



ILIRIJA
65 YEARS
OF ACTIVITY

ILIRIJA d.d.
**The Driving Force of the Economy
and the Local Community:
Economic and Social Aspects of Business
From 1999 to 2021**

Biograd na Moru, June 2022

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MESSAGE FROM THE PRESIDENT OF THE MANAGEMENT BOARD

Responsible operation leads to the creation of the added value even in times of uncertainty

In 2022, we are marking 65 years of continuous tourism activity and of the founding of ILIRIJA. During this period it has transformed from an exclusively hotel company into a modern tourist company boasting all key segments of the Mediterranean, i.e. Adriatic tourist offer hotel, nautical, camping sector and destination management further strengthened through the acquisition of the City Galleria Shopping Centre. Today, ILIRIJA is one of the twenty leading tourist companies in Croatia, the seventh in Dalmatia and one of the three leading tourist companies in Zadar County. It is also a transparent corporate company listed on the Zagreb Stock Exchange.

Long-term successful presence and recognition in the global tourism market is the result of the company's development aimed at creating a quality, sustainable and innovative tourism product that represents value not only for ILIRIJA but also for Croatian tourism. This position stems from the vast extent and diversity of our portfolio of activities, our constant concern about the innovation of an integrated tourism product and the improvement of standards and quality of services. The strategic goal of a successful

year-round operation in all the company's tourism sectors has been implemented more and more from year to year.

In the period of uncertainty caused by the pandemic and during the market recovery, we preserved the company's stability, proved sustainability, and achieved exceptional business results of the company by adjusting the business model.

Considering the ongoing improvement of sales practices and capital and financial strengthening of the company, based on the realized financial results of ILIRIJA d.d. today holds a leading position in the tourism sector of Croatia. We are aware that business success is not only measured by the achievement of financial results, but also includes activities in the segment of social responsibility and contribution to sustainable development. Being socially responsible for us means that by creating value for the company or shareholders, we also create value for the wider community either by employing local people, hiring our suppliers, contributing to the community through environmental care or additional contribution to the community through corporate philanthropy. Therefore, we are one of the first and

MESSAGE FROM THE PRESIDENT OF THE MANAGEMENT BOARD

Responsible operation leads to the creation of the added value even in times of uncertainty

most prominent tourist companies to apply the practice of socially responsible business in Croatia.

As a public company on the Official Market of the Zagreb Stock Exchange, we operate in accordance with the principles and practices of good corporate governance with a high level of transparency and accountability to all our stakeholders. We also maintain a continuity of commitment to integrating economic and social aspects into the decision-making process. In this way we nurture and preserve our core values, our identity and our vision of responsibility -to be an economically successful company leader, who cares about people as the key to success, providing exceptional experiences to its guests and creating added value for its shareholders, while caring for the environment and the local

community, including other institutions, associations and individuals of the civil sector that we regularly help.

ILIRIJA d.d. is committed to long-term sustainable development and the preservation and growth of the value of the company, which creates prominent social and economic effects on the economy of the region and Croatia as a whole.



GORAN RAŽNJEVIĆ
President of the
Management Board
Ilirija d.d.

„Sustainability is built at every moment of every business day. It is created through a relationship with employees who are guaranteed the right to work and continuous development through compliance with the legal framework and understanding of the economic environment.

Sustainability includes constant awareness of the need for environmental protection, which is the cornerstone of responsible business in tourism, community care and the groups with special needs, but also a key driver for the customer to always be in the forefront. Balancing these aspects with a responsible relationship with shareholders and investors is key to the success and sustainable development of the company.”



Hotel sector



Nautic sector



Ilirija Travel



Camping



Real estate

BASIC DETAILS ON THE COMPANY

With the development of a complementary and integrated product, we are focused on year-round operation and creation of value added

ILIRIJA dioničko društvo za ugostiteljstvo i turizam / public limited company for hospitality and tourism

Tina Ujevića 7, Biograd na Moru

www.ilirijabiograd.com

Share capital: 229,146,480.00 kn

Management Board: Goran Ražnjević, President

Supervisory Board: Goran Medić, President

PORTFOLIO:



HOTELS – 4 hotels, 443 rooms, 922 beds



NAUTICS – 805 berths, 2,000 persons



CAMPING – 1,208 pitches, 3,624 persons



DESTINATION MANAGEMENT COMPANY / DMC ILIRIJA TRAVEL –

Complementary and integrated product which allows year-round operation; in 2021, 361 special events organized on annually for 12.2 thousand guests



REAL-ESTATE – Commercial & shopping center City Galleria in Zadar, one of the two largest shopping centers in the Zadar region with the total gross area of over 28,500 sq.m.

DESTINATIONS:

Biograd na Moru

Zadar

Sv. Filip i Jakov

Polača



Over **6,000 guests** stay daily in the properties of ILIRIJA d.d. in high season

EMPLOYMENT:

268 employees on a permanent basis

Over **380** employees in high season

Over **1,000** persons employed based on business cooperation

BASIC DETAILS ON THE COMPANY

ILIRIJA d.d. establishes its business on the development of differentiated products, with the orientation to business stability and excellence



From the founding of the company:



No labour dispute



The account has never been blocked



Timely settlement of taxes and contributions to the state



ILIRIJA d.d. holds the Platinum Certificate of creditworthiness excellence (Dun & Bradstreet)

PARTICULARITIES OF ILIRIJA d.d.



ILIRIJA d.d. – Pioneer of nautical tourism development in Croatia, construction of the first port of nautical tourism in Croatia and acquisition of the first charter fleet in Croatia (1976)



Organization of the nautical fair BIOGRAD BOAT SHOW, which is among the 36 most significant nautical fairs in the world



ARSENAL Zadar – Revitalization of 16th-century first class cultural monument into a contemporary cultural and entertainment event venue



RAŽNJEVIĆA DVORI A.D. 1307 – The first diffuse hotel in Croatia, a modern tourist product created by the revitalization of a property with 7-century tradition



EVENT SHIP NADA – A unique product designed to organize events and excursions

Diversified tourist and real estate portfolio of ILIRIJA d.d. is based on the resources of the region and on a continuous investment in the development of quality products

