provision of ANS through measures taken to prevent acts of unlawful interference against individuals, facilities, processes and technical devices and equipment. SecMS also recognizes the importance of information security and acts proactively to protect confidentiality, integrity and availability of corporate and operational data in all of its forms and stages of processing.

In addition to its role in supporting airspace and airport security, SecMS encompasses continuous cooperation with national and international organizations with the aim of anticipating new threats to aviation security and undertakes appropriate and timely measures to mitigate the resulting risks, while taking care to minimize any negative impact of such measures on day-to-day business operations.

Enterprise Risk Management

CCL has introduced an Enterprise Risk Management system (ERM) compliant with internationally recognized and scientifically based methodology and standards and defined the ERM Policy.

The ERM is designed to adapt to the development of the company and changes in the risk profile and is based on a structured and systematic process that takes into account internal and external risks to which the Company is exposed.

CCL has set up the Risk Register as well as the Strategic Risks Map, and manages them actively by taking into account the identified sources and defined measures for the mitigation of the consequences of probability and severity of particular occurrences.

Ensuring business continuity and cyber security remain a significant challenge. The ongoing war in Ukraine and tensions in the Middle East continues to affect global aviation, particularly in terms of safety concerns and broader implications such as energy price volatility, fuel shortages, supply chain disruptions, and inflationary pressures. Increasing air traffic volumes also pose a growing challenge in terms of capacity management and the risk of delays, underscoring the need for an optimal number of ATCOs.

Risk Categories

Education System

It applies to all employees, and in particular to the education of the ATCOs as a fundamental factor in the provision of services. Great attention is being paid to strict selection criteria, the implementation of the theoretical and practical part of education and the selection of the best instructors since these are critical risk management factors.

Technological Compliance

The provision of ANS requires top-quality technical and technological equipment. Through the realization of investment projects, the Company achieves technological compliance with regulations, industry requirements and the best global technological standards.

No. of ATCOs

Insufficient number of controllers in the context of a steady increase in air traffic and the fact that this stressful job can be performed by only a small portion of the population, is considered an important business risk. This risk is managed by planning, forecasting and effective education.

Human Resources Management

The management of the Company considers human resources management to be the most important factor of success, therefore it is being analyzed, measured and managed by indicators that should improve the process of HRM.

Project Management

The Company regards effective project management as a business risk from the aspect of safety, engagement of resources and consequences on financial effects.

Cyber Threats

The Company has recognized cyber threats as a rather significant risk, and it implements solutions in the field of cyber protection.

Business Operations Continuity

CCL has a duty and obligation to ensure business continuity in relation to identified sources of possible business discontinuity (natural disasters, pandemic, technical system/device failure, terrorist attack, industrial action). Measures in sense of increasing resilience to these threats are a high level of reliability and redundancy of operational technical systems, personnel trained to act in special circumstances, operating manuals and instructions on procedure.

Meeting the Performance Targets and Organizational Targets

The performance targets shall be agreed and coordinated at EU level through a performance plan. Internal organizational objectives are aligned with European performance goals and it is therefore important to actively manage the company's goals at all levels by applying risk management measures.

Safety Management System

CCL's mission is to provide safe and quality services. Security aspects are embedded in business processes as well as in CCL's business culture.

Financial Risks

Financial risks managed by the company include a wide range of risks. In the narrow sense, various measures, among other risks, cover currency, interest rate and liquidity risks. New risk-related factors are timely anticipated through scenario-based planning.

Regulatory Compliance

The field of provision of ANS is a highly regulated activity subject to a wide range of international acts, implementing regulations as well as directives and standards that must be complied with.

Reputation

Reputational risk is "a risk from risk" because it is generated from other sources of variability. The risk of loss of reputation is usually due to adverse events arising from the exposure of the Company to various strategic, operational and financial risks. Loss of reputation can often have long-term consequences and any risk factor with a possible negative impact on the reputation is a threat to the survival of a company.

Efficiency of Strategic and Operational Planning

This risk is one of the key risks for achieving the set targets in the field of technology, human resources and securing financial resources for investment projects and operational expenditure.

Additional Services

Aeronautical Meteorology (MET)

Zagreb MET Watch Office

CCL provides aeronautical meteorology services, with special emphasis on the continuous improvement of services, staff education, and regional cooperation.

In 2025 the CBCF (Cross Border Convection Forecast) was formally implemented for the EUROCONTROL Network Manager. In the summer period, when thunderstorm activity is at its peak, forecasters prepare forecasts for their area of responsibility and coordinate forecast polygons with neighboring MET service providers, thus ensuring high-quality and harmonized information on the distribution and probability of thunderstorm occurrence.

The timeliness and reliability of meteorological products are enhanced through the exchange of knowledge and the latest scientific research findings. In May 2025, CCL co-organized the tenth Challenges in Meteorology scientific and professional conference, titled “Meteorology and Traffic – Working Together for a Safer Journey,” which featured speakers from European universities, EASA and domestic participants. Colleagues from CCL’s meteorological service presented topics including meteorological support for air traffic planning, the analysis of SIGMET warning issuance for aviation users, methods for determining cumulonimbus (CB) cloud heights, and the use of data from the new meteorological radar network. CCL also organized several refresher seminars for forecasters and observers from both the Company and neighboring countries.

Daily cooperation between the MET and ATC services is important for flight safety and reducing traffic delays. Improved traffic regulation in conditions of adverse weather and increasingly pronounced climate changes contribute to economic savings and the consequential reduction of CO2 emissions.

The MET Service, in cooperation with other partners in the COOPANS Alliance, continued to participate in the validation exercise under the ATC-TBO research and development project. The initiative, coordinated by EUROCONTROL and involving 31 partners, aims to significantly reduce aviation's environmental impact by making ATM smarter and more energy-efficient, thereby reducing fuel consumption and CO_2 and NOx emissions.

MET Service experts contributed by integrating thunderstorm areas into TBO ATM system and the conflict detection and resolution tool, enabling dynamic, real-time route adjustments based on changing weather conditions. This flexibility helps reduce unnecessary fuel consumption, avoid adverse weather, and improve the ability to anticipate and respond rapidly to changing air traffic conditions. As a result, it is expected to enhance traffic safety, improve energy efficiency, reduce delays, and further reduce the overall environmental footprint.

Aeronautical Information Management/Aeronautical Information Services (AIM/AIS)

CCL provides aeronautical data and information necessary for air navigation safety, regularity and efficiency. AIM/AIS Department consists of the International NOTAM Office, operational 24 hours a day, AIM/AIS Operations Support Department and the Aeronautical Publications Department.

The AIM system provides aeronautical information through the local AIM database and the European AIS Database (EAD). It includes static data in AIXM 5.1 format, the eAIP with integrated charts, Aeronautical information publication (AIP) amendments and supplements, AICs, NOTAM/SNOWTAM, PIBs, and additional publications such as VFR manuals and charts with recommended routes.

TAM messages are produced and distributed via the EAD in all relevant series and retrieved back to the local Database for the provision of pre-flight briefing. The part of the service with respect to PFB and post-flight information is provided by Split Central ARO.

The local AIM database is synchronized with the EAD, ensuring seamless data exchange and access to all aeronautical information products in electronic format. Croatia's electronic AIP, available in English and Croatian, is published from the EAD in line with EUROCONTROL specifications.

The AIM Portal is part of CCL's AIM system, designed for registered aviation stakeholders and offering critical aeronautical information and products like eAIP, charts and more. It ensures regulatory compliance, data quality, and operational access for pilots and other flight professionals.

AIM/AIS department is planning to provide through Enhanced EAD digital NOTAM (dNOTAM) and assure its visualization on the AIM portal by Q1 2027. This upgrade will enable users to view NOTAM data along with static data on the interactive map, improving situational awareness, minimizing interpretation errors, and supporting more effective pre-flight planning.

Flight Procedure Design Services (FPD)

FPD services encompass design, document, and validate of conventional procedures and PBN procedures for 9 Croatian international airports within Zagreb FIR for:

- standard instrument departures (SIDs)
- standard instrument arrivals (STARs)
- instrument approach (IAP) including circling.

FPD services also providing the production of aeronautical charts, the definition of polygons of minimum altitudes for radar vectoring, the analysis of the signal coverage of radio navigational aids, and the analysis of the impact of obstacles, areas, and zones on instrument procedures and routes.

According to Commission Implementing Regulation (EU) No 2018/1048 of 18 July 2018 laying down airspace usage requirements and operating procedures concerning performance-based navigation, CCL developed PBN Transition plan of the Republic of Croatia to ensure regulatory compliance with the PBN IR, and to meet passenger demands, without impacting on the safety or capacity of the airspace whilst fulfilling our national environmental commitments.

