



FINANCIAL REPORT FOR THE PERIOD 01/01 - 30/09/2022

Biograd na Moru, October 2022



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OVERVIEW OF KEY PERFORMANCE INDICATORS FOR THE PERIOD FROM 01/01 - 30/09/2022

in HRK	I-IX 2022	I-IX 2021	I-IX 2019	INDEX 2022/2019	INDEX 2022/2021
Financial indicators					
Total revenues	162.174.011,07	121.847.829,71	149.899.928,49	108,19	133,10
Operating income	162.146.216,83	121.831.184,80	149.848.902,06	108,21	133,09
<i>Hospitality</i>	47.278.398,89	27.509.592,52	53.319.674,24	88,67	171,86
<i>Nautics</i>	49.054.857,11	44.272.639,56	44.576.303,32	110,05	110,80
<i>Camping</i>	49.695.322,39	33.050.821,32	34.446.659,53	144,27	150,36
<i>Other revenues</i>	16.117.638,44	16.998.131,40	17.506.264,97	92,07	94,82
Revenues from sales	161.570.976,02	116.353.006,22	148.849.796,71	108,55	138,86
EBITDA	71.613.760,46	59.294.501,14	63.018.543,97	113,64	120,78
EBITDA margin	44,17%	48,67%	42,05%	105,03	90,75
EBIT	57.221.549,02	47.616.352,65	53.420.871,97	107,11	120,17
Profit	54.807.634,30	45.152.280,88	50.320.923,09	108,92	121,38

in HRK	I-IX 2022	I-IX 2021	I-IX 2019	INDEX 2022/2019	INDEX 2022/2021
Balance sheet indicators					
Net debt	24.041.876,82	46.361.427,85	90.463.230,61	26,58	51,86
Interest coverage	22,70	18,32	16,24	1,40	1,24
Capital investments	12.745.411,75	4.528.907,83	14.476.918,41	88,04	281,42
ROE	13,17%	11,48%	11,27%	116,88	114,72
ROA	10,08%	8,79%	8,52%	118,33	114,74
Adjusted ROCE	17,31%	10,47%	15,37%	112,62	165,33

in HRK	I-IX 2022	I-IX 2021	I-IX 2019	INDEX 2022/2019	INDEX 2022/2021
Indicators of the financial position					
Value of assets	543.615.804,25	513.840.781,24	484.072.792,03	112,30	105,79
Capital	416.076.077,35	393.224.798,40	366.048.215,17	113,67	105,81
Total liabilities	127.539.726,90	120.615.982,84	118.024.576,86	108,06	105,74

in HRK	I-IX 2022	I-IX 2021	I-IX 2019	INDEX 2022/2019	INDEX 2022/2021
Achievements on the capital market					
Market capitalization	458.562.720,00	393.398.544,00	443.164.666,56	103,47	116,56
EV	434.520.843,18	438.818.667,98	599.323.652,52	72,50	99,02
EV / EBITDA	6,07	7,40	9,51	63,80	81,99
P / E	8,33	10,63	11,93	69,82	78,36
EPS	22,81	15,34	17,10	133,39	148,70
DPS	3,50	0,00	3,50	100,00	#DIV/0!

Physical indicators	I-IX 2022	I-IX 2021	I-IX 2019	INDEX 2022/2019	INDEX 2022/2021
Hotel sector					
Number of accommodation units	435	443	443	98,19	98,19
Overnight stays of tourists	89,496	66,044	128,067	69,88	135,51
Occupancy days	99	66	140	70,71	150,00
Annual occupancy	36,34%	24,35%	51,46%	70,62	149,24
Nautics					
Number of berths	805	805	805	100,00	100,00
Contracted vessel	716	707	729	98,22	101,27
Transith berth, overnight stays of vessels	8.467	9.012	10.223	82,82	93,95
Transith berth, inbound sail of vessels	2.982	2.435	3.229	92,35	122,46
Port service - number of operations	3.167	2.982	3.144	100,73	106,20
Days of work	365	365	365	100,00	100,00
Camping					
Number of accommodation units	1.208	1.208	1.220	99,02	100,00
Days of work	183	183	214	85,51	100,00
Occupancy days	101,33	92,76	123,40	82,12	109,24
Mobile homes	98,87	77,14	92,92	106,40	128,17
Individuals	42,63	31,27	44,23	96,38	136,33
Fixed lease	183,00	183,00	214,00	85,51	100,00
Lump sum	183,00	183,00	214,00	85,51	100,00
Occupancy	55,37%	50,69%	57,66%	96,03	109,23
Mobile homes	54,03%	42,15%	43,42%	124,44	128,19
Individuals	23,29%	17,09%	20,67%	112,68	136,28
Fixed lease	100,00%	100,00%	100,00%	100,00	100,00
Lump sum	100,00%	100,00%	100,00%	100,00	100,00
Overnight stays of tourists	309.765	234.556	286.209	108,23	132,06

Physical indicators	I-IX 2022	I-IX 2021	I-IX 2019	INDEX 2022/2019	INDEX 2022/2021
DMC Ilirija Travel					
Number of events	263	144	509	51,67	182,64
Number of persons (events)	19.081	7.535	37.019	51,54	253,23
Real-estate					
Number of leesses	37	37	37	100,00	100,00
Common expenses	35	36	36	97,22	97,22
Common areas	25	26	21	119,05	96,15
Advertising space	8	8	8	100,00	100,00
Garage - number of parking spaces	410	410	410	100,00	100,00
Rented area (m2)	9.464,72	9.924,60	9.897,60	95,63	95,37
Number of vehicle	510.695	483.191	560.819	91,06	105,69

KEY INFORMATION FOR THE PERIOD 01/01 – 30/09/2022

1 In the nine months of the business year, the Company achieved the best that is the record business results so far - not simply in the domain of operating revenue as indicator of profitability, but in the domain of financial position indicators as well. These best results achieved by the Company so far have helped stabilise its financial balance and have led to its unprecedentedly strong financial position, i.e. strengthened short-term financial assets, the lowest net debt and the strongest balance sheet position, recorded as its asset and capital value.

The Company started the business year with a positive outlook, planning the business operations in their maximum scope and with no limiting circumstances. However, the Company retained a degree of caution, mindful of the circumstances of the business year on a global level, even more pronounced in the first quarter with the outbreak of the conflict between Russia and Ukraine, the global inflation, and the shortage of qualified hospitality staff in the labour market.

The first quarter of the business year was marked by the pandemic and the outbreak of the war between Russia and Ukraine, which greatly impacted the business operations in the pre-season, i.e. their volume was much lower than planned. This had a particularly significant impact on the sectors which had been hit by the pandemic the hardest in the previous year as well (the hotel sector and

the destination management company), which, due to these circumstances, were dominated by last-minute sales concentrated within the third quarter of the business year. Finally, despite the double-digit growth rates, the hotel sector significantly approached its pre-pandemic results. However, the results fell short due to the absence of a pre-season.

The Company's tourist sectors recorded a strong growth of the business operations compared to the previous year, some of them even compared to the pre-pandemic period, i.e. 2019. The nautical and camping sectors achieved the best operating results by far since the beginning of their business operations, especially in the domain of financial and profitability indicators, both of which grew by double-digit rates, and they had a great impact on the total operating results of the Company, especially considering profitability. The destination management company managed to generate record operating revenue, having realised its business operations within a short peak and late season period, with a growth in the domain of physical business performance indicators, including the realised events and other profit centres of the Company, while the real estate sector maintained a stable growth of its business operations. Furthermore, we must note that, in the hospital and camping sectors, the Company additionally maximised the achieved results, especially in the domain of implementation of dynamic daily sales and revenue management.

2 Total revenue was generated in the amount of HRK 162,174,011.07, representing an increase of 33.10% compared to the nine months of the previous year when it amounted to HRK 121,847,829.71, which is the result of an increase in operating revenue, i.e. sales revenue. Compared to the same period of 2019, which has thus far been the best business year for the Company, in which total revenue was generated in the amount of HRK 149,899,928.49, in the reporting period an increase in revenue of 8.19% was recorded. Operating revenue was generated in the amount of HRK 162,146,216.83, representing an increase of 33.09% as a result of a significant increase in revenue in all Company sectors, especially tourism sectors, while compared to the same period of 2019, it increased by 8.21%.

Also, it should be noted that in 2019 the Company recorded discounts on invoices as revenue, and at the same time as expenditure, which amounted to HRK 3,944,530.12 in the nine months of 2019 at Company level. To compare total and operating revenue, the total revenue derived, i.e. adjusted for the nine months of 2019 was generated in the amount of HRK 145,955,398.37, meaning that total revenue in 2022, amounting to HRK 162,174,011.07, increased by 11.11%, while operating revenue, amounting to HRK 162,146,216.83, increased at a rate of 11.14% compared to the derived operating revenue realised in the amount of HRK 145,904,371.94.

So, the real or actual growth rate of total revenue in 2022 compared to 2019 was 11.11%, and the real or actual

growth rate of operating revenue in 2022 compared to the same period of 2019 was 11.14%, which we consider an exceptional business success in the part of the Company's operations regarding the acquisition and generation of realised revenue.

The camping sector generated revenue in the amount of HRK 49,695,322.39, constituting an increase of 50% compared to the same period of 2021, when it amounted to HRK 33,050,821.32. By comparing revenue from the reporting period with the same period of 2019 realised in the amount of HRK 34,446,659.53, an increase of 44.27% was recorded, whereas comparing it with the derived, i.e. adjusted revenue of the period it increased by as much as 50.58%. Camping sector revenue was a result of a significant double-digit increase in revenue in both of its profit centres, whereby revenue increased by 50% in the "Park Soline" campsite, and by 58% in the hospitality segment compared to the same period of the previous year. The camping sector recorded an increase in revenue greater than planned or expected, thereby maintaining strong continuity of growth in all of its key market segments at double-digit rates, especially regarding individual guests with a growth rate of 77% and mobile homes with a growth rate of 66%, which ultimately led not only to complete recovery of the camping sector, but also its best results recorded to date.

The nautical sector, as in the previous two years, maintained stability of business operations, and recorded an increase in revenue and complete recovery in view of the

fact that, in addition to Marina Kornati, its other two segments, i.e. nautical fair and hospitality, recorded growth in the reporting period. The nautical sector generated revenue in the amount of HRK 49,054,857.11, representing an increase by 11% compared to revenue in the amount of HRK 44,272,639.56 generated in the same period of the previous year, while an increase of 10.05% was also recorded compared to the pre-pandemic period. The revenue of Marina Kornati, representing 90.41% of the sector's revenue, recorded an increase of 10%, hospitality revenue increased by 27% and nautical fair revenue achieved growth at a rate of 17%.

The hotel sector generated revenue in the amount of HRK 47,278,398.89, representing an increase by 72% compared to the same period of the previous year when revenue was realised in the amount of HRK 27,509,592.52, which is at a level of 88.51% of realisation compared to the same period of 2019, achieved in the amount of HRK 53,415,064.41, or 92.73% in terms of derived, i.e. adjusted revenue. Compared to the previous year, revenue recorded a significant increase as a result of relaxing and ultimate lifting of epidemiological measures and earlier opening of facilities, which led to strong recovery in demand in the peak season. However, because of the absence of a pre-season, the results fell short of the results recorded in 2019.

The destination management company Ilirija Travel, as a complementary and integrated product of all tourism sectors, realised revenue in the amount of HRK

5,820,269.11, representing an increase by 172% compared to the revenue from the same period in the previous year which amounted to HRK 2,140,353.93. The result of the destination management company is the result of strong recovery of the event industry in peak season and post-season, and compared to the thus far record year of 2019, revenue was generated at a level of 88.71% of the best realisations achieved to date. If we add revenue from events generated in profit centres of other sectors of the company, then the realised revenue amounts to HRK 9,244,012.85 and represents an increase by 13% compared to the thus far record year of 2019, when it amounted to HRK 8,201,510.22.

The real-estate sector generated revenue in the amount of HRK 10,146,232.38, constituting an increase by 5% compared to revenue realised in the same period of the previous year as a result of an increase in rent revenue and parking revenue because of the increased number of visitors to the centre and maintained high rate of occupancy.

3 Total expenses amounted to HRK 107,366,376.77 and, compared to the same period of 2021, they showed a 39.99% increase due to a 44.77% increase in operating expenses and a 23.24% increase in depreciation. Operating expenses amounted to HRK 90,560,250.61 and have increased by HRK 28,006,922.04, on the one hand due to an increase in business operations at the level of all Company sectors and on the other hand mostly due to an increase in energy costs (electricity, gas and fuel), an

increase in raw material costs (food and beverages), an increase in outsourcing costs, predominantly caused by inflation, and an increase in wage costs. Compared to the pre-pandemic period, i.e. 2019, when they amounted to HRK 86,881,384.52, they recorded an increase by 4.32% or by HRK 3,678,866.09 which, considering global inflation, a general increase in prices and geopolitical instability, shows that the Company manages operating costs as efficiently as possible in extremely unstable and uncertain circumstances.

4 All operating profitability indicators (operating profit, profit, EBITDA and EBIT) achieved double-digit growth compared to the same period in the previous year, but also compared to 2019, which is especially significant considering all the circumstances of 2022. In the reporting period, the Company's operating profit was recorded in the amount of HRK 71,585,966.22, representing an increase by 20.76% compared to the same period of the previous year, whereas profit amounted to HRK 54,807,634.30, which constitutes an increase by 21.38% when it amounted HRK 45,152,280.88. EBITDA was realised in the amount of HRK 71,613,760.46, i.e. it was 20.78% higher than in the same period of 2021, when it amounted to HRK 59,294,501.14, while EBIT was realized in the amount of HRK 57,221,549.02, constituting an increase of 20.17%.

The operating profit amounted to HR 71,585,966.22 and compared to the same period of 2019, when it amounted to HRK 62,967,517.54, recorded an increase of 13.69%, while the profit for the reporting period amounted to HRK

54,807,634.30 and recorded an increase of 8.92% compared to the nine months of 2019, when it amounted to HRK 50,320,923.09. Moreover, in the nine months of 2022 EBITDA was realised in the amount of HRK 71,613,760.46, i.e. it was 13.64% higher than in the same period of 2019, when it amounted to HRK 63,018,543.97, while EBIT was realised in the amount of HRK 57,221,549.02, constituting an increase of 7.11% compared to the same period of 2019 when it amounted to HRK 53,420,871.97.

The key tourism sectors (hotel, nautical and camping sectors) generated growth in key operating profitability indicators compared to the same period in the previous year, while the nautical and camping sectors achieved, based on their profitability indicators, results surpassing even the year 2019, thus far their best business year. In particular, the nautical sector generated an increase in operating profit by 9.44%, profit by 9.60%, EBITDA by 9.44% and EBIT by 9.44%. Profitability indicators in the camping sector recorded growth at a double-digit rate, resulting in an operating profit increased by 60.07%, profit by 62.20%, EBITDA by 60.07% and EBIT by 60.84%. Profitability in the camping and nautical sectors significantly impacted the generated profitability of the Company.

5 The value of the Company assets as at 30/09/2022 amounted to HRK 543,615,804.25, representing an increase of 5.79%, i.e. HRK 29,775,023.01 compared to the same period of 2021, when it amounted to HRK 513,840,781.24 as a result of an increase in current assets.

The value of current assets amounted to HRK 103,796,043.45 and was 43.99% higher, i.e. HRK 31,708,005.70 compared to the same period of the previous business year, when it amounted to HRK 72,088,037.75. We would like to highlight the increase in current assets, i.e. the account balance and bank deposits, which as at 30/09/2022 amounted to HRK 89,916,945.72, representing an increase of 42.06% compared to the same period of the previous year, when they amounted to HRK 63,298,230.14, thereby considerably strengthening both the financial position and stability of the Company and its liquidity.

6 Equity and reserves as at 30/09/2022 amounted to HRK 416,076,077.35, representing an increase of 5.81%, or HRK 22,851,278.95 compared to the same period of 2021, when they amounted to HRK 393,224,798.40, as a result of an increase in retained profit and profit realised in the current business year.

7 Total liabilities amounted to HRK 127,539,726.90, increasing by HRK 6,923,744.06, or 5.74% compared to HRK 120,615,982.84 for the same period of 2021, as a result of an increase in current and long-term liabilities of the Company of 11.28% and 4.99% respectively.

8 The net debt, which includes both long- and short-term liabilities of the Company towards banks, minus giro account cash and cash in hand and deposits for the reporting period amounts to HRK 24,041,876.82, which is a decrease of 48.14% or HRK 22,319,551.03 compared to the same period in 2021. The net debt for the first three quar-

ters of 2022 decreased by 73.42% or HRK 66,421,353.79 compared to HRK 90,463,230.61 for the same period in 2019. The Company not only decreased its net debt compared to the same period of the previous year, compared to 2019 as the best business year thus far, but it also recorded the lowest net debt to date. Considering the circumstances of the business year on a global level (global pandemic, inflation and the Russian-Ukrainian war), the amount of the net debt points to a significantly strengthened stability and liquidity of the Company and its ability to not only maintain them, but also reinforce them.

9 On the capital market, the Company share was traded in the amount of HRK 2,027,263.00, constituting an increase by 91.16% compared to the same period of the previous year, when the price was HRK 1,060,522.00. At the same time, an increase by 280.07% was recorded in the average turnover per transaction, amounting to HRK 23,850.15, while the average daily turnover amounted to HRK 53,349.03 with a growth rate of 247.10%.

10 The average share price for the nine months in 2022 amounts to HRK 174.99 in comparison to the average price for the same period of the previous year in the amount of HRK 161.66, constituting an increase of 8.25%. The last share price was achieved in the amount of HRK 190.00 per share, representing an increase of 16.56%, which led to a proportionate increase in market capitalization calculated by multiplying the number of shares and the last achieved price in the amount of HRK 458,562,720.00.

11 At the meeting held on 12 April 2022, the General As-

sembly of the Company adopted the following decisions:

- Decision on the Approval of the Report on the Remuneration of Supervisory Board and Management Board Members for 2021,
- Decision on Granting Discharge to the Company's Management Board and the Members of the Supervisory Board,
- Decision on the Appointment of the Company's Auditor for 2022, by virtue of which the authorised auditing company "UHY RUDAN d.o.o.", Ilica 213, Zagreb, PIN (OIB): 717995390000, was appointed to perform audit activities in 2022,
- Decision on the Allocation of Profit for the business year 2021, based on which the profit generated in 2021 is to be allocated as follows:
 - HRK 13,752,683.53 into the retained profit, and
 - HRK 8,419,792.50 for dividend distribution.
- Decision on Dividend Distribution to the shareholders of the Company from the profits generated in 2021 in the total amount of HRK 8,419,792.50. The dividend per share amounts to HRK 3.50.

12 In the reporting period, the Company invested HRK 12,745,411.75, most of which pertained to the tourism sectors of the Company, i.e. the hotel, camping and nautical sectors, for the purpose of enhancing and improving the quality and standard of additional facilities. In the hotel sector, the most significant investment pertained to the reconstruction and expansion of the wellness and beauty centre in the Ilirija Hotel**** and its transformation into

a medical wellness spa centre. Moreover, the works on the redecoration and refurbishing of the lobby of the Ilirija Hotel****, the adaptation of amenities for children in the Adriatic Hotel, as well as the replacement of the external doors and improvement of hospitality services were also completed. As regards the camping sector, the glamping deluxe zone with 32 holiday homes was completed, as well as the works on the main roads in the campsite's extra zone, amenities for children and further landscaping in the campsite. As regards the nautical sector, a fireboat was acquired in order to increase the level of safety and protect the lives and wellbeing of guests and employees, as well as to protect property.

13 In June, the Company published the 2021 Sustainability Report, its seventh report on responsible and sustainable business operations, prepared in accordance with the leading international standards for non-financial reporting, GRI Standards, and the Taxonomy Regulation. The report represents the Company's continued strategic commitment to report on all of its business aspects, as well as all other activities in the areas of environmental protection and relationship with its employees and the community, in a transparent manner.



1 ABOUT ILIRIJA D.D.

1.1 BASIC INFORMATION

ILIRIJA d.d. is a public joint stock company registered for hospitality and tourism with registered office in Biograd na Moru, Tina Ujevića 7, that has been active in the Croatian tourist market for over **65** years. The business operations of ILIRIJA d.d. is based on the principles of corporate social responsibility as an integral part its corporate values.

In its business operations, the Management Company applies the Code of Corporate Governance of the Zagreb Stock Exchange and HANFA. The data on the operations are public and transparent, and at all times available to all national, financial and other institutions, shareholders, banking institutions, funds, associations, business partners, institutional, individual and other investors in the regulated capital market in the Republic of Croatia. In its business operations, the Company covers all key segments of the Adriatic Mediterranean tourism offer that is: **hotel sector** (hotels: Ilirija****, Kornati****, Adriatic***, Villa Donat****/***), **nautical sector** (Marina Kornati and Hotel port Ilirija-Kornati), **camping** (campsite „Park Soline“****), **hospitality** (restaurant “Marina Kornati”, restaurant “Park Soline”, Beach bar “Donat”, “Lavender” lounge bar), **destination management company/DMC Ilirija Travel** (Arsenal in Zadar, Villa Primorje ****, diffuse hotel Ražnjevića dvori

AD 1307, event boat “Nada”), **sports-recreational and entertainment center** (Tennis center Ilirija with 20 tennis courts and Aquatic center with hospitality facilities), and since the month of December 2016, the Company’s portfolio includes the **Commercial-Shopping Center City Galleria** in Zadar with more than 28.500m² gross area in total six floors and total 9.464,72m² net rented floor area.

Its business is based on providing services by using its capacities (hotels, nautics, camping) at the same time providing additional amenities and services, thus creating a high-quality integrated and complementary tourism product in the domestic and international tourism market, presented under the brand Ilirija Travel. Destination management company was established as a result of the modern tourism demand, conditioned by the technological, social, market factors and trends of ever more demanding customer or market.

1.2 CHRONOLOGICAL OVERVIEW OF THE COMPANY'S DEVELOPMENT

Year 1957 | The Company was incorporated and domiciled in Biograd na Moru, where it operates today, although the beginnings of the company date back to 1934 when the first hotel called ILIRIJA in Biograd na Moru was built. These are also the first beginnings of organized tourism not only in Biograd but also in the entire Biograd Riviera, by which the Company becomes the pioneer and the leader of all tourism activities in the Biograd region.

Years 1969-1972 | The construction of new hotel facilities (Hotel Kornati**** and Hotel Adriatic***), the overall reconstruction and construction of hotels Ilirija**** and building an annex to the hotel Villa Donat ****/*** in Sv. Filip and Jakov.

Year 1976 | Start of construction of the first nautical tourism port in Croatia, according to the first building permit in the Republic of Croatia for the construction of the first nautical port issued by the former Municipality of Biograd na Moru, number: UP/I-03-4-318/1977 as of 10th March 1977, Hotel port Ilirija-Kornati, situated in Biograd na Moru, with a total of 100 berths and the purchase the first charter fleet of 40 vessels, by which the Company became a pioneer of development of the nautical tourism.

Year 1986 | Extended nautical capacities of the Company by constructing the nautical tourism Port Marina Kornati, located in Biograd na Moru, with total port area (aquatorium) of 131.600 m² with a total capacity of 705 berths on land and sea. Today, Marina Kornati is among the Top 3 Croatian marinas according to the number of berths, technical equipment, quality of service, cleanliness and neatness.

Year 1988 | The construction of Tennis center, located in a pinewood Soline right next to the old town center Biograd na Moru (400m from the hotel, 150m from the main beach), on an area of 48.000 m² with 20 tennis courts (14 clay and 6 artificial grass tennis courts).

Year 1988 | The construction of Aquatic Center, that is, a beach facility as a part of a unique, technological and functional unit of the existing hotel capacities, that is basically an Olympic outdoor swimming pool with many additional amenities, as a supplement to the existing and basic hotel amenities. Built as a swimming, beach and sports, entertainment and hospitality facility with bleachers with the capacity of 4,000 seats and a terrace of 1.000 m², whereby it represents a center for holding almost all sports, entertaining and dance events in the City Biograd na Moru.

Year 1989 | Construction of an annex to the hotel Kornati**** and administrative building of the Company.

Year 1991-1992 | Completion of the remaining part of the port area, i.e. the capacities of the Port of Nautical Tourism Marina Kornati, by building docks in the southern and western aquatorium.

Year 1993 | The Croatian Privatization Fund, makes a decision on the transformation of HTP Ilirija into a joint stock company.

Year 1999 | The Company was privatized and is in major ownership of the company Arsenal Holdings d.o.o. from Zadar, which is in major ownership of Mr. Davor Tudorović.

Year 1999 | The Company starts boat show organized as Spring Open Days, mainly intended for companies that operate in the marina, as the first such event in North Dalmatia. Wishing for Biograd na Moru, to be top nautical event, at which all sectors of the boating and charter business will be presented in a short period, the Open Days grew into a boat event - Biograd Boat Show. Since 2004 Biograd Boat Show has been organized as the first autumn boat show in Croatia.

Year 2000 - 2022 | During this period, that is, by 30/09/2022, the Company invested HRK 654,577,208.87 in construction, reconstruction, extension, upgrading, renovation and adaptation of accommodation facilities and establishments of the Company in order to enhance the quality, improve the overall service and standards in all sectors of the Company, develop new products, improve and increase the categorization of the accommodation facilities and nautical capacities, expand hospitality facilities with an aim to create a high-quality, recognizable and competitive tourism product and enhance the quality of the offer of the destination itself together with the purchase of the City Galleria Business and Shopping Centre, which resulted in a growth in total revenue and newly created value in the mentioned period in the amount of HRK 1,136,153,077.16.

Year 2002 | The National Audit Office carried out the audit of transformation and privatization of ILIRIJA d.d. and issued an unqualified opinion on the transformation and privatization in full, with an emphasis that the process was carried out in accordance with the legislation and that no irregularities were determined that would affect the legal implementation of the process of transformation and privatization.

Year 2003 | The Company's shares were listed on the Zagreb Stock Exchange in the quotation of public joint stock companies.

Year 2005 | As part of the Company's business system, the multimedia center Arsenal in Zadar, built in the 17th century at the time of the Venetian Republic, following the completion of the revitalization and renewal according to the concept of "indoor town square," began conducting business activities.

Year 2009 | The Company's shares are listed on the Regular market of the Zagreb Stock Exchange, since the quotation of public joint stock companies was cancelled.

Year 2014 | The market was presented the event ship "Nada" a floating convention center with multifunctional purposes 36m in length and a capacity to accommodate 180 persons.

Year 2014 | As a part of the Company's business system, the first Croatian diffuse hotel Ražnjevića dvori AD 1307 was opened.

Year 2015 | Renovated Villa Primorje****, built in the second half of the 19th century, luxuriously decorated and equipped in line with the latest standards for facilities of its kind and category, has its own restaurant that offers the possibility of organizing a number of events.

Year 2015 | Recapitalization of the Company by Allianz ZB d.o.o., the compulsory pension fund management company, with headquarters in Zagreb, which has acquired 10% equity share in the ownership of the company.

Year 2015 | The Company's shares are transferred from the Regular to the Official market of Zagreb Stock Exchange which will contribute to even greater transparency and openness of the company to all of its stakeholders.

Year 2016 | The second recapitalization of the Company was successfully carried out in the month of November through which the share capital was increased by contributions in cash and by issuing New ordinary shares of the Company through public offering. The main purpose of the recapitalization is to raise funds for the acquisition of the Commercial-Shopping Center City Galleria in Zadar.

Year 2016 | On 19 December 2016, having acquired the Commercial-Shopping Center City Galleria in Zadar, the Company successfully completed and carried out the process of acquisition or buying of the real property which created a company with a wide range of economic activities, where in addition to tourism and hospitality sector consisting of hotel sector, nautics, camping and destination management as core business activities, the Company partly enters the real estate segment having acquired the modern Commercial-shopping center.

Years 2015 - 2017 | The investment cycle in Marina Kornati has been mainly completed by improving the quality of the accommodation of vessels by modernizing nearly seventy percent of the superstructure and the substructure of the marina or piers, allowing thus the accommodation for a larger category of vessels, better exploitation of the marina aquatorium, further enrichment and modernization of the offer by implementing the best existing technical solutions which contributes to further strengthening of the market position of Marina Kornati among the three leading ports of nautical tourism at the Adriatic Sea.

Year 2018 | The construction of the indoor swimming pool of useful surface area of approximately 500m² along with accompanying facilities, thus complementing the existing tourism offer of the hotel Ilirija Resort in the destination of Biograd na Moru.

1.3 COMPANY'S BODIES

1.3.1 COMPANY MANAGEMENT BOARD

Goran Ražnjević, President of the Management Board represents the Company solely and independently

1.3.2 SUPERVISORY BOARD

Goran Medić, President of the Supervisory Board

David Anthony Tudorović, Deputy President of the Supervisory Board

Davor Tudorović, Member of the Supervisory Board

Siniša Petrović, Member of the Supervisory Board

Darko Prebežac, Member of the Supervisory Board

1.3.3 SHAREHOLDERS' ASSEMBLY

1.4 SUBSIDIARIES

Ilirija d.d. owns 100% of its two subsidiary companies:

ILIRIJA GRAĐENJE d.o.o. with registered office in Biograd na moru, the registered objects of the company being the performance of construction works,

ILIRIJA NAUTIKA d.o.o. with registered office in Biograd na moru, the registered objects of the company being tourism, nautical and hospitality activities (currently commercially inactive).

1.5 AFFILIATED COMPANIES

Arsenal Holdings d.o.o., Perivoj Gospe od Zdravlja 1, Zadar, PIN: 59794687464, owns 1,429,032 shares of the company, accounting for 59.21% share in the Company's share capital, as well as for the same proportion of votes in the company's Assembly.

The parent company Arsenal Holdings d.o.o. is registered with the Commercial Court in Zadar, company's court registration number (MBS): 060014554, and its share capital amounting to HRK 21,027,500.00 was paid in full.

The majority owner of Arsenal Holdings d.o.o. is Mr Davor Tudorović with a 75.25% share in its share capital, who also holds 95,744 shares of Ilirija d.d. accounting for 3.97% of its share capital.



