



2023 ANNUAL GENERAL ASSEMBLY

REPORT ON THE ACTIVITIES OF AMCHAM

EVENTS: 77 (65 own events)

Key events

Conferences: The Future of Healthcare, Tax policy in challenging times, Digital Croatia 2030, Business sustainability with ESG principles

Power Breakfasts / Lunches: Power Breakfast with Minister Tramišak (VFO), Power Breakfast „Croatia's Accession to the Eurozone“ with Zvonimir Savić, Lunch with Marisa Lago US Under Secretary of Commerce, FDI as an opportunity for economic recovery, Christmas lunch with Minister of Finance

Seminars: Taxation news in 2022, Impact of Covid-19 – how to approach transfer prices, Your employees' health, What to expect from Covid-19 in the future, Team up for excellence in procurement, The state of the global economy, Ukraine, the Baltics, and the Nordic Region: Discussing Security, Narratives, and Business Outlooks, The Three Seas Initiative seminar – Opportunities for US companies, Business and global impact of Ukraine-Russian crisis

Co-organized events: Directors and Officers Liability Insurance - is this topic still taboo among managers in Croatia?, Next generation Public Procurement, New HR strategies resistant to future challenges, Testing the resilience of the Croatian macroeconomics. How innovations and tourism-driven consumption fuel thriving businesses?, Meeting of science and economy: Research and development projects

Special projects: US Croatia Forum, Business Delegation to US (New York City and Boston), 3 visits in AmCham network

Networking: Gala Reception, 12 GM Breakfasts

Programs

AmCham Talents program events (10), Launchpad USA events (1), Boardroom Discussions program events (7), Harvard Business Review Press(6), supported events (1)

POLICY

New position papers (19)

- Initiative for a Sustainable and Competitive Definition of Electricity Prices in Croatia
- Commentary on the Draft Proposal of the Prevention of Undeclared Work Act
- Comment on the Compulsory Health Insurance Act
- Comment on the Draft Proposal of the Act on Amendments to the Enforcement Act
- Recommendations for the Tax System Reform in 2022
- Comments on the Draft Proposal of the Act on Amendments to the Public Procurement Act
- Comments on the Draft Ordinance on packaging and packaging waste
- Survey of the Business Environment in Croatia - 2022
- AmChams in Europe stands in solidarity with the people of Ukraine
- Comment on Amendments to the Civil Procedure Act
- Comments on Proposal for the Introduction of the Euro as the Official Currency
- Ordinance for determining the highest permitted price of medicinal products
- AmCham Comment on Bill amending the Windfall Tax Act
- Additional commentary on Windfall Tax Bill
- Joint Statement of Bilateral Chambers – Proposal of the Windfall Tax Act
- Proposal for an Ordinance on Reducing Ammonia Emissions in Pig Production
- Recommendations for Removing Regulatory and Administrative Barriers for Better Use of Renewable Energy Sources
- Discrepancy Between the Estimated procurement Value and the Bid Amount in Public Procurement Procedures in Croatia
- Ordinance on measures for listing medicine on CHIF list of medicine

Key Policy Accomplishments

1. Enabling submitting electronic versions of the documentation of proposals and amendments to the list of medicines to CHIF
2. Amendments to the Companies Act and Court Register Act
3. Increase in non-taxable compensations
4. Introduction of deadlines for the court proceedings, holding court hearings via electronic means of communication

EVENTS

- Lunches/Breakfasts (US Ambassador, FDI)
- Conferences (Digital Economy, Healthcare, ESG, Taxation)
- Workshops in public procurement with Mingor
- Annual General Assembly
- Thanksgiving donation
- GM breakfasts series
- Speed networking events
- Patron events
- Gala Reception

PUBLICATIONS

- 2 issues of News & Views magazines
- AmCham Yearbook
- Policy Briefs

AmCham plans the delegation to US

POLICY

- Position papers based on Committee plans and Board & membership approvals
- Committee meetings
- Policy advocacy meetings with the Government
- Press related activities

BUSINESS DEVELOPMENT

- Launchpad USA program to support first steps of Croatian companies entering U.S. market (in cooperation with AmCham Finland)
- AmCham Talents program
- AmCham Talents Alumni mentorship
- Harvard Business Review Press

FINANCIAL REPORTS

- 2022 Financial Report
- 2024 Financial Plan and Financial Trends

- In **2022** AmCham generated surplus through high net membership growth and sponsorship revenues. Total revenues exceeded pre-pandemic figures.
- In **2023** AmCham continued **high net membership growth** and excellent financial growth due to high sponsorships (anniversary Gala).
- Plan for **2024** is focused on further member support and retention. Membership growth will continue on a lower rate. Sponsorship revenues will be lower than in 2023 (no anniversary Gala), however it will grow for other events.