FPD service designed all PBN instrument flight procedures in accordance with the criteria from the Commission Implementing Regulation (EU) No 2017/373, Commission Implementing Regulation (EU) 2018/1048 (PBN IR) and the PBN Transition Plan of the Republic of Croatia according to the requested time frames. All published procedures are regularly maintained and changed in accordance with user requirements and changes in regulations, airspace structures, radio navigational aids, aerodrome data, obstacles and other data.

All data, procedures, and aeronautical charts for the conventional and PBN procedures for all Croatian international airports within Zagreb FIR, are published in the AIP of the Republic of Croatia.


MICHELE
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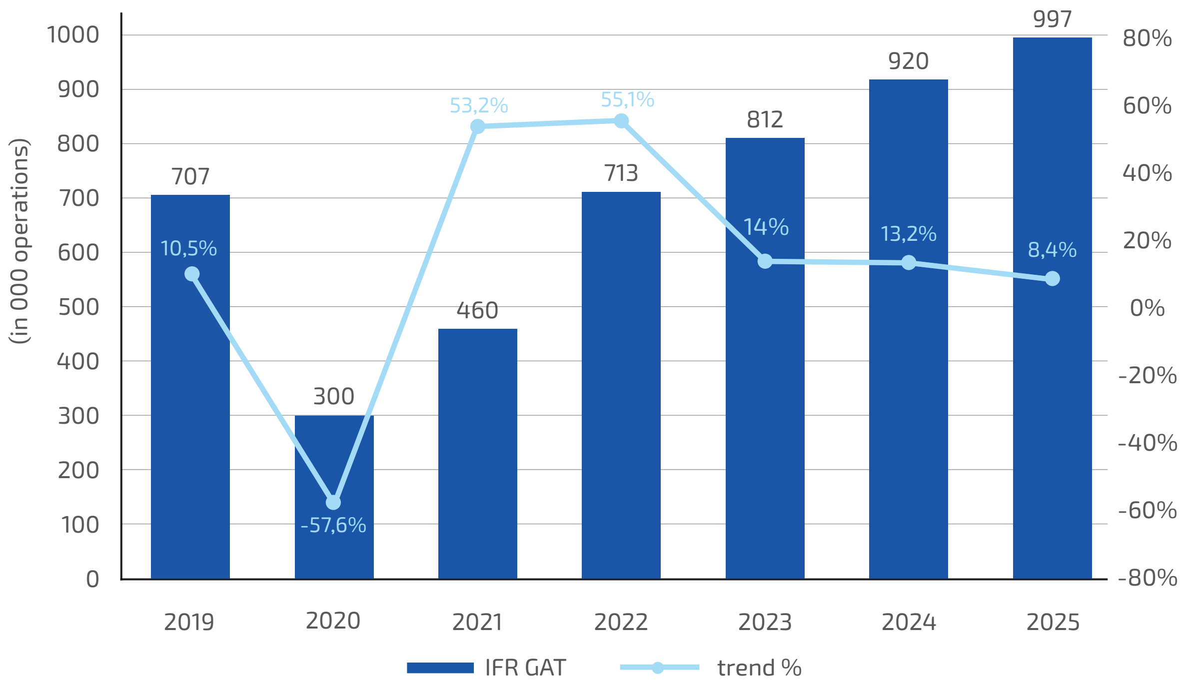
Performance

Traffic

In 2025, CCL's area of responsibility recorded 997,572 flights, with year-on-year traffic growth remaining strong and showing no signs of slowing. Compared with 2024, this represents an increase of more than 77,000 flights, or approximately 8.4%. In contrast to 2019, the recorded increase is about 40.9%. These figures indicate a strong trend in the expansion of air traffic and connectivity on the South-East Axis on which Croatia is located as a respond to tourist demand.



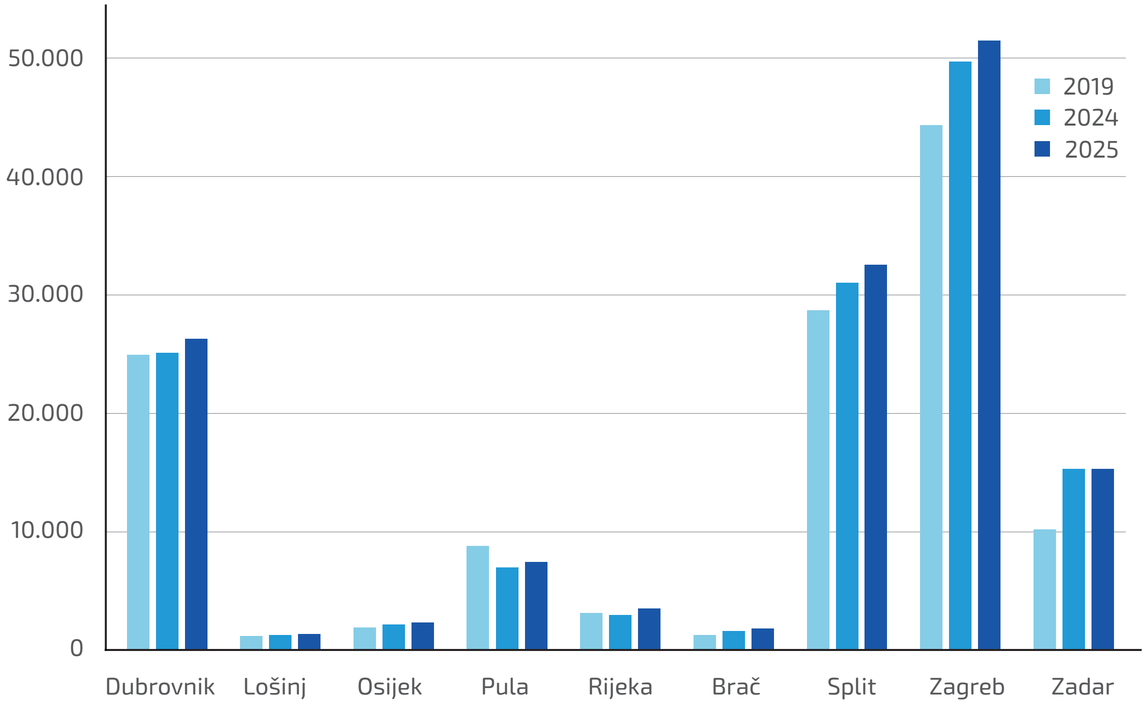
IFR GAT operations 2019 - 2025

Monthly traffic volumes in 2025 consistently exceeded those recorded in the previous year. Six months recorded growth exceeding 10%. July and August were the busiest months, each surpassing 110,000 flights, setting a new monthly operations record. Seasonal traffic increased by 33% compared with pre-COVID levels, significantly outpacing the growth in the number of ATCOs in OPS. Consequently, during the peak period from June to September, CCL ranked among the best-performing ANSPs in terms of IFR movements handled per ATCO in OPS.

December saw the largest year-on-year increase (16%).

Across Croatian airports, a total of 140,788 IFR GAT operations were recorded, representing a 4.1% increase compared to 2024.

All airports except Zadar recorded traffic growth in 2025 compared to 2024. While total airport traffic in 2025 exceeded 2019 levels by 13.5%, traffic recovery varied among individual airports.



Airport IFR GAT operations 2019-2024-2025

Controlled Operations and ATFM Delays

In 2025, ATFM en route delays amounted to approximately 414 thousand minutes, while the average delay per flight decreased to 0.42 minutes from 1.51 minutes in 2024. When compared to the 2025 Performance Plan target of 0.29, actual performance was 0.13 minutes per flight above target due to the continued increase in demand, particularly along the South-East Axis, resulting in capacity constraints during the summer season, driven by unplanned peaks in traffic during high-intensity periods. In addition, national demographic measures adversely affected the availability of operational resources, impacting adequate staffing during the peak summer period.

To mitigate these constraints, continuous improvements to the rostering system were implemented with the objective of increasing operational flexibility and optimizing the utilization of available ATCOs. In addition, a new concept for the composition of ATCO teams was introduced, enabling a more efficient deployment of operational staff and creating additional capacity for the opening of supplementary sectors in response to operational requirements and increasing traffic demand.

Furthermore, dedicated ATFCM awareness workshops were conducted to strengthen operational understanding, improve coordination processes, and enhance proactive traffic management practices across operational units.