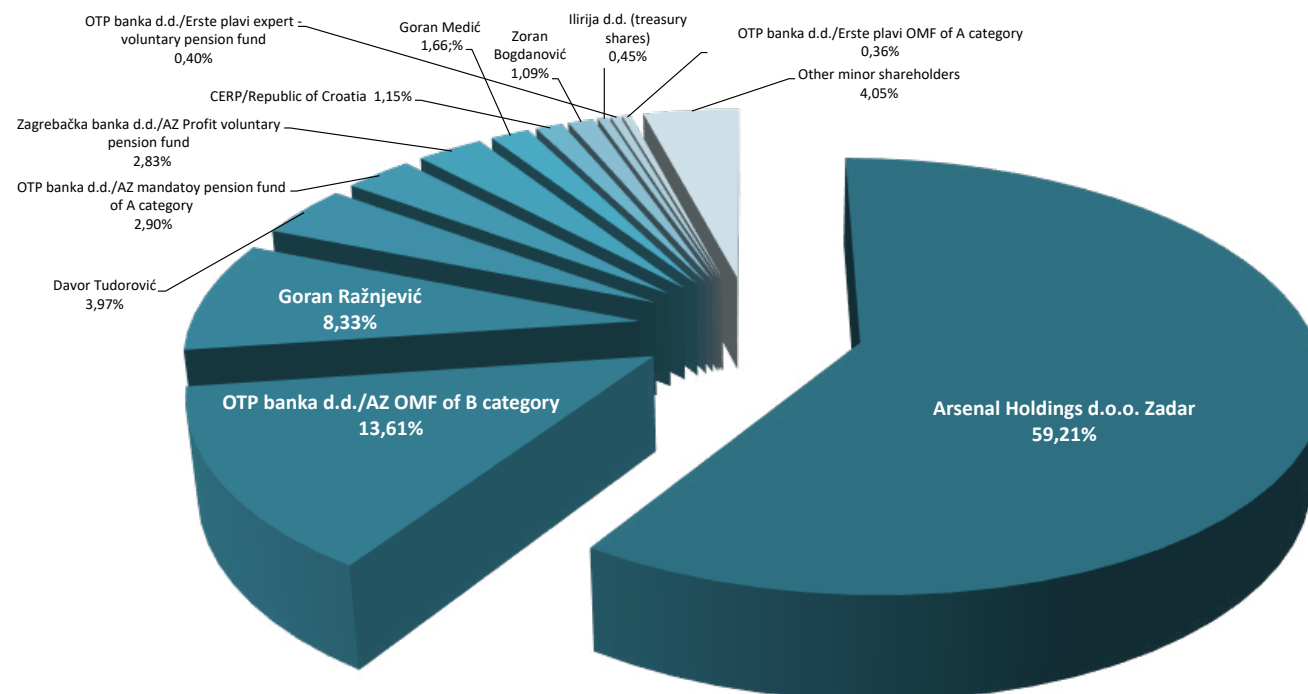
1.6 OWNERSHIP STRUCTURE OF THE COMPANY AND OVERVIEW OF TRADING IN COMPANY'S SHARES AT ZAGREB STOCK EXCHANGE

The share capital of the Company amounts to HRK 229,146,480.00, and it is divided into 2,413,488 no-par-value ordinary shares.

As at 30/09/2022, there were no significant changes in the ownership structure, while an overview of the major shareholders of the Company as at 30/09/2022 is provided below.

Owners - shareholders	Number of shares	Share in %
Arsenal Holdings d.o.o. Zadar	1.429.032	59,21
OTP banka d.d./AZ OMF of B category	328.506	13,61
Goran Ražnjević	201.120	8,33
Davor Tudorović	95.744	3,97
OTP banka d.d./AZ mandatory pension fund of A category	69.898	2,90
Zagrebačka banka d.d./AZ Profit voluntary pension fund	68.200	2,83
Goran Medić	40.000	1,66
CERP/Republic of Croatia	27.674	1,15
Zoran Bogdanović	26.216	1,09
Ilirija d.d. (treasury shares)	10.881	0,45
OTP banka d.d./Erste plavi expert - voluntary pension fund	9.726	0,40
OTP banka d.d./Erste plavi OMF of A category	8.631	0,36
Other minor shareholders	97.860	4,05
TOTAL	2.413.488	100

OWNERSHIP STRUCTURE OF THE COMPANY AS AT 30/09/2022



TRADING IN COMPANY'S SHARES ON THE CROATIAN CAPITAL MARKET IN THE PERIOD 01/01-30/09/2022:

(amount in HRK)	I-IX 2022	I-IX 2021	% of change
Total turnover	2.027.263,00	1.060.522,00	91,16%
Average share price	174,99	161,66	8,25%
Average turnover per transaction	23.850,15	6.275,28	280,07%
Average daily turnover	53.349,03	15.369,88	247,10%
Last share price	190,00	163,00	16,56%
Market capitalization*	458.562.720,00	393.398.544,00	16,56%
Market capitalization**	422.336.265,12	390.164.470,08	8,25%
Number of shares	2.413.488	2.413.488	

*indicated by the methodology of calculation according to the last share price multiplied with number of shares

**indicated by the methodology of calculation according to the average share price multiplied with number of shares

In the nine months of 2022, a total of 11,585 shares were traded and turnover was realised in the amount of HRK 2,027,263.00, constituting a 91.16% increase compared to the same period of the previous year when 6,560 shares were traded and a turnover of HRK 1,060,522 was realised. In the first three quarters of 2022, an average daily turnover in the amount of HRK 53,349.03 was achieved with a growth rate of 247.10% and an average turnover per transaction of HRK 23,850.15 with a growth of 280.07% compared to the same period of the previous year.

The average share price for the mentioned period was HRK 174.99, representing an increase of 8.25% compared to the average share price of HRK 161.66 from the same period of the previous year. The last share price was increased from HRK 163.00 per share to HRK 190.00 as at 30 September 2022, representing an increase of 16.56%. In proportion to the increase in the share price, while maintaining the same amount of issued shares, the market capitalization of the Company increased, which, expressed by the last share price in the observed period, amounts to HRK 458,562,720.00, constituting an increase of HRK 65,164,176.00 or by 16.56%.

The movement of the ILRA share with the shown volume of trading and comparison with CROBEX and CROBEXTURIST index movement is shown in the following graph:



1.7 COMPANY BUSINESS MODEL

The Company has been present on the domestic and international tourism markets for over six decades and in 2016, with the acquisition of the City Galleria Business and Shopping Centre, it became a company with a wide range of activities, the portfolio of which is composed of 5 sectors:

- **Hotel sector** – 4 hotels, 435 rooms, 910 beds
- **Nautics** – 805 berths, 2,000 persons
- **Camping** – 1,208 pitches, 3,624 persons
- **Destination management company/DMC Ilirija Travel** – through which 361 special events for 12,167 persons were organised in 2021
- **Real-estate segment** – Commercial-shopping center City Galleria in Zadar, one of the two largest shopping centers in the Zadar region

ILIRIJA d.d. is one of few tourism companies in the Republic of Croatia with such a diverse offer that includes all the segments of the Adriatic or Mediterranean tourism offer in its portfolio (hotel sector, nautical sector and camping), additionally strengthened by the destination management company Ilirija Travel and the real-estate sector. With such a diverse portfolio, the

Company manages all business processes (management and operations) within the sector or facility.

Diverse tourism and real-estate portfolios are based on the resources of the region and on a continuous investment in the improvement of the existing contents and products as well as the development of new ones, which is also the foundation of the Company's business and development policy. More than six decades of market presence and the related know-how allow the Company to maximise its economic, financial, market and human potentials, and by **developing a complementary and integrated product through the destination management company, the Company strives to achieve one of its strategic goals – year-round business operations of its tourism sectors**, with an emphasis on the hotel sector and camping, through high-standard extension of the high season to pre-season and post-season and creating added value for both the Company and the destination, i.e. the wider community. Moreover, through the destination management company, the Company also contributes to the development and recognizability of the destination by organising events and by offering contents and programs it organises in its own facilities.

1.8 BRANDS OF THE COMPANY



**BIOGRAD
BOAT SHOW**

**Donat
BEACH BAR**

**ARSENAL
ZADAR**

City Galleria

2 CORPORATE STRATEGY AND GOVERNANCE

2.1 VISION, MISSION AND FUNDAMENTAL VALUES

The vision is to permanently secure position among the 3 leading tourism companies in the region of the North Dalmatia and among the 15 leading tourism companies in the Republic of Croatia in the key segments of the Croatian tourism offer (hotel sector, nautics and camping), be and stay the leader of the tourism and economic development of our region and destinations such as Biograd na Moru, Zadar and Sv. Filip i Jakov thereby developing the whole year's business by offering the complementary and selective forms of tourism offer in the destinations where we conduct business.

According to the foregoing, **the mission** is: increasing the assets and achieving the financial results of the business operations, which will ensure long-term business and financial stability, establish an optimal level of quality and competitiveness in business at the level of the overall Croatian tourist offer, with continuous investment in human resources and ensuring optimal employment level, ensuring and complying with sustainable development principle which is manifested in recognizing and satisfying the needs of tourists, protecting and restoring natural and cultural heritage and preserving the environment, i.e. creating a responsible and sustainable tourism offer.

Fundamental values:

Respect and integrity – equal treatment of all of our stakeholders is the fundamental value of our company's business.

Quality – a top-quality product, professional service and individual approach to clients are the basis of the relation to the guest which 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.

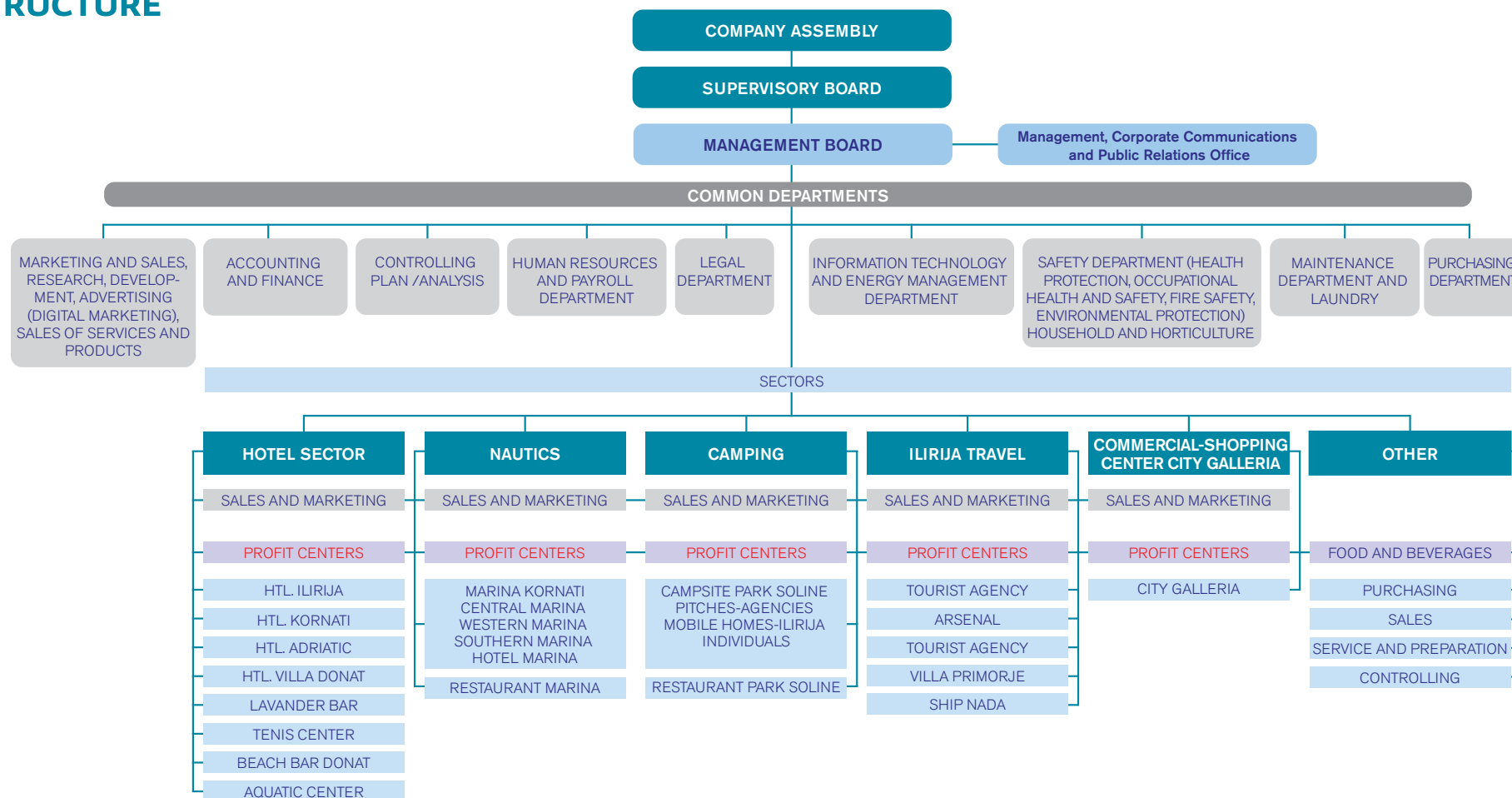
Sustainability and responsibility – in business, investment, relationship with its employees, business partners, clients (guests), local, regional and regional community, shareholders and day-to-day operations by integrating the economic, social aspects and environmental protection aspects into decision-making processes and corporate strategy of the Company. Harmonization of 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.

Corporate social responsibility - In its operations, the Company applies the principles of corporate social responsibility, taking into account the responsibilities towards all key groups of its stakeholders (guests, employees, shareholders, the state, local community, financial institutions and suppliers), where it creates added value for all stakeholder groups through the achieved business results. This business concept also implies the conservation of the natural and environmental resources managed by the Company.



2.2 ORGANIZATIONAL STRUCTURE



2.3 RISKS AND RISK MANAGEMENT

The Company assesses the risks at the macro and micro level for each of the business sectors, assessing them according to the criterion of likelihood of risk occurrence and consequences or impact of each individual risk on the Ilirija d.d. business processes and system as a whole.

The Company's risk management process involves the following essential steps:

- identification of potential risks;
- assessment of the likelihood of occurrence of the risks for the Company;
- assigning responsibilities and taking actions in order to eliminate and/or reduce risks;
- monitoring and reassessment of risks in order to avoid their negative impacts;
- exchange of information on the activities undertaken and the results of actions between the business process managers and the Company's Management Board through the lines of communication established by the stipulated procedures.

The Company, as most entrepreneurs in the tourism sector, is exposed to currency, price, credit and liquidity risks, environmental risks, the risks of the tourism industry, the risks of macroeconomic developments and the risks of changes in tax and other regulations.

Except for the aforementioned economic and financial risks, in the last two years, one of the most significant risks

for the Company's operations was surely the health risk posed by the outbreak of the global COVID-19 pandemic, which greatly affected the Company's operations. From February 2022, due to the war in Ukraine, there is also a geopolitical risk with major implications for European and global security.

As one of the biggest risks in business operations of tourism companies, Ilirija d.d. included, the Company points out unresolved property rights issues concerning tourism land and maritime domain and the related issues of protection of acquired rights, legitimate investments and legitimate expectations of companies performing their activities on the maritime domain or tourism land.

On 12 July 2022, the Council of the European Union adopted the Decision on the adoption by Croatia of the euro on 1 January 2023, which established that the Republic of Croatia meets all the necessary conditions for the introduction of the euro as the official currency in the Republic of Croatia, followed by the adoption of the Council Regulation (EU) of 12 July 2022 as regards the conversion rate to the euro for Croatia, which established that the conversion rate shall be set at HRK 7.53450 per one euro and in accordance with the Act on the Introduction of the Euro as the Official Currency in the Republic of Croatia, according to which the euro shall become the official monetary unit and legal tender in the Republic Croatia on 1 January 2023.

The introduction of the euro as the official currency in the Republic of Croatia significantly affects the Company's exposure to currency and price risks, i.e. the Company will no longer be exposed to such risks.

In terms of credit risk, i.e. the obligation to repay loans used by the Company, taken out with a currency clause, which were dependent on the movement of the Croatian kuna exchange rate against the euro, the introduction of the euro as the official currency eliminates the said risk. Also, the negative aspects of exchange rate differences for loans taken out in euros will no longer pose a risk.

Indebtedness of the Company with the commercial bank is for the most part subject to fixed interest rates, so taking this into consideration, the Company is not exposed to interest rates on that basis, but only due to exceptional circumstances and disturbance in the operations which are not attributable to the Company. For the purpose of reducing credit risk, the Company strives to reduce its overall credit liabilities to an adequate, i.e. optimum level in order for them to be lower than its own sources of funds. Financial assets that may potentially expose the Company to credit risk are cash and trade receivables. Trade receivables pertaining to certain customers may entail credit risk, depending on the level of turnover realised with certain customers and the general state of liquidity in the country. Trade receivables are reported with reference to real values. The Company actively monitors and manages trade receivables, at the same time taking especially into account the difficult collection-related circumstances caused

by the COVID-19 pandemic; where possible, it applies the measures of collection in instalments; and, if necessary, eventually undertakes measures of enforced collection, including by activating security instruments for the purpose of collection of its claims. An adjustment of the value of trade receivables is indicated when there is objective evidence that the Company will not be able to collect all of its claims in accordance with the agreed terms. Apart from the aforementioned, the Company has no exposure to any other significant credit risk.

Liquidity management implies maintaining a sufficient amount of money in order to settle the Company's liabilities. One of the main goals of the Company in the significantly changed business circumstances and due to the lack of hospitality and tourism activities caused by the global COVID-19 pandemic was to maintain current liquidity for the duration of the global pandemic in terms of which the Company undertook activities to diversify and secure new sources of financing to overcome the said period, and implemented activities aimed at the maximum reduction and optimisation of all operating costs to those necessary and indispensable, and it actively cooperated with all significant creditors in settling current liabilities at the time of the global pandemic.

Bookkeeping values of the following items of financial assets and financial liabilities reflect their respective fair values: money, investments, trade payables, other receivables and other liabilities, loans granted to employees, long-term liabilities.

The Company is exposed to changes in tax and other regulations within the legal system of the Republic of Croatia. In particular, this applies to the regulations pertaining to the maritime domain and tourism land, in which domain the company has made significant long-term investments crucial for its business, while not all rights guaranteed by the Constitution in the field of acquired rights before, during and after conversion, the protection of legal capital investments, and the legitimate expectations regarding legal investments have been fully realised under Articles 48 and 49 of the Constitution of the Republic of Croatia.

Pursuant to the Act on Tourism and Other Construction Land Not Evaluated in the Conversion and Privatisation Process (hereinafter: the Act), adopted in July 2010, the Company submitted to the Republic of Croatia, within the legally prescribed deadline, i.e. in January 2011, an application for a concession on tourism land for the "Park Soline" campsite in Biograd na Moru for a period of 50 years. Due to unclear provisions of the Act, no decision has been rendered to date regarding the Company's application. According to the information available to the Company, no concession agreement for tourism land plots in campsites has been concluded in the Republic of Croatia since the Act came into force (1 January 2011) until its repealing (May 2020). Until the issue of concession for tourism land in campsites is resolved, the Company timely pays its debts arising from using the said land in the campsite.

In the meantime, in May 2020 a new act on non-evaluated construction land was adopted, and thus the Act on

Tourism and Other Construction Land Not Evaluated in the Conversion and Privatisation process ceased to have effect. The new Act provides for the right of tourism companies to submit an application for leasing construction tourism land for a period of 50 years. In March 2021 the Company submitted the appropriate application for leasing construction land in the campsite for a period of 50 years to the competent authority of the Republic of Croatia, that is, to the Ministry of Physical Planning, Construction and State Assets. Under the provisions of the Act on Non-Evaluated Construction land, a company shall become the owner of buildings, land under buildings and land in the campsite that were evaluated and entered into the value of social capital in the conversion and privatisation process, while the Republic of Croatia shall become the owner of buildings and land in the campsite that were not evaluated and entered into the value of social capital in the conversion and privatisation process (so called Parts of the campsite owned by the Republic of Croatia). In the meantime, on 1 April 2022 the Company, in accordance with Article 18 of the Act on Non-Evaluated Construction Land, obtained from the Centre for Restructuring and Sales the Certificate of Conformity of the Geodetic Survey Report, Class: 943-01/21-02/251, Reg. No.: 360-04-03/07-2022-10, which confirms the conformity of the Park Soline Campsite Geodetic Survey Report with the decision of the Croatian Privatisation Fund of 12 July 1996, by which the real property concerned was evaluated in the process of conversion of the socially-owned enterprise "Ilirija" Biograd na Moru.

Also, the Company published on its website and on the website of the Zagreb Stock Exchange the "Study of the integrity and sustainability of the economic as well as functional and technological entity of "Park Soline" campsite in the town Biograd na Moru within the business system of Ilirija d.d.", which addresses all relevant issues concerning the "Park Soline" campsite in the context of the application submitted by Ilirija d.d., in accordance with the Act on Non-Evaluated Construction Land, for exercising the right to a long-term lease of the "Park Soline" campsite for a period of 50 years. The purpose of the aforementioned Study is to enable all stakeholders, entities and public bodies that are directly or indirectly involved, within their respective spheres of competence, in resolving the issue of campsite land that was not evaluated in the process of conversion and privatisation of socially-owned enterprises, an integral and comprehensive overview of all aspects of the existing "Park Soline" campsite in Biograd, from complex relations regarding property rights, issues of spatial planning and the need to respect the campsite as an integrated business and functional unit of tourist land and buildings. The Company maintains that, in accordance with the Act on Non-Evaluated Construction Land, it meets the requirements stipulated by the Act for exercising the right to lease construction land in the Campsite for a period of 50 years.

The Company is a concessionaire of the Kornati nautical tourism port in Biograd na Moru (hereinafter: Marina Kornati) for a period of 32 years, counting from 13 January 1999, and in accordance with Article 22 of the Act on

Maritime Domain and Seaports (hereinafter: ZPDML) on 17 October 2017 the Company submitted to the Government of the Republic of Croatia, through the competent Ministry of the Sea, Transport and Infrastructure of the Republic of Croatia, an application for modification and amendment of the Decision on Concession and the Concession Agreement, that is, for extending the term of the concession by a period of 50 years, i.e. until the year 2049 (extension of the concession term if new investments are economically feasible for it), primarily considering the same or similar cases from the recent Croatian practice where, upon an application for the extension of the concession term submitted by other companies engaging in nautical tourism and competing with Ilirija d.d., the concession term for marinas was extended to them by a period of 50 years. The mentioned application is yet to be decided on. In the meantime, the Company received a statement from the Ministry of Finance of the Republic of Croatia, as a body which, along with the competent Ministry of the Sea, Transport and Infrastructure of the Republic of Croatia, is involved in the procedures for extending the terms of concessions, in which they essentially point out that in order to conduct the procedure for extending the concession agreement, the competent Ministry of the Sea, Transport and Infrastructure, while looking at the problems of the nautical tourism system, needs to establish whether the decision on the concession or the agreement related to it may be changed without conducting a new procedure for granting the concession, in order not to violate the principle of market competition with other concessionaires in the Republic of Croatia.

In February 2015, an application was submitted to the County of Zadar for an extension of the concession term for the Ilirija-Kornati hotel port to 30 years, whereas an application for an extension of the concession term was also previously submitted for the open swimming pool in Biograd na Moru. The application has not yet been decided on, and the Company duly settles the concession fee in the agreed amount. On 24 June 2022, the Company published on its website and on the website of the Zagreb Stock Exchange the scientific paper of Assist. Prof. Iva Tuhtan Grčić, PhD, from the Faculty of Law in Rijeka "Acquired rights and legitimate expectations of former holders of the right to use the maritime domain with unlimited duration and duration limited "as long as the business activity is performed", which precisely on the example of Ilirija d.d. addressed the issues of legal capital investments on the maritime domain, conversion of socially-owned enterprises that had part of their assets on the maritime domain, issues of acquired rights and legitimate expectations of former holders of the right of use of the maritime domain, and conversion of the right of use into a time-limited concession. In particular, as it is stated in the aforementioned research paper, the companies that had the permanent right of use of the maritime domain, acquired on the basis of final administrative decisions of municipal assemblies, had indisputably acquired rights and legitimate expectations that they would be able to use these rights in the future under the same conditions under which they were acquired. However, by decisions adopted on the basis of the legislation in force at the time, the aforementioned right of permanent use of the maritime domain was subsequently

converted into the right of economic exploitation of the maritime domain based on a time-limited concession. This violated the interests of companies, shareholders and acquirers of shares in these companies, by grossly encroaching on the acquired rights and legitimate expectations that they will be able to use the acquired rights within the same scope as when they acquired them, and those same rights are protected by the provisions of the Constitution of the Republic of Croatia (Articles 48(1) and 49(2) and (4)) and Article 1 of Protocol No. 1 to the Convention for the Protection of Human Rights and Fundamental Freedoms.

Climate change, which has a significant impact on the tourism industry globally, also poses a potential risk to the Company in terms of significantly increasing the incidence of extreme weather conditions (storms, hurricanes, etc.), as well as strengthening their intensity and unpredictability, and can cause extraordinary and unpredictable damage and threats for its business. The Company pays maximum attention to overcoming such sudden and extreme climate and weather conditions by ensuring preventive, technical and spatial, as well as functional and organizational elimination of sudden and accidental risks of any nature to the highest degree possible.

Other business risks, such as large-scale fires, epidemics of infectious and easily transmitted diseases, accidental pollution of the coastal and marine aquarium, which are all beyond the Company's control but may potentially jeopardize the Company's business safety, are the circumstances which the Company attends to insofar as it

can actively contribute to lowering their impact on the Company's long-term business viability as much as possible, being aware of the fact that the Company's impact here is reduced to measures which cannot be of key importance for the elimination of all the risks posed to the Company. In the business year 2020, the world faced an unpredictable, serious and extremely dynamic risk related to the epidemiological situation, i.e. the global COVID-19 pandemic, which had an extremely negative impact on business entities in almost all industries, albeit the most severely affected ones are certainly the travel, tourism and hospitality industry, all of which form an integral part of the Company's core business. The COVID-19 risk is also the biggest and most serious risk that the Company has faced so far, to which the Company responded with a number of measures and activities by reorganising its business processes and operations in order to safeguard the health and well-being of guests and employees, maintain financial stability and current liquidity for the duration of the COVID-19 pandemic, preserve assets and capital as well as business operations and activities, and retain full employment. The Company has successfully achieved all of its goals.

In addition to the listed and described potential and possible risks in the Company's business operations, we believe that it is of the utmost importance to give a systematic overview of other key obstacles or restrictions with regard to the development of Croatian tourism in general, and thus of tourism companies, Ilirija d.d. being one of them.

With regard to the forgoing, we present an overview of the key obstacles, that is, of the risks and restrictions with regard to development of and investments in Croatian tourism:

(I) the unresolved issue of ownership since the moment of conversion, that is, property rights issues, issues regarding physical planning / urban development, and issues pertaining to the economic use and utilization of the construction tourism land in campsites and around hotels,

(II) inadequately resolved or unresolved issue of conversion on the maritime domain, i.e. issues regarding acquired rights, legitimate investments and legitimate expectations in the maritime domain, having in mind, in particular, the contracted permanent right of use of the maritime domain, while companies which took part in the conversion process, as is the case with our Company, carry out economic activity on the maritime domain, contrary to the provisions of Article 49 and Article 50 of the Constitution

(III) VAT rate on services in tourism and hotel industry is much higher than in competitive countries, which consequently makes Croatian tourism less competitive, hinders and slows down further investments both in the construction of new accommodation facilities and in the improvement of the existing services and standards, and affects new employment and salaries in tourism and hospitality,

(IV) insurmountable obstacles regarding existing bureaucracy, administrative barriers, frequent changes of regulations,

(V) complex and time-consuming procedure of issuing spatial plans and issuing building and operating permits,

(VI) inadequate management of the area by regional or local self-government,

(VII) cancellation of previously acquired rights in urban and spatial plans through land-use change and use of primarily construction and tourism land for other non-commercial and non-economic purposes,

(VIII) fiscal and parafiscal charges unsuitable to seasonal business activities with frequent changes in fiscal regulations.

Considering the Russian-Ukrainian crisis; that is, the war and its major implications for global security, the Company reports on the potential risks and consequences for its operations. The Company does not have any kind of an ownership relationship, either direct or indirect one, with entities from Russia or Ukraine, it has not made any investments in entities from Russia or Ukraine or entities materially related to entities from Russia or Ukraine, nor does it have any assets in Russia or Ukraine. Thus, the Company is neither exposed nor are there any potential consequences in this respect. Moreover, the Company has no exposure to entities from Russia or Ukraine since

it does not do business with legal entities from Russia or Ukraine.

The Company does business as a company specialised for hospitality and tourism and as such has no business relationship with legal entities from Russia or Ukraine, but only with natural persons from Russia and Ukraine using the Company's services such as accommodation in its facilities (hotel, camping and nautical sectors). The share of guests from Russia and Ukraine in the Company's total turnover is insignificant, and losing it does not represent a risk to the Company.

Should the crisis, that is, the war, spread from Ukraine to other European countries or lead to destabilisation of the countries in the Balkans, this would surely have a negative effect on Croatian tourism as a whole, and thus also on the Company. Croatian tourism generates most of its turnover from the European outbound market, the share of which additionally increased in the last two years due to the global COVID-19 pandemic and a lack of tourism turnover from remote markets (America, Asia). This turnover could be significantly reduced in case the Russian-Ukrainian crisis, that is, the war, spreads across Ukrainian borders and causes major instability in the wider European region. The Company will counteract any potential negative effects of the Russian-Ukrainian crisis by adjusting its business processes and activities to the new circumstances, with the aim of strengthening the resilience of its business system by adapting and strengthening its commercial, operational and financial resilience.

3 BUSINESS CAPACITIES OF THE COMPANY AND ADDITIONAL FACILITIES

Portfolio of ILIRIJA d.d. is composed of four hotels and villas, Marina Kornati with Hotel port Ilirija-Kornati, campsite "Park Soline," destination management company Ilirija Travel with its own capacities (Arsenal in Zadar, „Nada“ event boat, agrotourism and Villa Primorje), Commercial–shopping center City Galleria, Tennis Center, Aquatic Center and hospitality facilities.





