

Croatia: Majority of HEP's 2019 profit to be transferred to state budget

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HEP management said that transferring the majority of the company's profit to the state budget will not interfere with its investment plans. Shareholders of Croatian power utility HEP made a decision on the allocation of the company's profit achieved in 2019.

A total of 146.8-million-euro net profit for 2019 will be allocated as follows: 60 % or some 88 million euros will be transferred to the state budget, 51.4 million euros will go to retained earnings, while the remaining 7.4 million euros will be held as mandatory reserve.

HEP's CEO Frane Barbaric said last month that the group's investment cycle has not been stopped or slowed down, instead 2020 investment plan has been set at the biggest amount in the history of the company, totaling at almost 650 million euros. Even last year, with 450 million euros, investment rose by more than 40 % at the annual level, and even more ambitious objectives have been set by this year's plan. HEP is going to continue the investment cycle with the same intensity, planned investment between 2021 and 2024 amounting to almost 2 billion euros. Currently, HEP is developing hydro power system Kosiinj/Senj2, its biggest project yet, worth 450 million euros, a new highly-efficient unit in combined heat and power plant Zagreb, in which it is investing 120 million euros, Korlat wind farm worth 66 million euros and six solar power plants. HEP's plan by 2030 is to have new 1,500 MW in generation capacities, 350 MW of which in wind farms, and the same amount in solar power plants.

HEP is going to invest around 100 million euros in the construction of solar power plants between 2019 and 2023. These and other HEP's newly constructed power plants are going to help with fulfilling Croatian obligations when implementing ambitious energetic and climatic EU objectives, which have recently got their framework in form of the European Green Deal. For financing its renewable scenario of development HEP is using European funds, so in the last three years it withdrew around 130 million euros from EU funds.