ACC Zagreb - delays

Service Units and Unit Rates

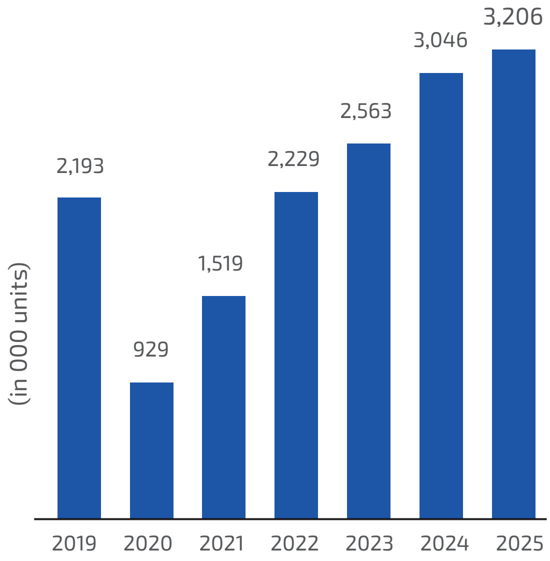
Traffic

En Route Charging Zone

The development of air traffic in Europe in 2025 continued on a positive trajectory, despite persistent challenges such as geopolitical tensions, economic uncertainty, and operational constraints. The favorable trends observed in 2025 brought the European aviation sector to a full recovery compared to pre-pandemic levels.

In Croatia, 2025 marked further growth and consolidation of air traffic compared to the previous year with an increase of 8.4% (measured in IFR-GAT). Contributing factors included the strong performance of the tourism sector, rising demand from major European source markets, improved regional connectivity (primarily low-cost carriers) and long-haul connectivity, and the introduction of new seasonal and year-round routes to key European hubs. Continued investments in infrastructure and service digitalization further supported operational efficiency. Despite ongoing global uncertainties and economic pressures, Croatia's aviation sector demonstrated resilience and adaptability, supporting an optimistic outlook for the years ahead.

In the en route charging zone, **3.2 million** en route service units were recorded in 2025, representing a **5.3%** increase compared to 2024, and a **46.2%** increase compared to the pre-pandemic 2019 level. At the same time, the actual number of en route service units exceeded the forecast set in the RP4 Performance Plan for 2025 by 6.8%, even though Croatia had opted for the STATFOR high-growth scenario, considering it the most realistic traffic forecast.

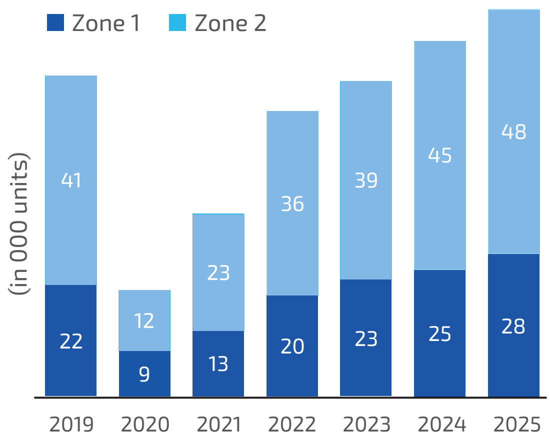


Total en route service units

Terminal Charging Zones

The recovery of air traffic in Croatia continued in 2025, with terminal operations maintaining an upward trend, and the total number of terminal service units surpassing the pre-pandemic 2019 level.

Across the two terminal charging zones – Z1 (TWR ATC Zagreb) and Z2 (all other controlled terminal ATC centers in Croatia) – 75.2 thousand terminal service units were recorded in 2025, representing a 6.9% change compared to the previous year. Both charging zones recorded growth, with a stronger increase observed in Terminal Charging Zone 1.



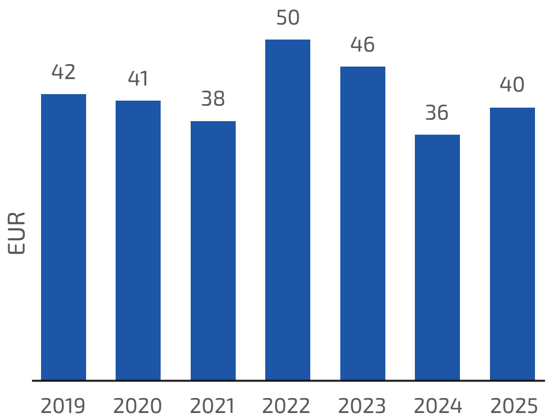
Total terminal service units

Unit Rates

En Route Charging Zone

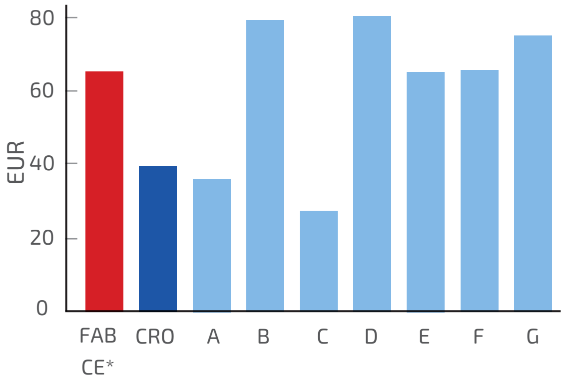
Based on the RP4 Performance Plan, as well as applicable adjustments, the en route unit rate actually charged to users in 2025 was EUR 39.60 (excluding the EUROCONTROL administrative fee).

Compared with 2024, the en route unit rate increased by 9.7% in 2025. Although the increase in costs was largely offset by a higher planned level of service units, the unit rate was adversely affected by a lower traffic risk-sharing adjustment and a higher inflation adjustment in 2025, both of which contributed to the overall increase in the unit rate. Despite the growth in the unit rate, Croatia's en route unit rate remains one of the lowest in Europe. The chart below presents the en route unit rates for Croatia over the 2019–2025 period.



Croatian en route unit rates

In 2025, Croatia's en route unit rate of EUR 39.60 was 39.3% below the FAB CE average (excluding Croatia). The chart below presents a comparison of Croatia's planned en route unit rates with those of Croatia's neighboring states, most of which are FAB CE partners.



2025 budgeted en route unit rates

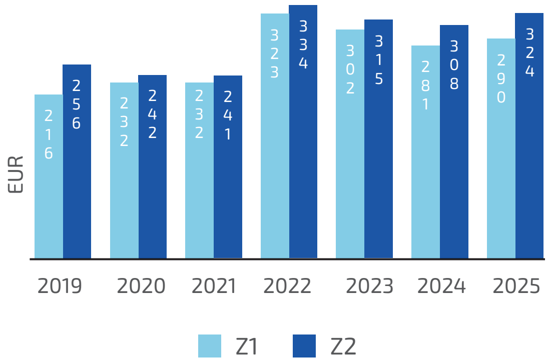
In accordance with the provisions of the Commission Implementing Regulation (EU) 2020/1627 on exceptional measures for the third reference period (2020) of the single European sky performance and charging scheme due to COVID-19 pandemic, the difference between the finally eligible (i.e. revised) and provisionally charged en route unit rates for 2020/2021 resulted in the recognition of a SES-relevant long-term contractual asset. Recovery of this amount began in 2023 and is expected to be completed by 2027 at the earliest.

Terminal Charging Zones

Croatia operates two terminal charging zones, each with its own terminal unit rate.

In Terminal Charging Zone Z1 (TWR ATC Zagreb), the unit rate for 2025 amounted to EUR 289.65 per service unit, representing a 3.0% increase compared to 2024.

In Terminal Charging Zone Z2 (all other controlled terminal ATC centers in Croatia), the unit rate for 2025 amounted to EUR 323.63 per service unit, representing a 5.1% increase compared to 2024.



Croatian terminal unit rates

CCL continued to adjust the unit rates for the 2020 and 2021 terminal under-recoveries by applying only a fraction (1/7) of the total eligible carryovers. This approach reflects CCL's strong commitment to supporting the financial resilience and long-term development of Croatian airports, as CCL opted for a multi-year recovery period, thereby mitigating the immediate impact on terminal charges and contributing to more stable operating conditions for airport operators.

Financial Performance

Overall Financial Performance

In 2025, CCL once again delivered business results in line with expectations, despite operating in a dynamic and often unpredictable environment strongly influenced by inflationary pressures and collective bargaining that took place in mid-2025. The performance was partly driven by Croatia's favorable geopolitical position, providing services along the South-East Axis — the fastest-growing post-pandemic traffic corridor in Europe, accounting for around 9% of total traffic within the EUROCONTROL network. Operational and strategic efforts in 2025 remained focused on achieving the RP4 performance targets.

Stable revenue streams, supported by consistent cost management, resulted in a profit after tax of EUR 12.1 million in 2025, underscoring CCL's continued stable financial performance.

Revenues and Business Income

In 2025, the Company recorded total revenues of EUR 148.2 million. The increase compared to the previous year was mainly driven by overall traffic growth and stable operational performance.

Core Business Revenues (ANS charges)

In 2025, core business revenues amounted to **EUR 141.2 million**, reflecting an increase compared to the previous year. This was mainly due to higher en route unit rates and sustained traffic growth. Of the EUR 141.2 million, **EUR 117.9 million** was generated from en route services and **EUR 23.3 million** from terminal services.