3.1 HOTEL SECTOR

Hotel sector capacity consists of 435 accommodation units (hotel rooms and apartments) with a total of 910 beds located in Biograd na Moru (Ilirija****, Kornati****, Adriatic***) and Sv. Filip i Jakov (hotel Villa Donat***/*), mainly classified as four star hotels.

Hotel accommodation is located in Ilirija Resort Hotels & Vilas in Biograd and Sv. Filip i Jakov. The hotels are located along the coast, not far from the own center and beach that is awarded the Blue Flag, which are owing to the ideal location and infrastructure, intended for leisure and congress tourism. In addition to modern and technically equipped conference halls and meeting rooms intended for conferences, seminars, presentations, workshops and meetings, there is a number of supporting amenities such as Wellness & beauty center Salvia, Olympic pool, outdoor and indoor swimming pools, fitness center, a la carte restaurants and coffee bars.

As part of Ilirija Resort there is a conference center that consists of 8 halls with a total capacity to accommodate 30 to 250 persons, and there is also a magnificent garden with terraces ideal for banquets, receptions and entertainment, outdoor swimming pools, beach and from May 2018, an indoor swimming pool.

ILIRIJA RESORT – HOTEL & VILLAS

Hotel Ilirija the largest hotel in Ilirija Resort classified as a four-star hotel, with a capacity of 157 rooms and 326 beds, and includes a restaurant with 200 seats, a terrace with 70 and aperitif bar with 50 seats. It is located along the coast, close to the old town, surrounded by magnificent nature, sea and pinewood, as well as many amenities.

Hotel Kornati classified as a four star hotel, with the capacity of 106 rooms and 230 beds, a restaurant with the capacity for 230 persons, a terrace for 50 persons and a bar for 40 persons, by its design and atmosphere is linked to and associated with the most beautiful Croatian national park – Kornati. Kornati Hotel is a unique for its connection with the Nautical tourism port Hotel port Ilirija - Kornati, which is located in the very center of Biograd with a beach right next to the hotel.

Hotel Adriatic classified as a three star hotel, with the capacity of 100 rooms and 210 beds, with a restaurant with the capacity for 230 persons, a terrace for 300 persons and a bar with the capacity for 110 persons. It is located in a pine forest, almost on the beach, and there is Aquatic center next to it, which is ideal for family fun and for a range of attractive summer sea activities.

Villa Donat is located in Sv. Filip i Jakov and consists of Villa with 16 superb and modern rooms, classified as a four star hotel, and the annex which is classified as a three star hotel. The total capacity is 72 rooms and 144 beds, a restaurant with 120 seats, a terrace for 50 persons, aperitif bar for 20 persons and outdoor swimming pool. The hotel is located near the main beach and the town center which reminds of the rich history of this region.





3.2 NAUTICAL SECTOR

The Company began developing its nautical sector in 1976 when it concluded a contract on the purchase of 40 ELAN vessels from Slovenia, that is, in 1977 with the construction of the first nautical marina in Croatia (Kornati Hotel Port) with 100 berths and the organisation of the first private charter fleet on the Adriatic with more than 40 vessels for the needs of boaters. Therefore, ILIRIJA d.d. is rightly considered to be a pioneer of nautical tourism on the Adriatic. The Company's current nautical sector consists of Marina Kornati and the Kornati Hotel Port, with a total of 805 berths at sea and on land, which can accommodate up to 2000 boaters in one day, and its number of berths, modern technical equipment, quality of service and cleanliness (blue Flag) make Marina Kornati one of the three leading Croatian marinas, visited by over 60,000 boaters a year.

In 2020 the Ministry of Tourism and Sport carried out the procedure of recategorisation of the Marina Kornati Nautical Tourism Port in which it established that Marina Kornati meets the requirements prescribed for the four-anchor category. Subsequently, the Marina Kornati Nautical Tourism Port received the four-anchor (star) category rating.

Marina Kornati has received numerous awards, notably the Special Award as part of "XVI Tourism Flower - Quality for Croatia 2012", organised by the Croatian Chamber of Commerce and the Croatian Radio and Television, as the best marina in the category with

over 450 berths. In 2013, in "XVII Tourism Flower - Quality for Croatia 2013", it received an award in the category of the largest marinas, while in 2014 and 2015, as part of the same project, it ranked second in the "Best Large Marina" category. In 2017, in "XXI Tourism Flower - Quality for Croatia" it ranked third in the "Large Marina" category. In 2018, Marina Kornati was granted two acknowledgements: (I) a special acknowledgement from the Jutarnji list Nautical Patrol for the greatest progress achieved in the tourism season 2018 and for outstanding contribution to the development of Croatian nautical tourism and (II) in the "XXII Tourism Flower - Quality for Croatia" it ranked third in the category "Large Marina".

In 2019, it was awarded recognition as part of the "XXIII Tourism Flower - Quality for Croatia" competition, organised by the Croatian Chamber of Commerce and Croatian Radiotelevision, it ranked 2nd in the "Large Marina" category. The nautical patrol of the Jutarnji list newspaper awarded Marina Kornati a special recognition for its outstanding contribution to the organisation and success of the nautical patrol, and in 2021, it awarded the marina a recognition for its outstanding contribution to the development of the nautical tourism during the COVID-19 pandemic.

Ilirija d.d. is also the organiser of the leading nautical fair in Croatia, "BIOGRAD BOAT SHOW", which has been continuously held in Marina Kornati for 23 years in a row.



3.3 CAMPSITE "PARK SOLINE"

The four-star "Park Soline" campsite is located in Biograd na Moru within the borders of the populated area, but as a separate physical planning-urban and economic entity in the south-east part of the town of Biograd na Moru, right by the main beach in the coastal length of approx. 1.5 km, with a 450-meter beach positioned right in front of the campsite.

The campsite covers an area of 20.00 ha and includes 1,208 accommodation units with a total capacity for up to 3,624 persons. It is situated in an outstanding natural environment of a predominantly high pine forest which provides shade to 90 % of the campsite. By adhering to the principles of sustainability and environmental protection and considering the natural features of the area by using indigenous plant species, the horticultural landscaping of the campsite has been completed to the level of an arboretum, which is a remarkable and rare example in Croatia of creating added value for a tourism camping product.

With its enriched offer of restaurants, a newly built promenade along the entire campsite and a beach leading to the centre of Biograd, the "Park Soline" campsite is the right choice for a family holiday. In addition to entertainment activities for children and evening entertainment, as well as an attractive sports offer guaranteeing active holidays, you can

relax on long promenades and recreational trails in a healthy environment, which makes the campsite a great choice for all nature lovers.

The "Park Soline" campsite is the largest and the only high-quality four-star campsite in Biograd na Moru, which accounts for 77 % of the total campsite accommodation capacities and sets the highest standards of equipment and landscaping in the destination. Since this campsite is the most valuable part of the camping offer in Biograd na Moru, it directly influences the image of this destination and its positioning on the domestic and foreign tourism market.

With regard to the "Park Soline" campsite, from 2000 to the end of the financial year 2021 the value of investments amounted to approximately HRK 215,000,000.00 and owing to said investments the number of overnight stays increased from 4,556 in 1996 to 290,487 overnight stays in 2019, i.e. to 236,878 overnight stays in the difficult business circumstances in 2021.



3.4 ILIRIJA TRAVEL

Ilirija Travel – destination management company:

owing to the development of new services and facilities, a high-quality, integrated and complementary tourism product has been created in response to the needs of the modern tourism demand, conditioned by technological, social, market factors and trends of ever more demanding markets.

Among the most important backbones of the offering and implementation of these special programs and products there is the business operation in own additional facilities such as:

Event ship „Nada“ a multifunctional yacht, sized 36m and a capacity to accommodate 180 persons, with a complete restaurant, kitchen and bar which provides an excellent hospitality service during the voyage. Conferences, seminars, special events, unique business meetings, gala receptions and banquets, unique weddings, exclusive day and night cruises, incentive events are all activities organized in the event ship “Nada” which adapts to the individual requirements of the clients.

Arsenal is a heritage site and multimedia center located in Zadar, built in the 17th century, which was renovated in 2005 as an indoor town square or as the center of public, cultural and entertainment life in the

region in which over 100 public and private events are organized on an annual level.

Diffuse Hotel Ražnjevića dvori AD 1307 multi-functional facility, located in the settlement of Polača named after the municipality in this settlement, in the heart of Ravni Kotari, which lies halfway between Biograd na Moru and Benkovac and is the first facility of such a category in the Republic of Croatia. This tourist complex has originated from the rural estate tradition, is an example of innovative tourism product conceived as a blend of tradition and contemporary trends.

Villa Primorje, built in the second half of the 19th century, is a typical traditional Dalmatian stone nobleman's house with the outbuildings. Newly renovated, luxuriously decorated and equipped in line with the latest standards for facilities of its kind and category, it has its own restaurant that offers the possibility of organizing a number of events, the Mediterranean garden with a promenade and, from the tourist season 2017, an outdoor swimming pool. Offers of trips, special offers according to the requirements of clients, sports programs, MICE etc.



3.5 HOSPITALITY

Restaurant „Marina Kornati“ is located in Marina Kornati, having the capacity for over 350 persons, which together with the recently refurbished Captain's Club having the capacity to accommodate 70 persons, or with the overall capacity for 420 persons meets the requirements of boaters for holding various and numerous events in Marina Kornati. Besides hospitality services, Captain's Club also provides services for a number of presentations on nautical products, and is an ideal venue for holding small conferences and events.

Restaurant „Park Soline“ is located in campsite "Park Soline"****, close to the sea, ten minutes of walk from the center of Biograd na Moru with an offer of food based on Mediterranean cuisine. The restaurant with a capacity to accommodate 280 people offers the possibility of organizing various events - family celebrations, banquets and receptions as well as meetings. The restaurant includes a Dalmatian tavern with a fireplace, coffee bar and taps of wine decorated as a wine cellar, which offers the possibility of buying and tasting top quality red and white wines produced from the native Croatian species.

Beach bar "Donat" is located in the building-magazine located in a protected cultural and historical complex of village Sv. Filip i Jakov settlement, which is also entered in the Register of Croatian cultural monuments of the Republic of Croatia. Today, it is classified as a beach hospitality facility or beach bar/cocktail bar with capacity to accommodate 140 persons.

Lavender lounge bar, located inside of Adriatic hotel, next to the beach, known for its Mediterranean design, fully designed for people to relax, with a beautiful view of the Pašman Channel, a place that offers the possibility of organizing a number of events of different character (MICE, weddings, banquets, cocktail bar, night club, etc.).



3.6 ADDITIONAL AMENITIES

Manifestations: Biograd Boat Show is the largest international autumn nautical fair in the Republic of Croatia and the largest nautical fair held on water in South East Europe, bringing together all key representatives of the nautical industry and tourism. The nautical fair was first organised in 1999 as spring Open Days, mainly intended for companies that operate in the marina, as the first such event in Northern Dalmatia.

Given its status as the cradle of nautical tourism, the aim was to organise a first-rate nautical event in Biograd na Moru at which all sectors of nautical and charter activities would be presented, whereby the Open Days grew into Biograd Boat Show. Since 2004, the event has been Organised as an autumn nautical fair, which contributed to the improvement of the nautical offer and the extension of the tourist season. The Biograd Boat Show was admitted to the International Federation of Boat Show organisers (IFBSO) at the 50th session of the Federation held in Istanbul, Turkey, in June 2014, and in 2015 it became its gold member.

The fairs of the current association members were mostly organised in the world's leading destinations, and the fact that the Biograd Boat Show was organised in a town with only 5,000 residents makes this success even more significant and represents a great recognition not only to the Company as the organiser

of the fair but also to the Croatian nautical industry and tourism. Today the leading international autumn nautical fair has established itself as the biggest Croatian nautical event and in the last three years it has grown into a nautical industry (activity) congress in the Republic of Croatia. From its early beginnings the event has brought together all representatives of the nautical industry and tourism, government institutions, major organisations in tourism and the nautical sector as well as professional associations. Owing to this partnership with all the relevant subjects, and now long-time exhibitors and partners, we have developed Biograd Boat Show by listening to their needs, keeping up with trends in the nautical and trade fair industry while implementing our own vision of its development by creating a high-quality, recognizable, and above all, sustainable economic and tourism product, which has since its beginnings further enriched the Croatian tourism offer, especially during post-season.

In 2021, the fair, which celebrated its 23rd anniversary, was attended by more than 300 registered exhibitors, more than 100 owners, operators and charter agents at the Croatia Charter Expo from 15 countries, the congress part of the fair was held through the Croatian Chamber of Commerce's Nautical Days, and its business segment was significantly strengthened through the B2B platform.

Sports facilities:

“Tennis center Ilirija”, located in a pinewood Soline near the old city center, covers an area of 48.000 m², consists of 20 tennis courts and multipurpose courts (14 clay and 6 artificial grass tennis courts) with night lighting, restaurant and changing rooms as well as related facilities.





3.7 CITY GALLERIA BUSINESS AND SHOPPING CENTER

City Galleria Business and Shopping Center is located in a heavily residential area in the immediate centre of Zadar. It is one of the two largest shopping centres in town and the broader Zadar region, completed and opened to the public in October 2008, with a total gross surface area of more than 28,500 m² spread over a total of six floors (two garage and four retail floors). The gross surface area of the centre consists of the associated underground garage with a total surface area of 10,863 m², 9,464,72m² of net rentable area, as well as ancillary rooms and corridors. As at 30 September 2022, the occupancy of the center amounted to 99.76% of total capacities.

The center features the following facilities: an underground car garage with more than 400 parking spaces on two floors, an indoor and outdoor market, a supermarket, specialized shops, clothing boutiques, electronics store, service amenities, cafés, office spaces and 6 multiplex cinema halls.

Unique features of the City Galleria Business and Shopping Center were recognized on the international level as well, more precisely at the 2010 International Property Award, the world's most prestigious competition in the real estate business, on

which occasion the City Galleria Business and Shopping Center Zadar received the prestigious five-star award in the Best Retail Development category. The unique features of the City Galleria Business and Shopping Center, which distinguish it from the rest of the market offer can be summarized in a few examples, such as: a very attractive location within the city's pedestrian zone that provides great visibility of the building, local town market with accompanying facilities in the Center and the first and only multiplex cinema in the city of Zadar.

4 KEY PHYSICAL OPERATING RESULTS OF THE COMPANY

Ending with the third quarter of the business year, in the part of operational performance indicators, the Company continued their growth not only in relation to the first half of the current business year and the same period of the previous year, while a strong recovery was also recorded in certain sectors, which resulted in their best results so far as well as compared to the pre-pandemic period, i.e. 2019. A business year which the Company started with optimism, but also with caution in view of the still present global pandemic and the outbreak of the Russian-Ukrainian war, which significantly affected its achievements in the first half of 2022, especially in the tourism sector due to the slowdown of bookings for pre-season and peak season. Therefore, the Company considers the achieved operating results in the tourism sectors, mostly generated in the short period of the peak season, to be exceptionally successful.

The financial operating results at the level of all sectors recorded growth and thus exceeded the Company's expectations, especially in its tourism sectors (hotel sector, nautical and camping sectors and the destination management) compared to the same period of the previous year. Compared to the same period of 2019, a significant increase in revenue was also achieved, especially in the camping and nautical sectors as well as the destination management company, with the revenue of other profitable sectors of the Company included, which significantly affected the overall results of the Company's operations and the return to pre-pandemic levels of operations.

In the camping sector, i.e. the "Park Soline" campsite, with 44,557 arrivals and 309,765 overnight stays, a double-digit growth was achieved in the key physical performance indicators, of which arrivals recorded a growth at a rate of 30.57%, and overnight stays at a rate of 32.06% compared to the same period of the previous year. At the same time, an increase in physical indicators compared to the same period of 2019 was also recorded, with arrivals increasing by 9.63% and overnight stays by 8.23%, thanks to which the campsite not only achieved a full recovery compared to the pre-pandemic operating results, but also exceeded them to a significant extent both in terms of physical and consequently financial indicators. Operating revenue was realised in the amount of HRK 44,660,718.19, and compared to the same period of the previous year, they recorded a 50% increase, while compared to 2019, they increased by 43%, when they amounted to HRK 31,259,904.75, which is by far the best financial result the campsite has ever realised. The most significant increase in revenue was generated with the increase in revenue from the market segment of mobile homes by 66% and flat rates by 64% compared to the same period of 2019.

In the nautical sector, more specifically in the accommodation services segment, i.e. Marina Kornati, uninterrupted growth of both physical and financial indicators continued, with which Marina Kornati achieved the best operating results thus far, especially in the segment of operating revenue realisation. In the reporting period, HRK 45,996,013

in revenue was realised with a growth rate of 10% compared to the same period of 2021 and 2019, whereby the Company's nautical sector in the vessel accommodation segment maintained continuous revenue growth, further strengthened by the growth in key physical indicators. The trend of the complete recovery of the nautical market is also visible in the growth of operational performance indicators, which was further stimulated by the lifting of epidemiological measures, which in the reporting period - with 716 vessels at contracted berths - achieved a growth of 1% compared to the same period of the previous year, of which individual vessels grew by 3 %, which is exceptionally significant considering that revenue from contractual berths account for 72% of the total revenue generated by the marina. The strong recovery of transit berths recorded in the first half of the year continued in the third quarter, when 2,982 vessel arrivals were realised, constituting a growth of 22% compared to the same period of the previous year, which simultaneously generated an increase in port service activities.

In the nine months of the current business year, significant growth was achieved in the physical performance indicators in the hotel sector, i.e. with 22,044 arrivals realised, they recorded growth at a rate of 59%, and with 89,496 overnight stays realised, they recorded growth at a rate of 36%, compared to the same period of the previous year, which also resulted in the growth of operating revenue. The hotel industry generated a revenue of HRK 47,278,398.89,

including revenue generated by its other profit centres, representing a 71.86% increase in revenue compared to the same period of 2021. At the same time, an increase in the average price was recorded, which for the reporting period amounted to HRK 487.94 compared to the same period of the previous year, when it amounted to HRK 373.99, with a growth rate of 30.36%, while compared to the same period of 2019, a growth of 24.36% was recorded. In peak season, i.e. July and August, the realised average prices were 49% higher. The increase in average prices also led to an increase in revenue per room, which for the reporting period amounted to EUR 134.38, representing an increase compared to the same period of 2021 and 2019 by 20.53% and 25.23%, respectively. Compared to the previous year, the hotel sector, despite the significant double-digit growth of key physical performance indicators and operating revenue, did not achieve the pre-pandemic operating results due to the absence of the pre-season resulting from the global pandemic and the Russian-Ukrainian war, which significantly delayed and slowed down bookings on the key outbound markets of the hotel sector. The successful realisation of the hotel sector in peak season, i.e. in July and August, and in the post-season, i.e. in September did not make up for slower booking in the pre-season.

In nine months of 2022, the destination management company Ilirija Travel, by implementing 263 individual events for a total of 19,081 participants, generated revenue in the amount of HRK 9,244,012.85, including revenue

realised in other profit centres of the Company. Thereby, significant growth was achieved not only compared to the same period of the previous year, when revenue amounted to HRK 2,892,604.82 but also compared to the record year 2019, in which HRK 8,201,510.22 of revenue was realised, representing an increase of 13%. The destination management company with a strong growth of business activities in peak season, i.e. July and August, and the post-season, as a result of the recovery of demand and the event industry, despite the absence of the pre-season achieved the best operating result in terms of financial indicators in a very short period.

By the end of the third quarter of the business year, the City Galleria Business and Shopping Centre maintained the stability of its operations through continuous growth of revenue compared to the same period of the previous year, recording a 5% increase from the HRK 10,146,232.38 realised. A high occupancy rate and the number of visitors at the centre were maintained, although due to the epidemiological measures in the first part of the current business year, the financial result from the same period of 2019 was not achieved.

4.1 HOTEL SECTOR

Thanks to the lifting the COVID-19 pandemic measures, the hotel sector recorded a significant recovery in the first nine months of 2022 in comparison to the previous two business years, particularly in terms of financial performance indicators. Hotels and all accompanying amenities were adapted to this, with some of the precautions and preparedness to adapt to the possibility of the pandemic strengthening again. In such circumstances, the largest hotel, Ilirija, continued its operation, while the rest of the hotels opened in May. This is unlike the previous year, when apart from the Ilirija Hotel that was operational, the Adriatic Hotel started their operation in the second half of June, with the Kornati Hotel opening even later, while the Villa Donat Hotel in Sveti Filip i Jakov did not even open in 2021.

The operating and financial performance results within the reporting period significantly improved in comparison with the same period of last year, when the hotel sector arrivals amounted to 13,858 and overnight stays to 66,044. This year, 22,044 guests and 89,495 overnight stays recorded in the first nine months of 2022 represent a 59% increase in arrivals and a 36% increase in overnight stays. Generally speaking, in terms of operating performance results, the hotel sector achieved 70% of overnight stays in relation to the same period of 2019, the best performance year to date. This is due to the absence of a pre-season caused by the global pandemic, and in part by delayed bookings in the pre-season due to the Rus-

sian-Ukrainian war. The aforementioned growth rates of physical performance indicators of the Company's hotel sector represent a 59% increase in arrivals and a 36% increase in the number of overnight stays in comparison to the total average increase in tourism turnover in the country of 36% in arrivals and 24% in overnight stays. The national average increase in arrivals of 59% is identical to the increase achieved by the Company's hotel sector, while the number of overnight stays (+46% in the national hotel sector) is a bit lower, but was offset by the successful placement of higher prices in comparison to the same period of the previous year.

Thanks to the easing or complete lifting of the counter-pandemic measures in Croatia, as well as in most outbound markets, the hotel sector revenue increased by 76.80%, from HRK 24,699,737.80 in the first nine months of 2021 to HRK 43,668,647.48.

The average price from 2021 of HRK 373.99 by overnight stay, or EUR 49.70, was increased in the first nine months of 2022 to HRK 487.94, or EUR 64.77, which significantly offset the somewhat lower rate of occupancy even in comparison to the pre-pandemic 2019, a record year for tourism, and represents a sales price increase of 24.36% as compared to the then prices. In peak season, i.e. August and July, prices equalled EUR 76.24 and EUR 64.50 respectively, which is a 32% increase as compared to 2019. Significant achievements in increasing the revenue

by means of individual sales should also be noted, especially by means of individual online and direct bookings, as well as walk-in guests, with growth rates of 20 to over 70%, especially during peak season, when the highest number of overnight stays was also achieved. Thus, the average revenue per room increased from EUR 111.49 in the first nine months of 2021 to EUR 134.38 in the first three quarters of this year, which is significantly higher than EUR 107.31 from 2019.

The lifting of travel bans resulted in changes in sales channels. Having been almost entirely reduced to individual guests and allotments in 2020, accompanied by a lack of fixed lease and a significantly reduced share of groups, allotments already recovered in 2021 to a share of 44.8%, which put allotments in the lead, with individual sales channels remaining strong, and groups achieving a symbolic share of 14.3%. In the first nine months of 2022, a more balanced relationship between the sales channels was achieved, with considerable growth of groups (184%) with a share of 30%, a decreased share of individual guests to 34.2%, allotments to 32.3% and fixed leases recovering to the share of 3.6%. The recovery of the group sales segment should also be noted, which was especially important for season extension, both of the pre- and post-season, as it pertains to the segment of business travel, conferences and similar events.

In such conditions, just as in the previous year, domes-

tic guests represented the most significant share in the hotel sector; however, this is a significant decrease from a share of 34% in the same period of the previous year to 22.56%, with overnight stays for that group saw a decrease of 10%. The Slovenian market recorded a growth of 22%, thus remaining the second most significant market, just as last year, with a share of 13.61%, whereas German guests had a substantial comeback, showing an increase of 50% (following last year's return with 197%), as the third most significant market in terms of the share of overnight stays realised with 12.43%. The Austrian market is next, with a great comeback, i.e. a 115% growth (after last year's 142%), now comprising a 9.65% share in overnight stays. It thus surpassed the Slovakian market, although it also grew by 26% (after last year's growth of 386%) and now, with a 7.71% share, represents the fifth market. The following four markets—Polish, Hungarian, Czech and Belgian market—have almost identical shares, between 3.66 and 3.38, with the Polish market achieving an increase of 119%, Czech market of 111% and the Belgian market of 229%. The Company also experienced encouraging growth and saw a trend of strengthening in various foreign markets. The Company's hotel sector also recorded exceptional growth rates of 200% or more on the Italian, Swedish, UK and other markets.

In proportion to the schedule of open facilities and capacities, the Ilirija Hotel holds the dominant share of 43% of overnight stays, while the Adriatic Hotel holds 23% and

the Villa Donat Hotel 11%. This sets the hotel utilisation rate at 27% in relation to potential maximum performance, whereas the utilisation rate based on the days of availability is 60%.

The average number of days of stay equalled 4.06, which is a lower result than the previous year, but closer, albeit still higher than the average result achieved in the pre-pandemic 2019. The reason for this decrease in comparison to the previous two years are more intense activities in the pre-season with the usual shorter stays and arrival of more groups than usually in this period, which confirms the average days of stay per facility, i.e. the number is lower in the Ilirija and Kornati Hotels (3.8 and 3.5 respectively), which were also opened in the post-season.

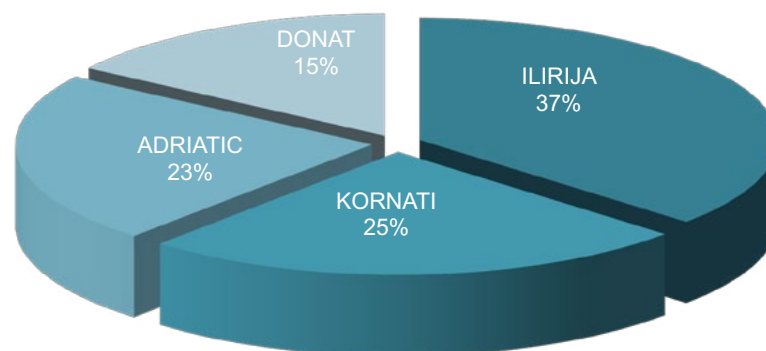
The monthly average occupancy for all four hotels equalled 80.64% in August and 71.38% in July, while September maintained occupancy of over 70%.

In the upcoming period, the last quarter of the business year, the Company expects the business activity growth trend to continue or improve in relation to the previous year.