ILIRIJA RESORT
HOTELS & VILLAS

 **marina Kornati**

****** camping park soline**

City Galleria

 **ILIRIJA Travel**
DMC&PCO • WWW.ILIRIJA-TRAVEL.COM



ARSENAL
ZADAR

EVENT SHIP
Nada

Villa Primorje

RAŽNJEVIĆA DVORI

aquatic center

TENIS CENTAR ILIRIJA

salvia spa
medical wellness

LAVENDER BAR

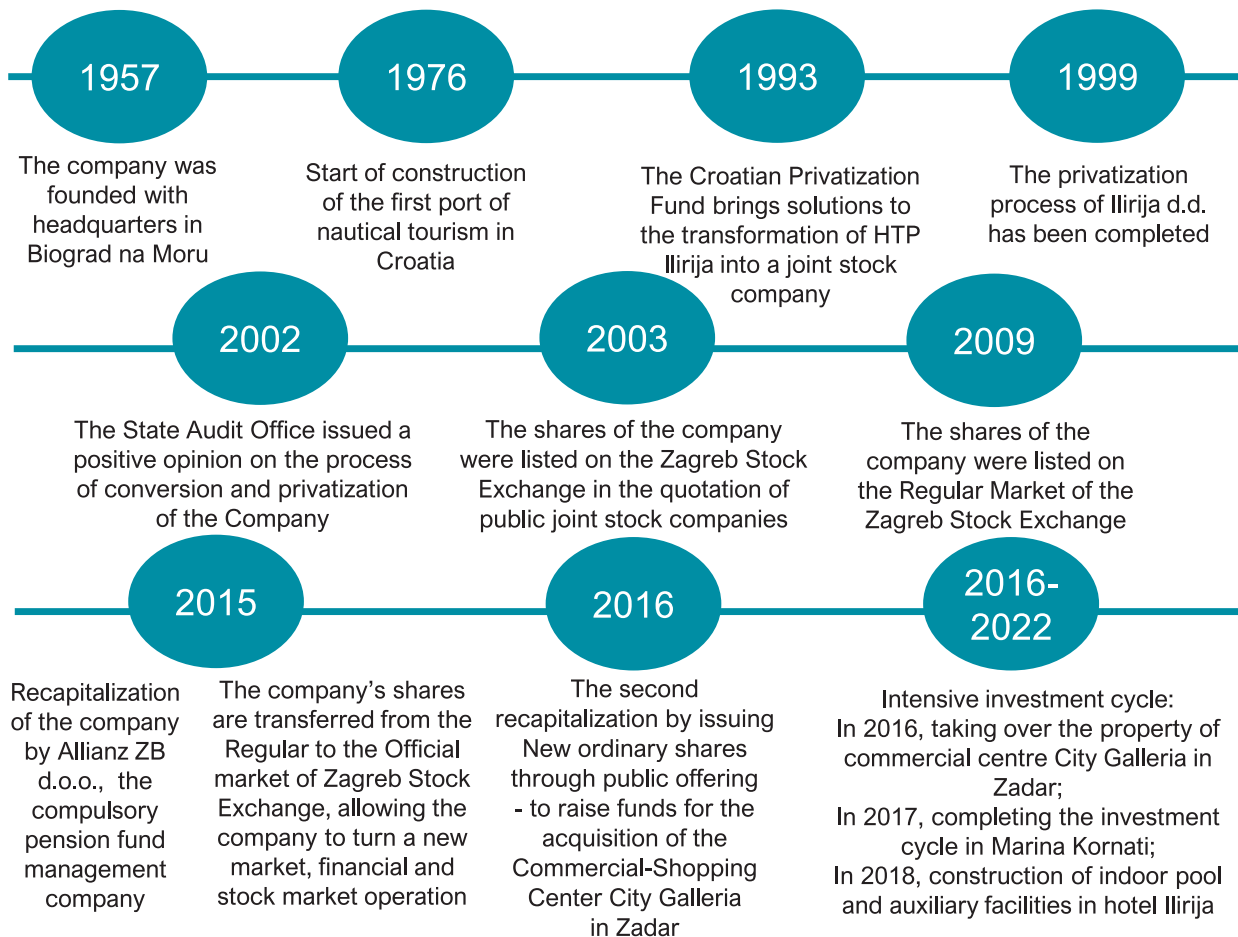
Restaurant marina Kornati

PARK SOLINE

Donat BEACH BAR

DEVELOPMENT OF THE COMPANY

Cumulative 65-year experience enables us to maximize all human, market, economic and financial potentials, as well as sustainability of growth and development



„Responsibility towards shareholders and other stakeholders is expressed by the company's sustainable growth and development from its foundation to date.”

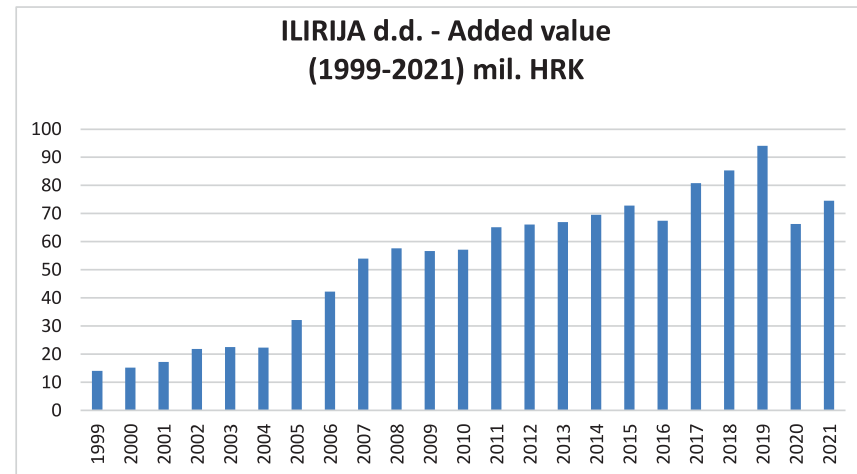
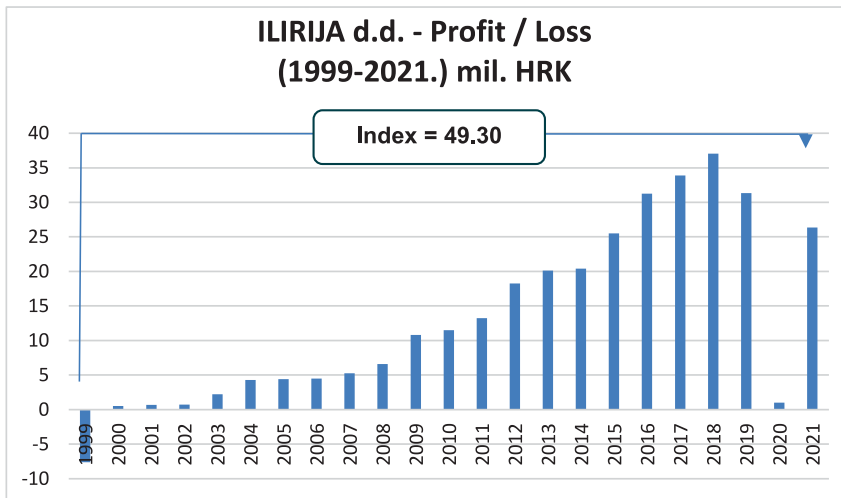
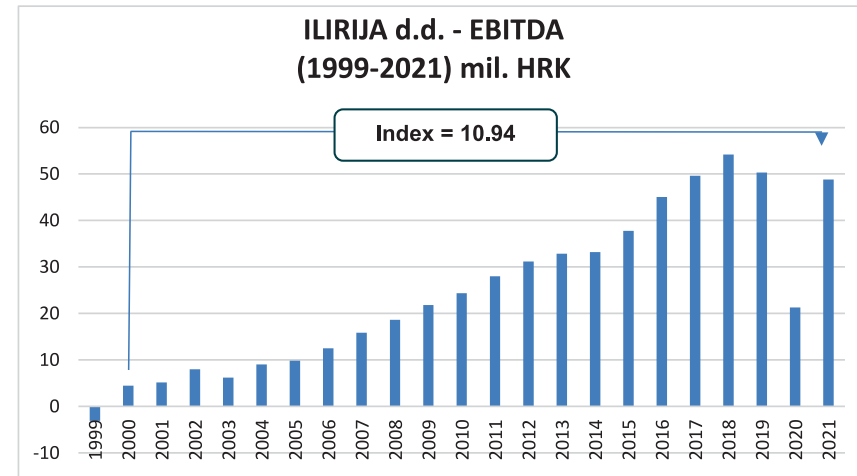
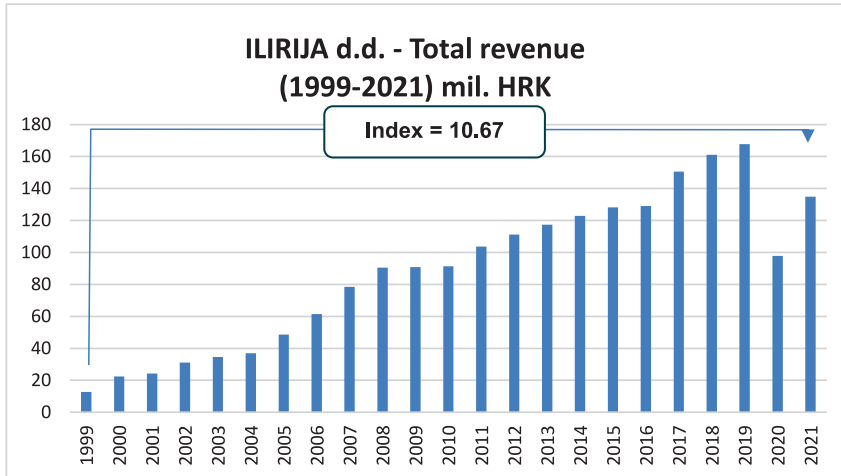
GORAN RAŽNJEVIĆ