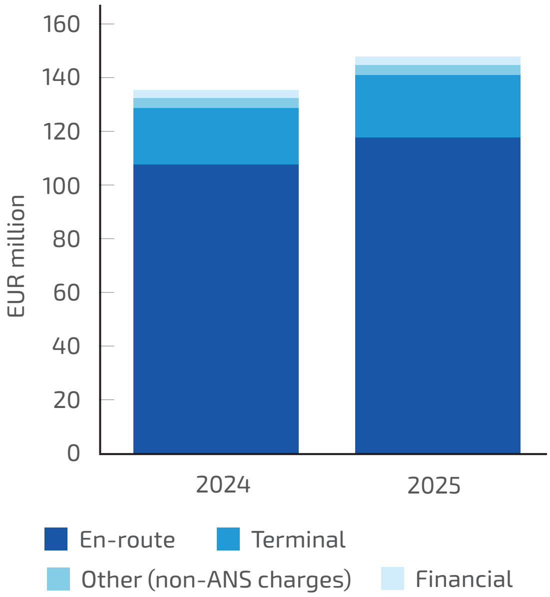
Other Business Revenues (excluding financial)

Other business revenues amounted to **EUR 3.9 million**, representing **2.6%** of total revenues, and mainly consisted of IAS 20 revenues related to EU funding received to support EU-backed projects, as well as other non-core revenues.

Please note that, starting from 2025, revenue resulting from the release of SES-related liabilities has been included in Core Business Revenues. These liabilities were previously classified as Provisions, and Provision reversal was classified as Other Income. The 2024 comparative figures have been adjusted accordingly.

Financial Income and Revenues

Financial income primarily consists of the positive effect of discounting and the unwinding of SES contractual assets, alongside interest income. These sources remain non-operational and marginal, accounting for only **2.1%** of total revenues.

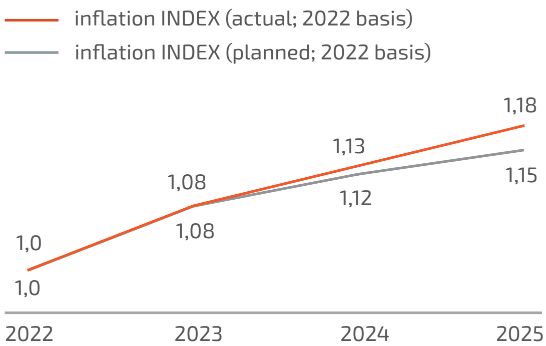


Total revenue development

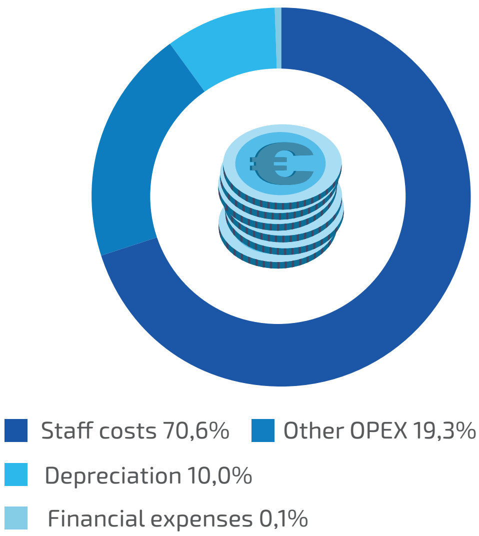
As is typical across the air navigation service provision industry, total revenue in 2025 continued to be dominated by en route charges, which accounted for 79.6% of total revenues. Revenue from terminal services represented 15.8% of the total, while other business revenues, including financial income, accounted for the remaining 4.6%.

Operating and Financial Expenses

Following the post-pandemic recovery, 2025 was marked by continued strong traffic growth and ongoing operational challenges linked to inflationary pressures and a competitive labor market. Total expenses for the year amounted to EUR 133.4 million, exceeding the previous year's level. The cost structure in 2025 continued to reflect inflation-driven increases in staff costs, material expenses, and depreciation, alongside sustained investment in operational capabilities.



Inflation: planned vs actual



Cost structure

Detailed cost development and structure are described below.

Staff costs

Staff costs remained the largest component of the Company's total cost structure in 2025, accounting for 70.6% of total expenses. For the year, staff costs amounted to EUR 94.1 million, reflecting an increase compared to 2024. This rise was primarily driven by the effect of the new collective agreement, coupled with the continued recruitment of operational staff to meet growing traffic demand. The salary adjustment embedded in the collective agreement reflects a controlled and lagging response to inflationary pressures, higher traffic volumes, and broader labor market developments. Recruitment activity previously communicated and encompassed in the RP3 Performance Plan (PP), but delayed in recent years due to various factors, remained strong in 2025 as the Company continued to catch up on planned hiring. This was particularly evident in the hiring of critical personnel such as ACC ATCOs and ATSEP.

Depreciation costs

Depreciation costs accounted for 10.0% of total expenses in 2025, amounting to EUR 13.3 million, which is 14.1% (or EUR 1.6 million) higher than in the previous year, despite the ongoing decommissioning of fully amortized existing assets.

This increase reflects the accelerated investment cycle and the commissioning of assets into operational use in 2024 and 2025, clearly demonstrating CCL's strong commitment to implementing the RP4 CAPEX plan. The growth is attributable to an increase of EUR 0.33 million in depreciation of intangible assets and EUR 1.27 million in depreciation of property, plant, and equipment.

Although 2025 marked another strong investment performance, the full-year depreciation effects of these assets are expected to incur in the coming years.

Other expenses (excl. financial expenses)

Other expenses (excluding depreciation and staff costs) amounted to EUR 25.8 million in 2025, representing 19.3% of the Company's total expenses. Compared to 2024, these expenses were higher primarily due to significant inflationary pressure, the overall growth in CCL's activities, and an increase in provision expenses in 2025 related mainly to severance and jubilee benefits (as a result of the new collective agreement). Inflationary pressures were most reflected in higher maintenance costs, costs of leased telecommunication lines, and costs of software licenses.

The cost structure in 2025 therefore indicates a continued focus on supporting operational capacity and service quality, while maintaining prudent cost control measures in light of ongoing inflationary pressures.

Financial Expenses

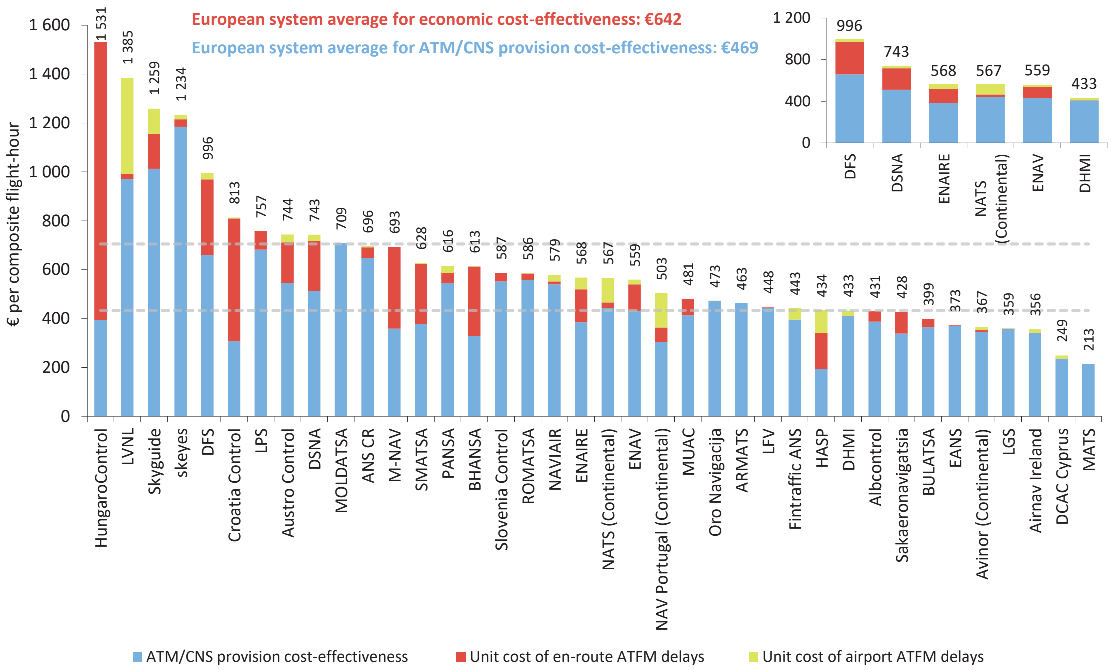
Financial expenses, consisting primarily of interest expenses, remained marginal in 2025, accounting for only 0.1% of total costs. These costs are non-operational in nature and have no significant impact on the Company's overall financial position.