Hotel sector capacities

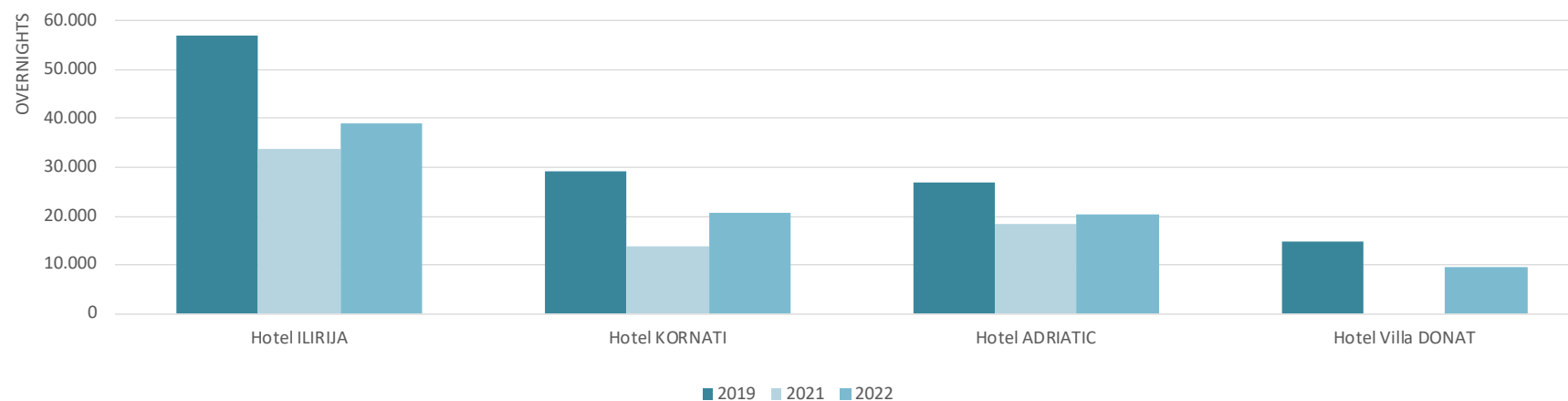
ILIRIJA D.D.	NUMBER OF ROOMS					NUMBER OF BEDS				
	2019	2021	2022	Index 2022/2019	Index 2022/2021	2019	2021	2022	Index 2022/2019	Index 2022/2021
ILIRIJA	165	165	157	0,95	0,95	338	338	326	0,96	0,96
KORNATI	106	106	106	1,00	1,00	230	230	230	1,00	1,00
ADRIATIC	100	100	100	1,00	1,00	210	210	210	1,00	1,00
DONAT	72	72	72	1,00	1,00	144	144	144	1,00	1,00
TOTAL	443	443	435	0,98	0,98	922	922	910	0,99	0,99

% SHARE OF EACH HOTEL (number of beds)

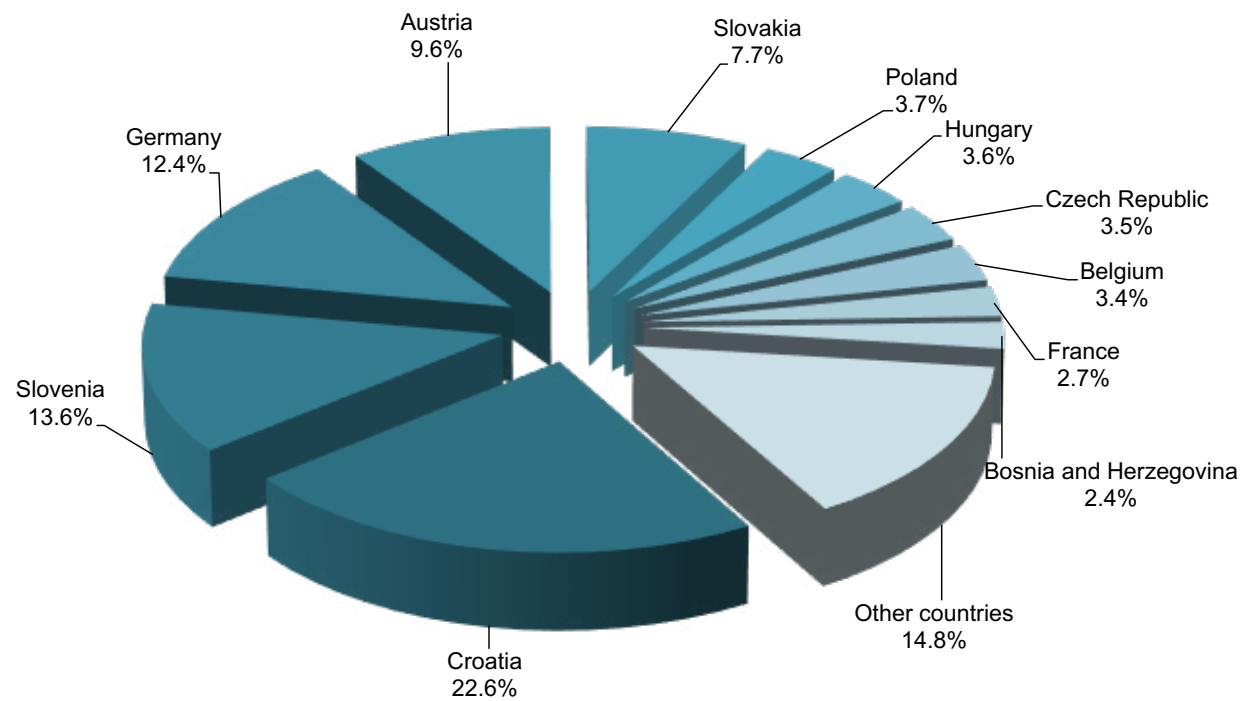


Overview and comparison of realised arrivals and overnight stays from 01/01 to 30/09/2022 with the same period in 2021 and 2019

HOTEL SECTOR										
PROFIT CENTAR	ARRIVALS			INDEX	INDEX	OVERNIGHTS			INDEX	INDEX
	2019	2021	2022	2022/2019	2022/2021	2019	2021	2022	2022/2019	2022/2021
Hotel ILIRIJA	19.452	7.766	10.050	52	129	57.061	33.835	38.903	68	115
Hotel KORNATI	8.787	2.641	5.907	67	224	29.290	13.713	20.669	71	151
Hotel ADRIATIC	5.977	3.451	4.144	69	120	26.925	18.496	20.329	76	110
Hotel Villa DONAT	2.842	0	1.943	68	#DIV/0!	14.791	0	9.595	65	#DIV/0!
TOTAL	37.058	13.858	22.044	59	159	128.067	66.044	89.496	70	136



Graph of realised overnight stays by outbound markets for the period from 01/01 to 30/09/2022



Occupancy rate for the period from 01/01 to 30/09/2022 and a comparison with the same period in 2021 and 2019

Percentage

MONTH	GRAND TOTAL							
	Room total 2019 /2021	2019	%	2021	%	Room total 2022	2022	%
JANUARY (I)	13.733	1.371	9,98%	0	0,00%	13.485	333	2,47%
FEBRUARY (II)	12.404	473	3,81%	0	0,00%	12.180	250	2,05%
MARCH (III)	13.733	1.716	12,50%	23	0,17%	13.485	548	4,06%
APRIL (IV)	13.290	4.463	33,58%	294	2,21%	13.050	2.860	21,92%
MAY (V)	13.733	7.749	56,43%	559	4,07%	13.485	3.991	29,60%
JUNE (VI)	13.290	10.426	78,45%	2.689	20,23%	13.050	5.515	42,26%
JULY (VII)	13.733	12.187	88,74%	7.599	55,33%	13.485	9.625	71,38%
AUGUST (VIII)	13.733	12.929	94,15%	11.010	80,17%	13.485	10.874	80,64%
SEPTEMBER (IX)	13.290	10.921	82,17%	7.269	54,70%	13.050	9.159	70,18%
TOTAL	120.939	62.235	51,46%	29.443	24,35%	118.755	43.155	36,34%

Occupancy days

MONTH	GRAND TOTAL							
	Room total 2019 /2021	2019	Days 2019	2021	Days 2021	Room total 2022	2022	Days 2022
JANUARY (I)	13.733	1.371	3	0	0	13.485	333	1
FEBRUARY (II)	12.404	473	1	0	0	12.180	250	1
MARCH (III)	13.733	1.716	4	23	0	13.485	548	1
APRIL (IV)	13.290	4.463	10	294	1	13.050	2.860	7
MAY (V)	13.733	7.749	17	559	1	13.485	3.991	9
JUNE (VI)	13.290	10.426	24	2.689	6	13.050	5.515	13
JULY (VII)	13.733	12.187	28	7.599	17	13.485	9.625	22
AUGUST (VIII)	13.733	12.929	29	11.010	25	13.485	10.874	25
SEPTEMBER (IX)	13.290	10.921	25	7.269	16	13.050	9.159	21
TOTAL	120.939	62.235	140	29.443	66	118.755	43.155	99

Monthly comparison of revenue/overnight stays of the Ilirija Resort hotel for the period from 01/01 to 30/09/2022 and comparison with the same period in 2021 and 2019

MONTH	GENERATED REVENUE					OVERNIGHTS					AVERAGE PRICE (HRK)			AVERAGE PRICE (EUR)				
	2019	2021	2022	INDEX 2022/2019	INDEX 2022/2021	2019	2021	2022	INDEX 2022/2019	INDEX 2022/2021	2019	2021	2022	2019	2021	2022	INDEX 2022/2019	INDEX 2022/2021
JANUARY	1.406.055,11	4.318,06	611.697,23	43,50	14166,02	2.322	0	559	24,07	#DIV/O!	605,54	#DIV/O!	1.094,27	81,58	#DIV/O!	145,49	178,35	#DIV/O!
FEBRUARY	351.380,76	29.483,29	163.193,16	46,44	553,51	869	0	430	49,48	#DIV/O!	404,35	#DIV/O!	379,52	54,45	#DIV/O!	50,42	92,60	#DIV/O!
MARCH	963.108,71	19.403,36	334.090,89	34,69	1721,82	3.084	50	937	30,38	1874,00	312,29	388,07	356,55	42,06	51,23	47,12	112,03	91,98
APRIL	2.216.611,41	195.256,90	1.480.189,74	66,78	758,07	8.369	656	5.597	66,88	853,20	264,86	297,65	264,46	35,73	39,34	35,01	97,97	88,99
MAY	4.619.475,38	329.714,27	2.955.550,47	63,98	896,40	13.173	1.038	6.466	49,09	622,93	350,68	317,64	457,09	47,27	42,23	60,65	128,32	143,63
JUNE	7.728.383,78	1.554.939,29	4.787.562,76	61,95	307,89	20.192	5.320	10.867	53,82	204,27	382,74	292,28	440,56	51,77	39,00	58,56	113,13	150,18
JULY	11.236.894,24	7.201.132,28	11.237.221,94	100,00	156,05	29.848	19.101	23.184	77,67	121,38	376,47	377,00	484,70	51,06	50,29	64,50	126,32	128,24
AUGUST	13.389.920,46	10.352.861,55	15.009.244,30	112,09	144,98	31.415	27.161	26.239	83,52	96,61	426,23	381,17	572,02	57,63	50,89	76,23	132,29	149,81
SEPTEMBER	7.560.643,75	5.012.628,80	7.089.896,99	93,77	141,44	18.795	12.718	15.217	80,96	119,65	402,27	394,14	465,92	54,34	52,65	61,90	113,90	117,57
OCTOBER	3.914.412,58	2.623.244,43	0,00	0,00	0,00	12.200	6.922	0	0,00	0,00	320,85	378,97	0,00	43,05	50,49	0,00	0,00	0,00
NOVEMBER	866.306,40	492.042,65	0,00	0,00	0,00	3.358	1.510	0	0,00	0,00	257,98	325,86	0,00	34,69	43,37	0,00	0,00	0,00
DECEMBER	1.569.782,92	265.501,47	0,00	0,00	0,00	3.190	1.637	0	0,00	0,00	492,09	162,19	0,00	66,15	21,57	0,00	0,00	0,00
TOTAL	55.822.975,50	28.080.526,35	43.668.647,48	78,23	155,51	146.815	76.113	89.496	60,96	117,58	380,23	368,93	487,94	51,27	49,03	64,80	126,39	132,15
30.09.	49.472.473,60	24.699.737,80	43.668.647,48	88,27	176,80	128.067	66.044	89.496	69,88	135,51	386,30	373,99	487,94	52,09	49,70	64,80	124,40	130,36

At hotel level

Revenue per sold room by 30/09/2022	1.011,90 kn	134,38 €
Revenue per sold room by 30/09/2021	838,90 kn	111,49 €
Revenue per sold room by 30/09/2019	794,93 kn	107,31 €

At hotel sector level

Revenue per sold room - 2022	1.095,55 kn	145,48 €
Revenue per sold room - 2021	934,33 kn	124,17 €
Revenue per sold room - 2019	858,28 kn	112,50 €

Selected profit centers within the hotel sector

Lavender	2019	2021			
31/12	1.049.685,47	899.642,87	2022	INDEX 2022/2019	INDEX 2022/2021
30/09	1.019.818,15	859.922,64	1.155.543,53	113,31	134,38

Aquatic centar	2019	2021			
31/12	2.397.917,11	1.552.768,43	2022	INDEX 2022/2019	INDEX 2022/2021
30/09	2.385.872,61	1.544.732,32	1.888.655,14	79,16	122,26

Tenis centar	2019	2021			
31/12	514.179,54	419.767,45	2022	INDEX 2022/2019	INDEX 2022/2021
30/09	441.509,89	363.649,76	513.552,74	116,32	141,22

Beach bar	2019	2021			
31/12	107.430,44	50.152,14	2022	INDEX 2022/2019	INDEX 2022/2021
30/09	95.390,17	41.550,00	52.000,00	54,51	125,15

Hotel sector total

TOTAL	2019	2021			
31/12	59.892.188,06	31.002.857,24	2022	INDEX 2022/2019	INDEX 2022/2021
30/09	53.415.064,42	27.509.592,52	47.278.398,89	88,51	171,86

REVENUE BY ACTIVITIES

Hotel service revenue amounted to HRK 43,668,647.48, which is a 76.80% increase as compared to the previous year.

Other revenue of the hotel sector including the revenue generated in selected profit centres, was generated in the amount of HRK 3,609,751.41 and recorded an increase of 28% compared to the HRK 2,809,854.72 generated in the same period of 2021.

The total revenue of the hotel sector amounted to HRK 47,278,398.89 and is 71.86% higher compared to the same period of the previous year.



Summary of key market indicators of the hotel sector

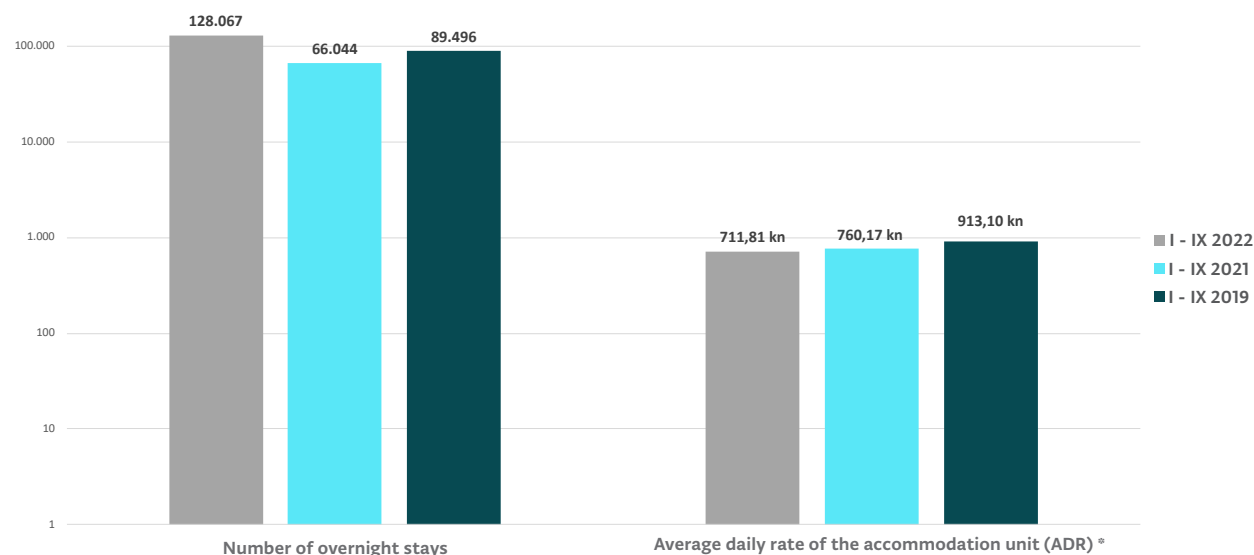
Hotel sector performance results for hotels in Biograd na Moru and the hotel in Sv. Filip i Jakov are shown separately, considering the different market profile, which was not done in this reporting period because Villa Donat Hotel in Sv. Filip i Jakov was not operational last year, making the indicators not comparable.

During the nine months of 2021, the Company's hotel sector, after a significant decline in 2020 due to the pandemic and a global travel industry downturn, which had an especially severe impact on the hotel sector, and a partial recovery of the travel industry in July, August and September 2021, recorded a significant recovery this year, almost returning to the pre-pandemic business conditions.

Thus, compared to nine months of 2021, the number of overnight stays increased by 35.51%, and the occupancy of accommodation units increased by 46.57%. At the same time, the occupancy of accommodation units compared to the same period of 2019 recorded a decrease of 30.66%, while the average price increased by 20.12%, and compared to nine months of 2019, growth was recorded at a rate of 28.28%.

Revenue per accommodation unit based on days of availability increased by 22.70% compared to the same period of 2021, and in addition to the significant decrease in the occupancy of accommodation units compared to the pre-pandemic 2019, it almost equalled the result at that time, i.e. the decrease was reduced to 2.39%.

Number of overnight stays and average daily rate of the accommodation unit (ADR) in the hotels of Ilirija d.d. in the period I-IX 2022, 2021 and 2019



* ADR – Average daily rate of the accommodation unit is calculated on the basis of the revenue from board services (revenue from the accommodation and food and beverages of the board services)

Key market indicators of the hotel sector of Ilirija d.d.

	I-IX 2022	I-IX 2021	I-IX 2019	2022/2019	2022/2021
HOTELS IN BIOGRAD					
Accommodation capacities:					
Number of hotels	3	3	3	0,00%	0,00%
Number of accommodation units	363	371	371	-2,16%	-2,16%
Number of beds	766	778	778	-1,54%	-1,54%
Physical turnover					
Number of overnight stays	79.901	66.044	113.276	-29,46%	20,98%
Number of accommodation units sold	38.265	29.443	55.153	-30,62%	29,96%
The occupancy of accommodation units based on a total number of days in a period (%)	38,61%	29,07%	54,45%	-29,09%	32,83%
Occupancy rate of the accommodation units on an open days basis (%)	60,35%	58,38%	77,86%	-22,48%	3,37%
Financial results:					
Average daily rate of the accommodation unit (ADR) *	935,65 kn	760,17 kn	724,92 kn	29,07%	23,08%
Revenue per accommodation unit (RevPAR) on a total number of days basis in period **	361,28 kn	220,98 kn	394,75 kn	-8,48%	63,49%
Revenue per accommodation unit (RevPAR) on an open days basis **	564,70 kn	443,82 kn	564,46 kn	0,04%	27,24%
HOTEL IN SV. FILIP I JAKOV					
Accommodation capacities:					
Number of hotels	1	1	1	0,00%	0,00%
Number of accommodation units	72	72	72	0,00%	0,00%
Number of beds	144	144	144	0,00%	0,00%
Physical turnover					
Number of overnight stays	9.595	0	14.791	-35,13%	#DIV/0!
Number of accommodation units sold	4.890	0	7.082	-30,95%	#DIV/0!
The occupancy of accommodation units based on a total number of days in a period (%)	24,88%	0,00%	36,03%	-30,95%	#DIV/0!
Occupancy rate of the accommodation units on an open days basis (%)	64,68%	#DIV/0!	82,66%	-21,75%	#DIV/0!
Financial results:					
Average daily rate of the accommodation unit (ADR) *	736,60 kn	#DIV/0!	609,68 kn	20,82%	#DIV/0!
Revenue per accommodation unit (RevPAR) on a total number of days basis in period **	183,25 kn	#DIV/0!	219,66 kn	-16,58%	#DIV/0!
Revenue per accommodation unit (RevPAR) on an open days basis **	476,45 kn	#DIV/0!	503,94 kn	-5,45%	#DIV/0!
HOTELS - TOTAL ILIRIJA d.d.					
Accommodation capacities:					
Number of hotels	4	4	4	0,00%	0,00%
Number of accommodation units	435	443	443	-1,81%	-1,81%
Number of beds	910	922	922	-1,30%	-1,30%
Physical turnover					
Number of overnight stays	89.496	66.044	128.067	-30,12%	35,51%
Number of accommodation units sold	43.155	29.443	62.235	-30,66%	46,57%
The occupancy of accommodation units based on a total number of days in a period (%)	36,34%	24,35%	51,46%	-29,38%	49,27%
Occupancy rate of the accommodation units on an open days basis (%)	60,74%	58,38%	78,38%	-22,51%	4,03%
Financial results:					
Average daily rate of the accommodation unit (ADR) *	913,10 kn	760,17 kn	711,81 kn	28,28%	20,12%
Revenue per accommodation unit (RevPAR) on a total number of days basis in period **	331,82 kn	185,07 kn	366,29 kn	-9,41%	79,29%
Revenue per accommodation unit (RevPAR) on an open days basis **	554,59 kn	443,82 kn	557,92 kn	-0,60%	24,96%

Notes:

Hotels in Biograd include the hotels Ilirija, Adriatic and Kornati, while the hotel in Sv. Filip Jakov is the hotel Villa Donat. *

* ADR – Average daily rate of the accommodation unit is calculated on the basis of the revenue from board services (revenue from the accommodation and food and beverages of the board services).

** RevPAR – Revenue from the board services per accommodation unit includes the revenue from the board services (revenue from the accommodation and food and beverages of the board services) divided by the number of the available accommodation units in a given period (365 days; number of open days).

4.2 NAUTICAL SECTOR – MARINA KORNATI

In the reporting period, Marina Kornati achieved its best business result to date, especially in terms of realizing the financial indicators as a result of the organization of business activities and processes at the marina, which have primarily led to the continuation and stability of the ongoing business activities and their further growth.

Marina Kornati generated a revenue of HRK 45,996.013 in the reporting period, representing a growth of 10% in relation to the nine-month period in 2021, and a 10% growth in relation to the same period of 2019, when the generated revenue amounted to HRK 41,889,892. Revenue growth in the current business year was in items concerning the accommodation of vessels and related services, but also the nautical fair and events, which recorded an increase in revenue compared to the same period of the previous year. Although the revenue indicators realized in the nine months of 2022 are higher compared to 2019, the physical indicators failed to reach the results from the pre-pandemic period, making the financial result of Marina Kornati far more significant.

Marina Kornati performed business activities in the following segments:

1 Contracted berth:

- Contracted berth – individual
- Contracted berth – charter

2 Transit berth – vessel arrival

3 Transit berth – vessel overnight stays

4 Port service – crane operations

The revenue from contractual berths in the key market segment of Marina Kornati amounted to HRK 33,234,438, accounting for 72% of the total revenue of Marina Kornati, while in the same period of 2021 revenue amounted to HRK 30,779,702, which represents a revenue increase of 8%. The reason behind the increased revenues is, in part, a better organisation of the port, with the technical and operational sector aligns berths with the aim of their maximum utilisation, and an average increase in the price of individual vessels of about 5%.

Moreover, compared to the contractual berth revenue generated in the same period of 2019 in the amount of HRK 29,918,751, the same revenue saw an increase of 11% in the reporting period. The financial result achieved by the contractual berths is all the more significant considering that physical turnover did not reach the same level as in 2019.

Transit berth revenue amounted to HRK 2,745,870,

which is 22.41% higher compared to the same period of the previous year, or 6.73% higher than the revenues realized in the same period of 2019. Considering the achieved physical indicators, i.e. overnight stays of transit vessels, they were disproportionate to the revenue indicators achieved. Namely, in the nine months of 2019, the physical results achieved were 21% better compared to the same period of 2022, but in the reporting period, the realized revenue increased, which is due to the price policy and the cancellation of some marketing and sales benefits.

Port service revenue in the amount of HRK 2,728,430 recorded a 7% increase compared to the revenue generated last year, when it amounted to HRK 2,541,865, and compared to the pre-pandemic 2019, it recorded a 9% growth. The increase in the number of port service operations performed by 6% compared to the same period of 2021 is logical due to the return of guests to vessels after the pandemic, as well as the need for vessel service that was postponed in previous years.

In the reporting period, the revenue from parking amounted to HRK 2,514,428, representing a 26% increase compared to the same period of 2021, when it was realized in the amount of HRK 1,992,844. At the same time, in comparison with HRK 2,069,259 of revenue realized in nine months of 2019, revenue from

parking was 22% higher due to the increase in parking fees.

The revenue generated by the nautical fair and events in the reporting period amounted to HRK 1,615,539, representing a 17% increase in relation to the first nine months of the previous year, while in comparison to 2019, it recorded a 18% decrease. Revenue increase in the reporting period is an excellent indicator of future results as the majority of the nautical fair revenue is realised in October, and considering that the announcements and reservations are positive, the Company expects to achieve the planned revenue.

With regard to the physical indicators of Marina Korlati's activities, its most significant segment, contractual berths with 716 contracts for the use of berths, of which 417 contracts are for individual vessels and 299 contracts for charter vessels, continued its uninterrupted growth in the number of contracted vessels. In comparison to the same period of the previous year, contractual berths recorded an increase of 1%. Although the total volume of physical turnover from the pre-pandemic period, i.e. the same period in 2019 was not realized, when 729 contracts for the use of berths were concluded, a growth of 4% was achieved in individual contracted berths, which indicates the recovery of individual berths.

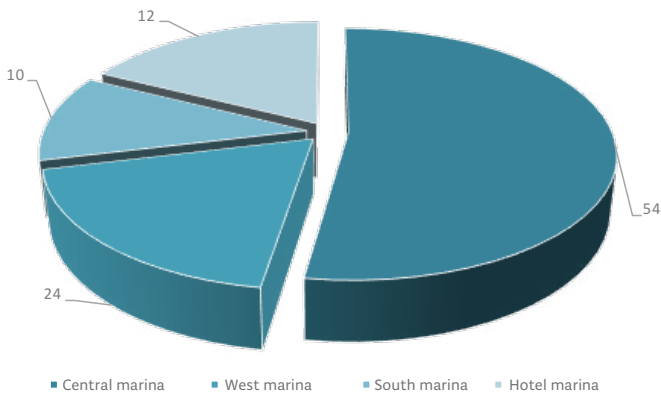
During the reporting period, 2,982 transit vessels arrived at the marina, representing a 22% increase in relation to the same period of 2021, and a 8% increase in relation to 2019, when 3,230 vessels arrived. Transit vessels had 8,467 overnight stays, accounting for 94% of the total overnight stays in the first nine months of 2021, and representing a growth of 83% in comparison to the same period of 2019, when 10,223 transit vessel stays were recorded. The average number of vessel overnight stays was nearly 3 stays per arrival, whereas the first nine months of 2021 saw an average of 4 overnight stays per arrival, and nearly 3 in the same period of 2019.

In the reporting period, 3167 port service operations were carried out (vessel lifting, lowering and washing), which represents a 6% increase compared to the same period in 2021, and a 1% increase compared to the 2019 turnover, when 3,144 port service operations were carried out.

Marina Kornati capacities

	Length of piers / m	Number of berths	Dry berth	Total number of berths
Central marina	923	365	70	435
Western marina	262	190	0	190
Southern marina	180	80	0	80
Hotel marina	450	100	0	100
TOTAL	1.815	735	70	805

% Share of individual marina (number of berths)



Cumulative overview of physical turnover of the Marina Kornati for the period 01/01 – 30/09/2022 and comparison with the same period in 2021 and 2019

Physical turnover items		2022 by month											
Name of position	Measurment unit	1	2	3	4	5	6	7	8	9	10	11	12
Contract-based berth - individual	Contracted vessel	104	259	296	348	387	402	409	412	417			
Contract-based berth - charter	Contracted vessel	0	1	8	276	291	295	296	299	299			
TOTAL Contract-based berth	Contracted vessel	104	260	304	624	678	697	705	711	716			
Transit berth - sailing in port	Sailing in port	8	19	41	134	403	898	1.604	2.398	2.982			
Transit berth - overnight stay of vessels	Boat/day	141	328	603	1.122	1.776	2.885	4.971	7.328	8.467			
Transit berth - overnight stay of vessel crew	Overnight stay of a person												
Port service	Operation	124	357	659	1.023	1.493	1.950	2.422	2.876	3.167			

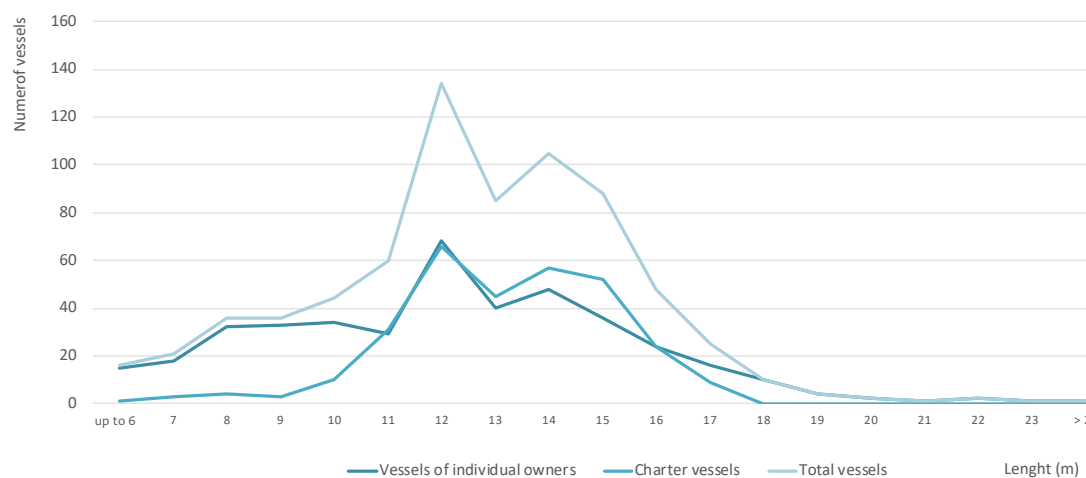
Physical turnover items		2021 by month											
Name of position	Measurment unit	1	2	3	4	5	6	7	8	9	10	11	12
Contract-based berth - individual	Contracted vessel	77	248	294	345	366	387	396	403	404			
Contract-based berth - charter	Contracted vessel	0	4	22	285	299	300	302	302	303			
TOTAL Contract-based berth	Contracted vessel	77	252	316	630	665	687	698	705	707			
Transit berth - sailing in port	Sailing in port	1	8	30	79	214	546	1.172	2.017	2.435			
Transit berth - overnight stay of vessels	Boat/day	282	568	954	1.461	2.147	3.281	5.391	7.938	9.012			
Transit berth - overnight stay of vessel crew	Overnight stay of a person												
Port service	Operation	139	322	629	961	1.421	1.851	2.271	2.727	2.982			

Physical turnover items		2019 by month											
Name of position	Measurment unit	1	2	3	4	5	6	7	8	9	10	11	12
Contract-based berth - individual	Contracted vessel	99	248	303	353	374	384	396	400	402			
Contract-based berth - charter	Contracted vessel	0	2	81	291	315	326	327	327	327			
TOTAL Contract-based berth	Contracted vessel	99	250	384	644	689	710	723	727	729			
Transit berth - sailing in port	Sailing in port	1	9	30	143	526	1.058	1.823	2.709	3.230			
Transit berth - overnight stay of vessels	Boat/day	132	320	563	1.364	2.301	3.472	5.775	8.773	10.223			
Transit berth - overnight stay of vessel crew	Overnight stay of a person												
Port service	Operation	118	402	673	1.070	1.485	1.945	2.358	2.888	3.144			

Vessels moored at contracted berths for the period from 01/01 to 30/09/2022 and a comparison with the same period in 2021 and 2019

Purpose	Type of berth	Position of berth	01/01-30/09	% Total	01/01-30/09	% Total	01/01-30/09	% Total	Index	Index
			2022	Vessels	2021	Vessels	2019	Vessels	2022/2019	2022/2021
VESSEL OF INDIVIDUAL OWNERS	Annual berth in the sea	Central aquatorium	283	40	291	41	283	39	100	97
		South aquatorium	38	5	42	6	45	6	84	90
		Western aquatorium	1	0	1	0	1	0	100	100
		Hotel port	29	4	28	4	32	4	91	104
	Annual berth on the land	Marina land	7	1	5	1	4	1	175	140
		Seasonal berth in the sea	Marina aquatorium	37	5	22	3	25	3	148
	Hotel port		22	3	15	2	12	2	183	147
	Total individual vessels		417	58	404	57	402	55	104	103
	CHARTER VESSELS	Annual berth in the sea	Central aquatorium	118	16	112	16	103	14	115
South aquatorium			0	0	1	0	0	0	#DIV/0!	0
Western aquatorium			181	25	190	27	224	31	81	95
Hotel port			0	0	0	0	0	0	#DIV/0!	#DIV/0!
Total charter vessels:		299	42	303	43	327	45	91	99	
	Total vessels:		716	100	707	100	729	100	98	101

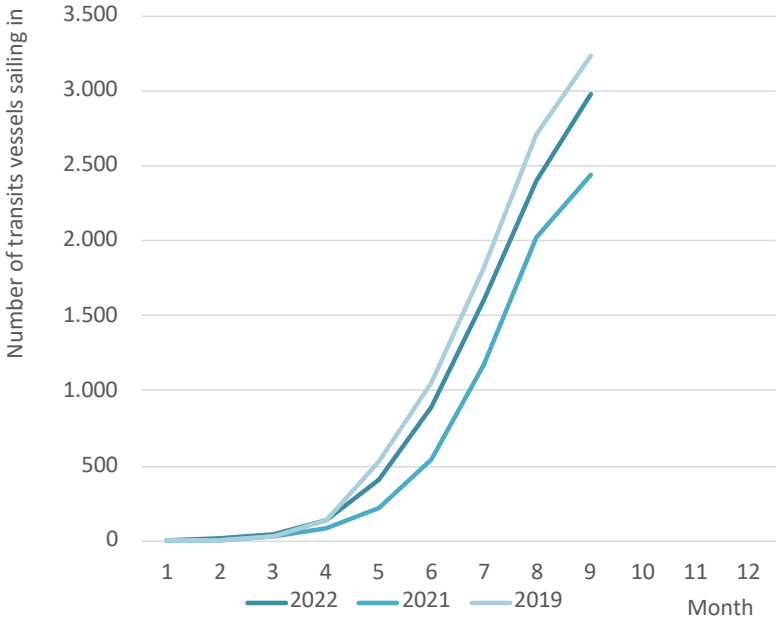
Vessels at contractual berth from 01/01 to 30/09/2022