President of the Management Board,
Ilirija d.d.



ILIRIJA d.d. IN FIGURES

Our business results point to stable and sustainable revenue growth and profitability from year 1999 to today



Total of **1.2 billion HRK** added value during the period of 22 years

ILIRIJA d.d. IN FIGURES

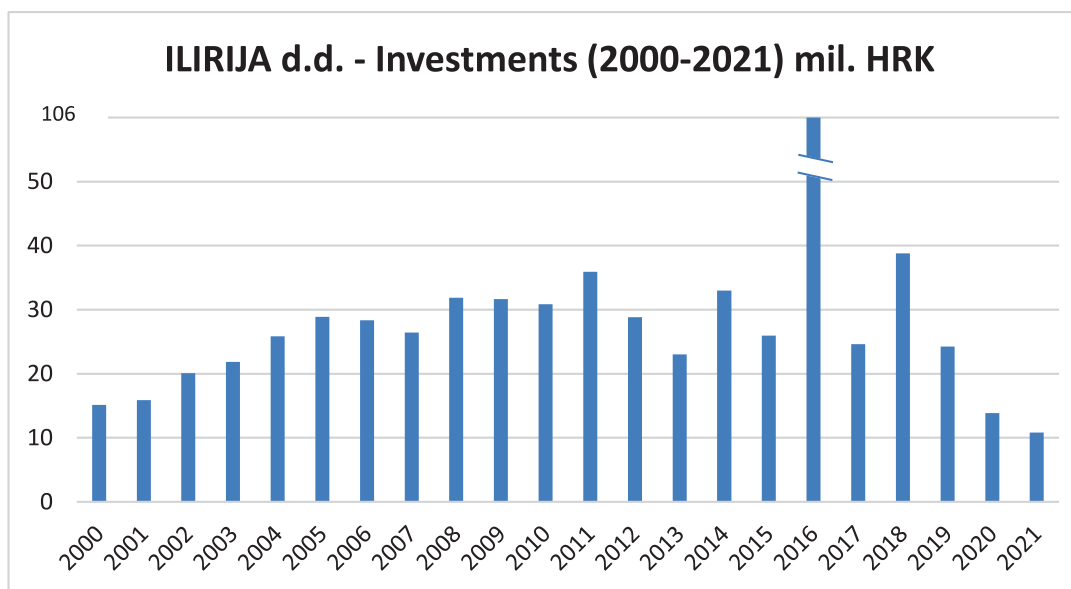
Continuous investment in product development and improvement is the basis of the business and development policy of ILIRIJA d.d.

In the construction, reconstruction, expansion, extension, renovation and adaptation of accommodation facilities and company facilities with the aim of raising quality, improving overall service and standards in all sectors of the company, developing new products, enhancing and increasing the category of accommodation and nautical capacities, extending catering facilities with the goal creating a quality, recognizable and competitive tourism product, increasing the quality of the destination, as well as purchase of the Business and shopping center City Galleria, Ilirija d.d. in the period up to 31/12/2021 invested HRK 641,831,797.12 which resulted in the growth of total revenues and added value in the mentioned period in the amount of HRK 1,029,959,913.31.

For the next three years the investment plan of ILIRIJA d.d. amounts to over **HRK 112.4 million**.

