



**THREE-YEAR BUSINESS PLAN  
FOR 2024 - 2026**

**Mostar, March 2024**

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## 1. Introduction

The Public Company Motorways of the Federation of Bosnia and Herzegovina Ltd. Mostar (hereinafter: JP Autoceste) was registered in the court in Mostar, on 28 October 2010 in accordance with the Law on Roads of the Federation of Bosnia and Herzegovina ("Official Gazette of the FBiH", No. 12/10, 16/10 and 66/13), Law on Public Companies ("Official Gazette of the FBiH", No. 81/15) and the Decision on Status Issues of the Public Company Motorways of the Federation of Bosnia and Herzegovina Ltd. Mostar, adopted by the Government of the Federation of Bosnia and Herzegovina (Decision V No. 593/10 of July 1, 2010) at the 149th session held on July 1, 2010 in Sarajevo.

The Business Plan for the period 2024 - 2026 aims to determine the basic strategic goals of the business in order to achieve the best results in the construction, management and maintenance of motorways and expressways through the implementation of business activities. This Business Plan defines the basic principles on which the development and operation of JP Autoceste in the coming period is based, and which refer to:

- Design and construction of motorway and expressway sections for which funding sources are secured, in order to imply the above through financial effects, that is, to generate income from toll collection services. Indirectly, the impact of the built motorway will be visible regionally through better traffic connection;
- Base the company's work on economic principles that will make it self-sustainable and achieve profitable business in the long term;
- Ensure the continuity of maintenance services, through their improvement and advancement;
- Continue activities to find optimal sources of funds that will ensure an increase in the intensity of activities on the construction of the motorway and expressways sections;
- Improve customer service through post-paid, introduction of smart cards, and constant improvement of IT infrastructure in the area of operational support for motorway management and maintenance;
- Continue activities on securing funds from various sources, international loan funds, grant funds, funds from the budget of the Federation of BiH or from other sources, with the aim of faster construction of motorways and expressways in the Federation of BiH.

All the listed and planned activities require the fulfillment of certain prerequisites necessary for the implementation of this plan and will be subject to continuous monitoring of the implementation by the company's management. In accordance with the implementation of the activities included in the Business Plan, as well as possible deviations from them, JP Autoceste will consider, and possibly bring a decision on the rebalancing of this plan during the year.

## 2. ABOUT US

The activities of JP Autoceste are defined by the Company's Statute as activities and operations on motorways and expressways in the Federation of Bosnia and Herzegovina, namely:

- Preparation of long-term, medium-term and annual plans and programs for development, maintenance, protection, reconstruction, construction, renovation of roads and road structures, as well as reports on the implementation of those plans and programs;
- Maintenance and protection work;
- Investment tasks for studies and projects, renovation, construction, reconstruction and maintenance of motorways and structures;
- Proposing financial plans and improving the method of raising funds for the construction of motorways and expressways;
- Keeping records (database) of motorways, structures, traffic signals and equipment on motorways and the cadaster of the motorway land belt;
- Assignment of reconstruction, construction, renovation works and maintenance of motorways;
- Preparation and monitoring of the implementation of the program of measures and activities for the improvement of traffic safety on the motorways and expressways it manages;
- Preparation of documents for granting concessions and ensuring expert-technical supervision;
- Organization of the toll collection system;
- Collecting data and informing the public about the state of motorways and expressways and operational regime;
- Taking the necessary measures to preserve and protect the environment;
- Organizing and providing services to motorways and expressways users, etc.
- Other activities contained in the instrument of incorporation of JP Autocesta.

The primary task of JP Autoceste is the construction of motorways and expressways, as a basis for connecting the Federation of Bosnia and Herzegovina to regional and further international traffic flows with modern roads. The longest part of the Corridor Vc is on the territory of Bosnia and Herzegovina. In a total length of about 320 km, the construction of the Corridor Vc motorway improves the connection of BiH with neighbouring countries and improves the potential for economic development. The project has the strong support of the Government of the Federation of BiH, and is expected to enable Bosnia and Herzegovina better integration with economic and social structures in Europe.