Cost Effectiveness

European ATM performance is regularly monitored by the Performance Review Unit (PRU). The PRU's economic cost-effectiveness indicator is an indicator of how well an ANSP delivers ANS in terms of cost-effectiveness.

According to the latest ATM Cost-Effectiveness (ACE) 2024 Benchmarking Report, dated May 2026, the European System average for economic cost-effectiveness was EUR 642 per composite flight-hour. In 2024, ATFM delays represented a major performance challenge; therefore, economic cost-effectiveness records did not align closely with financial cost effectiveness, especially in countries experiencing large and rapid traffic recovery and growth.

At the same time, CCL performed better than the European system average in terms of 2024 financial cost-effectiveness, measured as ATM/CNS provision costs per composite flight-hour average. CCL performed 26.64% worse than the European system average in terms of economic cost effectiveness due to significant ATFM delays caused by capacity challenges stemming from traffic growth that substantially exceeded the planned level. Such performance placed CCL in the higher range of economic cost-effectiveness, but within the lower quartile in terms of financial cost-effectiveness.



Economic gate-to-gate cost-effectiveness indicator by ANSP, 2024

Cost Efficiency KPA

The realized 2025 cost-efficiency target for CCL and Croatia (ENR DUC or DUC), as adopted within the revised RP4 Performance Plan of Croatia (May 2025), was 9.9% and 8.6% better than planned, respectively, due to the following:

- total en route costs in nominal terms being 0.3% (and 0.2%) lower than the 2025 plan for CCL (and Croatia), which at the 2025 inflation index 2.7 percentage points higher than planned resulted in total en route costs in real terms (at 2022 prices) being 2.7% (and 2.4%) below the plan, and
- 2025 en route traffic exceeding the planned level by 6.8%.

Environment

CCL contributes to the decarbonization of the aviation sector by optimizing air traffic operations and reducing emissions through route shortening. By designing efficient arrival and departure flight procedures and enabling continuous descent operations (CDO), CCL supports optimum aircraft performance while mitigating environmental impacts during arrival and departure phases of a flight.

Through the implementation of the FRA concept, CCL enables airspace users to fly the shortest possible routes. The full deployment of FRA leads to reduced flight times and lower fuel consumption, directly decreasing CO_2 emissions. By setting specific targets for route shortening and ATM optimization, CCL also helps reduce operational costs and greenhouse gas emissions for airlines.

The most significant initiative supporting optimal airspace usage is the implementation of FRA, developed in partnership with neighboring ANSPs. This is aligned with the goals of the SES initiative, which promotes the cross-border integration of FRAs to improve airspace efficiency and minimize environmental impacts.

Croatia plays a central role in the SECSI FRA, one of the largest and most advanced cross-border FRA projects in Europe. It encompasses the airspace of Albania, Austria, Bosnia and Herzegovina, Croatia, Montenegro, North Macedonia, Serbia, and Slovenia, providing airspace users with seamless FRA from FL205 to FL660.

In 2024, cross-border FRA operations were established between SECSI FRA and Italy's FRAIT airspace, marking one of the most significant milestones in the further integration of south-eastern and western Europe. This expansion has a particularly strong impact on Croatian airspace, as a substantial volume of traffic across the Adriatic can now use more optimal routes, enhancing the competitiveness of our services.

The Commission Implementing Regulation (EU) 2019/317 defines environment as one of the key performance areas in (KPA) in ANS. This Implementing Regulation defines the horizontal en route flight efficiency in actual flown trajectories (KEA) and Key Performance Indicator (KPI) in the key performance area of environment, while the Commission defined performance targets by its decision.

The savings are being measured four times a year, in line with predefined parameters. In 2025 the analyses of potential savings were measured on the following selected dates: January 3, April 11, August 22 and December 19 using the EUROCONTROL's post-operational analysis NET Strategic Tool. The simulation of traffic in en route network was done before and after the introduction of FRA. On the basis of comparison, the following possible savings per flight were calculated:

- **330.30 kg of fuel**
- **1040.48 kg of CO_2**
- **4.37 kg of NOX**

Within the framework of the Performance Plan 2025 - 2029 (RP 4), the target in the KPA of environment was set on the basis of KPI of en route horizontal flight efficiency of the actual trajectory - KEA. It is measured as average additional distance flown compared to the great circle distance.

The proposed target value for 2025 is set at 1.46%, which is actually a value that represents the inefficiency resulting from the comparison of the length of the en route part of the actual trajectory derived from the surveillance data and the achieved distance in the local airspace. The calculation of this indicator is done by PRU, and it is published on PRU's web site.

For 2025 the indicator was 1.51%, which is slightly higher than the proposed target value. Although the goal has not been reached, the inefficiency to the ideal trajectory is still acceptable taking into account the circumstances of high traffic growth and load on the capacities of Zagreb ACC sectors in the summer season.

Human Resources

Continuous investment in employee development through the targeted and systematic enhancement of their knowledge, skills, and competencies forms an integral part of CCL's strategic direction. This approach enables us to maintain a high level of expertise and professionalism, which, combined with our employees' extensive experience, supports operational excellence, creates added value, and contributes to the long-term sustainability of CCL. At the same time, it further strengthens our position as a reliable and respected partner in international cooperation.

We ensure a sufficient pool of high-quality candidates in our recruitment processes through an active presence in the labor market and the systematic strengthening of CCL's profile as an employer of choice. To this end, we participate in career fairs at selected universities and conduct digital campaigns aimed at attracting candidates to the ATCO profession. As part of our employer branding activities in 2025, a new promotional video was produced, presenting the profession in a modern and engaging way. New employees are introduced to the workplace through a structured and carefully designed onboarding process, enabling them to adapt more quickly and integrate successfully into the organization.

All employees have access to a wide range of professional development opportunities, and we actively encourage and support continuous learning. These opportunities include participation in seminars, conferences, professional forums, and training programs, as well as involvement in national and international working groups. Through these activities, employees further develop their competencies, exchange knowledge and experience, and actively contribute to the advancement of both the profession and the Company.

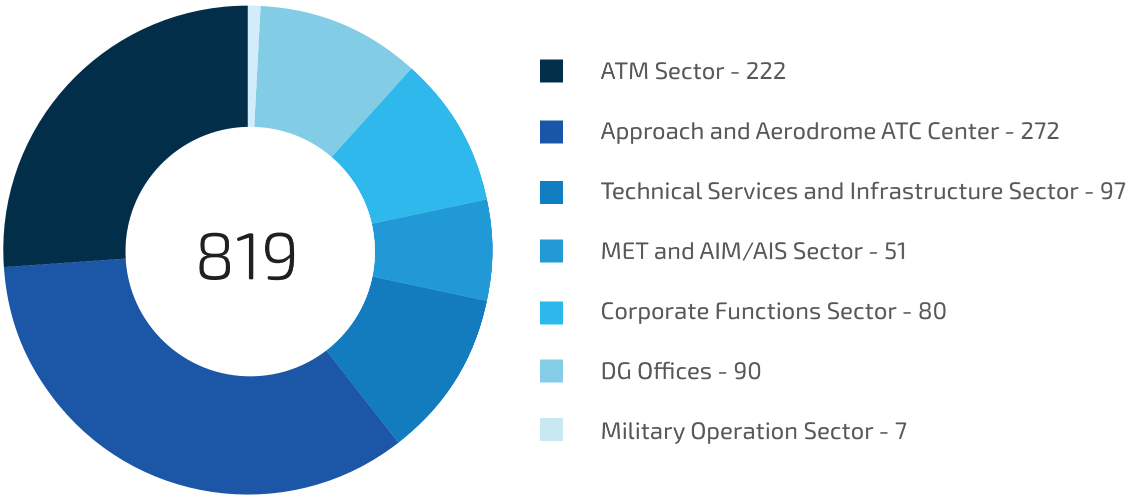
Employee development also encompasses the continuous enhancement of communication, teamwork, and collaboration, which are essential prerequisites for effective organizational performance. We place particular emphasis on fostering a culture of open and constructive feedback, enabling us to continuously identify opportunities for improvement.

Onboarding Day in Zagreb ACC

A leadership development program for senior and middle management, launched in 2024, was further expanded in 2025 through competency development in HRM and training in the application of artificial intelligence tools. At the same time, a leadership development program for team leaders was also launched. The objective of these programs is to systematically strengthen leadership capabilities at all management levels, enabling the more effective achievement of business objectives, enhancing organizational performance, and further promoting a positive organizational culture and work environment.

Employees

As at December 31, 2025, Croatia Control employed 819 people, an increase of 32 employees compared with 787 at the end of 2024.