Period 2000 - 2021

Cumulated EBITDA / Total investment = **89%**

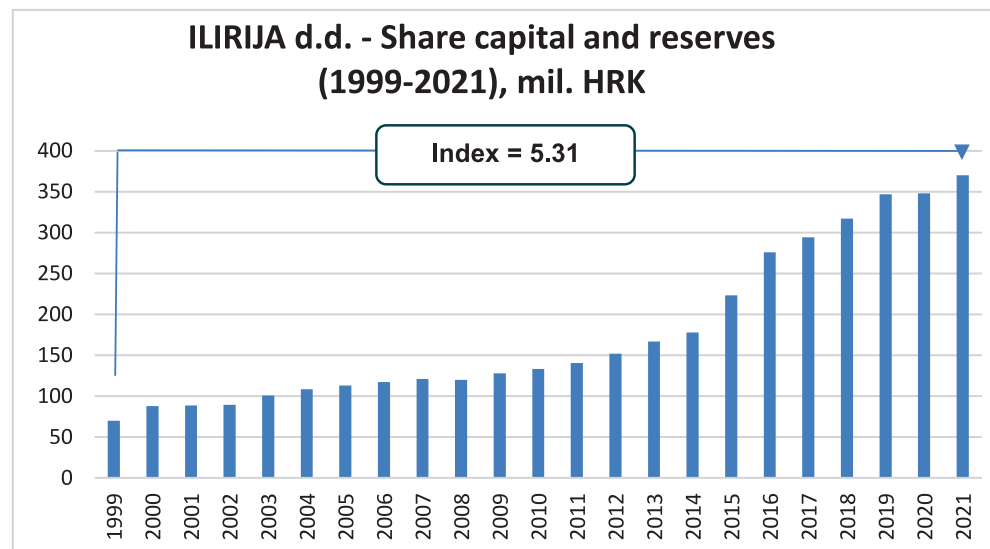
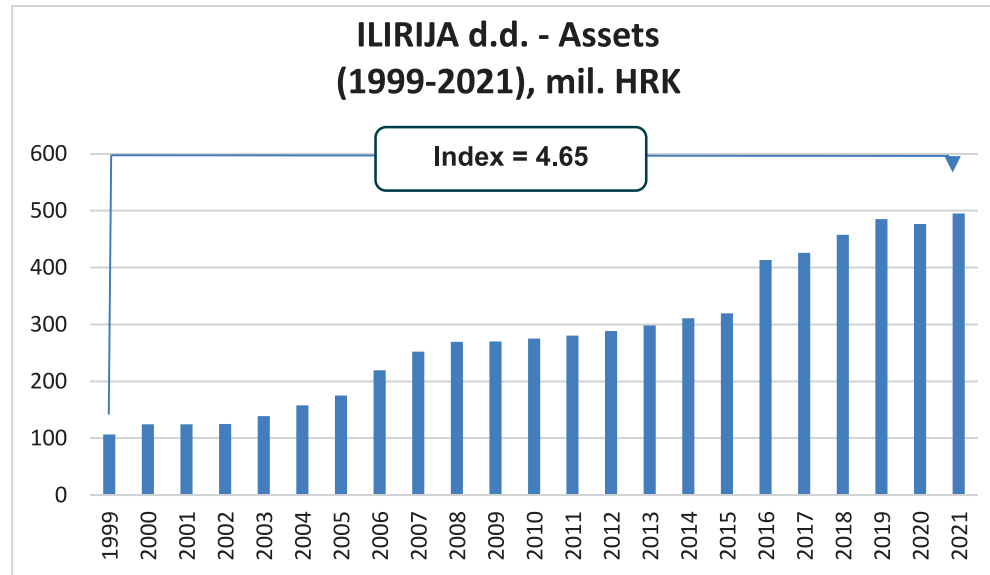


Total investment
641.8 mil. HRK
during the period of
22 years

Over
112.4 mil. HRK
investment plan
for next
3 years

ILIRIJA d.d. IN FIGURES

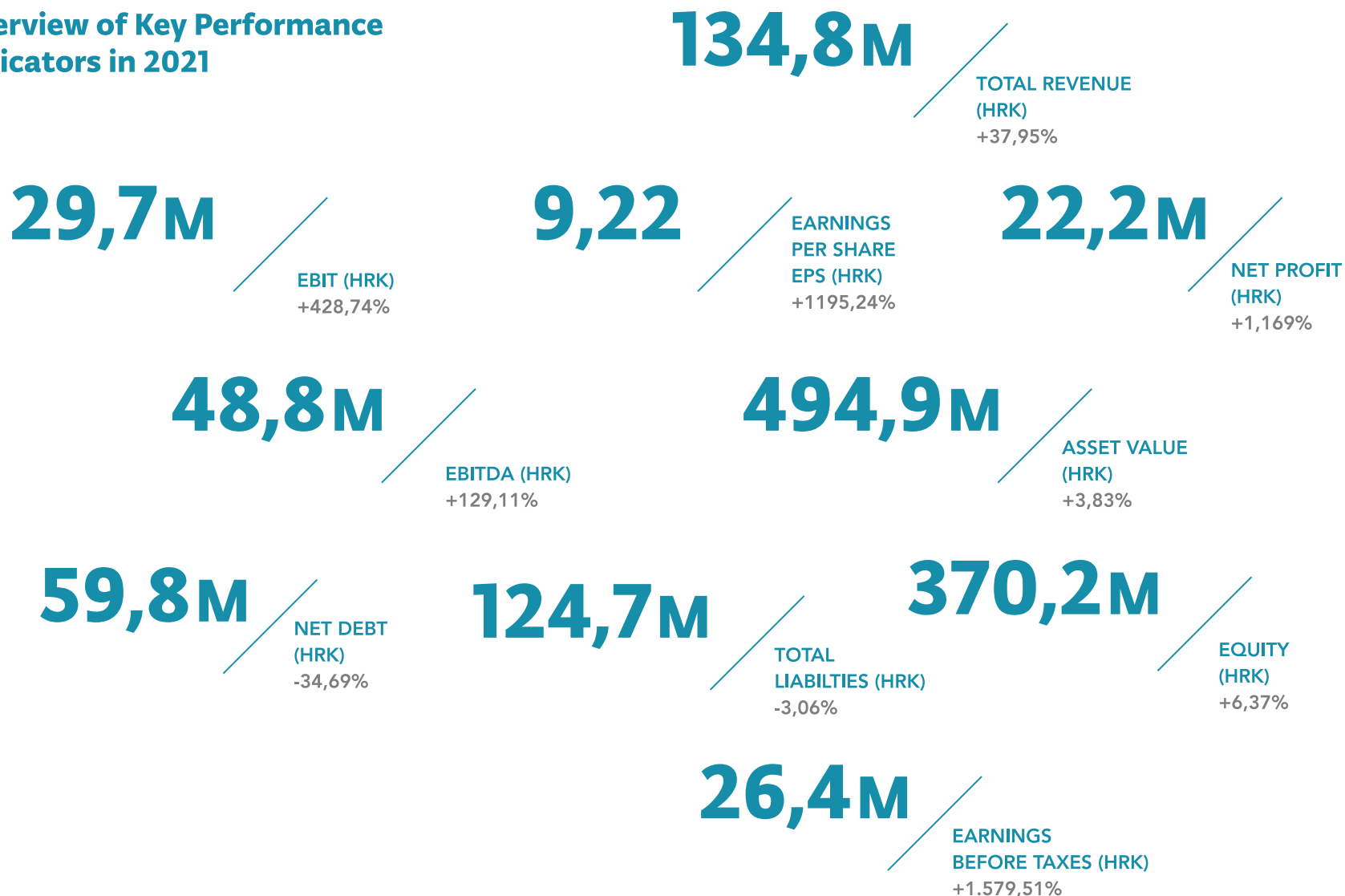
Continuous investment in product development and improvement is the foundation for an increase in the value of assets and capital of the company



ILIRIJA d.d. IN FIGURES

ILIRIJA d.d. has achieved an extremely high degree of business resilience to the crisis in the tourism sector caused by the Covid-19 pandemic. In 2021, an accelerated market recovery was performed, which was positively reflected in the business results.