The part of Corridor Vc that passes through the Federation of BiH is 274 km long. Corridor Vc in BiH includes four main sections, referred to as lots in FBiH Government documents, as follows:

- **Lot 1:** Svilaj on the Sava River (connection to Corridor X) – Doboj South;
- **Lot 2:** Doboj South - Sarajevo South (Tarčin);

- **Lot 3:** Sarajevo South (Tarčin) - Mostar North;
- **Lot 4:** Mostar North - Bijača at the southern border with Croatia.



**Figure 1.** Overview of the route of Corridor Vc in the Federation of Bosnia and Herzegovina

\* yellow: A1 in expropriation; green: A1 under construction;  
 red: A1 funds for construction obtained; blue: A1\_ Republika Srpska;  
 purple: main roads; regional roads

In addition, the construction of the motorway CRO Border - Orašje - Tuzla is also planned, as well as the following expressways: EW Lašva – Travnik – Jajce, EW Prača – Goražde, EW Bihać – Cazin – Kladaša – CRO Border, EW Mostar – Polog – Široki Brijeg – CRO Border.

## 2.1 Vision

To become part of the modern road infrastructure in a wider area, which would enable long-term and stable growth in the use of our services.

## 2.2 Mission

Construction, management and maintenance of modern road infrastructure adhering to the highest environmental protection requirements.

## 2.3 Strategy

Defining a technically and financially feasible scenario for the development of the network of motorways and expressways in the territory of FBiH according to the identified priorities. Identifying the actions needed for the development of the network of motorways and

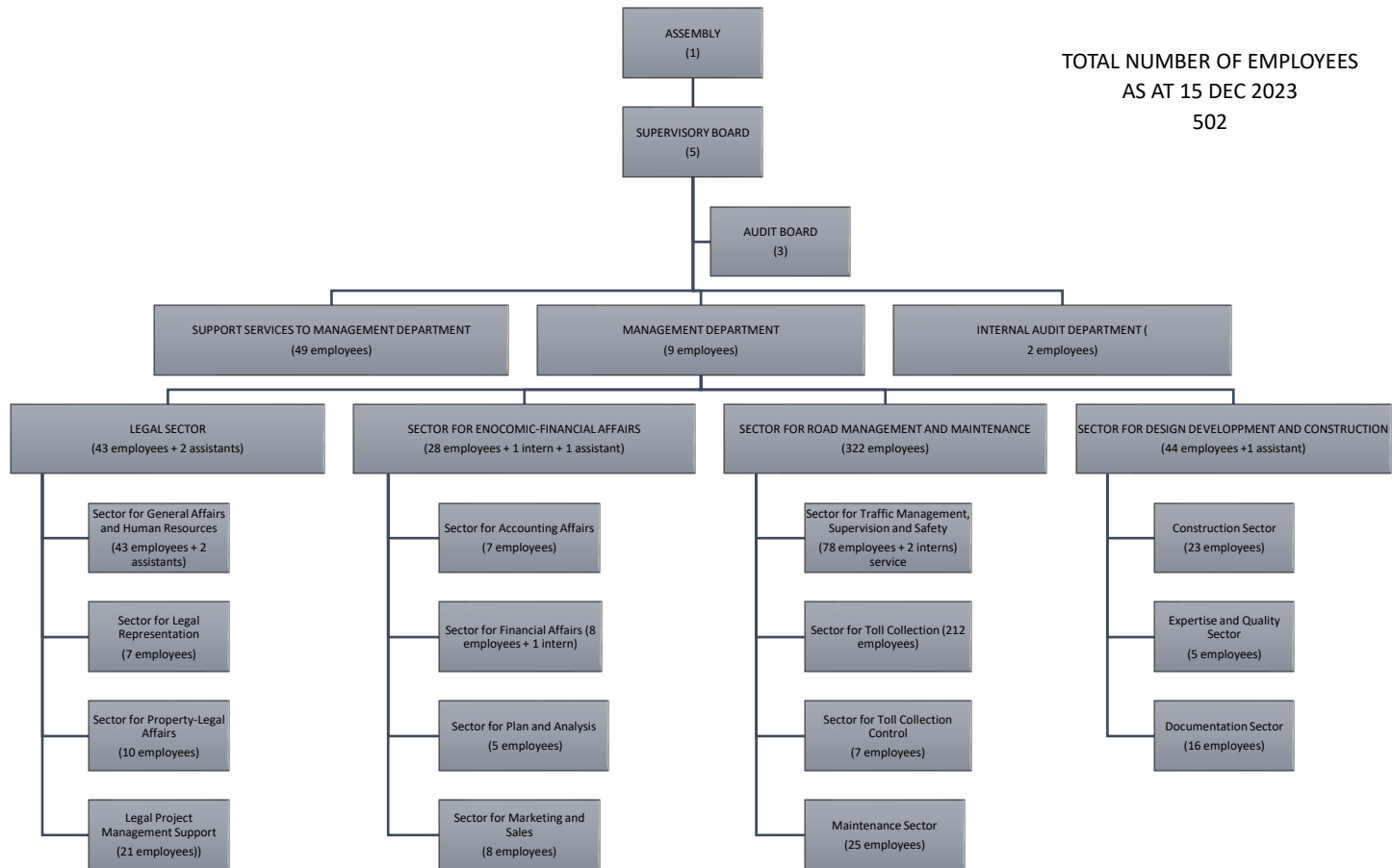
expressways in FBiH in a short, medium and long term. Development of tools for designing and planning with the aim of paving the way for future investments in FBiH related to transport infrastructure.