2022 Budget/Actual (Kn/EUR)

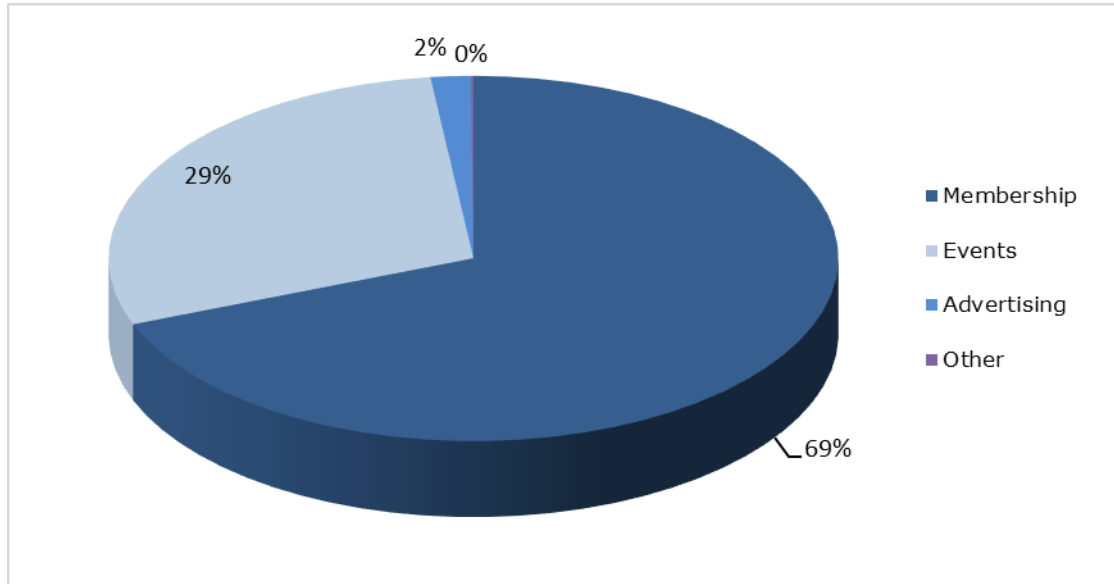


AGA, November 23, 2023



	Plan 2022 Kn	Actual 2022 Kn	Actual / Plan 2022
Revenues	3.985.050	4.878.169	122%
Expenses	3.951.505	4.745.874	120%
Difference	33.545	132.296	394%
	Plan 2022 EUR	Actual 2022 EUR	Actual / Plan 2022
Revenues	528.907	647.444	122%
Expenses	524.455	629.886	120%
Difference	4.452	17.559	394%