Overview of Key Performance Indicators in 2021



ILIRIJA d.d. IN FIGURES

ILIRIJA d.d. has been improving its business results and asset performance indicators continuously over the past long-term period.

CUMULATIVE COMPARATIVE OVERVIEW

of key performance indicators and assets, capital and liabilities for the period 2011-2021 and as of 31/12/2021

YEAR	TOTAL LIABILITIES	CAPITAL	VALUE OF ASSETS	NET DEBT	REVENUES	OPERATING PROFIT	EBITDA	PROFIT	ANNUAL DIVIDEND
31/12/2021	124,658,050.55	370,244,993.55	494,903,044.10	59,783,368.01	134,831,127.96	48,429,421.22	48,789,796.17	26,359,486.03	0.00
31/12/2020	128,597,530.12	348,072,517.52	476,670,047.64	91,544,355.64	97,737,763.82	21,197,695.74	21,294,901.08	1,021,879.54	0.00
31/12/2019	138,494,716.54	346,783,374.38	485,278,090.92	101,317,234.91	167,797,556.86	50,224,616.67	50,310,254.21	31,333,913.66	8,417,962.00
31/12/2018	138,016,497.87	324,375,413.08	462,391,910.95	110,868,989.15	161,048,880.05	52,657,489.21	54,216,254.17	37,035,167.22	7,221,240.00
31/12/2017	131,841,078.15	294,216,184.59	426,057,262.74	112,168,069.97	150,476,677.41	48,636,138.92	49,597,271.10	33,885,784.54	6,016,540.00
31/12/2016	137,502,260.55	275,683,907.98	413,186,168.53	114,260,471.80	129,019,007.31	43,599,262.35	45,027,129.46	31,240,796.80	4,937,148.00
31/12/2015	96,706,510.04	220,353,306.88	317,059,816.92	63,269,733.01	128,146,488.63	37,282,937.82	37,767,207.06	25,510,539.54	3,740,790.00
31/12/2014	133,053,616.64	177,858,715.67	310,912,332.31	102,282,661.43	122,873,752.12	32,955,338.23	33,211,137.28	20,385,115.12	3,740,790.00
31/12/2013	131,195,062.79	166,861,394.25	298,056,457.04	111,756,504.06	117,320,406.69	35,656,918.81	32,847,699.25	20,129,183.90	3,740,790.00
31/12/2012	136,546,285.85	151,895,416.40	288,441,702.25	114,575,807.74	111,134,832.70	33,826,442.35	31,157,639.71	18,255,129.12	3,740,790.00
31/12/2011	139,927,300.98	140,262,242.54	280,189,543.52	119,441,914.24	103,735,228.95	30,013,975.99	28,030,097.35	13,249,683.38	3,740,790.00



ILIRIJA d.d. IN FIGURES

**Business results in 2021 prove the stable market and financial position of
ILIRIJA d.d. through a sustainable growth of all sectors' performance indicators**

ILIRIJA d.d. NAUTICAL SECTOR	2021	2020	2019	2021/ 2019	2021/ 2020
Physical results:					
Vessels on berth contract	719	717	740	-2.84%	0.28%
Number of overnights (vessels on transit berths)	10,219	9,799	11,227	-8.98%	4.29%
Number of executed service operations	3,554	2,831	3,688	-3.63%	25.54%
Number of business cooperation contracts	51	49	50	2.00%	4.08%
Financial results:					
Total operational revenue of nautics	49,185,727 kn	43,370,116 kn	48,610,599 kn	1.18%	13.41%
GOP per berth	36,339 kn	31,765 kn	33,840 kn	7.38%	14.40%
Capital investments	520,571 kn	1,417,954 kn	1,441,883 kn	-63.90%	-63.29%

REAL ESTATE SECTOR - CITY GALLERIA	2021	2020	2019	2021/ 2019	2021/ 2020
Operating results:					
Business premises - number of current contracts	37	36	37	0.00%	2.78%
Common expenses - number of current contracts	36	35	36	0.00%	2.86%
Common areas - number of current contracts	26	22	21	23.81%	18.18%
Advertising spaces - number of current contracts	8	8	8	0.00%	0.00%
Garage - number of parking spaces	410	410	410	0.00%	0.00%
Garage - vehicules traffic	669,197	599,329	763,982	-12.41%	11.66%
Financial results:					
Average realized monthly rental fee per sq.m. of business premises (AMR)	68 kn	70 kn	79 kn	-13.84%	-1.95%
Average realized rental fee per sq.m. of business premises for the period	821 kn	837 kn	952 kn	-13.81%	-1.95%
Average garage revenue per parking place for the period	2,018 kn	1,481 kn	2,149 kn	-6.11%	36.25%
GOP margin	53.9%	57.5%	57.4%	-6.11%	-6.18%
Capital investment	2,098,478 kn	389,177 kn	407,144 kn	415.41%	439.21%

ILIRIJA d.d. IN FIGURES

Business results in 2021 prove the stable market and financial position of ILIRIJA d.d. through a sustainable growth of all sectors' performance indicators

ILIRIJA d.d. HOTELS	2021	2020	2019	2021/ 2019	2021/ 2020
Physical results:					
Accommodation units occupancy based on operating period	53.94%	30.35%	72.08%	-25.17%	77.70%
Financial results:					
Average Daily Rate (ADR)	709.52 kn	691.76 kn	675.59 kn	5.02%	2.57%
Total Revenue par Available Room (TRevPAR)	69,983.88 kn	30,061.59 kn	134,954.31 kn	-48.14%	132.80%
GOP per accommodation unit (GOPPAR)	16,556.90 kn	-5,828.26 kn	45,341.51 kn	-63.48%	-384.08%
Capital investments	670,593.23 kn	1,035,669.03 kn	4,981,655.88 kn	-86.54%	-35.25%

ILIRIJA d.d. CAMPING SECTOR	2021	2020	2019	2021/ 2019	2021/ 2020
Physical results:					
Camp units occupancy based on operating period	49.73%	42.44%	54.44%	-8.66%	17.17%
Financial results:					
Average Daily Rate of camp unit (ADR)	251.79 kn	126.42 kn	174.24 kn	44.51%	99.17%
Accommodation revenue per camp unit (RevPAR) based on operating period	125.21 kn	53.66 kn	94.86 kn	32.00%	133.34%
Total annual revenue per camp unit (TRevPAR)	27,648.43 kn	16,233.43 kn	28,939.20 kn	-4.46%	70.32%
GOP per accommodation unit	14,978.46 kn	5,968.63 kn	13,746.76 kn	8.96%	150.95%
Capital investments	5,577,407.96 kn	8,528,791.84 kn	14,745,262.56 kn	-62.17%	-34.60%

ILIRIJA d.d. IN FIGURES

Compared to 19 leading tourism companies in Croatia, ILIRIJA d.d. takes the lead in all key financial indicators