Harmonization of the planned road infrastructure in the FBiH with the infrastructure in other countries in the region, for the sake of timely harmonization of progress in the overall connection of the Western Balkans.

Facilitate the high-quality implementation of planned tasks through personnel development, good coordination and organization of business, as well as the development of a high-quality information system. Through the construction and quality management of motorways and expressways, influence the growth of the economic performance of FBiH and BiH, i.e. the growth of productivity and employment, ability to attract investments, social cohesion, environmental quality, quality of public space, vitality, sustainability and image of BiH.

### 3. BUSINESS ORGANIZATION

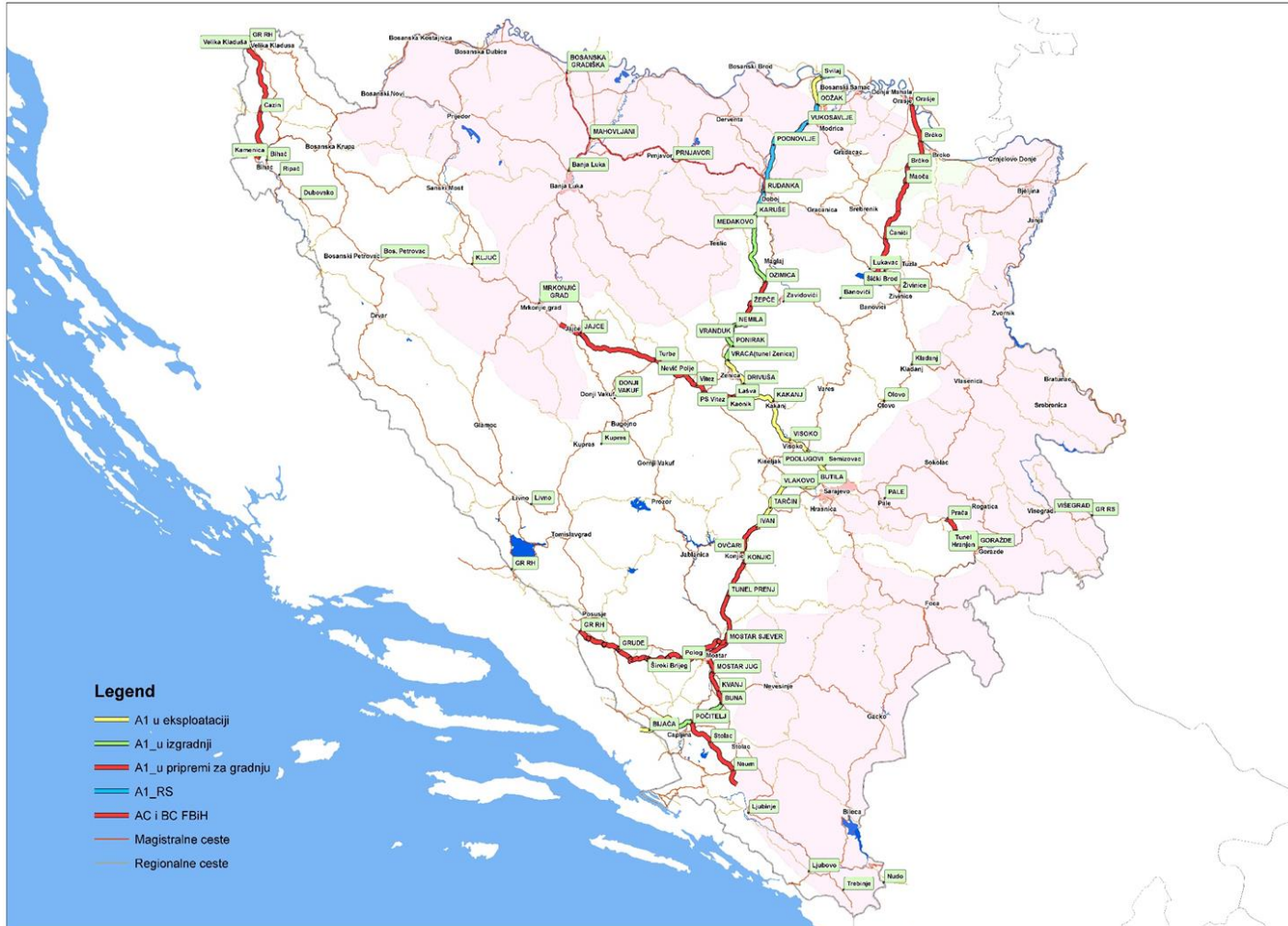
Business organization of JP Autoceste ensures the conduct of business from the Company's activities determined by the Law on Roads, the Statute and other general instruments of the Company. The business is regulated through basic and independent organizational units formed in a way that ensures legal, responsible, efficient and economic performance of tasks of JP Autoceste.





## 4. ACTIVITY PLAN FOR THE CONSTRUCTION OF THE MOTORWAY AND EXPRESSWAY

### 4.1. Graphic image of Corridor Vc sections , expressways and motorways in FBiH



\* yellow: A1 in expropriation; green: A1 under construction; red: A1 in preparation for construction; blue: A1\_ Republika Srpska; red; MW and EW FBiH; orange: main roads; ember: regional roads