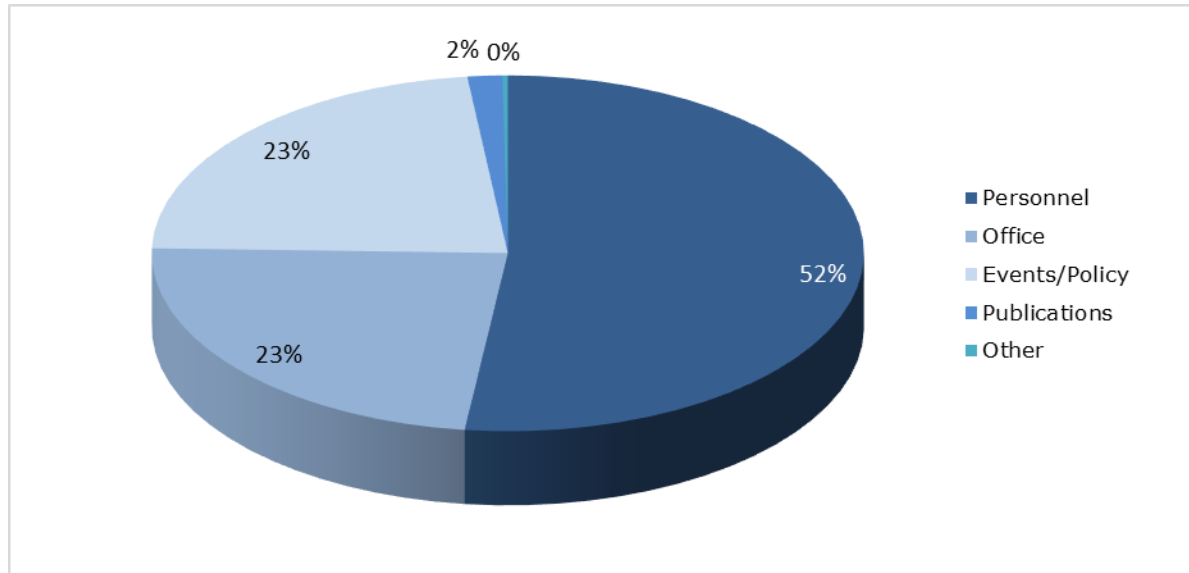
- AmCham had 22% increase in revenues, but also 20% increase in expenses. Actual revenues compared to 2021 are 30% higher.
- Revenue increase came from higher membership and sponsorship revenues compared to the plan.
- Business delegation to US which was not in the budget for 2022 had additional impact on higher revenues and expenses.
- AmCham generated significant surplus which was transferred to reserves.



2022	Kn	%
Membership	3.371.490	69%
Events	1.414.565	29%
Advertising	86.640	2%
Other	5.475	0%
TOTAL	4.878.169	100%

2022	EUR	%
Membership	447.474	69%
Events	187.745	29%
Advertising	11.499	2%
Other	727	0%
TOTAL	647.444	100%

- Membership and sponsorship revenues continued to grow in absolute numbers compared to 2021.
- Due to high increase of sponsorship/events revenue in revenue structure, its share increased to 29% (17% in 2021), while share of membership revenue dropped to 69% (81% in 2021).
- Business delegation to US contributed to increase of events revenues in 2022, while it was not organized in 2021.



2022	Kn	%
Personnel	2.464.751	52%
Office	1.114.905	23%
Events/Policy	1.079.746	23%
Publications	74.365	2%
Other	12.107	0%
TOTAL	4.745.874	100%

2022	EUR	%
Personnel	327.129	52%
Office	147.973	23%
Events/Policy	143.307	23%
Publications	9.870	2%
Other	1.607	0%
TOTAL	629.886	100%

- Total expenses in absolute numbers increased in all expenses categories compared to 2021.
- Events and policy expenses increased in structure due to more live events in 2022 compared to 2021 (9%), while other categories dropped in relative (not in absolute) terms.