Transit berth - inbound vessels in the period from 01/01-30/09/2022 and comparison with the same period in 2021 and 2019

Individually monthly						Cumulatively monthly				
2022	2022	2021	2019	INDEX	INDEX	2022	2021	2019	INDEX	INDEX
Month	2022/2019			2022/2021		2022/2019			2022/2021	
1	8	1	1	800	800	8	1	1	800	800
2	11	7	8	138	157	19	8	9	211	238
3	22	22	21	105	100	41	30	30	137	137
4	93	49	113	82	190	134	79	143	94	170
5	269	135	383	70	199	403	214	526	77	188
6	495	332	532	93	149	898	546	1.058	85	164
7	706	626	765	92	113	1.604	1.172	1.823	88	137
8	794	845	886	90	94	2.398	2.017	2.709	89	119
9	584	418	521	112	140	2.982	2.435	3.230	92	122
10										
11										
12										
Total 2022	2.982									
Total 2021	2.435									
Total 2019	3.229									
Index 2022/2019	92									
Index 2022/2021	122									

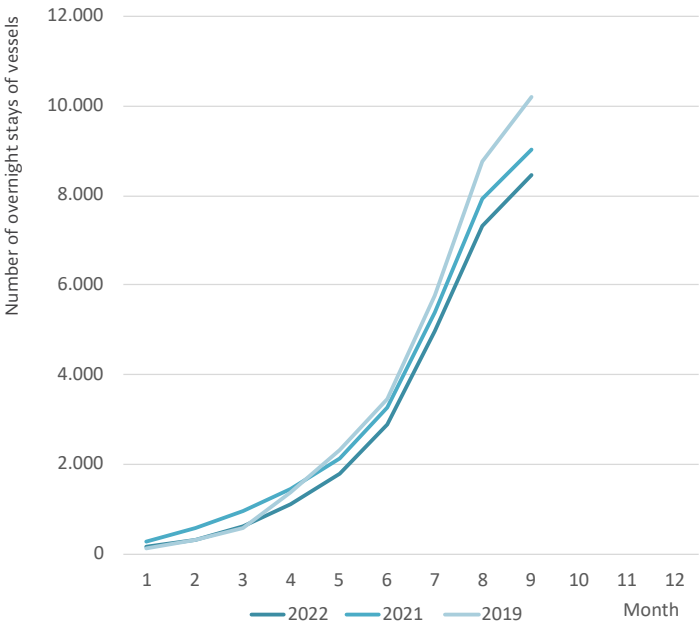
Graph: Transit berth - inbound vessels in the period from 01/01-30/09/2022 and comparison with the same period in 2021 and 2019



Transit berth - overnight stay of vessel in the period from 01/01-30/09/2022 and comparison with the same period in 2021 and 2019

Individually monthly						Cumulatively monthly				
2022	2022	2021	2019	INDEX	INDEX	2022	2021	2019	INDEX	INDEX
Month	2022/2019			2022/2021		2022/2019			2022/2021	
1	141	282	132	107	50	141	282	132	107	50
2	187	286	188	99	65	328	568	320	103	58
3	275	386	243	113	71	603	954	563	107	63
4	519	507	801	65	102	1.122	1.461	1.364	82	77
5	654	686	937	70	95	1.776	2.147	2.301	77	83
6	1.109	1.134	1.171	95	98	2.885	3.281	3.472	83	88
7	2.086	2.110	2.303	91	99	4.971	5.391	5.775	86	92
8	2.357	2.547	2.998	79	93	7.328	7.938	8.773	84	92
9	1.139	1.074	1.450	79	106	8.467	9.012	10.223	83	94
10										
11										
12										
Total 2022	8.467									
Total 2021	9.012									
Total 2019	10.223									
Index 2022/2019	83									
Index 2022/2021	94									

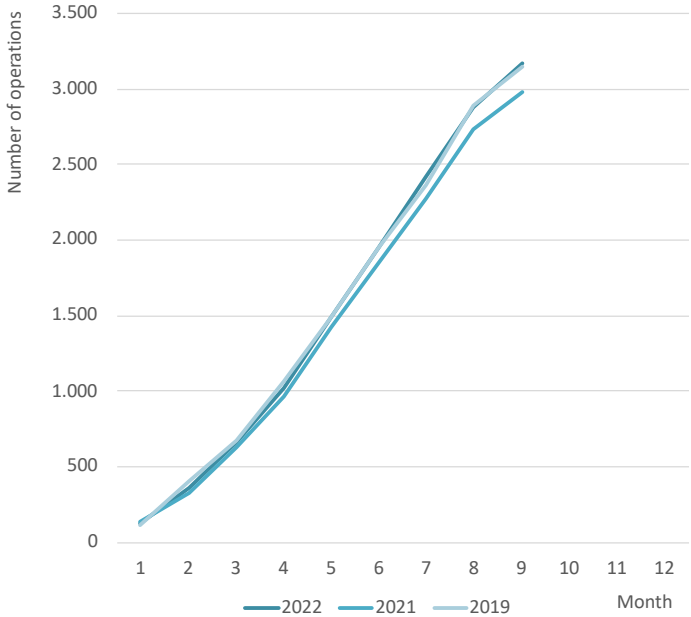
Graph: Transit berth - overnight stay of vessel in the period from 01/01-30/09/2022 and comparison with the same period in 2021 and 2019



Activities of port service in the period from 01/01-30/09/2022 and comparison with the same period in 2021 and 2019

Individually monthly						Cumulatively monthly				
2022	2022	2021	2019	INDEX	INDEX	2022	2021	2019	INDEX	INDEX
Month			2022/2019		2022/2021			2022/2019		2022/2021
1	124	139	118	105	89	124	139	118	105	89
2	233	183	284	82	127	357	322	402	89	111
3	302	307	271	111	98	659	629	673	98	105
4	364	332	397	92	110	1.023	961	1.070	96	106
5	470	460	415	113	102	1.493	1.421	1.485	101	105
6	457	430	460	99	106	1.950	1.851	1.945	100	105
7	472	420	413	114	112	2.422	2.271	2.358	103	107
8	454	456	530	86	100	2.876	2.727	2.888	100	105
9	291	255	256	114	114	3.167	2.982	3.144	101	106
10										
11										
12										
Total 2022	3.167									
Total 2021	2.982									
Total 2019	3.144									
Index 2022/2019	101									
Index 2022/2021	106									

Graph: Activities of port service in the period from 01/01-30/09/2022 and comparison with the same period in 2021 and 2019



Revenue generated by the Marina Kornati for the period 01/01 – 30/09/2022 individually by months and comparison with the same period of 2021 and 2019

REVENUES OF MARINA KORNATI 2022 SEPARATE BY MONTHS																
Revenue positions		Months 2022												2022	2019	Index
		1	2	3	4	5	6	7	8	9	10	11	12	CUMULAT.	TOTAL	2022/2019
I	Daily berths	32.041	37.891	85.245	126.120	222.508	468.599	577.659	691.851	503.956				2.745.870	2.572.612	107
II	Contracted berth with accessories	4.548.472	6.818.035	1.680.702	9.055.827	1.147.909	587.638	8.831.425	430.424	134.006				33.234.438	29.918.751	111
III	Port service	86.567	275.976	327.866	395.247	502.828	405.282	323.004	250.037	161.623				2.728.430	2.509.396	109
IV	Vehicle parking	2.064	2.312	10.912	135.101	328.945	439.611	603.514	502.579	489.390				2.514.428	2.069.253	122
V	Other services	4.431	12.619	69.475	44.479	39.148	55.813	79.291	87.135	128.096				520.487	393.788	132
VI	Business cooperation				1.300.476			1.308.345						2.608.821	2.450.017	106
VII	Boat fair and events				11.295	5.580	6.750	175.475	632.714	783.725				1.615.539	1.976.075	82
TOTAL:		4.673.575	7.146.833	2.174.200	11.068.545	2.246.918	1.963.693	11.898.713	2.594.740	2.200.796		0	0	45.968.013	41.889.892	110

REVENUES OF MARINA KORNATI 2021 SEPARATE BY MONTHS																
Revenue positions		Months 2021												2021	2020	Index
		1	2	3	4	5	6	7	8	9	10	11	12	CUMULAT.	TOTAL	2021/2020
I	Daily berths	24.596	19.361	70.954	120.430	133.816	297.829	566.146	685.968	323.999				2.243.100	1.843.005	122
II	Contracted berth with accessories	3.033.918	7.590.522	1.574.717	8.813.647	775.786	585.373	8.026.637	226.923	152.180				30.779.702	29.844.703	103
III	Port service	126.180	183.749	339.050	375.232	474.186	360.285	305.113	265.168	112.902				2.541.865	2.324.732	109
IV	Vehicle parking		1.240	6.581	40.874	173.487	329.217	493.647	498.710	449.088				1.992.844	1.256.286	159
V	Other services	378	8.870	103.792	13.210	32.113	88.463	54.946	79.329	43.620				424.721	457.496	93
VI	Business cooperation					1.363.246		1.119.590	1.072					2.483.908	2.467.588	101
VII	Boat fair and events			3.600		11.988	18.490	167.897	157.615	1.018.152				1.377.742	833.624	165
TOTAL:		3.185.072	7.803.742	2.098.694	9.363.393	2.964.622	1.679.657	10.733.976	1.914.785	2.099.942	0	0	0	41.843.882	39.027.434	107

REVENUES OF MARINA KORNATI 2019 SEPARATE BY MONTHS																
Revenue positions		Months 2019												2019	2018	Indeks
		1	2	3	4	5	6	7	8	9	10	11	12	CUMULAT.	TOTAL	2019/2018
I	Daily berths	1.649	32.993	58.793	173.766	253.713	407.784	632.061	640.748	371.107				2.572.612	2.247.543	114
II	Contracted berth with accessories	3.601.219	5.969.253	3.932.524	6.304.731	1.352.030	642.848	7.828.376	204.248	83.521				29.918.751	28.552.431	105
III	Port service	117.641	280.502	328.496	376.837	451.647	360.644	215.958	271.114	106.556				2.509.396	2.417.212	104
IV	Vehicle parking	1.452	2.352	18.968	117.644	231.024	422.790	385.121	487.806	402.096				2.069.253	1.866.302	111
V	Other services	1.141	17.350	-22.713	26.029	34.922	153.011	35.155	74.525	74.369				393.788	523.392	75
VI	Business cooperation	0	7.410		1.198.675	23.800	3.713	1.188.874	27.545					2.450.017	2.309.657	106
VII	Boat fair and events	4.044		8.415		24.605	70.916	250.216	218.242	1.399.639				1.976.075	1.724.291	115
TOTAL:		3.727.146	6.309.860	4.324.483	8.197.682	2.371.741	2.061.706	10.535.761	1.924.228	2.437.288				41.889.892	39.640.828	106

Revenue generated by the Marina Kornati for the period 01/01 – 30/09/2022 individually by months and comparison with the same period of 2021 and 2019

REVENUES OF MARINA KORNATI 2022 CUMULATIVE BY MONTHS														
Revenue positions		Months 2022												
		1	2	3	4	5	6	7	8	9	10	11	12	% of total revenues
I	Daily berths	32.041	69.932	155.177	281.297	503.805	972.404	1.550.063	2.241.914	2.745.870				6
II	Contracted berth with accessories	4.548.472	11.366.507	13.047.209	22.103.036	23.250.945	23.838.583	32.670.008	33.100.432	33.234.438				72
III	Port service	86.567	362.543	690.409	1.085.656	1.588.484	1.993.766	2.316.770	2.566.807	2.728.430				6
IV	Vehicle parking	2.064	4.376	15.288	150.389	479.334	918.945	1.522.459	2.025.038	2.514.428				5
V	Other services	4.431	17.050	86.525	131.004	170.152	225.965	305.256	392.391	520.487				1
VI	Business cooperation	0	0	0	1.300.476	1.300.476	1.300.476	2.608.821	2.608.821	2.608.821				6
VII	Boat fair and events	0	0	0	11.295	16.875	23.625	199.100	831.814	1.615.539				4
	TOTAL:	4.673.575	11.820.408	13.994.608	25.063.153	27.310.071	29.273.764	41.172.477	43.767.217	45.968.013				100

REVENUES OF MARINA KORNATI 2021 CUMULATIVE BY MONTHS														
Revenue positions		Months 2021												
		1	2	3	4	5	6	7	8	9	10	11	12	% of total revenues
I	Daily berths	24.596	43.957	114.911	235.341	369.157	666.986	1.233.132	1.919.101	2.243.100				5
II	Contracted berth with accessories	3.033.918	10.624.440	12.199.157	21.012.804	21.788.590	22.373.963	30.400.600	30.627.522	30.779.702				74
III	Port service	126.180	309.929	648.979	1.024.211	1.498.397	1.858.682	2.163.795	2.428.962	2.541.865				6
IV	Vehicle parking	0	1.240	7.821	48.695	222.182	551.399	1.045.046	1.543.756	1.992.844				5
V	Other services	378	9.248	113.040	126.250	158.363	246.826	301.772	381.101	424.721				1
VI	Business cooperation	0	0	0	0	1.363.246	1.363.246	2.482.836	2.483.908	2.483.908				6
VII	Boat fair and events	0	0	3.600	3.600	15.588	34.078	201.975	359.590	1.377.742				3
	TOTAL:	3.185.072	10.988.814	13.087.508	22.450.901	25.415.523	27.095.180	37.829.156	39.743.941	41.843.882				100

REVENUES OF MARINA KORNATI 2019 CUMULATIVE BY MONTHS														
Revenue positions		Months 2019												
		1	2	3	4	5	6	7	8	9	10	11	12	% of total revenues
I	Daily berths	1.649	34.642	93.435	267.201	520.914	928.698	1.560.759	2.201.507	2.572.612				6
II	Contracted berth with accessories	3.601.219	9.570.472	13.502.996	19.807.727	21.159.757	21.802.605	29.630.981	29.835.229	29.918.751				71
III	Port service	117.641	398.143	726.639	1.103.476	1.555.123	1.915.767	2.131.725	2.402.839	2.509.396				6
IV	Vehicle parking	1.452	3.804	22.772	140.416	371.440	794.230	1.179.351	1.667.157	2.069.253				5
V	Other services	1.141	18.491	-4.222	21.807	56.729	209.740	244.895	319.420	393.788				1
VI	Business cooperation	0	7.410	7.410	1.206.085	1.229.885	1.233.598	2.422.472	2.450.017	2.450.017				6
VII	Boat fair and events	4.044	4.044	12.459	12.459	37.064	107.980	358.196	576.438	1.976.075				5
	TOTAL:	3.727.146	10.037.006	14.361.489	22.559.171	24.930.912	26.992.618	37.528.379	39.452.607	41.889.892				100

Summary of key market indicators of Marina Kornati performance

The Company considers the results of Marina Kornati, both market and financial, exceptionally successful in the reporting period, as it has achieved the best financial results thus far, and it recorded continuous growth in physical results. The key physical operating results, i.e. the vessels at contracted berth, which account for 72% of the revenue generated by Marina Kornati, achieved a growth of 1.27% compared to the same period of 2021, which in turn resulted in an increase of 7.98% of the financial operating results, i.e. revenue from contracted berths, with generated HRK 33,234,438.00 compared to the same period of 2021. Although the physical indicators, which refer to vessels at contracted berths, did not reach the result of the record year, i.e. 2019, in relation to the same period, Marina Kornati recorded an increase in revenue from contracted berths by 11.08%.

Moreover, it is important to note that other market segments also achieved an increase in operating revenue compared to the same period of the previous year, including parking services, the revenue of which increased by 26.17%, transit berth by 22.41%, services by 7.34 % and business cooperation by 5.03%. In all the mentioned segments, growth was achieved even compared to the same period in the most successful year, i.e. 2019.



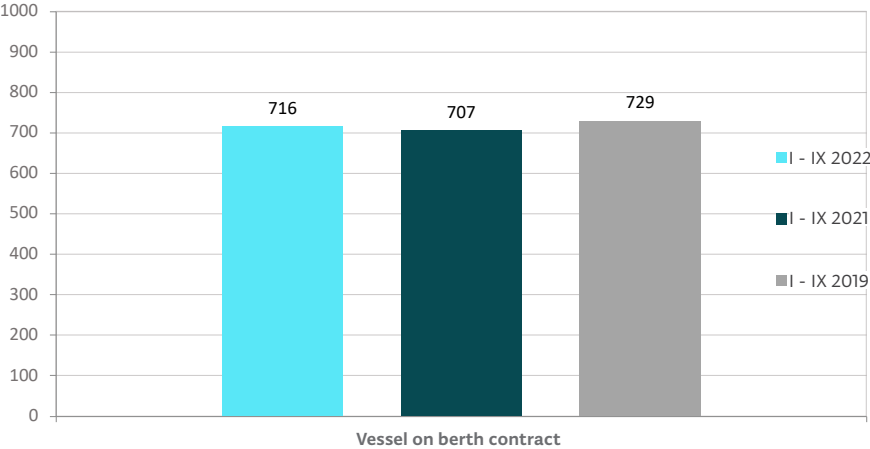
Key market indicators of Marina Kornati

	I-IX 2022	I-IX 2021	I-IX 2019	2022/2019	2022/2021
Capacity(number of berths): *					
Central marina	435	435	435	0,00%	0,00%
Western marina	190	190	190	0,00%	0,00%
Southern marina	80	80	80	0,00%	0,00%
Hotel marina	100	100	100	0,00%	0,00%
Total number of berths	805	805	805	0,00%	0,00%
Physical turnover:					
Vessel on berth contract	716	707	729	-1,78%	1,27%
Number of overnight stays (vessels having tranzit berth)	8.467	9.012	10.233	-17,26%	-6,05%
Number of service operations executed	3.167	2.982	3.144	0,73%	6,20%
Number of parking places	500	500	500	0,00%	0,00%
Number of business cooperation agreements	51	49	51	0,00%	4,08%
Financial results					
Total operating revenue of the marina	44.350.474 kn	40.466.140 kn	39.913.877 kn	11,12%	9,60%
Berth contract:					
Revenue from berth contracts	33.234.438 kn	30.779.702 kn	29.918.751 kn	11,08%	7,98%
Aver. revenue per berth contract	46.417 kn	43.536 kn	41.041 kn	13,10%	6,62%
Share in the total operating revenue of the marina	74,9%	76,1%	75,0%	-0,03%	-1,48%
Transit berth:					
Revenue from the transit berth	2.745.870,00 kn	2.243.100 kn	2.572.612 kn	6,73%	22,41%
Aver. revenue per overnight stay (transit berth)	324 kn	249 kn	251 kn	29,00%	30,29%
Share in the total operating revenue of the marina	6,2%	5,5%	6,4%	-3,94%	11,69%
Servicing:					
Revenue from servicing	2.728.430,00 kn	2.541.865 kn	2.509.396 kn	8,73%	7,34%
Aver. revenue per serv. operation	862 kn	852 kn	798 kn	7,94%	1,07%
Share in the total operating revenue of the marina	6,2%	6,3%	6,3%	-2,15%	-2,06%
Parking:					
Revenue from parking	2.514.428,00 kn	1.992.844 kn	2.069.253 kn	21,51%	26,17%
Aver. revenue per parking space	5.029 kn	3.986 kn	4.139 kn	21,51%	26,17%
Share in the total operating revenue of the marina	5,7%	4,9%	5,2%	9,36%	15,12%
Business cooperation:					
Revenue from business cooperation	2.608.821,00 kn	2.483.908 kn	2.450.017 kn	6,48%	5,03%
Aver. revenue from business cooperation	51.153 kn	50.692 kn	48.040 kn	6,48%	0,91%
Share in the total operating revenue of the marina	5,9%	6,1%	6,1%	-4,17%	-4,17%

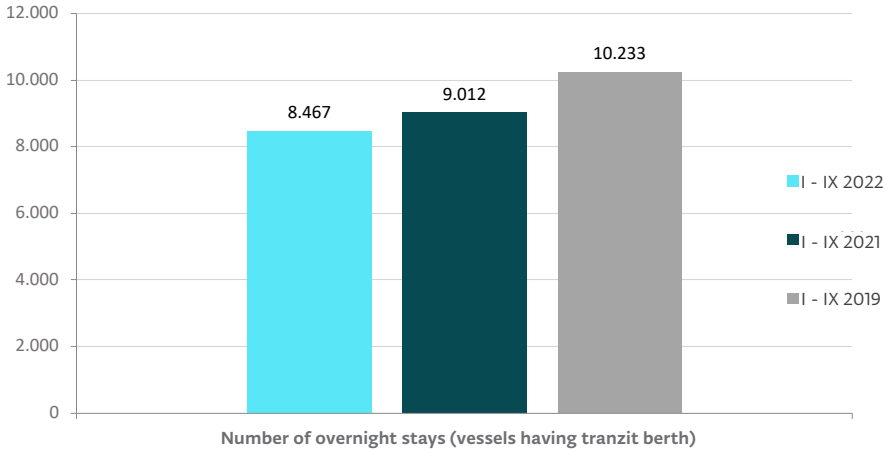
Notes:

* Number of berths refers to physically available number of berths in the marina

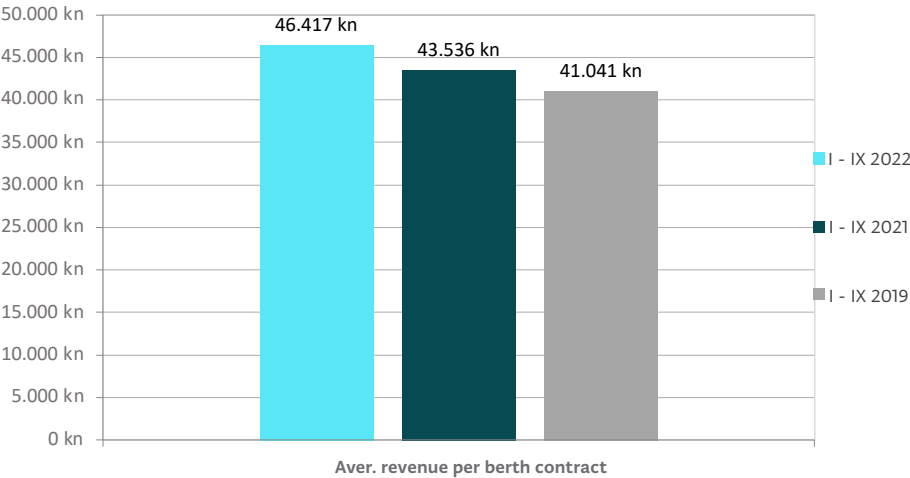
No. of vessels per berth contract in Marina Kornati in the period I-IX 2022, 2021 and 2019



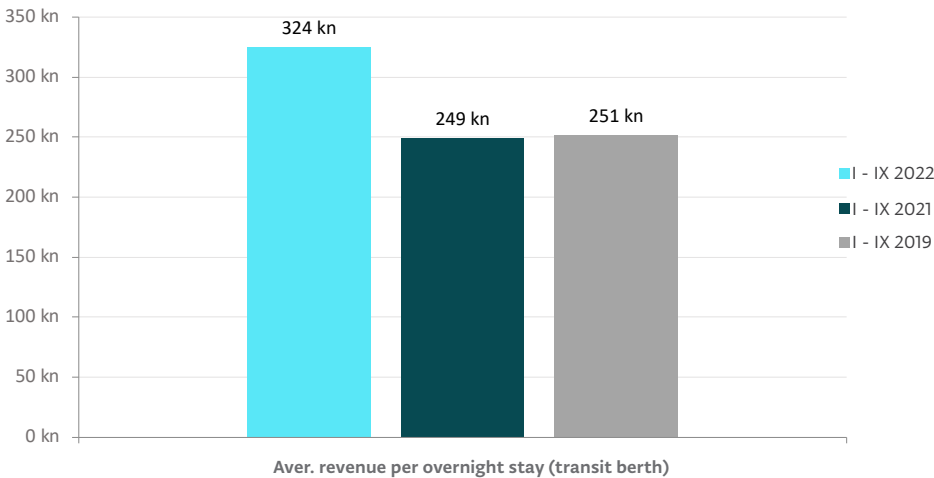
No. of overnight stay of transit vessels in Marina Kornati in the I-IX 2022, 2021 and 2019



Average revenues earned per berth contract in Marina Kornati in the period I-IX 2022, 2021 and 2019



Average revenue earned per overnight stay of tranzit vessel in Marina Kornati in the period I-IX 2022, 2021 and 2019



4.3 CAMPING SECTOR – “PARK SOLINE” CAMPSITE

During the first nine months of 2022, “Park Soline” campsite recorded 44,557 arrivals, representing an increase of 30.57% compared to the previous year and an increase of 9.63% in relation to the same period of 2019. The aforementioned increase is definitely due to a significant market recovery affected by the COVID-19 pandemic compared to 2021, both in Croatia and in Europe, and due to excellent booking levels in the peak season and post-season. In line with the above, an increased number of arrivals also resulted in an increase in the number of overnight stays. A total of 309,765 overnight stays were recorded, representing an increase of 32.06% compared to the same period of 2021, while an increase of 8.23% as generated compared to the same nine-month period of 2019.

All four segments of camp operations (allotment, lump sum guests, individuals and mobile homes) recorded an increase in arrivals and overnight stays. The allotment market segment recorded an increase in overnight stays of 19.71% and in arrivals of 17.15% compared to the same period of the previous year, while at the same time the number of plots in the allotment was 13.53% lower, which is a much more significant result. The consequence of this relationship is

that agency guests recorded an increase in average days of stay from 7.87 to 8.04 days. The lump sum market segment realized an increase of 31.71% in arrivals and of 27.53% in overnight stays compared to the same nine-month period of 2021. The aforementioned increase is mostly a consequence of reopening of the market, an increase in the number of leased lump-sum spots, an increase in the lump-sum price and a favourable schedule of bank holidays in June (the Slovenian and the Croatian market account for the largest share in lump-sum guests). The market segment referring to individuals realised an increase of 31.89% in arrivals and 45.84% in overnight stays. In the reporting period, the mobile home segment recorded an increase of 36.32% in arrivals and 35.40% in overnight stays compared to the same period of 2021. Most of the increase was generated in June due to the Slovenian and the Croatian market, and during the peak season. The ratio of overnight stays in nine months of 2022 compared to the same period of 2019 showed a decrease in the number of overnight stays for the allotment segment by 35.83%, while the individual market segment recorded an increase of 13.77%, a flat rate of 38.38% and 26.51% for mobile homes, which is the result of a change in the booking trend and guests' habits as a con-

sequence of the global pandemic, which in turn significantly affected the growth of the share of the individual market segment and mobile homes.

In the structure of recorded overnight stays, the five leading outbound markets are (I) the Slovenian market with a 24% share of overnight stays, (II) the Czech market with a 19% share, (III) the German market with a 16% share, (IV) the Croatian market with a 9% share, and (V) the Dutch market with a 7% share. At the same time, when it comes to market segments, lump sum payments and guests in mobile homes prevail in the structure of overnight stays, with a share of 31% and 29% in overnight stays respectively.

Considering the market segments, the largest increase in mobile homes was recorded by guests from the Czech market by 131%, the Austrian market by 107% and the German market by 44% compared to the same period of the previous year. In the business segment of camping units, the largest share of overnight stays is recorded by guests from the Italian market (389%), Dutch market (79%), German market (65%) and Austrian market (28%).

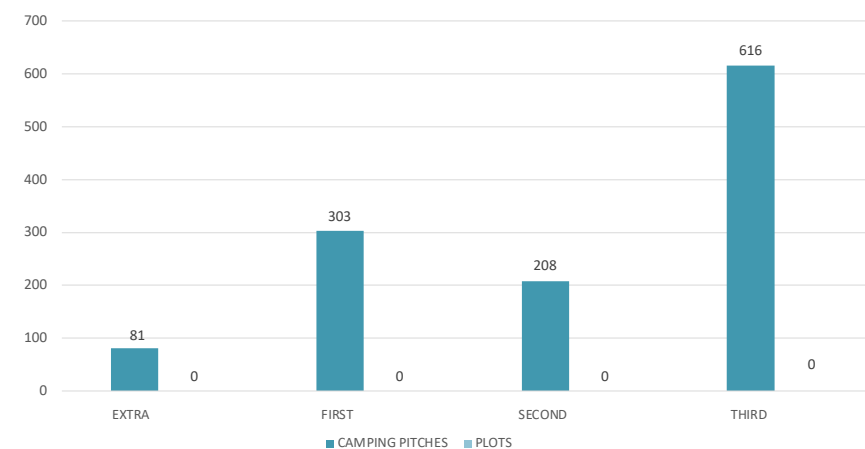
The camping sector, i.e. the "Park Soline" campsite recorded both an increase in the physical turnover and in the revenue, with the revenue realized amounting to HRK 44,660,718.19. This represents a 50% increase in comparison to the same period of the previous year, with a 66% increase in the revenue from mobile homes and 21% increase in the contractual revenue from lump-sum guests, which is a result of a larger number of leased lump sum pitches than in the previous year, with the larger part of the lump sums pertaining to mobile homes, which generate more revenue. The revenue from individual stays increased by 77% compared to the same period of the previous year. Realized revenue ending with the reporting period of 2022 compared to the same period of 2019 were 43% higher.

The increase in overnight stays, arrivals and revenue in the nine-month period of 2022 was the result of a significant recovery of the tourist demand brought about by a stabilization of the epidemiological situation as well as by 2022 investments in new mobile homes, quality of campsite facilities and services. Intensified marketing activities and strategically planned investments in key sales channels certainly contributed to the levels of overnight stays and financial performance not only compared to the previous year, but also to the pre-pandemic period, i.e. 2019.