### 4.2 Overview of activities on Corridor Vc sections, expressways and motorways in FBiH

There are currently active construction sites on 9 sections L=approx. 62.2 km (8 on Corridor Vc and Sarajevo Bypass LOT 3B) and 2 sections of expressways:

- 8 sections are located on Corridor Vc and Sarajevo bypass LOT 3B, total contracted value (construction, supervision and T.A.) **KM 1.977.781.685 (EUR 1.011.223.719) without VAT;**
- 2 sections of expressways with a total contracted value (construction and supervision) of **KM 174.148.926 (EUR 89.040.932).**



Currently, the procedures for procurement of works, as well as the procurement of consulting services for the supervision of works, are currently in the tender procedure for the following sections:

- Ozimica - Poprikuše
- Tunnel Prenj
- Mostar North – Mostar South
- Mostar South - Tunnel Kvanj
- Tunnel Kvanj - Buna (tender procedure for procurement of works in progress, supervision contract signed)

In addition to the above, preparatory activities (design, expropriation) and preparatory activities for tender procedures are underway for the following sections of motorways and expressways:

- Ivan – Ovčari
- Ovčari - Prenj
- Prenj - Mostar North
- MW Orašje - Tuzla, section Maoča - Tuzla, Lot 5. Čanići - Tuzla
- EW Bihać – Cazin – Velika Kladuša – CRO,
- EW Mostar – Polog – Široki Brijeg – CRO Border, sections Mostar North – Polog and Polog – CRO Border
- EW Lašva – Travnik – Jajce, section Nević Polje – Turbe
- BC Lašva – Nević Polje, Lot 5. Interchange Vitez - exit from the business zone" - Interchange Nević Polje
- EW Lašva – Nević Polje, Lot 4. Business zone Vitez
- BC Prača – Goražde (Tunnel Hranjen and the route).