2022 Membership Structure

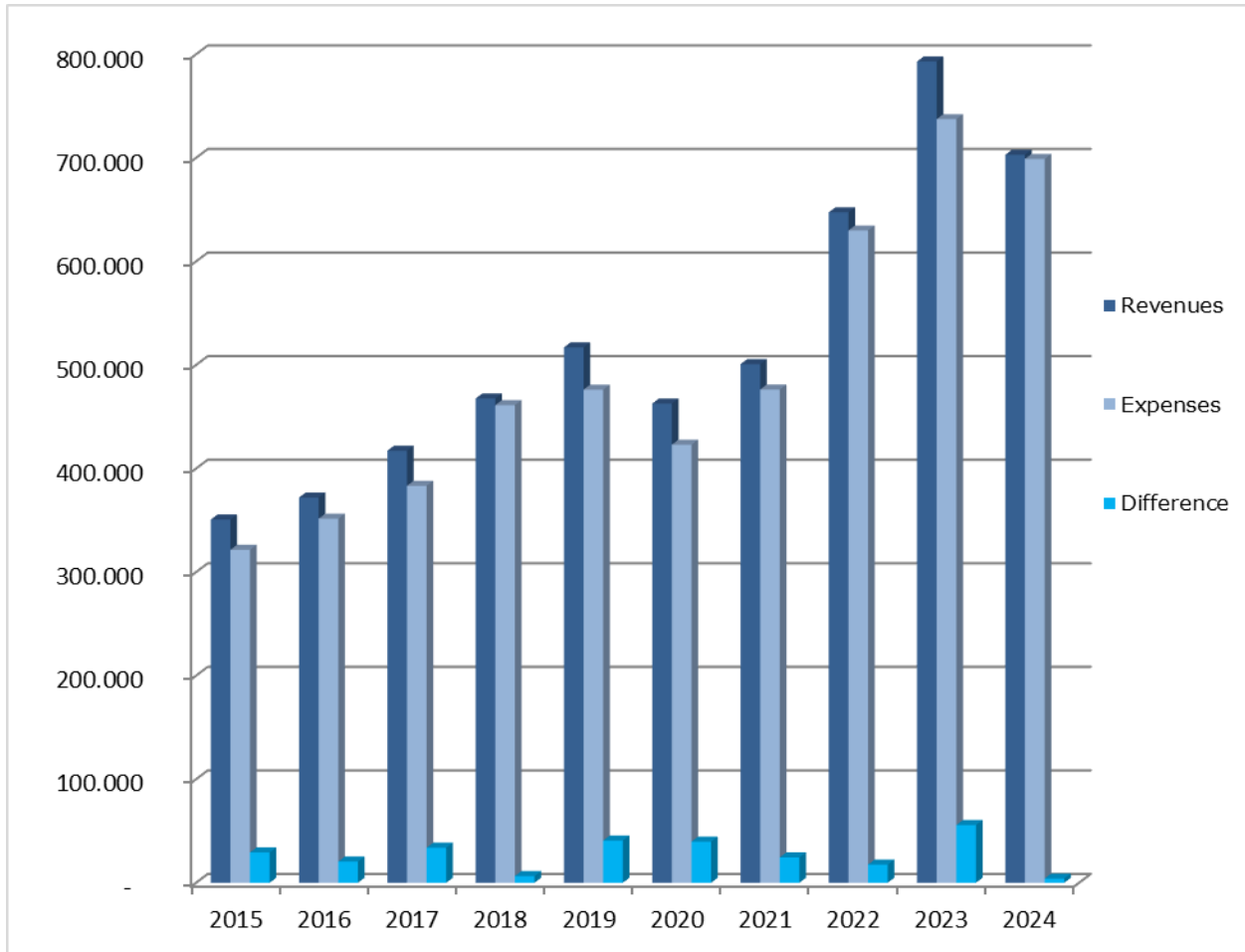


AGA, November 23, 2023

Plan 2022	Acquisition	Cancellation	Membership base YE Plan 2022
Patron	4	0	57
Corporate	18	11	118
Small Business	14	17	86
Non profit	3	3	14
Total	39	31	275

Actual 2022	Acquisition	Cancellation	Membership base YE 2022
Patron	3	0	57
Corporate	12	6	116
Small Business	26	5	110
Non profit	3	1	16
Total	44	12	299

- AmCham achieved higher acquisition numbers and much lower cancellations compared to 2022 plan.
- AmCham had 24 net adds above the plan
- **AmCham grew in membership by 32 additional net adds compared to previous year (267 members YE 2021).**