Capacities of the "Park Soline" campsite

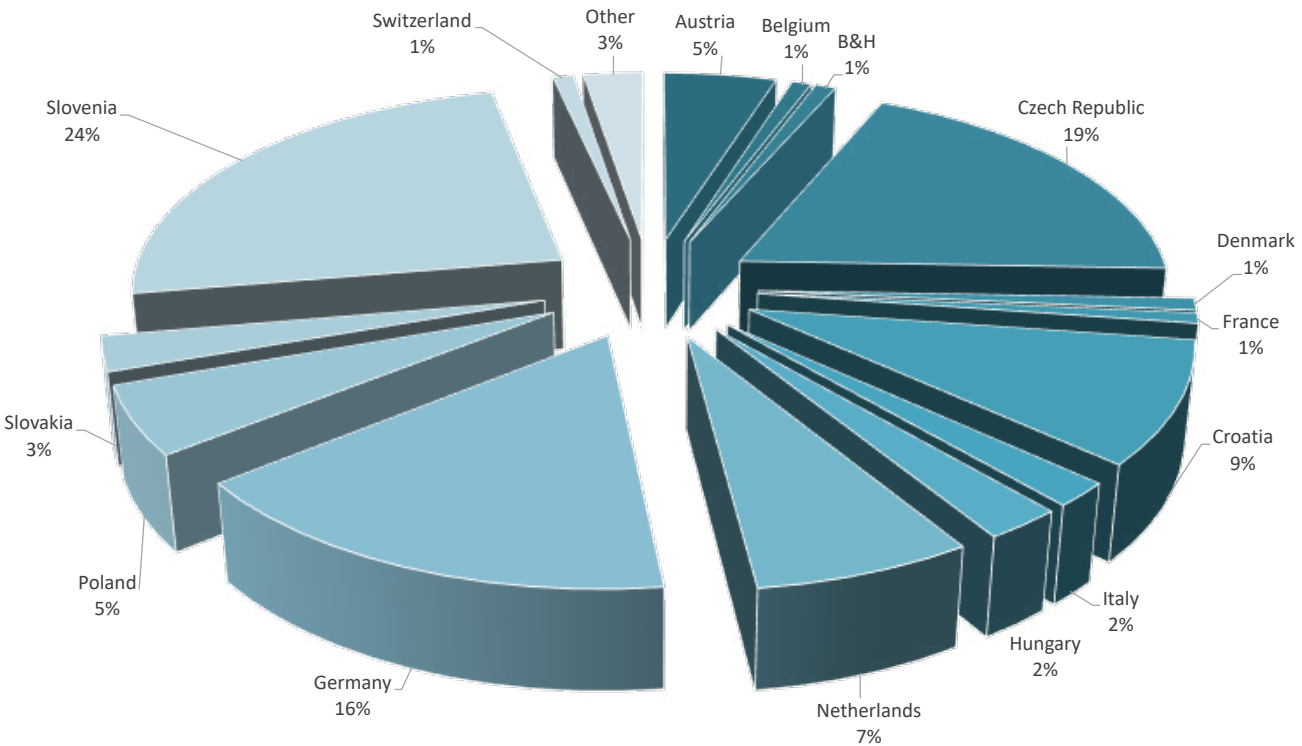
		2019	2020	2021	2022
I	EXTRA ZONE				
	CAMPING PITCHES	81	81	81	81
	CAMPING PLOTS	0	0	0	0
	TOTAL	81	81	81	81
II	FIRST ZONE				
	CAMPING PITCHES	303	303	303	303
	CAMPING PLOTS	0	0	0	0
	TOTAL	303	303	303	303
III	SECOND ZONE				
	CAMPING PITCHES	198	208	208	208
	CAMPING PLOTS	0	0	0	0
	TOTAL	198	208	208	208
IV	THIRD ZONE				
	CAMPING PITCHES	638	616	616	616
	CAMPING PLOTS	0	0	0	0
	TOTAL	638	616	616	616
Σ	GRANDTOTAL				
	CAMPING PITCHES	1220	1208	1208	1208
	CAMPING PLOTS	0	0	0	0
	TOTAL	1220	1208	1208	1208



Arrivals and overnight stays by outbound market and average days of stay for the period from 01/01 to 30/09/2022 and a comparison with the same period in 2021 and 2019

	2022		2021		2019		INDEX 2022/2019		INDEX 2022/2021		AVERAGE STAY (DAYS)		
Country	Arrivals	Overnight stays	Arrivals	Overnight stays	Arrivals	Overnight stays	Arrivals	Overnight stays	Arrivals	Overnight stays	2022	2021	2019
Austria	2.425	15.170	1.448	9.198	1.959	12.186	123,79	124,49	167,47	164,93	6,26	6,35	6,22
Belgium	379	2.601	226	1.261	330	2.409	114,85	107,97	167,70	206,26	6,86	5,58	7,30
B&H	547	2.713	428	2.255	612	2.889	89,38	93,91	127,80	120,31	4,96	5,27	4,72
Czech Rep	7.729	58.708	5.188	38.808	7.234	55.739	106,84	105,33	148,98	151,28	7,60	7,48	7,71
Denmark	348	2.904	233	2.120	444	3.601	78,38	80,64	149,36	136,98	8,34	9,10	8,11
France	412	2.420	248	1.289	820	5.711	50,24	42,37	166,13	187,74	5,87	5,20	6,96
Croatia	4.988	29.338	5.988	35.192	4.183	27.880	119,24	105,23	83,30	83,37	5,88	5,88	6,67
Italy	856	5.823	218	1.258	1.166	7.298	73,41	79,79	392,66	462,88	6,80	5,77	6,26
Hungary	1.285	7.679	928	5.743	1.552	10.098	82,80	76,04	138,47	133,71	5,98	6,19	6,51
Netherlands	2.546	21.467	1.324	10.798	1.830	15.989	139,13	134,26	192,30	198,81	8,43	8,16	8,74
Germany	6.416	50.441	4.581	33.052	5.132	38.847	125,02	129,85	140,06	152,61	7,86	7,22	7,57
Poland	2.335	16.352	2.303	16.408	2.227	16.169	104,85	101,13	101,39	99,66	7,00	7,12	7,26
Slovakia	1.264	8.345	571	3.864	893	5.738	141,55	145,43	221,37	215,97	6,60	6,77	6,43
Slovenia	11.143	75.040	9.326	67.147	10.574	72.226	105,38	103,90	119,48	111,75	6,73	7,20	6,83
Switzerland	498	2.787	386	2.061	335	1.787	148,66	155,96	129,02	135,23	5,60	5,34	5,33
Other	1.386	7.977	728	4.102	1.352	7.642	102,51	104,38	190,38	194,47	5,76	5,63	5,65
TOTAL	44.557	309.765	34.124	234.556	40.643	286.209	109,63	108,23	130,57	132,06	6,95	6,87	7,04

OVERNIGHT STAYS PER SOURCE MARKET TILL 30/09/2022



Arrivals, overnight stays, and plot numbers by market segment in the period 01/01 - 30/09/2022 and a comparison with the same period in 2021 and 2019

MARKET SEGMENT	2022			2021			2019			INDEX 2022/2019			INDEX 2022/2021			AVERAGE DAYS OF STAY		
	Arrivals	Overnight stays	Pitch	Arrivals	Overnight stays	Pitch	Arrivals	Overnight stays	Pitch	Arrivals	Overnight stays	Pitch	Arrivals	Overnight stays	Pitch	2022	2021	2019
Allotment	6.716	54.007	147	5.733	45.114	170	10.677	84.167	270	62,90	64,17	54,44	117,15	119,71	86,47	8,04	7,87	7,88
Lump sum	14.079	94.933	264	10.689	74.438	253	9.723	68.601	242	144,80	138,38	109,09	131,71	127,53	104,35	6,74	6,96	7,06
Individuals	11.005	71.370	562	8.344	48.937	560	10.259	62.730	508	107,27	113,77	110,63	131,89	145,84	100,36	6,49	5,86	6,11
Mobile homes	12.757	89.455	235	9.358	66.067	225	9.984	70.711	200	127,77	126,51	117,50	136,32	135,40	104,44	7,01	7,06	7,08
TOTAL	44.557	309.765	1.208	34.124	234.556	1.208	40.643	286.209	1.220	109,63	108,23	99,02	130,57	132,06	100,00	6,95	6,87	7,04

Cumulative overview of daily and monthly occupancy of campsite accommodation units for the period from 01/04/2022 to 30/09/2022 and a comparison with the same period in 2021 and 2019

MONTH	APRIL				MAY				JUNE				JULY			
SEGMENT	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY
MOBILE HOMES ILIRIJA	7.050	689	9,77%	2,93	7.285	520	7,14%	2,21	7.050	5.011	71,08%	21,32	7.285	6.715	92,18%	28,57
AGENCIES	4.410	4.410	100,00%	30,00	4.557	4.557	100,00%	31,00	4.410	4.410	100,00%	30,00	4.557	4.557	100,00%	31,00
LUMP SUM	7.920	7.920	100,00%	30,00	8.184	8.184	100,00%	31,00	7.920	7.920	100,00%	30,00	8.184	8.184	100,00%	31,00
INDIVIDUALS PITCHES STANDARD MARE, COMFORT AND STANDARD III ZONE	11.490	731	6,36%	1,91	11.873	721	6,07%	1,88	11.490	2.521	21,94%	6,58	11.873	6.049	50,95%	15,79
INDIVIDUALS CAMPING STANDARD IV ZONE	5.370	0	0,00%	0,00	5.549	0	0,00%	0,00	5.370	41	0,76%	0,23	5.549	958	17,26%	5,35
INDIVIDUALS TOTAL	16.860	731	4,34%	1,30	17.422	721	4,14%	1,28	16.860	2.562	15,20%	4,56	17.422	7.007	40,22%	12,47
TOTAL	36.240	13.750	37,94%	11,38	37.448	13.982	37,34%	11,57	36.240	19.903	54,92%	16,48	37.448	26.463	70,67%	21,91

MONTH	AUGUST				SEPTEMBER				TOTAL 2022					TOTAL 2021				
SEGMENT	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	NUMBER OF ACCOMMODATING UNITS	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	NUMBER OF ACCOMMODATING UNITS	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY
MOBILE HOMES ILIRIJA	7.285	6.939	95,25%	29,53	7.050	3.361	47,67%	14,30	235	43.005	23.235	54,03%	98,87	225	41.175	17.357	42,15%	77,14
AGENCIES	4.557	4.557	100,00%	31,00	4.410	4.410	100,00%	30,00	147	26.901	26.901	100,00%	183,00	170	31.110	31.110	100,00%	183,00
LUMP SUM	8.184	8.184	100,00%	31,00	7.920	7.920	100,00%	30,00	264	48.312	48.312	100,00%	183,00	253	46.117	46.117	100,00%	183,00
INDIVIDUALS PITCHES STANDARD MARE, COMFORT AND STANDARD III ZONE	11.873	8.937	75,27%	23,33	11.490	3.050	26,54%	7,96	383	70.089	22.009	31,40%	57,46	337	61.671	16.336	26,49%	48,47
INDIVIDUALS CAMPING STANDARD IV ZONE	5.549	914	16,47%	5,11	5.370	34	0,63%	0,19	179	32.757	1.947	5,94%	10,88	223	40.991	1.236	3,02%	5,52
INDIVIDUALS TOTAL	17.422	9.851	56,54%	17,53	16.860	3.084	18,29%	5,49	562	102.846	23.956	23,29%	42,63	562	102.846	17.572	17,09%	31,27
TOTAL	37.448	29.531	78,86%	24,45	36.240	18.775	51,81%	15,54	1208	221.064	122.404	55,37%	101,33	1208	221.248	112.156	50,69%	92,76

MONTH	TOTAL 2019					INDEX 2022/2019					INDEX 2022/2021				
SEGMENT	NUMBER OF ACCOMMODATING UNITS	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	NUMBER OF ACCOMMODATING UNITS	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	NUMBER OF ACCOMMODATING UNITS	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY
MOBILE HOMES ILIRIJA	200	42.800	18.583	43,42%	92,92	117,50	100	125	124,43%	106,41	104,44	104	134	128,17%	128,17
AGENCIES	270	57.780	57.780	100,00%	214,00	54,44	47	47	100,00%	85,51	86,47	86	86	100,00%	100,00
LUMP SUM	242	51.696	51.696	100,00%	214,00	109,09	93	93	100,00%	85,51	104,35	105	105	100,00%	100,00
INDIVIDUALS PITCHES STANDARD MARE, COMFORT AND STANDARD III ZONE	354	75.756	20.754	27,40%	58,63	108,19	93	106	114,60%	98,01	113,65	114	135	118,55%	118,55
INDIVIDUALS CAMPING STANDARD IV ZONE	154	33.048	1.735	5,25%	11,23	116,23	99	112	113,21%	96,86	80,27	80	158	197,12%	197,12
INDIVIDUALS TOTAL	508	108.804	22.489	20,67%	44,23	110,63	95	107	112,69%	96,37	100,00	100	136	136,33%	136,33
TOTAL	1220	261.080	150.548	57,66%	123,40	99,02	85	81	96,03%	82,11	100	100	109	109,23%	109,24

Campsite revenue for the period from 01/01 to 30/09/2022 and a comparison with the same period in 2021 and 2019

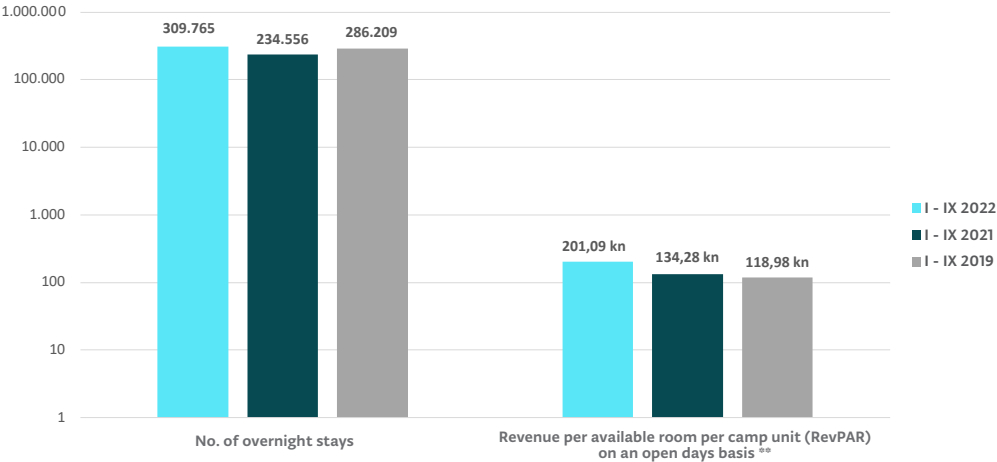
SEGMENT		2019					2021					2022			INDEX		INDEX	
		REALIZED 2019			REALIZED PRIOR 30/09/2019		REALIZED 2021			REALIZED PRIOR 30/09/2021		REALIZED PRIOR 30/09/2022			30/09 2022/2019		30/09 2022/2021	
		NUMBER OF PITCHES	OVERNIGHT STAYS	REVENUES	REALIZED OVERNIGHT STAYS	REVENUES	NUMBER OF PITCHES	OVERNIGHT STAYS	REVENUES	REALIZED OVERNIGHT STAYS	REVENUES	NUMBER OF PITCHES	OVERNIGHT STAYS	REVENUES	OVERNIGHT STAYS	REVENUES	OVERNIGHT STAYS	REVENUES
1	MOBILE HOMES ILIRIJA	200	71.669	13.080.977,08 kn	70.711	12.982.741,50 kn	225	66.324	13.006.945,77 kn	66.067	12.966.151,78 kn	235	89.455	21.504.765,49 kn	127	166	135	166
2	AGENCIES	270	84.853	4.961.578,20 kn	84.167	4.961.578,20 kn	170	45.502	3.341.176,93 kn	45.114	3.414.147,54 kn	147	54.007	3.795.385,11 kn	64	76	120	111
3	INDIVIDUALS	508	63.976	6.409.705,47 kn	62.730	6.364.434,45 kn	560	49.625	4.975.347,82 kn	48.937	4.881.208,01 kn	562	71.370	8.639.091,05 kn	114	,136	146	177
4	LUMP SUM	242	69.989	5.534.344,91 kn	68.601	5.468.888,09 kn	253	75.427	7.475.145,87 kn	74.438	7.371.332,51 kn	264	94.933	8.952.773,08 kn	138	164	128	121
5	OTHER SERVICES	-	-	2.049.767,64 kn	-	1.482.262,51 kn	-	-	1.332.955,89 kn	-	1.235.670,23 kn	0		1.768.703,46 kn	#DIV/0!	119	#DIV/0!	143
TOTAL:		1220	290.487	32.036.373,30 kn	286.209	31.259.904,75 kn	1208	236.878	30.131.572,28 kn	234.556	29.868.510,07 kn	1208	309.765	44.660.718,19 kn	108	143	132	150

Summary of key market indicators of the “Park Soline” campsite

In the first nine months of 2022, the Company camping sector, consisting of the “Park Soline” campsite and the “Park Soline” restaurant, recorded a significant increase compared to the same period of the previous year, both according to physical and financial indicators. An increase of 8.23% of overnight stays was recorded compared to the same period of 2019, as well as an increase of 44.27% in terms of financial targets. Compared to the same period in the previous year, the “Park Soline” campsite recorded a higher number of guest arrivals and overnight stays, which resulted in the 9.14% increase in capacity occupancy, a 37.21% increase in the average price, and a 49.75% increase in accommodation revenue per campsite unit, on the basis of campsite unit occupancy with regard to days of availability. With regard to 2019, the following shares were recorded: a 96.02% share of campsite unit occupancy based on days of availability, an increase of 76.02% in the average achieved campsite price, and an increase of 69.02% in the accommodation price per campsite unit based on days of availability.

Such an improvement of key market indicators is a result of the earlier opening of the market affected by the COVID-19 crisis and very good booking rates in the peak season and post-season.

Number of overnight stays and revenue from accommodation per camp unit in the campsite "Park Soline " in the period I-IX 2022, 2021 and 2019



Notes:
** RevPAR -Revenue from accommodation per camp unit is the revenue from accommodation divided by a number of available camp units in the working period.

Key market indicators of the campsite Park Soline

	I-IX 2022	I -IX 2021	I -IX 2019	2022/2019	2022/2021
Accommodation capacities:					
Number of camping units	1.208	1.208	1.220	-0,98%	0,00%
Number of guests	3.624	3.624	3.660	-0,98%	0,00%
Physical turnover:					
No. of overnight stays	309.765	234.556	286.209	8,23%	32,06%
No. of sold camp units	122.404	112.156	150.548	-18,69%	9,14%
Annual occupancy rate of the camp units (%)	27,76%	25,44%	33,81%	-17,89%	9,14%
Occupancy rate of the units on an open days basis (%)	55,37%	50,73%	57,66%	-3,98%	9,14%
Financial results:					
Average daily rate of the camp unit (ADR)*	363,18 kn	264,68 kn	206,33 kn	76,02%	37,21%
Revenue per available room per camp unit (RevPAR) on a basis of 366/365 days **	100,82 kn	67,33 kn	69,76 kn	44,53%	49,75%
Revenue per available room per camp unit (RevPAR) on an open days basis **	201,09 kn	134,28 kn	118,98 kn	69,02%	49,75%

Notes:

* ADR - Average daily rate of a camp unit is calculated on the basis of the revenue from accommodation in the campsite and the number of camp units sold.

** RevPAR - Revenue from accommodation per camp unit is the revenue from accommodation divided by a number of available camp units in a given period (366/365 days; number of open days).

4.4 CITY GALLERIA BUSINESS AND SHOPPING CENTRE

City Galleria Business and Shopping Centre is located in a heavily residential area in the immediate centre of Zadar, just a ten-minute walk from the old town. Due to the good location of the building and the fact it is surrounded by some of the main city roads, the Centre is exceptionally easy to spot and access by a large number of local residents and foreign visitors. Thanks to its unique architectural concept and diverse range of amenities and services, the City Galleria Centre has become a place where the daily life of citizens takes place.

The total gross area of the building is more than 28,500 m², spread over a total of six floors including two floors for an underground garage and four floors with commercial and retail space. By purchasing the commercial premises in the neighbouring Phase 1 of the Zadar Shopping Centre facility, which was completed in December 2020, the Company secured an additional 142.13 m² of commercial premises intended for lease. In 2021, the Company bought three additional commercial premises in Phase 1, as well as another in April 2022, and currently disposes of a total of 289.96 m² in Phase 1 of the facility. As at 30 September 2022, the occupancy of the centre amounted to 99.76% of all capacities, that is, 37 commercial lease agreements were active, with a surface area range from 9.80 m² to 1.836 m². The commercial premises occupancy rate in Phase 1 for the same period was 84.99%. Taking

into account the total net area of the commercial premises in Phases 1 and 2 of the facility, amounting to 9,754.68 m², the current total occupancy rate is 99.32%.

Operating revenue of the City Galleria Centre, generated in the nine months of 2022 through lease of commercial premises, common costs, use of common areas of the centre, lease of advertising space, garage revenue and lease of commercial premises in Phase 1 of the Centre, amounted to HRK 10,074,759.19. Other operating revenue relating to insurance claims amounted to HRK 71,473.19 in the relevant period, which brings the total amount of generated revenue in the reporting period to HRK 10,146,232.38. Total revenue generated in the same period of 2021 amounted to HRK 9,704,009.68, which represents an increase of 4.56% in the current year. Compared to 2019, as the last pre-pandemic year with regular business processes, in which total business revenue in the amount of HRK 10,681,426.60 was realised in nine months, the results achieved in the same period of 2022 were 5.01% lower.

In the reporting period, the category of revenue from commercial premises lease in 2022 recorded an increase of 1.98% relative to 2021, or a decrease of 13.06% relative to 2019. Revenue from common costs recorded a decrease of 2.65% compared to the same period of 2021,

and a decrease of 4.25% compared to the 2019 results. In the garage revenue category, an increase of as much as 39.49% was recorded compared to the same period of the previous year, and a significant increase of 24.78% compared to the same period of 2019. Revenue from the lease of advertising space recorded a decrease of 2.01% compared to the first nine months of 2021, and an increase of 2.74% compared to 2019. In the category of common area use, compared to the results achieved in 2021, a significant increase of 28.65% was recorded, while compared to 2019, an increase at a rate of 38.68% was recorded. Operating revenue from the lease of commercial premises in the neighbouring Phase 1 of the Centre in the first nine months of 2022 amounted to HRK 117,420.95, representing an increase of 44.71% compared to the same period in 2021, when they amounted to HRK 81,144.99, while in 2019, this category did not record any results.

In the first nine months of 2022, the number of vehicles using the public underground garage of the centre amounted to 510,695 vehicles, while in the same period in 2021 the number amounted to 483,191 vehicles. This result represents an increase of 5.69%. Compared to 2019 results, then the number of vehicles in the garage in the nine-month period was 560,819, the current result represents a decrease of 8.94%.



Operating revenue of the City Galleria Business and Shopping Centre in Zadar for the period from 01/01 to 30/09/2022 and a comparison with the same period in 2021 and 2019

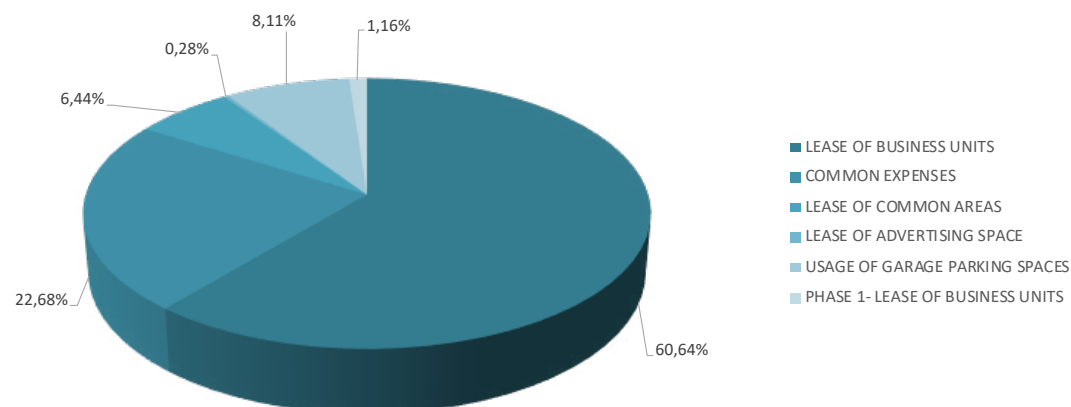
DESIGNATION	DESCRIPTION	NUMBER OF ACTIVE CON-TRACTS	SURFACE AREA (m ²)	REVENUES 01-09/2022 (HRK)	%	REVENUES 01-09/2021 (HRK)	%	INDEX 2022/2021	REVENUES 01-09/2019 (HRK)	%	INDEX 2022/2019
1	LEASE OF BUSINESS UNITS	37	9464,72*	6.152.995,92 kn	60,64%	6.033.721,20 kn	62,18%	102	7.077.180,21 kn	66,26%	87
2	COMMON EXPENSES	35	6668,13**	2.300.846,46 kn	22,68%	2.363.533,40 kn	24,36%	97	2.403.009,69 kn	22,50%	96
3	LEASE OF COMMON AREAS	25	1.509,00	652.928,70 kn	6,44%	507.529,50 kn	5,23%	129	470.812,50 kn	4,41%	139
4	LEASE OF ADVERTISING SPACE	8	130,98	28.020,87 kn	0,28%	28.596,87 kn	0,29%	98	27.272,51 kn	0,26%	103
5	USAGE OF GARAGE PARKING SPACES	410***	10.863,50	822.546,29 kn	8,11%	589.666,98 kn	6,08%	139	659.193,62 kn	6,17%	125
6	PHASE 1- LEASE OF BUSINESS UNITS	5	289,96	117.420,95 kn	1,16%	81.144,99 kn	0,84%	145	0,00 kn	0,00%	#DIV/0!
REVENUES				10.074.759,19 kn	99,30%	9.604.192,94 kn	98,97%	105	10.637.468,53 kn	99,59%	95
7	OTHER BUSINESS REVENUES			71.473,19 kn	0,70%	99.816,74 kn	1,03%	72	43.958,07 kn	0,41%	163
TOTAL REVENUES				10.146.232,38 kn	100,00%	9.704.009,68 kn	100,00%	105	10.681.426,60 kn	100,00%	95

* Total net leasable surface area

** Total net leasable area for calculation of common expenses

*** Number of parking spaces in garage

Overview of revenues for 01 - 09/2022



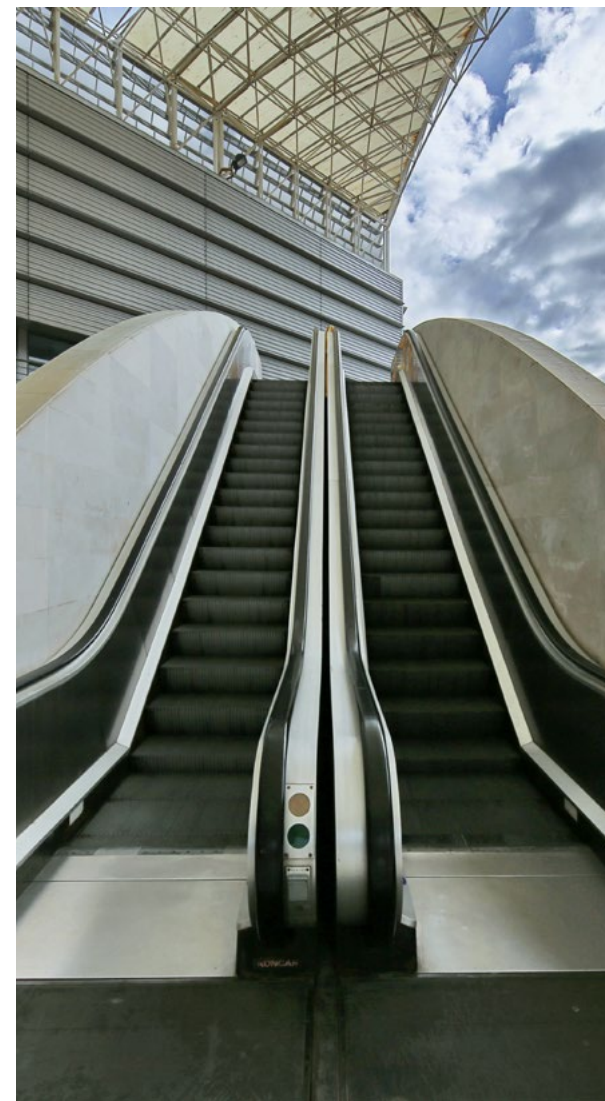
Summary of key market results of the City Galleria Business and Shopping Centre

Business in 2022 continued in the conditions of adaptation to the economic consequences of the global pandemic, as well as macroeconomic and political turmoil on the continent, which certainly had an impact on the market results of the City Galleria Business and Shopping Centre. The total rentable area of the facility is 9,464.72 m². By purchasing the commercial premises in the neighbouring Phase 1 of the Zadar Shopping Centre facility, ILIRIJA d.d. secured an additional 289.96 m² of commercial space for lease, which increased the total rentable area of all commercial spaces owned by ILIRIJA d.d. to 9,754.68 m². As at 30 September 2022, a total of 37 commercial lease agreements were active, i.e. the occupancy rate was 99.76% of the indicated net rentable area of the Centre, which, under the present circumstances, represents a significant achievement in the continuity of maintaining business cooperation with the tenants of the Centre.

Most of the City Galleria Business and Shopping Centre comes from commercial leasing of business premises with a total surface area of 9,464.72 m², which amounted to HRK 6,152,995.92 in the nine-month period of 2022. The average lease per square metre of active commercial premises during the reporting period was EUR 9.61/m², or HRK 72.41/m² per month. Other revenue was generated on the basis of calculating the common costs in the amount of

HRK 2,300,846.46 (calculated on an area of 6,668.13 m²), leasing and commercial use of common areas of the business and shopping centre in the amount of HRK 652,928.70 (total area of 1,509.00 m²), one-time parking fees and leasing of parking spaces in the centre's underground garage in the amount of HRK 822,546.29 (total area of 10,863.50 m²), leasing of business premises in Phase 1 of the facility in the amount of HRK 117,420.95 (total of rentable area 289.96 m²), and in the smallest part of leasing advertising space on the façade of the centre in the amount of HRK 28,020.87 (total area 130.98 m²). Other operating revenue amounted to HRK 71,473.19 in the reporting area. The total revenue generated in the first three quarters of 2022 recorded an increase of 4.56% compared to the same period of 2021; however, it recorded a decrease of 5.01% compared to the first three quarters of 2019.