Structure and no. of employees per sectors as at December 31, 2025

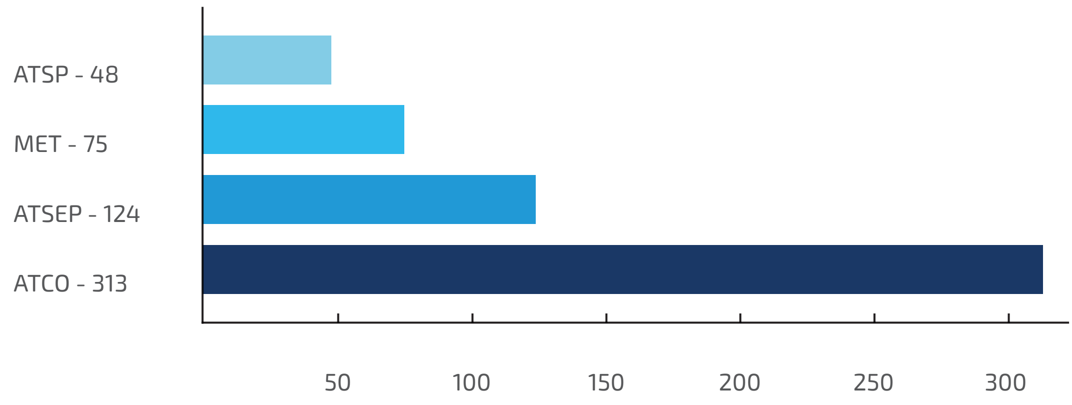
Employment and Recruiting

CCL is fully committed to pursuing the principle of equal opportunities and dignity of every individual in its recruiting and employment policy. The employment was carried out pursuant to the Labor Agreement and applicable internal employment procedures. During 2025, 56 employees joined the Company, while 24 employees left the Company.

The selection of ATCO candidates was conducted in compliance with the predefined testing procedures, including the FEAST program and the assessment center. The selection of ATSEP, MET, ATSP and administrative personnel was conducted according to the internal testing procedures.

Training

Integral ATCO training system was established in CCL. CCL is certified for the Basic Training of all types of ATCO's, ADI/TWR, APS/TCL, ACS Rating and Unit Training in line with Commission Regulation (EU) 2015/340. In addition to the training of new and existing ATCOs, the Training Organization also conducted initial and refresher courses for ATSEP, MET, ATSP and other operational personnel, in compliance with relevant EU regulations and respective training plans.



Operational staff – number of licenses in 2025

Health and Safety

CCL continuously implements preventive measures to protect the health, safety, and well-being of its employees.

A dedicated stress prevention and management program for ATCOs is conducted annually from mid-September to mid-April, between two traffic seasons. Over the reporting period, 286 ATCOs participated in the program.

Critical Incident Stress Management (CISM) is a preventive and active stress management program for ATCO, FDO, AMC, FMP and FIC personnel. Its purpose is to strengthen psychological resilience and provide support to employees who experience a critical incident. Support is provided on a voluntary basis by specially trained peer supporters. In 2025, 21 peer supporters participated in four refresher training sessions as part of the CISM program.

CCL implements a range of measures aimed at protecting employees' health and well-being. One of these measures is the careful planning of shift schedules, with particular attention given to designing optimal work patterns that reduce the risk of excessive fatigue. This ensures adequate rest between shifts, while special consideration is given to night shifts due to their particularly demanding nature.

Through the Team Resource Management (TRM) program, CCL promotes teamwork and effective communication among employees, further contributing to stress reduction and a positive working environment.

In accordance with the Labor Act and the Occupational Health and Safety Act, CCL has established an Occupational Health and Safety Committee comprising representatives of both the employer and employees, occupational health and safety professionals, and an occupational medicine specialist. Legislative developments and the requirements of applicable standards are systematically monitored and implemented, while the Company's risk assessment is regularly reviewed and updated to reflect organizational and operational changes.

Outlook and Priorities for 2026

Amid increasing geopolitical tensions, persistent global economic uncertainty, and a complex operational environment, 2026 stands out as a year of strategic significance for CCL. While many European countries face volatility and regional reroutings due to evolving conflict zones and airspace restrictions, Croatia's exceptional geographic position continues to support strong air traffic growth. This sustained upward trend reinforces CCL's role as one of the key enablers of the regional and pan-European aviation network.

In 2026, the Company shifts firmly from planning to the execution of major investments and strategic transformation projects. This includes both capital infrastructure and human resources—especially through the continuation of the largest-ever ATCO training initiative, aimed at meeting increasing operational demands and fulfilling its performance obligations.

CLL continues to invest substantial resources and effort in meeting the performance targets set forth in the approved Performance Plan for the Fourth Reference Period (RP4) (May 2026). This approval marks a critical milestone in CCL's regulatory journey, shifting the focus towards meeting the officially adopted RP4 targets in all key performance areas, including safety, capacity, environment, and cost-efficiency.

Goals and priorities for 2026:

Safety

- to meet all RP4 safety targets, ensuring robust safety performance monitoring and continuous improvement across all operational domains
- to adapt internal safety oversight to address increased traffic complexity and evolving risk factors linked to regional instability and airspace constraints

Capacity

- to contribute proactively to the resilience of the pan-European ATM network, particularly under pressure from unplanned traffic growth
- to maintain or exceed the baseline capacity of 222 operations per hour, with the flexibility to adapt to seasonal and short-notice demand spikes

Environment

- to meet or exceed the RP4 horizontal en route flight efficiency target of 1.45%, supporting EU-wide climate objectives
- to expand PBN and cross-border coordination to reduce emissions and route inefficiencies

Cost Efficiency

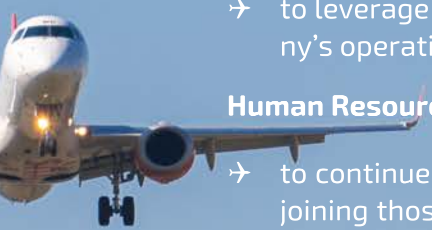
- to deliver the approved RP4 determined unit cost (DUC) target of -1.2% for 2026 compared to 2025, balancing planned investments with financial discipline

Technical Systems

- to implement a EUR 23.9 million investment program, prioritizing digitalization, automation, and technical upgrades to improve service availability and safety
- to advance the deployment of the next-generation ATM solution, improving scalability and readiness for future traffic levels

Strategic Projects

- to continue, together with COOPANS partners, the deployment of TopSky-ATC One and EXODUS, with the latter supported by co-funding under the CEF DSD 2022 Call. These programs are key to regulatory alignment, technological innovation, and improved interoperability across the region
- to leverage EU partnerships and funding mechanisms to future-proof the Company's operations in alignment with the Digital European Sky and SESAR 3 priorities



Human Resources / ATCO Training

- to continue the significant in-house ATCO training program, with 20 new trainees joining those already enrolled, thereby supporting the development of future ATCOs and ensuring the organization is well positioned to address all capacity challenges.
- to scale up internal training capacity, modernize simulation infrastructure, and expand the pool of certified instructors to meet the needs of RP4 and beyond

Financial Statements and Auditor's Report

RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

The Management of **CROATIA CONTROL LTD.**, Velika Gorica, Rudolfa Fizira 2, (the "Company") is required to ensure that the Company's annual financial statements for 2025 are prepared in accordance with the Accounting Act (Official Gazette Nos. 85/24, 145/24 and 151/25) and the International Financial Reporting Standards ("IFRS") as adopted by the European Union, so as to provide a true and fair view of the Company's financial position, results of operations, changes in equity and cash flows for that period.

Based on the investigations carried out, the Company's Management has a reasonable expectation that the Company has adequate resources to continue operating in the foreseeable future. Accordingly, the Company's Management has prepared the annual financial statements on a going concern basis.

In preparing the annual financial statements, the Company's Management is responsible for:

- electing and thereafter consistently applying appropriate accounting policies in accordance with the applicable financial reporting standards;
- making reasonable and prudent judgments and estimates;
- preparing the annual financial statements on a going concern basis, unless such assumption is inappropriate.

The Company's Management is responsible for maintaining proper accounting records which will, at any time and with reasonable accuracy, reflect the Company's financial position, results of operations, changes in equity and cash flows, as well as their compliance with the Accounting Act and the International Financial Reporting Standards as adopted by the European Union. The Company's Management is also responsible for safeguarding the Company's assets and, therefore, for taking reasonable measures to prevent and detect fraud and other irregularities.

Signed on behalf of the Management:

Mario Kunovec-Varga, Director General

CROATIA CONTROL LTD.
Rudolfa Fizira 2
10 410 Velika Gorica
15 May 2026

INDEPENDENT AUDITOR'S REPORT

To the owners of the company Croatia Control Ltd.

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of Croatia Control Ltd. (the "Company"), which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss, the statement of cash flows, and the statement of changes in equity for the year then ended, as well as the notes to the financial statements, including information on significant accounting policies.

In our opinion, the accompanying annual financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted in the European Union (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of financial statements of public interest entities in the Republic of Croatia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue

The Company recognised revenue in the amount of EUR 141,766,090 for the year ended 31 December 2025 (year ended 31 December 2024: EUR 129,560,500).