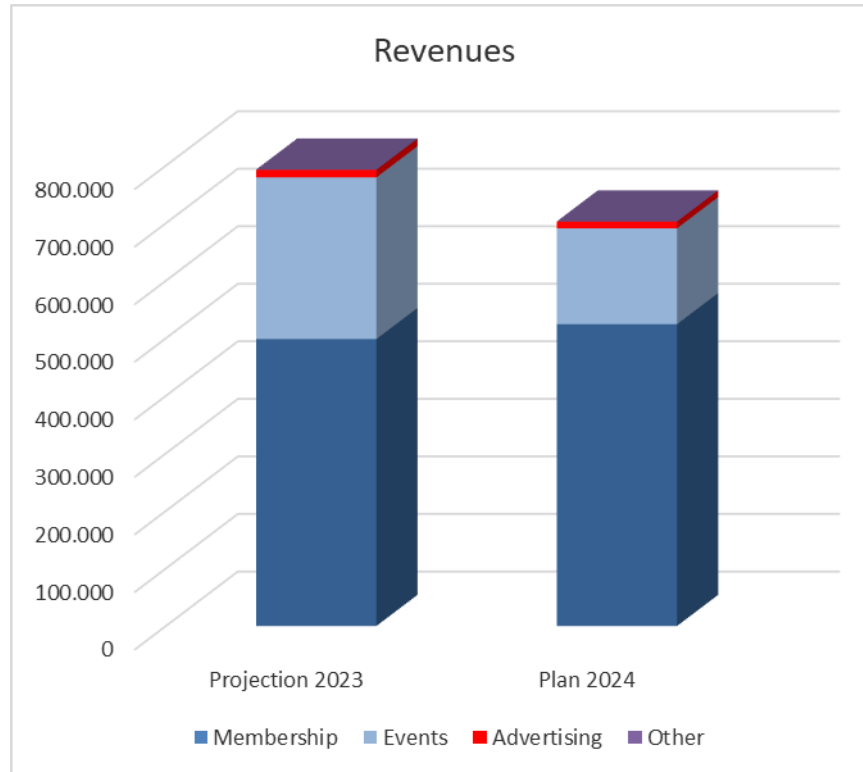
- AmCham organized anniversary Gala in 2023 which induced high sponsorship revenues and expenses which will not repeat in 2024.
- AmCham plans to continue offering free events for members, while inflation is impacting the costs.
- AmCham increased membership fees in 2022 after 20 years due to inflation. AmCham does not plan to continue with membership fees increase as long as it manages to compensate higher inflatory costs by sponsorship revenues.

EUR	Projection 2023	Plan 2024
Revenues	793.083	703.011
Expenses	737.376	698.925
Difference	55.707	4.086

Income Structure 2023 & 2024



AGA, November 23, 2023



- In 2023, membership and events/sponsorship revenues increased compared to previous year and plan.
- In 2024, membership revenue will continue to grow, while sponsorship revenues will decrease due to exceptionally high effect of 25th anniversary Gala in 2023.
- Business delegation to US is not budgeted for 2024. If organized in 2024, it will have similar impact on revenues and expenses.

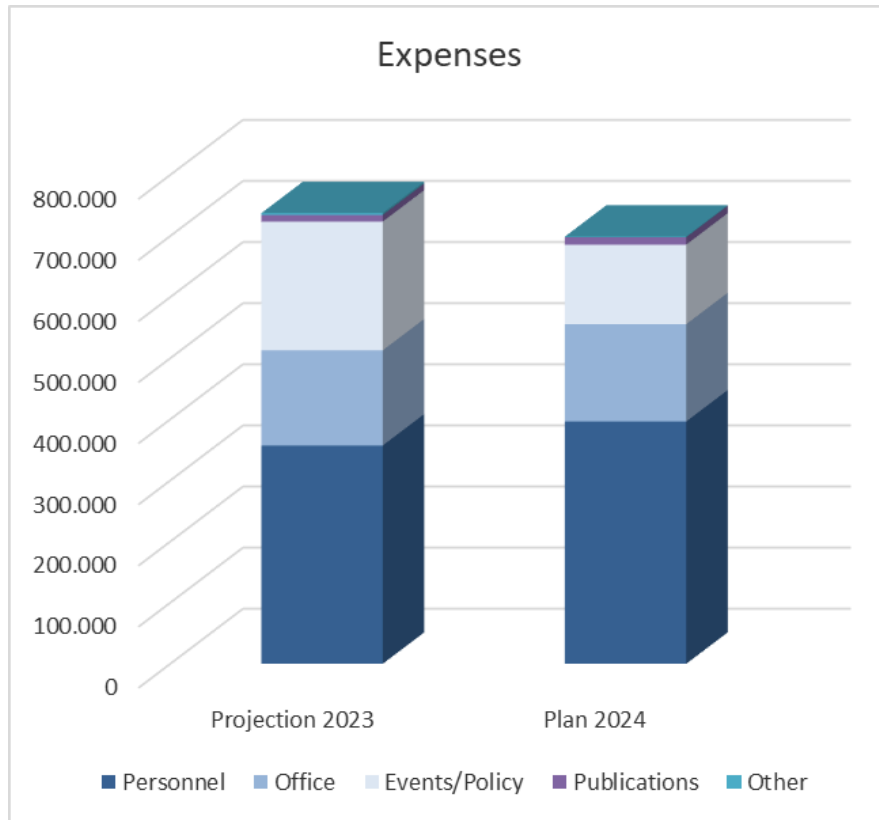
Projection 2023	EUR	%	Plan 2024	EUR	%
Membership	498.575	63%	Membership	524.470	75%
Events	281.084	35%	Events	166.700	24%
Advertising	13.052	2%	Advertising	11.600	2%
Other	371	0%	Other	241	0%
TOTAL	793.082	100%	TOTAL	703.011	100%