The public underground garage of the Centre has a total of 410 parking spaces, and its occupancy in the nine-month period of 2022 shows a 5.69% increase relative to the previous year, with 510,695 vehicles, while the occupancy in the same period of 2021 was 483,191 vehicles. In comparison to 2019, when occupancy amounted to 560,819 vehicles, the current year saw a 8.94% decrease. In the first three quarters of 2022, the average garage revenue per parking space was HRK 2,006.21.



Key market indicators of the real-estate sector – City Galleria

PERIOD	I-IX 2022	I-IX 2021	2022/2021	I-IX 2019	2022/2019
Commercial capacities:					
Premises - floor area (m²)	9.464,72	9.924,60	-5%	9.897,60	-4%
Shared costs - floor area (m²)	6.668,13	7.178,18	-7%	7.173,53	-7%
Common areas - floor area (m²)	1.509,00	1.051,50	44%	1.018,80	48%
Advertising space - floor area (m²)	130,98	129,18	1%	129,18	1%
Garage - floor area (m²)	10.863,50	10.863,50	0%	10.863,50	0%
Commercial turnover:					
Premises - number of active contracts	37	37	0%	37	0%
Shared costs - number of active contracts	35	36	-3%	36	-3%
Common areas - number of active contracts	25	26	-4%	21	19%
Advertising space - number of active contracts	8	8	0%	8	0%
Garage - number of parking spaces	410	410	0%	410	0%
Garage - turnover of vehicles	510.695	483.191	6%	560.819	-9%
Financial results:					
Average monthly rent earned per m² of premises (AMR)*	72,23 kn	67,70 kn	7%	79,62 kn	-9%
Average rent earned per m² of premises for the period	650,10 kn	609,30 kn	7%	716,61 kn	-9%
Average revenue from the garage per parking space for the period**	2.006,21 kn	1.438,21 kn	39%	1.607,79 kn	25%

Notes:

* AMR - Average Monthly Rent - The average monthly price achieved for m² of the premises is calculated based on the revenue from the rent of premises and net available floor area of active premises.

** The revenue from the garage per parking space is the revenue from the garage divided by the number of available parking spaces in a given period.

4.5 ILIRIJA TRAVEL

In the first nine months of 2022, through the system and organisation of DMC Ilirija Travel, along with other profit centres of the Company, 263 special programmes, concerts, incentives, events, conferences, congresses, weddings, excursions, regattas and concerts were held, with a total of 19,081 visitors.

The components of DMC Ilirija Travel agency, vehicle fleet, the multi-functional premises of Arsenal, the “Nada” event boat, agrotourism, the Villa Primorje, and the set of excursions and the organisation of the MICE offer, other events and the tailor-made offer – has traditionally composed the backbone of the Company’s extended season, as well as the reinforcement of the guests’ experiences and impressions, based on facilities within complementary forms of tourism and special-interest tourism. This complementary nature is especially significant in the pre-season and post-season. The lifting of the pandemic measures resulted in the recovery of business activities in this segment of the Company’s services. The Company thus generated a total of HRK 9,244,012.85 in revenue, part of which was generated in other profit centres of the Company, which represents a 220% increase as compared to the HRK 2,892,604.82 generated in the same period of 2021. The pre-season entailed an earlier start of activities

and the return of special-travel groups which combine business and vacation, as well as a comeback of all sorts of gatherings. Business activities in summer, considering the established travel conditions within the EU, a more pronounced desire to travel and lifting of restrictions returned to normal levels, i.e. the levels of the pre-pandemic period. Further to the above, in the first nine months of 2022, 83% more events were held than in the same period of the previous year. The number of event participants also increased by 153%, since the events held in the previous year were restricted to a lower number of participants due to epidemiological measures and restrictions. This business segment surpassed the record 2019—when HRK 8,201,510.22 in revenues was generated in the same period—achieving an increase of 13%.

Though mitigated, the COVID-19 pandemic still had a negative effect on the demand, which was further exacerbated by the increase in costs and the geopolitical instability caused by the Russian-Ukrainian war, which affected arrival of guests from certain markets. Our facility Arsenal was opened later than usual for mass events due to the uncertainty and some counter-pandemic measures still being in place in the first half of the year. Still, in the second half

of the year, a large number of domestic, European, and international companies which have partnered with us again and organised regional gatherings, events, presentations, regattas, and prorganised trips for their customers or employees, have also been absent. The Arsenal multimedia facility, which is the backbone of the social scene in Zadar and the region, returned to its normal activities and achieved a 334% increase in revenue, with its results still not at the level of 2019 due to the late opening to mass events.

The “Nada” event boat returned to its normal activities, catering to special groups and tailor-made pro-

grammes and thus achieved a 180% increase in revenues this year. The traditional excursion and special event agency, having achieved a 373% growth last year, continued the trend this year with a 67% growth, although it still did not perform as well as in the pre-pandemic year due to the increased costs, which resulted in higher prices. The business of the agrotourism complex and its heritage diffuse hotel in the hinterland due to the rise in popularity of accommodation in more isolated and spacious facilities generated a growth of 1,208% last year, and the trend continued this year with a 190% growth. The accommodation segment was also accompanied by events and celebrations, with this season being the

most successful since the facility has begun its operations. The regattas, which are held at the Biograd riviera – centred around Marina Kornati – were also partially held again, as well as congresses, which are nowadays normally accompanied by a copious use of such ancillary facilities.

The increased revenue of DMC Ilirija Travel reflects the renewed demand for this type of facilities and offer, which can be entirely credited to the second quarter and continued growth in the third quarter, which already recovered last year, all of which marked more favourable developments in the second part of the post-season.

	Number of events					Number of persons					Total revenue				
	2019	2021	2022	INDEX 2022/2019	INDEX 2022/2021	2019	2021	2022	INDEX 2022/2019	INDEX 2022/2021	2019	2021	2022	INDEX 2022/2019	INDEX 2022/2021
TOTAL	509	144	263	52	183	37.019	7.535	19.081	52	253	8.201.510,22 kn	2.892.604,82 kn	9.244.012,85 kn	113	320

5 FINANCIAL OPERATING RESULTS OF THE COMPANY

5.1 FINANCIAL OPERATING RESULTS OF THE COMPANY BY SECTORS

5.1.1 HOTEL SECTOR

	I-IX 2022	I-IX 2021	I-IX 2019	2022/2019	2022/2021
HOTEL SECTOR - BIOGRAD					
Operating revenues	43.382.306,63 kn	27.468.042,52 kn	48.593.919,20 kn	-10,72%	57,94%
Revenues from board services	35.802.704,58 kn	22.381.760,38 kn	39.981.497,70 kn	-10,45%	59,96%
TRevPAR *	119.510,49 kn	74.037,85 kn	130.980,91 kn	-8,76%	61,42%
Operating costs **	28.295.000,18 kn	17.370.139,39 kn	28.588.740,85 kn	-1,03%	62,89%
Gross operating profit (GOP) ***	15.087.306,45 kn	10.097.903,13 kn	20.005.178,35 kn	-24,58%	49,41%
GOP per accommodation unit	41.562,83 kn	27.218,07 kn	53.922,31 kn	-22,92%	52,70%
GOP margin****	34,8%	36,8%	41,2%	-15,59%	-5,40%
Capital investments	4.134.519,71 kn	644.620,67 kn	3.620.838,69 kn	14,19%	541,39%
HOTEL SECTOR - SV. FILIP I JAKOV					
Operating revenues	3.896.092,26 kn	41.550,00 kn	4.725.755,04 kn	-17,56%	9276,88%
Revenues from board services	3.601.987,07 kn	0,00 kn	4.317.720,44 kn	-16,58%	#DIV/O!
TRevPAR *	54.112,39 kn	577,08 kn	65.635,49 kn	-17,56%	9276,88%
Operating costs **	2.649.967,74 kn	488.220,70 kn	3.174.316,22 kn	-16,52%	442,78%
Gross operating profit (GOP) ***	1.246.124,52 kn	-446.670,70 kn	1.551.438,82 kn	-19,68%	-378,98%
GOP per accommodation unit	17.307,29 kn	-6.203,76 kn	21.547,76 kn	-19,68%	-378,98%
GOP margin****	32,0%	-1075,0%	32,8%	-2,49%	-102,98%
Capital investments	25.745,75 kn	225.606,00 kn	390.982,03 kn	-93,42%	-88,59%
HOTEL SECTOR - TOTAL ILIRIJA d.d.					
Operating revenues	47.278.398,89 kn	27.509.592,52 kn	53.319.674,24 kn	-11,33%	71,86%
Revenues from board services	39.404.691,65 kn	22.381.760,38 kn	44.299.218,14 kn	-11,05%	76,06%
TRevPAR *	108.685,97 kn	62.098,40 kn	120.360,44 kn	-9,70%	75,02%
Operating costs **	30.944.967,92 kn	17.858.360,09 kn	31.763.057,07 kn	-2,58%	73,28%
Gross operating profit (GOP) ***	16.333.430,97 kn	9.651.232,43 kn	21.556.617,17 kn	-24,23%	69,24%
GOP per accommodation unit	37.548,12 kn	21.786,08 kn	48.660,54 kn	-22,84%	72,35%
GOP margin****	34,5%	35,1%	40,4%	-14,49%	-1,53%
Capital investments	4.160.265,46 kn	870.226,67 kn	4.011.820,72 kn	3,70%	378,07%

In the first nine months of 2022, the hotel sector generated a revenue of HRK 47,278,398.89, which represents a 71.86% increase compared to HRK 27,509,592.52 generated in the nine months of 2021, but represents an 11.33% decrease compared to the same period of the pre-pandemic 2019.

This is a step forward compared to the lag for the nine months of 2021, which then amounted to 48.41%. At the same time, the hotel sector's operating costs increased by 73.28% in comparison to the previous year, but decreased by 2.58% in comparison to 2019.

A significant increase in revenue compared to the same period of the previous year is a consequence of the lif-

ting or mitigation of counter-pandemic measures, which led to the recovery of the travel industry, i.e. a significant strengthening of the Company's business activities in the hotel sector.

With the growth of revenue while simultaneously managing costs, the gross operating profit (GOP) at the level of the hotel sector was realised in the amount of HRK 16,333,430.97, constituting an increase of 69.24% compared to 2021, but at the same time 24.23% less compared to the realisation from same period in 2019. The GOP per accommodation unit equals HRK 36,870.05, while the GOP margin decreased significantly by 1.53%.

Notes:

The hotel industry in Biograd includes the hotels Ilirija, Adriatic and Kornati, Lavender bar and Aquatic center and entertainment and sports center, while the hotel industry in Sv. Filip Jakov refers to the hotel Villa Donat.

* TRRevPAR (total annual revenue per accommodation unit) denotes the total operating revenue of the hotel industry divided by a number of physical accommodation units.

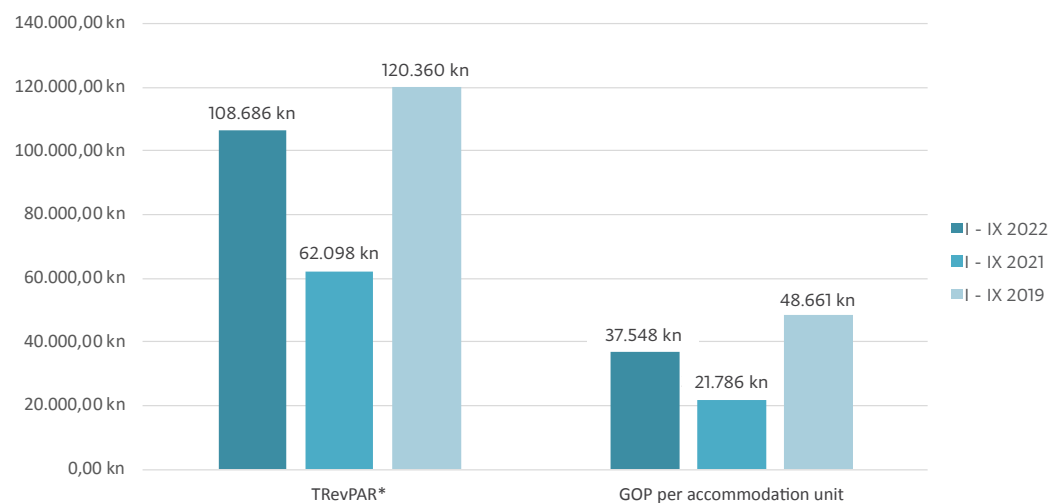
** Operating costs include the costs of raw material and material, costs of services, gross pays and other operating costs, not including the depreciation, financial expenses and extraordinary expenses.

*** GOP denotes a gross operating profit of the hotel industry before the allocation of costs of common services, and is calculated in the following way: operating revenues – operating expenses (before allocation, without depreciation and fixed costs).

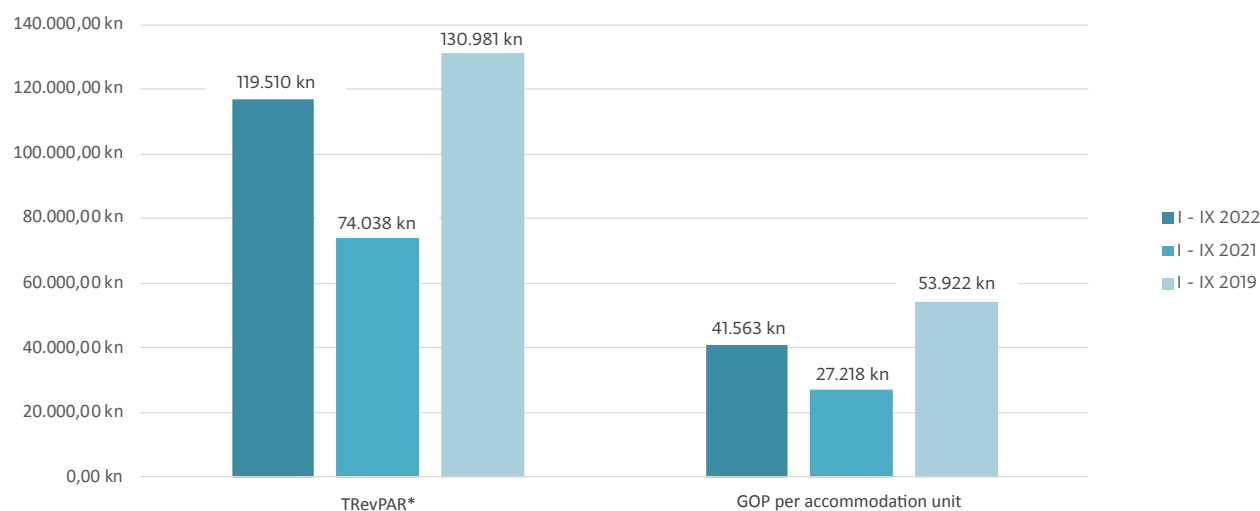
**** GOP margin is calculated by correlating the amount of GOP before the allocation of costs of common services and operating revenues.



Total revenues per accommodation unit (TrevPAR) and GOP per accommodation unit in the hotel sector of Ilirija d.d. in the period I-IX 2022, 2021 and 2019



Total revenues per accommodation unit (TrevPAR) and GOP per accommodation unit the hotels in Biograd na Moru during in the period I-IX 2022, 2021 and 2019



Notes:

* TrevPAR denotes the total operating revenue of the hotel industry divided by a number of physical accommodation units.

GOP denotes a gross operating profit of the hotel industry before the allocation of costs of common services, and is calculated in the following way: operating revenues – operating expenses (before allocation, without depreciation and fixed costs).

5.1. FINANCIAL OPERATING RESULTS OF THE COMPANY BY SECTORS

5.1.2 NAUTICAL SECTOR

The results of the nautical sector's business activities pertain to three segments: Marina Kornati, "Marina Kornati" restaurant and the nautical fair.

Revenue of the nautical sector segments in the first three quarters of 2022:

- Marina Kornati HRK 44,350,474.00
- "Marina Kornati" restaurant:
HRK 3,088,843.93
- Nautical fair: HRK 1,615,539.18

Nautical sector total: HRK 49,054,857.11

The most significant contribution to the generation of revenue, as well as share therein, of the Company's entire nautical sector is the revenue generated by Marina Kornati. In the nine months of the current business year, it was realised in the amount of HRK 44,350,474.00 with a growth rate of 9.60% achieved compared to the same period of 2021, while compared to the same period of the best year thus far, i.e. 2019, it achieved a growth of 11.12%.

The increase in Marina Kornati's revenue is due to an increase in the revenue from contractual berths, which equalled HRK 33,234,438.00 in the reporting period, which is a 7.98% increase in comparison to the same period of 2021, when it amounted to HRK 30,779,702.00. Apart from contractual berths, all

other revenue items also increased: daily berths by 22.41%, port service by 7.34%, parking revenue by 26.17% and business cooperation by 5.03%. In addition to Marina Kornati, other segments of the nautical sector achieved revenue growth, i.e. the revenue of the nautical fair recorded an increase of 17.26%, as well as the revenue of the Marina Kornati restaurant, which, with realisation in the amount of HRK 3,088,843.93, recorded a growth of 27.18 %.

The substantial increase in operating revenue across all nautical sector segments was accompanied by an increase in the gross operating profit, which amounts to HRK 32,717,025.00 for the entire nautical sector and represents a 6.90% increase compared to the same period of the previous year; that is, a 9.44% increase compared to pre-pandemic 2019. The increase in the gross operating profit was accompanied by an increase in the GOP per berth, which equals HRK 40,642.00 in the reporting period, and an increase in the GOP margin, which equals 66.7%.

Key financial indicators of Marina Kornati

	I-IX 2022	I-IX 2021	I-IX 2019	2022/2019	2022/2021
NAUTICS TOTAL					
Operating revenues	49.054.857 kn	44.272.640 kn	44.576.303 kn	10,05%	10,80%
Operating revenues per berth	60.938 kn	54.997 kn	55.374 kn	10,05%	10,80%
Operating costs*	16.337.832 kn	13.668.575 kn	14.680.255 kn	11,29%	19,53%
GOP **	32.717.025 kn	30.604.064 kn	29.895.989 kn	9,44%	6,90%
GOP per berth	40.642 kn	38.017 kn	37.138 kn	9,44%	6,90%
GOP margin ***	66,7%	69,1%	67%	-0,56%	-3,48%
Capital investments	1.533.659 kn	539.476 kn	1.441.883 kn	6,37%	184,29%
MARINA KORNATI					
Operating revenues	44.350.474 kn	40.466.140 kn	39.913.877 kn	11,12%	9,60%
Operating revenues per berth	55.094 kn	50.268 kn	49.582 kn	11,12%	9,60%
Operating costs*	12.064.358 kn	9.983.338 kn	10.208.513 kn	18,18%	20,84%
GOP **	32.286.116 kn	30.482.802 kn	29.705.364 kn	8,69%	5,92%
GOP per berth	40.107 kn	37.867 kn	36.901 kn	8,69%	5,92%
GOP margin ***	72,8%	75,3%	74,4%	-2,18%	-3,36%
RESTAURANT OF MARINA KORNATI					
Operating revenues	3.088.844 kn	2.428.758 kn	2.686.351 kn	14,98%	27,18%
Operating costs*	3.050.323 kn	2.672.094 kn	3.277.560 kn	-6,93%	14,15%
GOP **	38.521 kn	-243.337 kn	-591.209 kn	-106,52%	-115,83%
GOP margin ***	1,2%	-10,0%	-22,0%	-105,67%	-112,45%
BOAT SHOW					
Operating revenues	1.615.539 kn	1.377.742 kn	1.976.075 kn	-18,25%	17,26%
Operating costs*	1.223.151 kn	1.013.143 kn	1.193.875 kn	2,45%	20,73%
GOP **	392.389 kn	364.599 kn	782.200 kn	-49,84%	7,62%
GOP margin ***	24,3%	26,5%	39,6%	-38,64%	-8,22%

Notes:

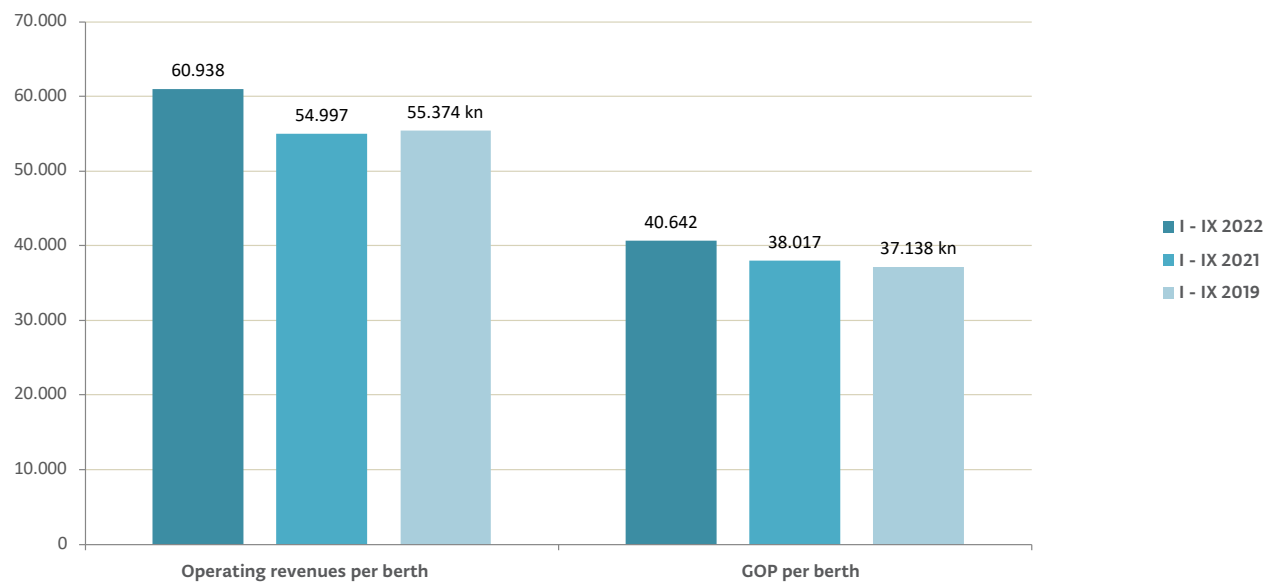
The Nautics of Ilirija d.d. consists of three business units Marina Kornati, Boat Show and restaurant of "Marina Kornati".

* Operating costs include the costs of raw material and material, costs of services, gross pays and other operating costs, not including the depreciation, financial expenses and extraordinary expenses.

** GOP (Gross Operating Profit) denotes a gross operating profit of the nautics before the allocation of costs of common services, and is calculated in the following way: operating revenues – operating expenses (before the allocation, without depreciation and fixed costs).

*** GOP margin is calculated by correlating the amount of GOP before the allocation of costs of common services and operating revenues.

Total operating revenue and GOP per berth of Nautics of Ilirija d.d. in the I-IX 2022, 2021 and 2019



5.1 FINANCIAL OPERATING RESULTS OF THE COMPANY BY SECTORS

5.1.3 CAMPING SECTOR

	I-IX 2022	I-IX 2021	I-IX 2019	2022/2019	2022/2021
CAMPING TOTAL					
Operating revenue	49.695.322,39 kn	33.050.821,32 kn	34.446.659,53 kn	44,27%	50,36%
TRevPAR *	41.138,51 kn	27.359,95 kn	28.234,97 kn	45,70%	50,36%
Operating costs**	16.995.239,00 kn	11.941.392,54 kn	14.018.582,97 kn	21,23%	42,32%
GOP ***	32.700.083,39 kn	21.109.428,78 kn	20.428.076,56 kn	60,07%	54,91%
GOP per accommodation unit	27.069,61 kn	17.474,69 kn	16.744,33 kn	61,66%	54,91%
GOP margin ****	65,8%	63,9%	59,3%	10,96%	3,02%
Capital investments	4.731.312,39 kn	1.510.902,24 kn	4.852.689,68 kn	-2,50%	213,14%
CAMPSITE PARK SOLINE					
Operating revenue	44.660.718,19 kn	29.868.510,07 kn	31.259.904,75 kn	42,87%	49,52%
TRevPAR *	36.970,79 kn	24.725,59 kn	25.622,87 kn	44,29%	49,52%
Operating costs**	12.803.749,64 kn	9.188.458,65 kn	11.131.373,22 kn	15,02%	39,35%
GOP ***	31.856.968,55 kn	20.680.051,42 kn	20.128.531,53 kn	58,27%	54,05%
GOP per accommodation unit	26.371,66 kn	17.119,25 kn	16.498,80 kn	59,84%	54,05%
GOP margin ****	71,3%	69,2%	64,4%	10,78%	3,02%
RESTAURANT OF THE PARK SOLINE CAMPSITE					
Operating income	5.034.604,20 kn	3.182.311,25 kn	3.186.754,78 kn	57,99%	58,21%
Operating costs**	4.191.489,36 kn	2.752.933,89 kn	2.887.209,75 kn	45,17%	52,26%
GOP ***	843.114,84 kn	429.377,36 kn	299.545,03 kn	181,47%	96,36%
GOP margin ****	16,7%	13,5%	9,4%	78,16%	24,12%

Notes:

The campsite includes the accommodation and restaurant in the Park Soline Campsite.

* TRevPAR - Total revenue per camp unit denotes total operating revenue of the camping (or the campsite) divided by a number of physical camp units.

** Operating costs include the costs of raw material and material, costs of services, gross pays and other operating costs, not including the depreciation, financial expenses and extraordinary expenses.

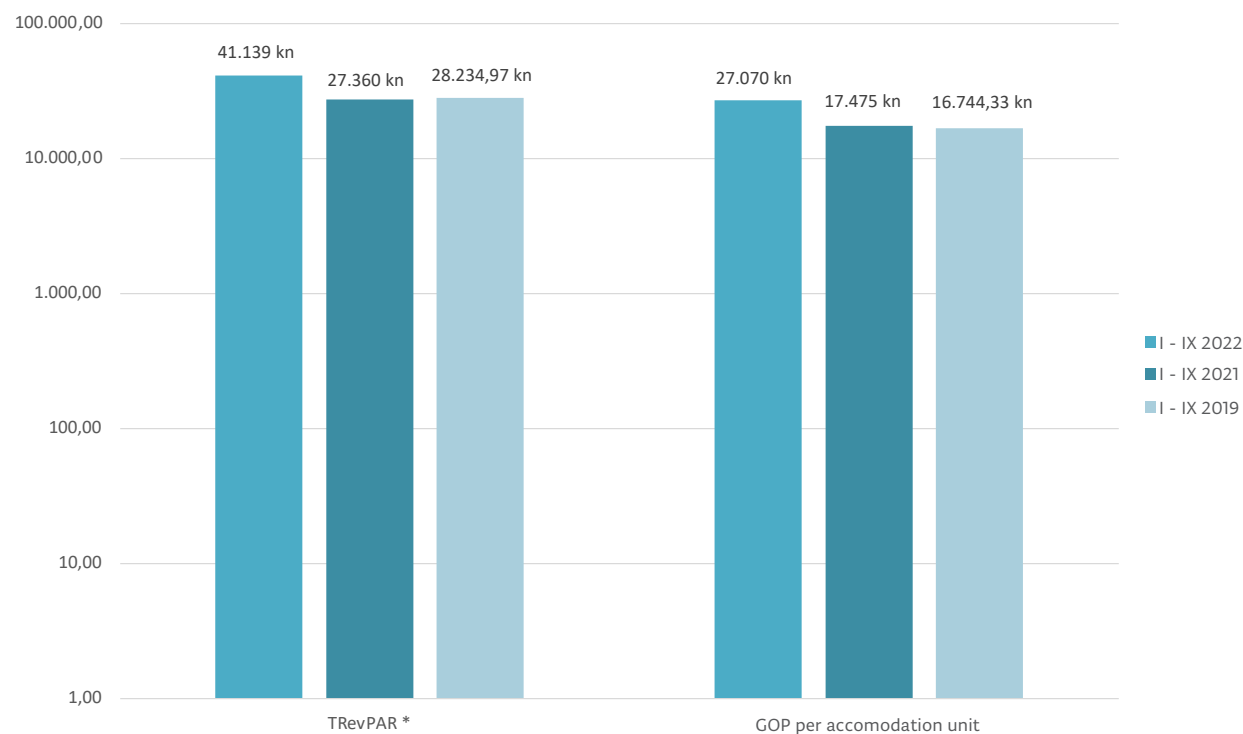
*** GOP (Gross Operating Profit) denotes a gross operating profit of the camping/ campsite / restaurant before the allocation of costs of common services, and is calculated in the following way: operating revenues - operating expenses (before the allocation, without depreciation and fixed costs).

**** GOP margin is calculated by correlating the amount of GOP of camping / campsite / restaurant before the allocation of costs of common services and operating revenues.

In nine months of 2022, the Company's camping sector generated revenue in the amount of HRK 49,695,322.39, which is a 50.36% increase compared to the nine months of the previous year. There was primarily an increase in the revenue from individual guests (growth rate of 77%), from lump sum guests (growth rate of 21%), an increase in revenue from private mobile homes (growth rate of 66%), an increase in revenue from fixed lease (growth rate of 11%), while at the same time, restaurant revenue increased by 58.21%. Compared to the same period of 2019, the campsite revenue increased by 42.87%, and the revenue generated by the "Park Soline" restaurant increased by 57.99%.

The operating costs of the entire campsite increased by 42.32% compared to 2021 due to an increase in energy costs by 57%, municipal utility services of 32% and labour costs of 45%. In the nine months of 2022, capital investments in the amount of HRK 4,731,312.39 were made into improving competitiveness and the quality of services.

TrevPAR and GOP of the camping per camp unit of the campsite "Park Soline" in the period I-IX 2022, 2021 and 2019



Notes:

* TRevPAR - denotes total operating income of the campsite divided by a number of physical camp units.