Revenue comprises domestic revenue (EUR 7,385,019), foreign revenue (EUR 137,650,408), revenue equalisation related to the release of SES non-current assets (EUR 8,604,643), and the Balance mechanism (SES regulatory framework) (EUR 5,335,306), as disclosed in detail in Note 3.

Key audit matter

Revenue recognition and measurement – Balance mechanism- Revenue from contracts with customers as at 31 December 2025 amounts to EUR 141,766,090 (31 December 2024: EUR 129,560,500), including a positive adjustment through the Balance mechanism of EUR 5,335,306.

Revenue from services in the upper ("en-route") and lower ("terminal") airspace includes a positive or negative adjustment to revenue recognised at the end of the year in order to reflect regulatory true-ups within the period. Such revenue adjustments, realised through the Balance mechanism, are governed by specific tariff mechanisms applied during the charging years, with an impact on the relevant financial year.

The processes and methodologies used for measuring revenue adjustments are based on complex calculation algorithms and assumptions which, by their nature, require management judgment, particularly in relation to expectations regarding the timing of settlement and the determination of the discount rate applied.

Due to the complexity inherent in this measurement, we identified this area as a key audit matter. Disclosures related to revenue accounting policies and measurement criteria arising from the Balance mechanism are included in Notes 2.5, 3, 12, 19 and 26.

How the matter was addressed in the audit

Our audit procedures in response to this key audit matter, among others, included:

- assessing the appropriateness of the Company's accounting policies relating to revenue recognition from contracts with customers and their compliance with International Financial Reporting Standards (IFRS), as adopted in the European Union;
- obtaining an understanding of, and testing, the design, implementation and operating effectiveness of relevant internal controls over the revenue recognition process, with a focus on controls designed to prevent and detect material misstatements and fraud;
- assessing the appropriateness of the timing of revenue recognition in order to determine whether revenue has been recognised accurately and in the appropriate accounting period, based on available documentation and supporting evidence;
- performing analytical procedures at the revenue level in order to identify unexpected fluctuations and trends;
- assessing the adequacy and completeness of disclosures related to revenue in the financial statements, in accordance with IFRS, as adopted in the European Union.

Other Matter

The financial statements of the Company for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on 16 May 2025.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express any form of assurance thereon.

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

With respect to the Management Report, we also performed procedures required by the Accounting Act. These procedures include verifying whether the Management Report has been prepared in accordance with Article 24 of the Accounting Act.

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

- the information in the accompanying Management Report is consistent, in all material respects, with the annual financial statements;
- the Management Report has been prepared in accordance with Article 24 of the Accounting Act.

Based on our knowledge and understanding of the Company and its environment obtained during the audit, we are required to report if we have identified material misstatements in the other information (excluding the Sustainability Report). We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Annual Financial Statements

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- identify and assess the risks of material misstatement in the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and assess whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, the actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

1. As at 24 July 2025, we were appointed by the Company's Management to perform, for the first time, the audit of the financial statements for the years 2025 and 2026.

3. In the audit of the Company's financial statements for 2025, we determined materiality for the financial statements as a whole to be EUR 2,315,061, representing approximately 1.5% of projected revenue for 2025.

We selected revenue as the benchmark for materiality because we consider it to be the most appropriate measure by which users typically evaluate the Company's performance, and it is also a commonly accepted benchmark.

4. Our audit opinion is consistent with the additional report to the Company's Audit Committee prepared in accordance with the provisions of Article 11 of Regulation (EU) No. 537/2014.

5. During the period from the initial date of the audited financial statements of the Company for 2025 to the date of this report, we did not provide prohibited non-audit services to the Company, nor did we provide, in the financial year preceding the aforementioned period, services relating to the design and implementation of internal control or risk management procedures related to the preparation and/or control of financial information, or the design and implementation of financial information technology systems, and we have maintained our independence in the course of the audit.

The engagement partner on the audit resulting in this independent auditor's report is Marina Tonžetić, Certified Auditor.

Zagreb, 15 May 2026

BDO Croatia d.o.o.

Radnička cesta 180

10000 Zagreb

Hrvoje Stipić,
President of the Management Board

Marina Tonžetić, Member of the Management Board and Certified Auditor

Statement of comprehensive income		
	2025	2024 (restated)
	in EUR	in EUR
Sales revenue	141,766,090	129,560,500
Other operating income	3,330,103	3,451,934
Operating income	**145,096,193**	**133,012,434**
Material costs	(13,537,730)	(11,981,188)
Staff costs	(94,144,312)	(81,497,344)
Depreciation and amortisation	(13,328,413)	(11,683,806)
Other costs	(7,196,904)	(6,715,663)
Value adjustments	(72,706)	(75,354)
Provisions	(4,260,785)	(1,721,792)
Other operating expenses	(690,613)	(309,361)
Operating expenses	**(133,231,463)**	**(113,984,508)**
Profit from ordinary activities	**11,864,730**	**19,027,926**
Finance income	3,062,945	2,792,356
Finance expenses	(198,581)	(304,506)
Profit from financial activities	**2,864,364**	**2,487,850**
TOTAL INCOME	**148,159,138**	**135,804,790**
TOTAL EXPENSES	**(133,430,044)**	**(114,289,014)**
PROFIT BEFORE TAX	**14,729,094**	**21,515,776**
Income tax	(2,640,295)	(3,861,423)
PROFIT FOR THE PERIOD	**12,088,799**	**17,654,353**
NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	**12,088,799**	**17,654,353**

Balance sheet		
	31 December 2025	31 December 2024 (restated)
	in EUR	in EUR
ASSETS		
Intangible assets	29,680,320	24,788,725
Right- of- use assets	590,829	505,152
Property, plant and equipment	53,026,039	47,968,033
Financial assets	16,000	491,080
Deferred tax assets	6,784,612	7,219,097
Long-term prepaid expenses and accrued income	6,384,349	13,094,300
NON-CURRENT ASSETS	**96,482,149**	**94,066,387**
Inventories	328,664	427,526
Trade receivables	21,411,102	18,619,798
Receivables from employees and members of the company	38,873	37,971
Receivables from the state and other institutions	2,581,423	3,830,357
Other receivables	11,584	6,225
Financial assets	40,137,795	40,207,459
Cash at bank and in hand	40,460,745	48,353,226
Short-term prepaid expenses and accrued income	7,745,796	8,328,924
CURRENT ASSETS	**112,715,982**	**119,811,486**
TOTAL ASSETS	**209,198,131**	**213,877,873**
OFF-BALANCE SHEET ITEMS	**62,311,888**	**59,378,409**

Balance sheet		
	31 December 2025	31 December 2024 (restated)
	in EUR	in EUR
EQUITY AND LIABILITIES		
Share capital	60,000,000	60,000,000
Other reserves	52,965,246	45,903,505
Profit for the financial year	12,088,799	17,654,353
EQUITY AND RESERVES	**125,054,045**	**123,557,858**
Provisions	**18,384,958**	**15,207,132**
Liabilities to banks and other financial institutions	3,981,685	9,290,597
Other non-current liabilities	6,524,889	15,473,207
Long-term accrued expenses and deferred income	5,810,531	7,572,954
Deferred tax liability	9,827	4,472
Non-current liabilities	**16,326,932**	**32,341,230**
Liabilities for deposits	462,037	380,667
Liabilities to banks and other financial institutions	5,308,912	5,378,357
Trade payables	8,373,781	7,888,646
Liabilities to employees	10,426,186	8,783,958
Liabilities for taxes, contributions and similar charges	8,504,891	6,949,729
Other current liabilities	15,258,524	12,474,973
Short-term accrued expenses and deferred income	1,097,865	915,323
Current liabilities	**49,432,196**	**42,771,653**
TOTAL EQUITY AND LIABILITIES	**209,198,131**	**213,877,873**
OFF-BALANCE SHEET ITEMS	**62,311,888**	**59,378,409**

Statement of changes in equity

	Share (subscribed) capital	Other reserves	Profit for the financial year	Total
	in EUR	in EUR	in EUR	in EUR
31 December 2023	**59,725,264**	**39,260,342**	**17,294,749**	**116,280,355**
Transfer of 2023 profit	274,736	17,020,013	(17,294,749)	-
Dividend paid	-	(10,376,849)	-	(10,376,849)
Profit for 2024	-	-	17,654,353	17,654,353
31 December 2024	**60,000,000**	**45,903,505**	**17,654,353**	**123,557,858**
Transfer of 2024 profit	-	17,654,353	(17,654,353)	-
Dividend paid	-	(10,592,612)	-	(10,592,612)
Profit for 2025	-	-	12,088,799	12,088,799
31 December 2025	**60,000,000**	**52,965,246**	**12,088,799**	**125,054,045**