### **4.3 Activity dynamics of the construction of motorways and express roads**

Red. br.	Dionica	Dužina (km)	2019	2020	2021	2022	2023	2024	2025	2026
1.	Putnikovo brdo - Medakovo	8,5								
2.	Medakovo - Ozimice	21,3								
3.	Ozimice - Poprikuše	12,8								
4.	Poprikuše - Nemila	5,5								
5.	Nemila - Vranduk	5,7								
6.	Vranduk - Ponirak	5,3								
7.	Ponirak - Vraca	3,5								
8.	Ivan - Ovčari	10,3								
9.	Ovčari - Tunel Prenj	10,3								
10.	Tunel Prenj	12,4								
11.	Tunel Prenj - Mostar Sjever	12,3								
12.	Mostar sjever - Mostar jug	14,2								
13.	Mostar Jug - Tunel Kvanj	9,2								
14.	Tunel Kvanj - Buna	5,2								
15.	Počitelj - Zvirovići (Lot 1.)	10,1								
16.	Počitelj - Zvirovići (Lot 2.)	1,0								
17.	BC Lašva - Travnik - Jajce	66,7								
18.	BC Prača - Goražde	18,4								
19.	Sarajevska obilaznica (Lot 3B)	1,5								
20.	AC Orašje - Tuzla	61,0								
21.	BC Mostar - Polog - Široki Brijeg - granica RH	40,4								
22.	BC Bihać - Cazin - V. Kladuša - granica RH	45,5								

## 5. KEY FINANCIAL INDICATORS

The following part provides an overview of financial indicators for the planned period 2024-2026. The business plan for 2024 elaborates all business activities with individual financial appraisals.

### 5.1. Revenues and inflows, expenditures and financial performance

#### 5.1.1. Overview of revenue and inflow plan

**Table 1.**

No.	Revenue	Plan for 2024 without VAT (BAM)	Plan for 2025 without VAT (BAM)	Plan for 2026 without VAT (BAM)
1	2	3	4	5
1.	Revenue from excise duty	118.081.039	116.990.674	134.948.380
2.	Toll revenue	54.146.311	58.785.442	64.663.986
3.	Revenue from land use fee	650.000	650.000	650.000
4.	Other revenues	2.200.000	2.310.000	2.425.500
<b>TOTAL</b>		<b>175.077.350</b>	<b>178.736.116</b>	<b>202.687.866</b>

The excise duty revenue projection is based on the projection of recognition of excise duty income into revenue, which includes: depreciation of public motorway and expressway assets, depreciation of the acquisition cost of non-depreciable public motorway and expressway assets, borrowing costs (interest expenses), exchange rate differences (+/- ) and other costs related to public motorways and expressways.

Revenues from toll collection are based on the projection of traffic, while the projection of fees for the use of road land is based on existing land rental contracts for the provision of services and related activities to motorway users and future planned contracts.

**Table 2.**

No.	Inflows from excise duty and bond issuance	Plan for 2024 without VAT (BAM)	Plan for 2025 without VAT (BAM)	Plan for 2026 without VAT (BAM)
1	2	3	4	5
1.	Inflow from excise duty	186.699.600	192.306.960	198.848.880
2.	Settlement of fuel excise duty	150.000.000	0	38.508.120
<b>TOTAL</b>		<b>336.699.600</b>	<b>192.306.960</b>	<b>237.357.000</b>

The projection of the inflow from excise duty was made by the Macroeconomic Analysis Department of the Indirect Taxation Authority and regular monitoring of the dynamics of the inflow in question during the previous years.