Note: Membership revenues include membership fees, joining fees and write-offs

Expenses Structure 2023 & 2024

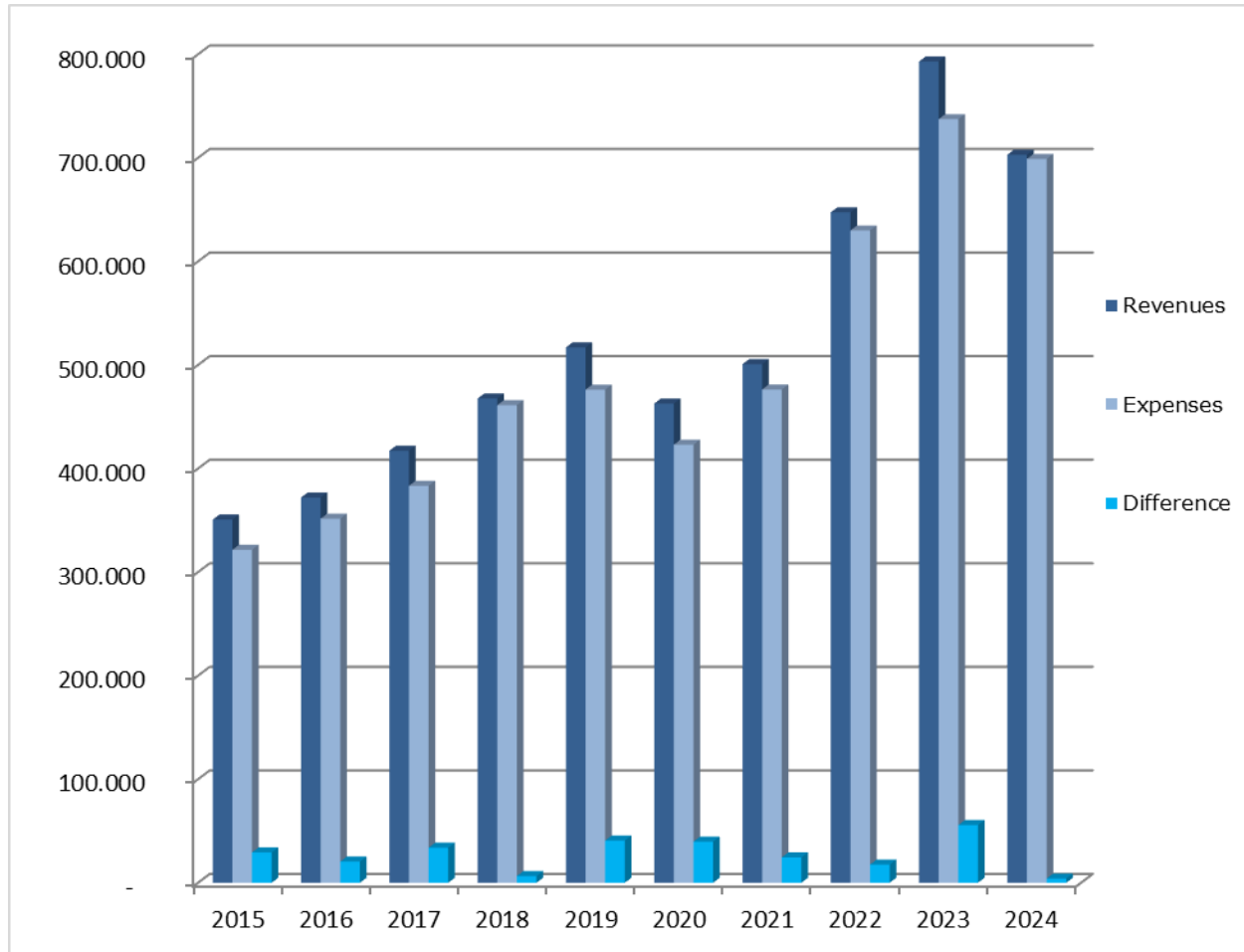


AGA, November 23, 2023



- AmCham had exceptionally high expenses in 2023 due to 25th anniversary Gala. In 2024, events expenses will decrease in absolute numbers and in expenses structure.
- AmCham team has 7 team members. Planned additional employment in 2024.