2021 COMPARISON OF ILIRIJA d.d. WITH TOURIST COMPANIES LISTED AT THE ZAGREB STOCK EXCHANGE
FINANCIAL INDICATORS 2021 COMPARED TO 2020

Indicator	ILIRIJA d.d.		ALL COMPANIES (w/o Ilirija d.d.)		Index ILIRIJA / ALL
	I-XII 2020	I-XII 2021	I-XII 2020	I-XII 2021	I-XII 2021
Financial stability, liquidity and indebtedness					
Self-financing rate	73%	75%	54%	58%	1.28
The degree of indebtedness	27%	25%	41%	38%	0.65
Financial stability coefficient	0.99	0.95	1.04	0.95	1.00
Accelerated liquidity coefficient	1.27	1.84	0.98	1.89	0.97
Current liquidity coefficient	1.32	1.87	1.01	1.92	0.97
Activity indicators					
Ratio of total assets turnover	0.21	0.27	0.12	0.24	1.14
Short-term assets turnover ratio	3.52	2.55	1.10	1.44	1.77
Business performance indicators					
Cost effectiveness	1.01	1.24	0.62	1.08	1.15
Profitability	1.0%	16.4%	-49.9%	7.4%	2.22
Return on assets	0.2%	4.5%	-5.7%	1.8%	2.53
Share of EBITDA in total revenue	21.8%	36.2%	8.8%	36.8%	0.98
Share of EBIT in total revenue	5.8%	22.0%	-47.8%	11.4%	1.93
Change rate of operating revenue (2021 vs. 2020)	37.7%		118.9%		
Share of labour expenses in operating revenue	31.2%	25.2%	34.6%	24.2%	1.04
Change rate of labour expenses (2021 vs. 2020)	11.5%		51.1%		

Source: 2021 financial reports of ILIRIJA d.d. and other tourist companies listed at the Zagreb Stock Exchange, zse.hr

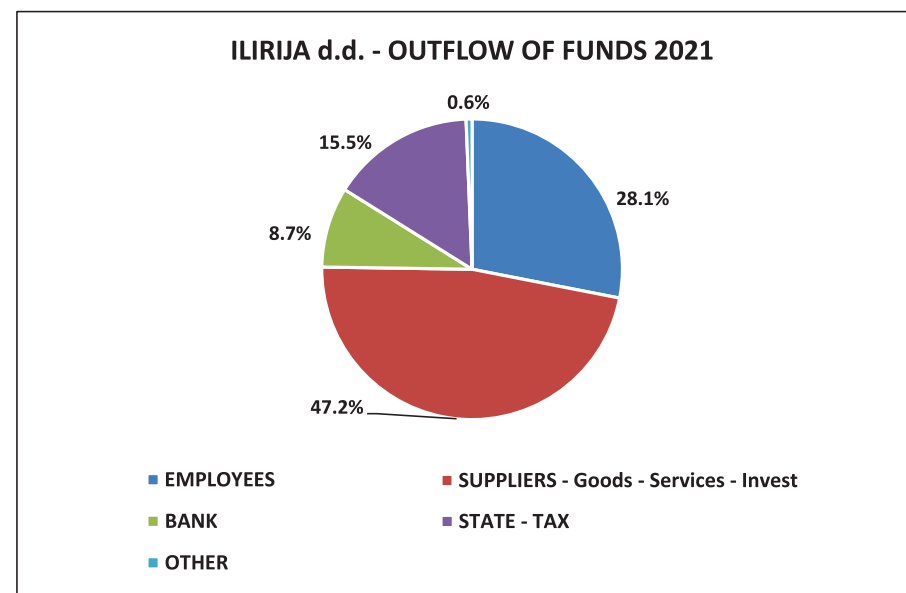
ILIRIJA d.d. IN FIGURES

15.5% of cash flow of ILIRIJA d.d. refers to taxes and contributions paid to the state

Cash flow of ILIRIJA d.d. for the period from January 1st to December 31st 2021

INFLOW OF FUNDS (HRK)	31/12/2020	31/12/2021	Structure 31/12/2021 (%)
OPERATING ACTIVITIES	112,614,033.81	156,004,039.60	96.61
BANK	7,143,546.79	0.00	0.00
OTHER	14,580,892.72	5,468,584.04	3.39
TOTAL	134,338,473.32	161,472,623.64	100.00

OUTFLOW OF FUNDS (HRK)	31/12/2020	31/12/2021	Structure 31/12/2021 (%)
EMPLOYEES	34,382,526.75	38,384,222.74	28.07
SUPPLIERS-Goods-Services-Invest	60,523,883.33	64,495,148.03	47.17
BANK	13,799,103.62	11,834,156.29	8.65
STATE - TAX	14,441,459.59	21,147,002.72	15.47
OWNERS	2,968.00	0.00	0.00
OTHER	828,246.01	875,328.34	0.64
TOTAL	123,978,187.30	136,735,858.12	100.00



Period 2000 - 2021

Total labour expenses / Total value added = **45.6%**

CONTRIBUTION TO THE STATE THROUGH TAXES AND PUBLIC CONTRIBUTIONS

Based on the economically successful business, ILIRIJA d.d. contributes significantly to the state through taxes and contributions

In the period from January 1st to December 31st 2021 ILIRIJA d.d. has paid total **taxes and contributions in the amount of 33,634,516.50 HRK:**

VAT, profit tax, payroll taxes and contributions	29,888,104.44 HRK
Sojourn tax	2,017,326.00 HRK
Concession fee (for marina, harbor, pool and hotel beach)	1,277,544.02 HRK
Contribution to the Tourist Board and consumption tax	451,542.04 HRK



CORE VALUES OF THE COMPANY

By integrating core values into day-to-day business and responsible, growing and profitable business ILIRIJA d.d. creates the foundation for its role as a driving force and a philanthropic role in the community

**Core Values:**

Respect and integrity - Equal treatment and relationship with all our stakeholders is the core value of our company's business.



Quality - A top-notch product, professional service and individual approach to clients are the basis of the customer relationship that is at the heart of the company's service.



Innovation - To be the initiator and creator of new products and services, contributing to the future development of company, destination and Croatian tourism.



Sustainability and Responsibility - In business, investment, relationship with its employees, business partners, customers, regional and local community, shareholders and day-to-day operations by integrating the economic, social and environmental aspects into decision-making processes and corporate strategy of the company. Harmonizing these aspects is the foundation of success and sustainable development of the company.



Transparency - In business and communication with all stakeholders of the company while complying with the principles of timely and accurate information provision as a prerequisite for further strengthening the company's market position and its further growth.

ACTIVE ROLE IN BUSINESS ASSOCIATIONS AND INSTITUTIONS

With an active approach to the environment, we contribute to the development of Croatia’s tourism profession, tourism sector, and economy. We undertake living communication with the state and local community.