Having in mind that in accordance with the Law on Excise Duties in the FBiH, the **methodology for the distribution of toll revenues** has not yet been adopted, on the basis of which a monthly remittance of these funds would be made without retaining part of the revenues,

the Decision on the temporary distribution of toll revenues for the construction of the motorway and the construction and reconstruction of other roads adopted by the Management Board of the Indirect Taxation Authority of BiH shall apply. Namely, the said Decision defined that 10% of the total toll revenue remains on a sub-account with the Central Bank of Bosnia and Herzegovina - retained amount, and will be used to settle revenues after determining the final distribution methodology. The Decision also defined the percentages of distribution of the remaining part of the revenue (90%) to the entities and the Brčko District. This retained accumulated revenue amount has not been remitted since 2017. The revenue in question is to be used for the settlement of part of the due and unpaid obligations under international loans to the Federal Ministry of Finance in the event that the request for the reprogramming of the obligations of JP Autoceste FBiH is approved.

### 5.1.2. Overview of the Expenditure Plan

**Table 3.**

No.	Expenditure	Plan for 2024 without VAT (BAM)	Plan for 2025 without VAT (BAM)	Plan for 2026 without VAT (BAM)
1	2	3	4	5
<b>Funding from toll revenue (722114) and road land use fee (722417) and other revenue from operating income</b>		<b>57.083.391</b>	<b>55.667.363</b>	<b>56.692.761</b>
1.	Expenditures for wages and benefits in addition to salaries to employees	25.991.795	27.291.385	28.655.954
2.	Expenditures for maintenance, collection and management of the motorway	18.345.111	18.562.321	19.031.621
3.	Other operational expenditures	12.746.485	9.813.657	9.005.186
<b>Funding from excise revenue - 717114</b>		<b>100.396.889</b>	<b>97.842.875</b>	<b>115.205.800</b>
4.	Depreciation	55.708.395	56.230.000	69.450.000
5.	Interest expenses	44.641.039	41.560.674	45.698.380
6.	Other financial expenses	47.455	52.200	57.420
<b>TOTAL</b>		<b>157.480.280</b>	<b>153.510.238</b>	<b>171.898.561</b>

The operational expenditure plan is based on the realizations of the previous period and the projection of future business activities. Assessment of depreciation costs is based on previous accounts, as well as projections for assets that are planned to be put into use in the specified period. Salary expenditures include expenditures for net salaries, taxes and contributions, as well as compensation for employee expenses. The projection was based on the planned number of employees in the following three-year period, taking into account the harmonization of the Labor Regulations with the adopted Collective Agreement. When it comes to expenditures for maintenance, toll collection and management, they refer to all costs for services in the field of regular and extraordinary motorway maintenance, toll collection, as well as management of the motorway. The projection was based on past experience, as well as projections of future necessary services in all areas of motorway management and maintenance. When it comes to the planned interest expenses, they are shown based on the projection of repayments of existing and planned new borrowings, and the expense position shows interest expenses for loan facilities

that were used for projects that have been completed. Other expenditures include all other expenditures incurred in regular and occasional planned business activities of JP Autoceste FBiH.

### 5.1.3. Financial Performance

**Table 4.**

No.	Description	Plan for 2024 without VAT (BAM)	Plan for 2025 without VAT (BAM)	Plan for 2026 without VAT (BAM)
1	2	3	4	5
1.	Revenues	175.077.350	178.736.116	202.687.866
2.	Expenditures	157.480.280	153.510.238	171.898.561
<b>FINANCIAL PERFORMANCE</b>		<b>17.597.070</b>	<b>25.225.878</b>	<b>30.789.304</b>

### 5.2. Loan Obligations

**Table 5.**

No.	Description	Plan for 2024 without VAT (BAM)	Plan for 2025 without VAT (BAM)	Plan for 2026 without VAT (BAM)
1	2	3	4	5
1.	Loan repayments	190.995.422	161.945.145	120.450.909
2.	Interest to capitalize	40.105.167	87.673.994	106.388.724
3.	Interest costs	43.784.979	40.927.300	45.519.647
<b>TOTAL</b>		<b>274.885.568</b>	<b>290.546.439</b>	<b>272.359.280</b>