Projection 2023	EUR	%	Plan 2024	EUR	%
Personnel	357.207	48%	Personnel	396.492	57%
Office	155.690	21%	Office	159.183	23%
Events/Policy	210.719	29%	Events/Policy	130.193	19%
Publications	10.760	1%	Publications	12.100	2%
Other	3.000	0%	Other	958	0%
TOTAL	737.376	100%	TOTAL	698.926	100%



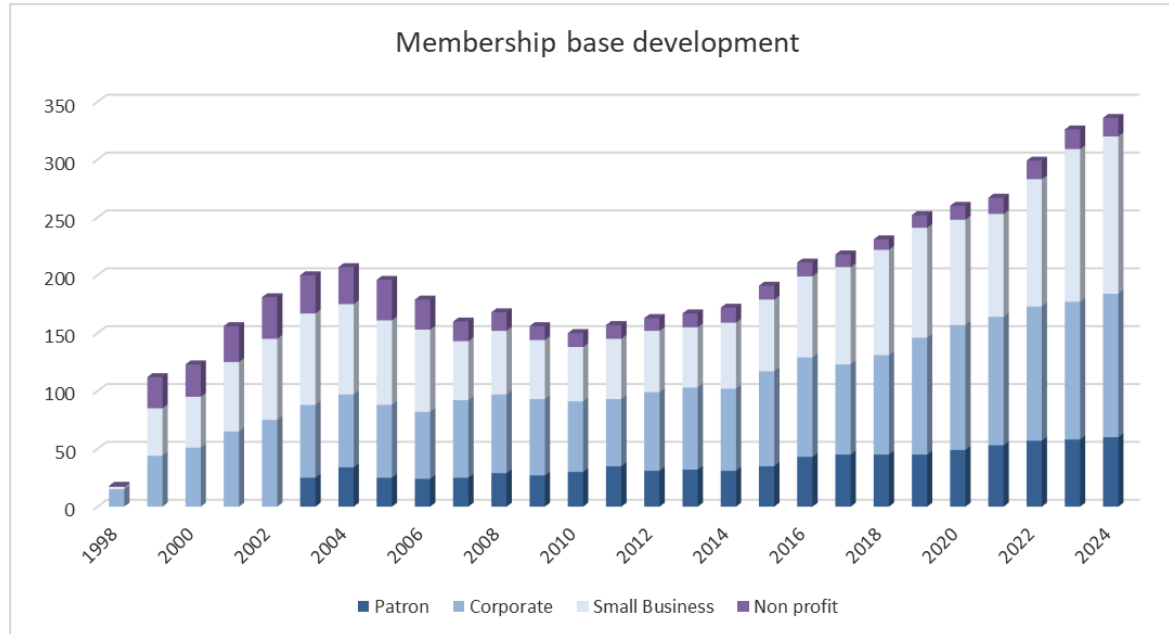
- Continuous increase of revenues – membership and sponsorship growths.
- Projected surplus for 2023 will be added to reserves.

Projection 2023	Acquisition	Cancellation	Membership base YE 2023
Patron	4	2	58
Corporate	11	8	119
Small Business	26	5	132
Non profit	2	1	17
Total	43	16	326

- In 2023 AmCham had higher acquisition (+8) and lower cancellations (-7) than planned.

Plan 2024	Acquisition	Cancellation	Membership base YE Plan 2024
Patron	2	0	60
Corporate	12	7	124
Small Business	15	11	136
Non profit	0	1	16
Total	29	19	336

- In 2024 AmCham plans modest net growth. Acquisition will be slightly lower due to focus on retention and upselling.



- AmCham has 326 members in 2023 and its members employ 95.000 people in Croatia.
- Major share in membership structure make patron and corporate members (54%).