Member of 15 business and industry associations



Active promotion of the interests and development of the tourism industry through active contribution to regulations of special importance and interest for tourism



Promoting socially responsible business activities



4 codes / charters / initiatives

Business associations:

- Croatian Chamber of Commerce (HGK)
 - Croatian Marina Association
 - Community for Corporate Social Responsibility
 - Community for Environmental Protection
 - Chamber of Commerce of the Croatian Chamber of Commerce of Zadar County
- Croatian employers association (HUP)
- Croatian Business Council for Sustainable Development (HR PSOR)
- Croatian Association of Managers and Entrepreneurs (HUM-CROMA)

Industry associations:

- Croatian Tourism Association (HUT)
- Association of Employers in Croatian Hospitality (UPUHH)
- Croatian Camping Association (KUH)
- Top Camping Pool
- Croatian Association of Travel Agents (UHPA)
- Croatian Association of Independent Travel Agents (UNHPA)
- Croatian Association of Congress Tourism Professionals
- Tourist boards at regional and local level
- International Federation of Boat Show Organisers (IFSBO)
- Association Lijepa naša
- LAG LAURA

The President of the Management Board of Ilirija d.d. in the person of Mr. Goran Ražnjević is a member of the following bodies of business and industry associations:

- Assembly of the Croatian Chamber of Commerce
- Tourist Council of the Tourist Board of the Zadar County
- President of the Assembly of the Croatian Business Council for Sustainable Development

Charters, codes, and initiatives applied by the Company:

- Corporate governance code of the Croatian Financial Services Supervisory Agency and Zagreb Stock Exchange
- Code of Ethics in the business of the Croatian Chamber of Commerce
- Diversity Charter Croatia
- Alliance for Gender Equality

Mr. Goran Ražnjević, President of the Management Board of Ilirija d.d., is one of 5 Ambassadors of Diversity Charter in the Republic of Croatia

AWARDS, ACKNOWLEDGMENTS, CERTIFICATES AND STANDARDS

The general public and the stakeholders recognize the driving role of ILIRIJA d.d. in the tourist economy and in the business and social environment

ILIRIJA d.d. received the following awards and recognitions in 2021:

- Ilirija d.d. and Marina Kornati are the winners of the Jutarnji list **Nautical Patrol award** for the best organization and the greatest contribution to the development of Croatian nautical tourism during the COVID-19 pandemic.
- Continuous investment in raising the quality and services of accommodation in the camp "Park Soline" was recognized by the German auto club ADAC. **ADAC has awarded the camp a 4 **** star quality label and a TIPP for 2022**, which is a special ADAC recommendation for accommodation. The TIPP label is awarded to high-quality campsites that have a minimum of 4 stars.
- Camp "Park Soline" was named **one of the top five camps in Croatia** by the renowned German magazine **Wohnmobil Tourguide**.
- The Croatian Association for Tourism and Rural Development awarded the **"Sunflower of Rural Tourism of Croatia" awards** to the best in rural tourism from all over Croatia, and the **Golden Charter in the category "Traditional (rural) households"** went to the diffuse hotel Ražnjevića dvori.

Transparent reporting on all aspects of business:

Sustainability Report for the Year 2021 is the company's seventh report on responsible and sustainable business in Croatian and English, in accordance with the leading international standards of non-financial reporting - GRI Standards and Taxonomy Regulation. The report represents the company's continuous strategic commitment in the area of transparent reporting on all aspects of business and all other activities in the field of environmental protection, relations with employees and the community.

Certificates and standards:

- An integrated quality and environmental management system **ISO 9001: 2015 and ISO 14001: 2015** has been implemented
- The recertification procedure of the **HACCP Codex Alimentarius** system was carried out
- In the recertification process, the camping Park Soline confirmed the international **Green Key certificate**
- Camp Soline has been awarded the international **Ecocamping certificate**
- Marina Kornati is the holder of the **Blue Flag**
- Hotel Ilirija has been awarded the **Advanced Sustainable Hotel certificate**
- The Croatian Health Insurance Institute awarded Ilirija d.d. Certificate **"Friend of Health"** for the introduction of special labels in the work environment and enabling the adoption of healthy work habits by its employees.

LOCAL EXISTENCE AND ACTIVITY OF THE COMPANY

ILIRIJA d.d. as an integrative part of the Croatian economy and an outstanding business entity in tourism, creates the foundations of its business and development through its contribution to employment and the economy, primarily at the local and regional levels as at the national level



During 65 years of business, Ilirija has grown into the leading economic entity at the local level, one of the three leading tourism companies in the region as well as 20 leading tourist companies and 200 of the best companies in the Republic of Croatia.

The most significant economic impact of the company in the region is reflected in the employment of the local population. Of the total number of employees, 40% are from the town of Biograd na Moru. As many as 99% of our employees are from the Zadar County.

Also, in the procurement 96.13% of our suppliers are from Croatia, thus encouraging national economy.

As the leading tourist economic system in Biograd na Moru, we are encouraging the development of the total tourist offer of the city and its surroundings.

EMPLOYEES – THE KEY TO SUCCESS

Understanding that the people are the key to success in tourism, we ensure all our employees the right to personal and professional development, thus improving the quality of service and the satisfaction of our guests



We are aware that the quality of service in tourism and guest satisfaction are created by employees and that they are the best promoters of our values, destinations and services, thus contributing to our market competitiveness, visibility and business success.

In aggravated business conditions due to the global pandemic, preserving the jobs of existing employees and their financial position, i.e. preserving able-bodied, highly qualified and professional employees is the company's fundamental goal in human resources management. ILIRIJA d.d. has successfully realized it by retaining full employment.



268
permanent
employees



380
employees
in the high
season

1,000 people
employed
based on
business
cooperation

Due to the focus on the development of human resources, **ILIRIJA d.d. since its foundation until today had no work dispute.**



EMPLOYEES – THE KEY TO SUCCESS

As a responsible business system, we nurture the diversity policy as the basic genetic code of our company. During the pandemic period, we paid great attention to the health and safety of our employees and preservation of jobs.

The company's diversity policy is based on the following values:



Equal opportunities in the workplace for all employees



Zero tolerance for any form of discrimination



Motivating and stimulating business environment



Diversity of knowledge and experience



Equal pay for the same job

As a public company and responsible business system ILIRIJA d.d. also bases its corporate values on a policy of diversity by hiring employees of different nationalities, races, religions, genders, education, ages, knowledge, experiences, etc., which together form the key to a company's success. Equality in all rights, diversity of knowledge and experience, protection of personal and business integrity and dignity in the workplace are the values on which ILIRIJA d.d. has been basing its business for decades.

As a signatory to the Diversity Charter ILIRIJA d.d. is recognized as a company that promotes diversity as one of its core values, and the President of the Management Board, Mr. Goran Ražnjević, has been appointed one of the ambassadors of diversity in Croatia. In 2020, ILIRIJA joined the Alliance for Gender Equality, which further strengthened the direction of development of corporate values of the company on the principles of diversity and inclusiveness and created what ILIRIJA is today - a modern and responsible corporation that values each individual through work and commitment full respect for all fundamental values and zero tolerance for any form of discrimination.