### 5.3 Capital Expenditures

**Table 6.**

No.	Description	Plan for 2024 without VAT (BAM)	Plan for 2025 without VAT (BAM)	Plan for 2026 without VAT (BAM)
1	2	3	4	5
	<b>A) Investments in the construction of Corridor Vc and expressways (without VAT)</b>	<b>936.024.162</b>	<b>1.649.116.235</b>	<b>1.549.197.219</b>
1.	<b>Land acquisition</b>	<b>73.191.914</b>	<b>77.975.506</b>	<b>11.000.000</b>
	a) own funds	41.740.116	20.500.000	0
	b) FBiH budget funds – Consumer Unit	31.451.798	57.475.506	11.000.000
2.	<b>Design services</b>	<b>35.093.829</b>	<b>26.716.865</b>	<b>34.120.987</b>
	a) own funds	12.377.087	9.908.983	0
	b) pre-funding with own funds until loan becomes effective	7.806.742	0	0
	b) FBiH budget funds – Consumer Unit	14.910.000	16.807.882	34.120.987
3.	<b>Construction</b>	<b>802.683.872</b>	<b>1.504.813.857</b>	<b>1.467.848.973</b>
	a) international loans funds	429.638.701	399.150.337	651.182.576
	b) grant funds	23.469.960	494.849.663	310.229.457

	c) pre-funding with own funds until loan/grant becomes effective	41.072.430	0	0
	d) own funding	237.204.579	301.909.640	297.771.909
	b) FBiH budget funds – Consumer Unit	71.298.202	290.611.039	208.665.031
	f) arbitration proceedings	0	18.293.178	0
<b>4.</b>	<b>Construction supervision services</b>	<b>19.830.167</b>	<b>35.996.761</b>	<b>32.816.263</b>
	a) international loans funds	1.170.000	0	3.000.000
	b) grant funds	11.462.006	20.839.057	15.021.600
	d) own funding	4.858.161	4.113.537	5.696.063
	b) FBiH budget funds – Consumer Unit	2.340.000	11.044.167	9.098.600
<b>5.</b>	<b>Technical assistance services</b>	<b>2.958.130</b>	<b>3.246.996</b>	<b>3.150.996</b>
	a) international loans funds	333.972	360.000	360.000
	b) grant funds	430.000	440.000	444.000
	c) own funds	629.494	100.000	0
	d) pre-funding with own funds until loan becomes effective	1.564.664	2.346.996	2.346.996
<b>6.</b>	<b>Other professional services in support of construction projects</b>	<b>500.000</b>	<b>255.000</b>	<b>215.000</b>
	a) international loans funds	200.000	200.000	200.000
	b) own funds	300.000	55.000	15.000
<b>7.</b>	<b>Other capital investments</b>	<b>1.766.250</b>	<b>366.250</b>	<b>260.000</b>
	a) obligations as part of expropriation operations - own funds	250.000	130.000	120.000
	b) archaeological research - own funds	526.250	236.250	140.000
	c) investments in other people's property	990.000		
	<b>B) Capital investments in motorway management and maintenance</b>	<b>23.435.000</b>	<b>24.635.000</b>	<b>16.389.000</b>
	a) own funds	23.435.000	24.635.000	16.389.000
	<b>C) Investments in information technologies</b>	<b>1.357.000</b>	<b>380.000</b>	<b>340.000</b>
	a) own funds	1.357.000	380.000	340.000
	<b>D) Other investments</b>	<b>2.582.500</b>	<b>8.077.500</b>	<b>6.040.183</b>
	a) loan funds	2.000.000	8.000.000	6.000.000
	b) own funds	582.500	77.500	40.183
	<b>TOTAL (A+B+C+D)</b>	<b>963.398.662</b>	<b>1.682.208.735</b>	<b>1.571.966.402</b>

**Note:** Concerning planned FBiH budget funds for capital investments, it should be noted that they shall subsequently be harmonized with the approved FBiH Budget of 2024, 2025 and 2026, respectively.

Number: 01-3135 /24

Date: 18 March 2024

acting Director:

**Denis Lasić**