Statement of cash flows			
		2025	2024 restated
		in EUR	in EUR
I	CASH FLOWS FROM OPERATING ACTIVITIES		
A	Profit before tax	14,729,094	21,515,776
	Depreciation and amortisation	13,328,413	11,683,806
	Losses on disposal and impairment of non-current tangible and intangible assets	(6,815)	(44,150)
	Interest and dividend income	(1,487,511)	(1,570,284)
	Interest expense	194,165	301,286
	Provisions	3,182,326	817,492
	Foreign exchange differences - unrealised	(4,293)	2,973
	Other adjustments for non-cash transactions and unrealised (gains / losses)	(5,338,943)	(10,497,716)
B	Total adjustments	9,867,342	693,407
C= A+B	**INCREASE IN CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL**	**24,596,436**	**22,209,183**
	Increase in current liabilities	5,000,361	1,859,952
	Decrease in current receivables	4,445,847	5,561,889
	(Increase)/ Decrease in inventories	98,862	(51,414)
D	**Changes in working capital**	**9,545,070**	**7,370,427**
E	Cash payments for interest	(196,146)	(276,816)
F	Income tax paid	(4,878,201)	(5,370,042)
I=∑(A:F)	**NET CASH FLOWS FROM OPERATING ACTIVITIES**	**29,067,159**	**23,932,752**
II	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Cash receipts from sale of non-current tangible and intangible assets	24,423	47,730
	Cash receipts from interest	1,405,799	1,570,284
	Cash receipts from repayment of loans granted and savings deposits	497,906	-
	Other cash receipts from investing activities	-	-

Statement of cash flows			
		2025	2024 restated
		in EUR	in EUR
G	**Total cash receipts from investing activities**	**1,928,128**	**1,618,014**
	Cash payments for purchase of non-current tangible and intangible assets	(22,916,798)	(27,823,420)
	Cash payments for loans granted	-	-
	Other cash payments from investing activities	-	-
H	**Total cash payments from investing activities**	**(22,916,798)**	**(27,823,420)**
II= G+H	**NET CASH FLOWS FROM INVESTING ACTIVITIES**	**(20,988,670)**	**(26,205,406)**
III	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Other cash receipts from financing activities	-	1,643,602
J	**Total cash receipts from financing activities**	**-**	**1,643,602**
	Cash payments for dividends	(10,592,612)	(10,376,849)
	Cash payments for repayment of principal of loans, borrowings and other debt financial instruments	(5,378,357)	(6,775,029)
	Other cash payments from financing activities		(150,156)
K	**Total cash payments from financing activities**	**(15,970,969)**	**(17,302,035)**
III=J+K	**NET CASH FLOWS FROM FINANCING ACTIVITIES**	**(15,970,969)**	**(15,658,432)**
I+II+III	**TOTAL NET CASH FLOWS**	**(7,892,480)**	**(17,931,087)**
	CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**48,353,226**	**66,284,313**
	CASH AND CASH EQUIVALENTS AT END OF PERIOD	**40,460,746**	**48,353,226**
	(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(7,892,480)**	**(17,931,087)**

Abbreviations

A4E	Airlines for Europe
ACC	Area Control Centre
ACS	Area Control Service
ACE	ATM Cost-Effectiveness
ADI	Aerodrome Control Instrument
ADS-B	Automatic Dependent Surveillance–Broadcast
ADSP	ATM Data Service Provider
AIC	Aeronautical Information Circular
AIP	Aeronautical Information Publication
AIM/AIS	Aeronautical Information Management / Aeronautical Information Services
AIXM	Aeronautical Information Exchange Model
AMC	Airspace Management Cell
ANS	Air Navigation Services
ANSP	Air Navigation Service Provider
AOLO	Aircraft Operator Liaison Officer
AOR	Area Of Responsibility
APS	Approach Control Surveillance
ARO	Airport Reservation Office
ASM	Airspace Management
ATC	Air Traffic Control
ATCC	Air Traffic Control Centre
ATCO	Air Traffic Control Officer
ATFM	Air Traffic Flow Management
ATM	Air Traffic Management
ATS	Air Traffic Services
ATSEP	Air Traffic Safety Electronics Personnel
ATSOM	Air Traffic Services Operations Manual
ATSP	Air Traffic Services Personnel
ATSU	Air Traffic Service Unit
BHANSA	Bosnia and Herzegovina Air Navigation Services Agency
CANSO	Civil Aviation Navigation Services Organization
CAPEX	Capital Expenditure
CBCF	Cross Border Convection Forecast
CCAA	Croatian Civil Aviation Agency
CCL	Croatia Control Ltd.
CDO	Continuous Descent Operations
CEF	Connecting European Facility
CINEA	European Climate, Infrastructure and Environment Executive Agency
CISM	Critical Incident Stress Management
CNS	Communication, Navigation and Surveillance
COOPANS	Cooperation Between Air Navigation Service Providers
CP	Common Project
CRCO	Central Route Charges Office
CTA	Controlled Area
CTR	Control Zone
CWBO	Capacity and Weather Based Operations
DG	Director General
DME	Distance Measuring Equipment
DSD	Digital Sky Demonstrators
DUC	Determined En Route Unit Cost
EAD	European Aeronautical information Database
EASA	European Union Aviation Safety Agency
EMS	Environmental Management System
ENR	En Route
EoSM	Effectiveness of Safety Management
ERM	Enterprise Risk Management
EU	European Union
EURO CONTROL	European Organization for the Safety of Air Navigation
FAB CE	FAB Central Europe
FCE	FAB CE Aviation Services Ltd
FEAST	First European Air Traffic Controller Selection Test
FIR	Flight Information Region
FL	Flight Level
FMP	Flow Management Position
FPD	Flight Procedure Design
FRA	Free Route Airspace

FUA	Flexible Use of Airspace
GAT	General Air Traffic
GNSS	Global Navigation Satellite System
HRM	Human Resource Management
INEA	Innovation and Networks Executive Agency
IAP	Instrument Approach
IAS	International Accounting Standards
IATA	International Air Transport Association
ICAO	Internation Civil Aviation Organization
IESBA	International Ethics Standards Board for Accountants
IFR	Instrument Flight Rules
IFRS	International Financial Reporting Standards
ISA	International Standards on Auditing
ISO	International Organization for Standardization
ISLAND	Intelligent Suite for Local and Network Demand and Capacity Balance
JC	Just Culture
KEA	Key Environment Area
KPA	Key Performance Area
KPI	Key Performance Indicator
LARA	Local And Regional Airspace Management Supporting System
Ltd.	Limited
MALE RPAS	Medium-Altitude, Long-Endurance Remotely Piloted Aircraft System
MET	Aeronautical Meteorological Services
MoD	Ministry of Defense
MON	Minimum Operational Network
MSL	Mean Sea Level
NATO	North Atlantic Treaty Organization
NET	Network
NM	Network Manager
NOTAM	Notice to Airmen
PBN	Performance Based Navigation
PFB	Pre-Flight Briefing
PIB	Pre-flight Information Bulletins
PP	Performance Plan
PRU	Performance Review Unit
QMS	Quality Management System
RP	Reference Period
SATM	Specific ATM
SDIP	SESAR Deployment & Infrastructure Partnership
SDM	SESAR Deployment Manager
SDP	SESAR Deployment Program
SeCMS	Security Management System
SECSI	South East Common Sky Initiative
SEA FRA	South-East Axis Free Route Airspace
SES	Single European Sky
SESAR	Single European Sky ATM Research
SESAR JU	SESAR Joint Undertaking
SID	Standard Instrument Departures
SMI	Separation Minima Infringement
SMS	Safety Management System
STAR	Standard Instrument Arrivals
STATFOR	Statistics and Forecast Service
SWIM	System Wide Information Management
TAM	Telephone Messaging Machine
TBO	Trajectory Based Operations
TCL	Terminal Control
TCT	Tactical Controller Tool
TMA	Terminal Maneuvering Area
TOKAI	Toolkit for ATM Occurrence Investigation
TRM	Team Resource Management
TWR	Tower Control Unit
UAS	Unmanned Aerial Systems
UTM	Unmanned Aircraft System Traffic Management
VC	Virtual Centre
VFR	Visual Flight Rules
VHF	Very High Frequency
TWR	Tower Control Unit (Aerodrome Control Tower)
UAS	Unmanned Aerial Systems
UTM	Unmanned Aircraft System Traffic Management
VFR	Visual Flight Rules
VoIP	Voice over Internet Protocol
VRRS	Voice Recording and Replay System
WAM	Wide Area Multilateration

Impressum

Published by

Croatia Control Air Navigation Services, Limited
Rudolfa Fizira 2
HR-10410 VELIKA GORICA, CROATIA, P.O.B. 103
www.crocontrol.hr

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