RESPONSIBLE AND SUSTAINABLE OPERATION – FUNDAMENTAL DETERMINATION OF ILIRIJA D.D.

Balancing and long-term sustainability of the rights, obligations and interests of all participants in the business process while maintaining the business growth and development of the company in the business process of creating ILIRIJA d.d. as material, humanistic and socially acceptable socio-economic company.



1. BUYERS - value for money - market
2. EMPLOYEES - business processes, knowledge society
3. SHAREHOLDERS - owners of capital
4. STATE - tax and legislative framework
5. SUPPLIERS - goods and services
6. LOCAL COMMUNITY - development of the community in which we operate
7. BANK - additional sources of financing
8. PROTECTION - protection and preservation of nature, environment, health and human life

RESPONSIBLE AND SUSTAINABLE OPERATION – FUNDAMENTAL DETERMINATION OF ILIRIJA D.D.

Socially responsible business and transparent and interactive communication with stakeholders and the environment create the foundation for sustainable development and the company's value growth



Sustainable, continuous and balanced investment that guarantees sustainable growth and development of the company and long-term business stability and market competitiveness is one of the fundamental principles of business philosophy of ILIRIJA d.d.

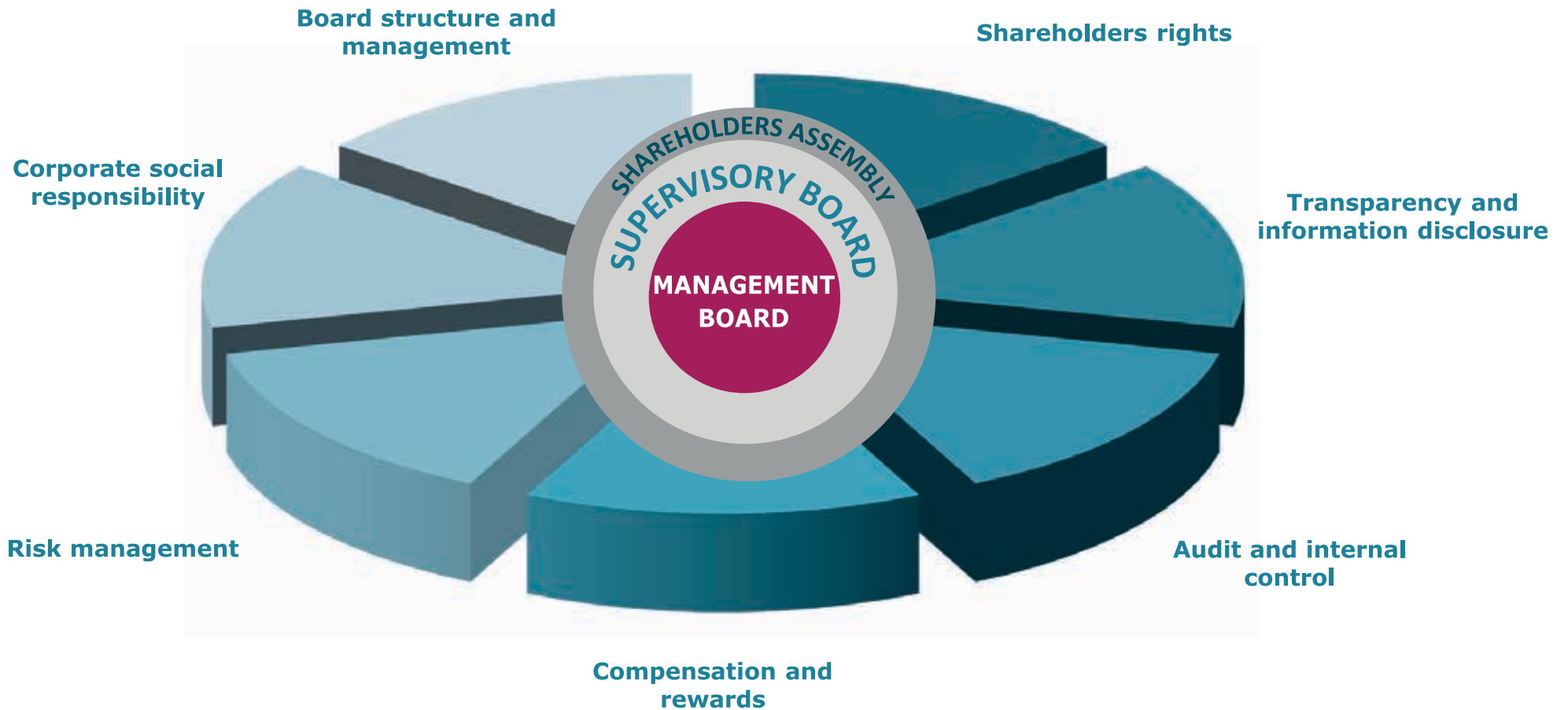
The principles of responsible and sustainable operation have also been incorporated into our core values that we communicate daily with all stakeholders inside and outside the company.

In this way, we ensure the future for generations to come.



Ilirija d.d.

SEVEN PILLARS OF CORPORATE GOVERNANCE



ILIRIJA d.d. AND INTERNATIONAL EBRD REPORTING

We participate in the EBRD Reporting Program on the Survey of Listed SMEs, where the shares of ILIRIJA d.d. are recommended as ‘Buy’



Since 2020, the Company has been participating in the Reporting Program on the Survey of Small and Medium-Sized Companies Listed on the Stock Exchanges of Nine European Countries (Bulgaria, Croatia, Northern Macedonia, Romania, Serbia, Slovenia, Estonia, Latvia and Lithuania) launched by the European Bank for Reconstruction and Development. The project aims to increase the availability of research on listed SMEs, **increase the level of transparency in the reporting process through the production of reliable and independent reports, develop capital markets in participating countries, and increase investment opportunities in participating companies.**

Wood & Company Financial Services, an investment bank based in Prague, was selected as part of a project to produce independent reports for all companies. On the website of the Listed SME Research Hub www.listed-sme.com, as of 31 December 2021, three reports for Ilirija d.d. have been published, **always with a recommendation to buy shares of Ilirija d.d.** The latest report for Ilirija d.d. entitled “On the right track to full recovery”, dated December 20, 2021, was published also with a recommendation to purchase shares.

In the last report published at the end of 2021, Wood & Company Financial Services raised the **12-month target price (PT - Price Target) for ILIRIJA d.d. by 30% to HRK 231**, given the stability of business generated by the marina and business and shopping center, favorable market trends and expectations that the company in 2022 will generate revenues comparable to those realized in 2019.





Ilirija d.d.
BIOGRAD NA MORU

HOTELS | MARINA | CAMPING

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