*** GOP denotes a gross operating profit of the campsite before the allocation of costs of common services, and is calculated in the following way: operating revenues - operating expenses (before the allocation, without depreciation and fixed costs).

5.1 FINANCIAL OPERATING RESULTS OF THE COMPANY BY SECTORS

5.1.4 CITY GALLERIA BUSINESS AND SHOPPING CENTRE

	I-IX 2022	I-IX 2021	2022/2021	I-IX 2019	2022/2019
Operating revenues	10.146.232,38 kn	9.704.009,68 kn	4,56%	10.681.426,60 kn	-5,01%
Operating costs*	5.337.449,54 kn	4.248.168,08 kn	25,64%	4.330.582,12 kn	23,25%
GOP **	4.808.782,84 kn	5.455.841,60 kn	-11,86%	6.350.844,48 kn	-24,28%
GOP margin ***	47,4%	56,2%	-15,70%	59,5%	-20,29%
Capital investments	387.241,65 kn	475.402,77 kn	-18,54%	379.954,71 kn	1,92%

The operating revenue of the City Galleria Business and Shopping Centre generated in the first nine months of 2022 through the lease of commercial premises, common costs, the use of common areas of the centre, the lease of advertising space and revenue from the garage amounted to HRK 10,074,759.19. When we include other operating revenue in the amount of HRK 71,473.19, total operating revenue of the Centre amount to HRK 10,146,232.38. In comparison to the same period of 2021, the aforementioned revenue represents an increase of 4.56%. Taking into account the results achieved in 2019, as the last year with regular business processes without business disruptions brought about by the global coronavirus pandemic, as well as the current political and security turmoil on the European continent and the economic consequences of the aforementioned events, the total operating revenue in 2022 is 5.01% lower.

The operating costs, which do not include depreciation, financial expenses and extraordinary costs amounted to HRK 5,337,449.54 in the observed period of 2022. The operating costs recorded growth at a rate of 25.64% compared to the nine months of 2021, based on a significant increase in the costs of raw materials, materials and energy, which increased by 32% as a result of significant price increases on the European market, and the costs of outsourced services, which grew by 34%, while labour costs grew by 17%. In comparison to the same period of 2019, when operating costs amounted to HRK 4,330,582.12, the current year saw a 23.25% increase in costs.

The gross operating profit for the 1-9/2022 period equaled HRK 4,808,782.84 before the allocation of common service costs, which represents a 47.4% margin.

Notes:

* Operating costs include the costs of raw material and material, costs of services, gross pays and other operating costs, not including the depreciation, financial expenses and extraordinary expenses.

** GOP (Gross Operating Profit) denotes a gross operating profit of the real estate sector before the allocation of costs of common services, and is calculated in the following way: operating revenues - operating expenses (before the allocation, without depreciation and fixed costs).

*** GOP margin is calculated by correlating the amount of GOP of the real estate sector before the allocation of costs of common services and operating revenue.

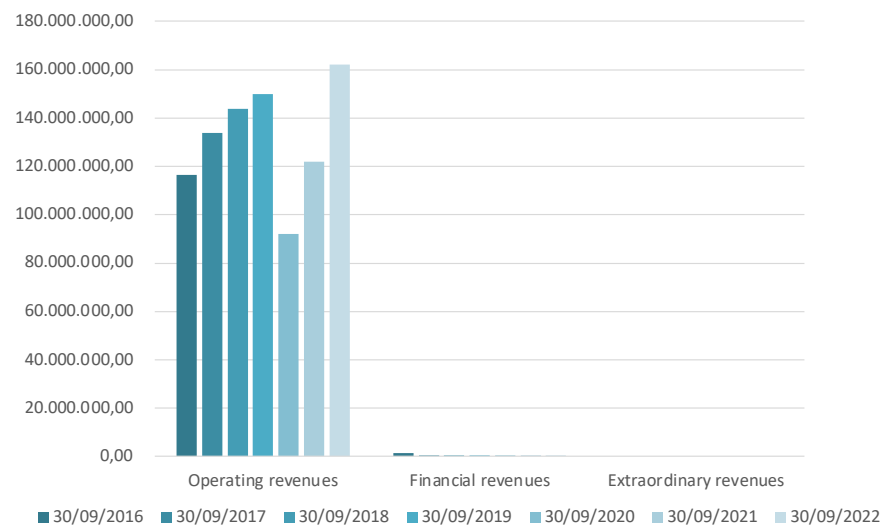
5.2 FINANCIAL OPERATING RESULTS AT COMPANY LEVEL

5.2.1 FINANCIAL PERFORMANCE OF THE COMPANY

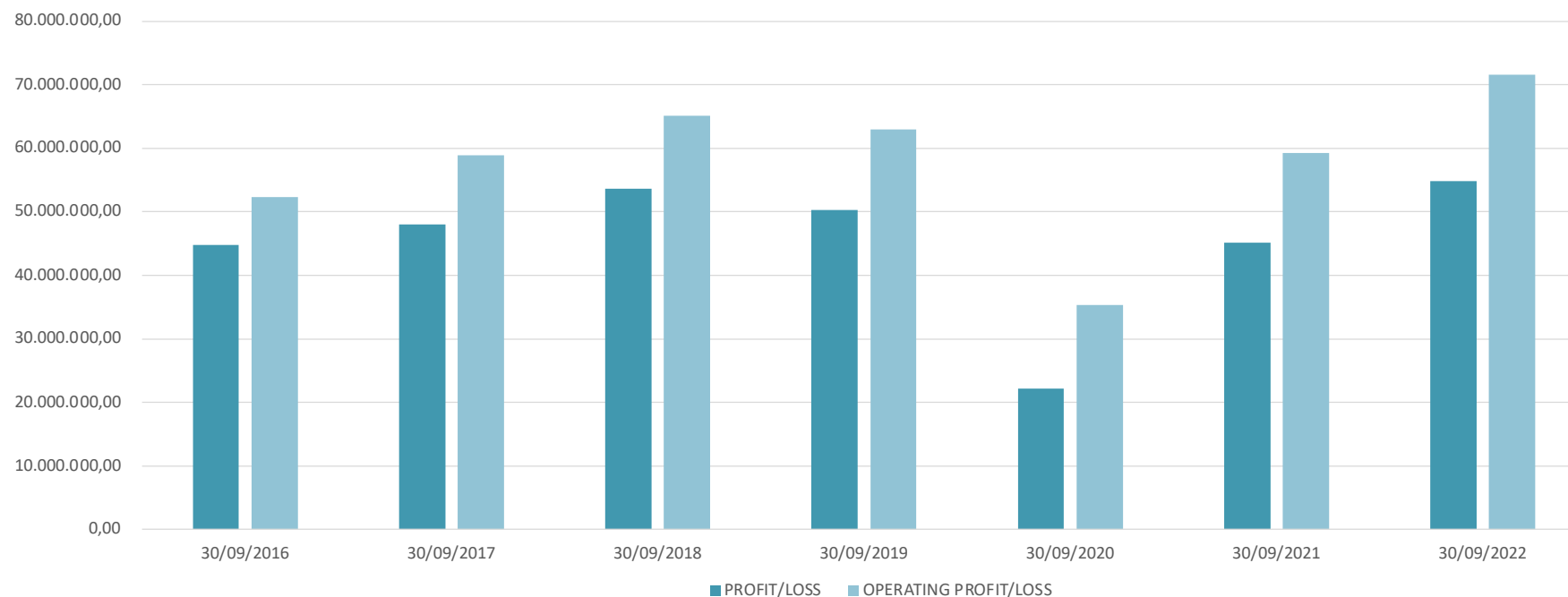
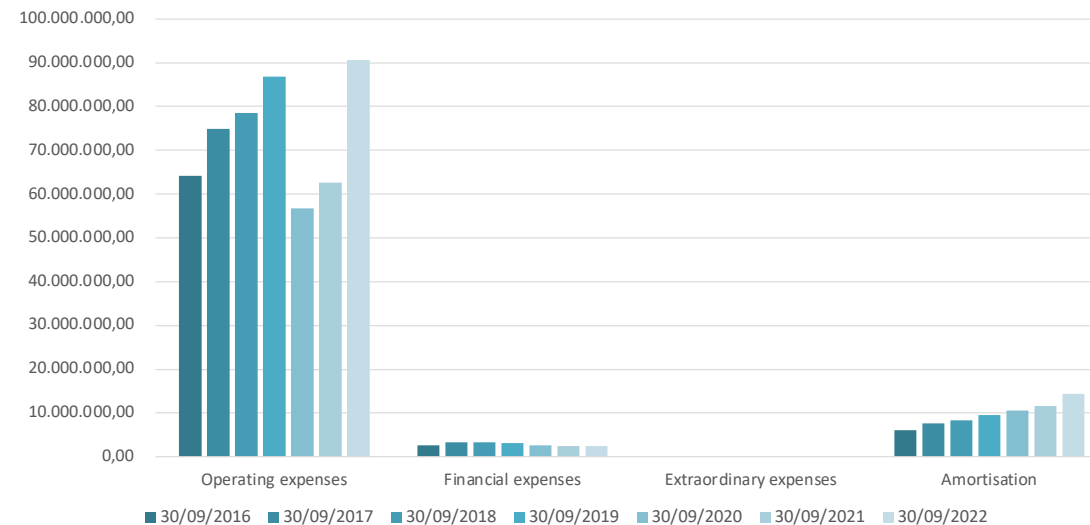
Overview of financial performance for the period from 01/01 to 30/09/2022 and a comparison with the same period from 2016 to 2021

DESCRIPTION	30/09/2016	30/09/2017	30/09/2018	30/09/2019	30/09/2020	30/09/2021	30/09/2022	Index 2022/2021
Operating revenues	116.341.032,15	133.683.991,24	143.746.360,96	149.848.902,06	91.977.594,60	121.831.184,80	162.146.216,83	133,09
Financial revenues	1.376.108,17	130.719,63	178.732,77	51.026,43	91.822,61	16.644,91	27.794,24	166,98
Extraordinary revenues	0,00	0,00	0,00	0,00	0,00	0,00	0,00	#DIV/0!
TOTAL REVENUES	117.717.140,32	133.814.710,87	143.925.093,73	149.899.928,49	92.069.417,21	121.847.829,71	162.174.011,07	133,10
Operating expenses	64.083.275,90	74.795.602,82	78.576.779,24	86.881.384,52	56.659.843,64	62.553.328,57	90.560.250,61	144,77
Financial expenses	2.675.230,13	3.356.649,98	3.402.730,68	3.099.948,88	2.622.905,41	2.464.071,77	2.413.914,72	97,96
Extraordinary expenses	0,00	0,00	0,00	0,00	0,00	0,00	0,00	#DIV/0!
Amortisation	6.169.485,96	7.650.121,51	8.366.607,36	9.597.672,00	10.664.629,35	11.678.148,49	14.392.211,44	123,24
TOTAL EXPENSES	72.927.991,99	85.802.374,31	90.346.117,28	99.579.005,40	69.947.378,40	76.695.548,83	107.366.376,77	139,99
PROFIT/LOSS	44.789.148,33	48.012.336,56	53.578.976,45	50.320.923,09	22.122.038,81	45.152.280,88	54.807.634,30	121,38
OPERATING PROFIT/LOSS	52.257.756,25	58.888.388,42	65.169.581,72	62.967.517,54	35.317.750,96	59.277.856,23	71.585.966,22	120,76
EBITDA	53.633.864,42	59.019.108,05	65.348.314,49	63.018.543,97	35.409.573,57	59.294.501,14	71.613.760,46	120,78

REVENUES 2016 - 2022



EXPENSES 2016 - 2022



1

Total revenue in the first three quarters amounted to HRK 162,174,011.07, constituting an increase of 33.10% compared to the same period of the previous year, when it amounted to HRK 121,847,829.71, as a result of an increased operating, i.e. sales revenue.

Business revenue was realised in the amount of HRK 162,146,216.83 and recorded an increase of 33.09%, or HRK 40,315,032.03 compared to the same period of the previous year when they amounted to HRK 121,831,184.80 as a result of a significant increase in revenue at the level of all sectors of the Company, especially tourism, where revenue achieved double-digit growth rates.

Revenue from sales amounted to HRK 161,570,976.02, which is 38.86% higher compared to the same period in 2021, when it amounted to HRK 116,353,006.22 due to a 66% increase in revenue from sales on the foreign market and a 33% increase from sales on the domestic market. Revenue from sales represents 99.65% of operating revenue and 99.63% of total revenue.

2

Total expenses amounted to HRK 107,366,376.77 and, compared to the same period of 2020, they show a 39.99% increase due to a 44.77% increase in operating expenses caused by a considerable increase in business operations and a 23.24% growth in depreciation.

Operating expenses in the period observed amounted to HRK 90,560,250.61 and marked a 44.77%, i.e. HRK 28,006,922.04 increase compared to the same period of the previous business year due to a 64% increase in the costs of raw materials, materials and energy, a 38% increase in wage costs, a 34% increase in outsourcing costs and a 49% increase in other costs. The growth of operating expenses is a consequence of a significant increase in the volume of business activities, on the one hand, while on the other hand, it is a consequence of a significant increase in energy costs, a general increase in costs brought about by inflation, especially with regard to food and beverage costs, an increase in salary expenses as a result of the Company's decision to improve employees' material rights and at the same time increasing their number in view of the increase in the volume of business activities.

3

Operating profit was generated in the amount of HRK 71,585,966.22, constituting an increase of 20.76% HRK 12,308,109.99 compared to the same period of 2021.

Profit for the reporting period amounted to HRK 54,807,634.30, which is an increase of 21.38% or HRK 9,655,353.42, as a result of considerable growth in total revenue due to a strong increase in the scope of business activities.

EBITDA, i.e. earnings before depreciation, interest and taxes, has been generated in the amount of HRK 71,613,760.46, and shows a 20.78% increase HRK 12,319,259.32 compared

to the same period of the previous business year.

EBIT, i.e. earnings before financing expenses, has been generated in the amount of HRK 57,221,549.02, and shows a 20.17% increase, i.e. an increase of HRK 9,605,196.37.

In the reporting period, all profitability indicators (operating profit, profit, EBITDA and EBIT) achieved double-digit growth rates, thereby continuing the trend from the first half of 2022, which is the result of an increase in revenue due to a significant recovery in demand in all tourism sectors of the Company, not only compared to 2021, but also to the pre-pandemic period, i.e. 2019. At the same time, although expenses, the growth of which is a consequence of a significant increase in energy costs, a general increase in costs generated by inflation and an increase in wage costs, with the maximum possible cost management, was recorded at a double-digit rate. Considering all of the above, and especially taking into account that the Company's significant business activities were absent in the pre-season, namely in its tourism sectors (hotel and camping sectors as well as the destination management company) due to the global pandemic and the outbreak of the Russian-Ukrainian war, making the profitability indicators achieved all the more significant. It is particularly important to point out that the revenue generated in the same period of 2021 also includes revenue on account of the job retention grant received from the Government of the Republic of Croatia, which amounted to HRK 4,963,771.11, partly influencing the growth of profitability in the previous year, and which was not provided this business year.

**Financial statements of the Company as at 30/09/2022 and a comparison
with the same period of 2021, 2020 and 2019**

REVENUES	2019	2020	2021	INDEX 2021/2020	2022	INDEX 2022/2021
Revenue on the domestic market	111.313.214,03	75.133.551,54	96.957.689,58	129	129.365.350,29	133
Revenues on foreign market	37.897.282,89	11.256.723,53	19.420.316,64	173	32.272.625,73	166
Other operating revenues	638.405,14	5.587.319,53	5.453.178,58	98	508.240,81	9
OPERATING REVENUES	149.848.902,06	91.977.594,60	121.831.184,80	132	162.146.216,83	133
FINANCIAL REVENUES	51.026,43	91.822,61	16.644,91	18	27.794,24	167
EXTRAORDINARY REVENUES	0,00	0,00	0,00	#DIV/0!	0,00	#DIV/0!
TOTAL REVENUES	149.899.928,49	92.069.417,21	121.847.829,71	132	162.174.011,07	133
EXPENSES						
Raw material and material costs	19.400.740,50	8.260.505,53	13.682.033,92	166	22.415.589,71	164
Costs of services	14.573.722,48	11.277.283,19	12.819.047,24	114	17.195.928,50	134
Gross pays	32.040.522,00	23.099.997,20	25.039.998,47	108	34.579.403,39	138
Other expenses	20.866.399,54	14.022.057,72	11.012.248,94	79	16.369.329,01	149
TOTAL EXPENSES	86.881.384,52	56.659.843,64	62.553.328,57	110	90.560.250,61	145
AMORTISATION	9.597.672,00	10.664.629,35	11.678.148,49	110	14.392.211,44	123
FINANCIAL EXPENSES	3.099.948,88	2.622.905,41	2.464.071,77	94	2.413.914,72	98
EXTRAORDINARY EXPENSES	0,00	0,00	0,00	#DIV/0!	0,00	#DIV/0!
TOTAL EXPENSES	99.579.005,40	69.947.378,40	76.695.548,83	110	107.366.376,77	140
PROFIT/LOSS	50.320.923,09	22.122.038,81	45.152.280,88	204	54.807.634,30	121
OPERATING PROFIT/LOSS	62.967.517,54	35.317.750,96	59.277.856,23	168	71.585.966,22	121
EBITDA	63.018.543,97	35.409.573,57	59.294.501,14	167	71.613.760,46	121

REVENUE BY ACTIVITIES:

The revenue of the hotel sector was realised in the amount of HRK 47,278,398.89, constituting a 72% increase compared to the same period of the previous year, when HRK 27,509,592.52 in revenue was realised, and is the result of a significant increase in demand for hotel services on the market due to the easing and lifting of epidemiological measures in the key outbound markets of the hotel sector at the end of the pre-season and the earlier opening of facilities compared to the previous year.

The nautical sector saw revenue generated in the amount of HRK 49,054,857.11 with a growth rate of 11% at sector level, whereas the most significant revenue by far was generated by the vessel segment, i.e. Marina Kornati, in the amount of HRK 44,350,474.00 (accounting for 91% of the sector revenue), with a growth rate of 10% compared to the same period of the previous year. Furthermore, the overall result of the nautical sector was influenced by the increase in revenue in its other two segments, i.e. the "Marina Kornati" restaurant at a rate of 27% and the nautical fair at a rate of 17%. The results achieved in the nautical sector are not only better compared to the same period of 2021, they have improved also compared to the best year thus far, i.e. 2019, recording an increase of 10%.

Camping revenue amounted to HRK 49,695,322.39, constituting an increase of 50% compared to the same period of the previous year, when it amounted to HRK 33,050,821.32,

and was generated by the growth of revenue in the accommodation segment of the "Park Soline" campsite by 50% and hospitality, i.e. the "Park Soline" restaurant by 58%. Camping sector revenue in the first three quarters of 2022 were 44% higher compared to the same period of 2019, when they amounted to HRK 34,446,659.53.

Revenue from the real-estate sector, i.e. the City Galleria Business and Shopping Centre, amounted to HRK 10,146,232.38, constituting a 5% increase compared to the same period of the previous business year and resulting from an increase in revenue from business premises lease, parking revenue as well as an increase in revenue from the use of common areas.

Revenue of other sectors, i.e. the destination management company Ilirija Travel and other profit centres amounted to HRK 5,971,406.06, with a significantly higher growth compared to the same period of the previous business year, which was the result of an increase in the volume of business activities in the destination management company in the reporting period due to a recovery of the event industry brought about by the easing and lifting of epidemiological measures.

TOTAL: Operating revenue per activity amounted to HRK 162,146,216.83, representing an increase of 33% compared to the same period of 2021.



5.2.2 FINANCIAL POSITION OF THE COMPANY

FUNDAMENTAL FINANCIAL INDICATORS OF THE POSITION OF THE COMPANY AS AT 30/09/2022

Since the table providing an overview of the Company's key indicators covers the period of 2022–2012 (eleven years), the realised described indicators are also listed in absolute amounts and growth rates.



1 Value of assets

The value of the Company assets as at 30/09/2022 amounted to HRK 543,615,804.25, representing an increase of 5.79%, i.e. HRK 29,775,023.01 compared to the same period of 2021, when it amounted to HRK 513,840,781.24.

In the same period of 2012, the value of the Company assets amounted to HRK 301,564,879.55, and in the reporting period increased by HRK 242,050,924.70 or 80.26%.

2 Total liabilities

Total liabilities amount to HRK 127,539,726.90, increasing by HRK 6,923,744.06, or 5.74% compared to HRK 120,615,982.84 for the same period of 2021, as a result of an increase in current and long-term liabilities of the Company.

Total liabilities as at 30/09/2022 are lower by HRK 8,323,988.02 or 6.13% compared to total liabilities of the Company as at 30 September 2012 when they amounted to HRK 135,863,714.92.

3 Equity and reserves

Equity and reserves as at 30/09/2022 amounted to HRK 416,076,077.35, recording an increase of HRK 22,851,278.95 or 5.81% compared to the same period in 2021 when they amounted to HRK 393,224,798.40.

Comparing equity and reserves of the Company as at 30/09/2022, they increased by HRK 250,374,912.72 or 151.10% compared to the same the same period of 2012, when they amounted to HRK 165,701,164.63.

4 Net debt

Net debt of the Company as at 30/09/2022 amounted to HRK 24,041,876.82 compared to the same period of the previous year when it amounted to HRK 46,361,427.85, constituting a decrease of HRK 22,319,551.03, or 48.14%.

This also represents a 78.11%, or HRK 85,795,342.57, decrease compared to the same period of 2012, when the net debt amounted to HRK 109,837,219.39.

5 Total revenue

Total revenue amounted to HRK 162,174,011.07, recording an increase of HRK 40,326,181.36 or 33.09% compared to the same period of 2021, when it amounted to HRK 121,847,829.71. The recorded increase is the result of an increase in revenue at the level of all sectors.

Total revenue of the Company, compared to the same period of 2012 when it amounted to HRK 103,634,805.37, increased by HRK 58,539,205.70, or 56.49%.

6 Operating profit

The Company realised an operating profit in the amount of HRK 71,585,966.22, which is HRK 12,308,109.99 or 20.76% more compared to the same period of 2021, when it amounted to HRK 59,277,856.23, as a result of the growth in operating revenue.

Comparing the operating profit generated in the first half of 2022 and the one from the same period of 2012, when it amounted to HRK 43,204,867.92, a 65.69%, i.e. HRK 28,381,098.30 increase can be seen.

7 Realised EBITDA

EBITDA was realised in the amount of HRK 71,613,760.46, constituting an increase of 20.78%, or HRK 12,319,559.32, compared to the same period of 2021, when it amounted to HRK 59,294,201.14.

The realised EBITDA in the reporting period has increased by HRK 30,285,384.89 or 73.28% compared to the same period of 2012, when it amounted to HRK 41,328,375.57.

8 Company's profit

The Company's profit in the reporting period amounted to HRK 54,807,634.30, increasing by HRK 9,655,353.42 or 21.38% compared to the same period of the previous business year, when it amounted to HRK 45,152,280.88.

Profit realised until 30/09/2022, compared to the profit generated in the same period of 2012, which amounted to HRK 32,060,877.35, has increased by HRK 22,746,756.95 or 70.95%.

9 Annual dividend

A dividend in the amount of HRK 8,419,792.50 was distributed to shareholders.

The Company allocated 125.08%, or HRK 4,679,002.50, more for dividend distribution in 2022 compared to the dividend distributed to shareholders in 2012, when it amounted to HRK 3,740,790.00.

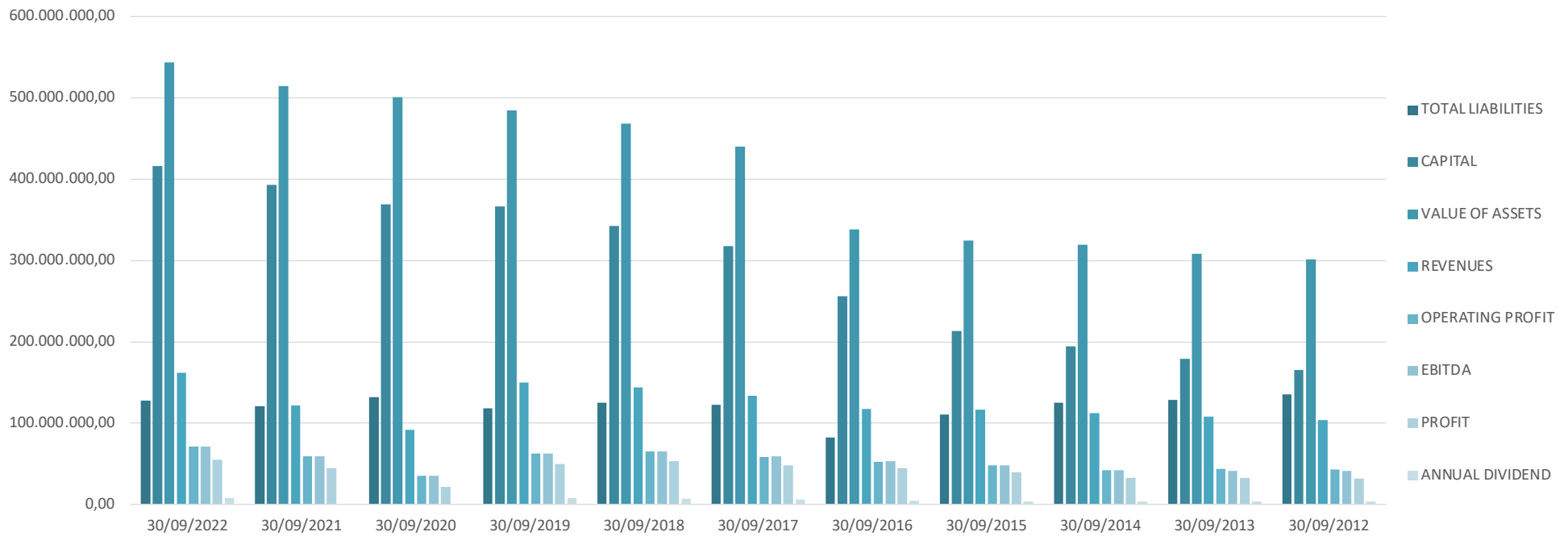
In the period from 2012 until 30/09/2022, the shareholders were paid a total of HRK 49,975,842.50 for dividends.

CUMULATIVE COMPARATIVE OVERVIEW

of fundamental indicators on the position of assets, capital, liabilities and operating results of the Company as at 30/09/2022
and also for the period from 2012 to 2021

YEAR	TOTAL LIABILITIES	CAPITAL	VALUE OF ASSETS	NET DEBT	REVENUES	OPERATING PROFIT	EBITDA	PROFIT	ANNUAL DIVIDEND
1	2	3	4	5	6	7	8	9	10
30/09/2022	127.539.726,90	416.076.077,35	543.615.804,25	24.041.876,82	162.174.011,07	71.585.966,22	71.613.760,46	54.807.634,30	8.419.792,50
30/09/2021	120.615.982,84	393.224.798,40	513.840.781,24	46.361.427,85	121.847.829,71	59.277.856,23	59.294.201,14	45.152.280,88	0,00
30/09/2020	131.826.197,25	368.865.413,19	500.691.610,44	78.579.593,62	92.069.417,21	35.317.750,96	35.409.573,57	22.122.038,81	0,00
30/09/2019	118.024.576,86	366.048.215,17	484.072.792,03	90.463.230,61	149.899.928,49	62.967.517,54	63.018.543,97	50.320.923,09	8.417.962,00
30/09/2018	125.447.257,27	342.411.182,35	467.858.439,62	108.614.982,30	143.925.093,73	65.169.581,72	65.348.314,49	53.578.976,45	7.221.240,00
30/09/2017	122.469.356,54	317.679.704,54	440.149.061,08	112.137.540,80	133.814.710,87	58.888.388,42	59.019.108,05	48.012.336,56	6.016.540,00
30/09/2016	82.305.840,84	256.102.674,48	338.408.515,62	65.389.264,46	117.717.140,32	52.257.756,25	53.633.864,42	44.789.148,33	4.937.148,00
30/09/2015	110.720.793,04	213.593.055,17	324.313.848,21	82.596.664,01	116.608.664,22	48.032.273,69	48.202.243,05	39.468.455,64	3.740.790,00
30/09/2014	125.000.091,75	194.440.141,31	319.440.233,06	95.884.008,57	112.532.734,42	42.524.469,69	42.325.631,96	33.146.401,04	3.740.790,00
30/09/2013	128.884.542,13	179.400.931,75	308.285.473,88	103.522.046,64	107.911.903,81	44.008.059,61	41.381.418,41	32.668.721,40	3.740.790,00
30/09/2012	135.863.714,92	165.701.164,63	301.564.879,55	109.837.219,39	103.634.805,37	43.204.867,92	41.328.375,57	32.060.877,35	3.740.790,00

A graph of fundamental operating results, as well as asset, capital and liability indicators of the Company as at 30/09/2022, and for the same period of the years 2012 – 2021



Statement of the Company's financial position
as at 30 September 2022 and compared to 31 December 2021

		30/09/2022	31/12/2021	Index
		UNAUDITED	REVISED	
A	FIXED ASSETS	439.819.760,80	442.020.422,48	99,50
B	CURRENT ASSETS	103.796.043,45	52.882.621,62	196,28
A+B	TOTAL ASSETS	543.615.804,25	494.903.044,10	109,84
C	SHORT-TERM LIABILITIES	16.018.679,94	30.224.806,99	53,00
D	LONG-TERM LIABILITIES	111.521.046,96	94.433.243,56	118,10
E	TOTAL LIABILITIES	127.539.726,90	124.658.050,55	102,31
F	TOTAL SHARE CAPITAL AND RESERVES	416.076.077,35	370.244.993,55	112,38
E+F	TOTAL CAPITAL AND LIABILITIES	543.615.804,25	494.903.044,10	109,84

OPERATING AND OTHER COSTS

Operating costs in the nine months of 2022 amounted to HRK 90,560,250.61, representing an increase by 44.77% compared to the same period of the previous business year, when they amounted to HRK 62,553,328.57. This recorded increase is the result of an increase in the volume of business activities, but also of an increase in the cost of energy, food and beverages as well other costs brought about by the inflation. Operating costs are the result of a 38% increase in the gross wage cost, which in absolute terms contributed the most to the increase in operating costs, the cost of raw materials and materials (food and beverages), which recorded an increase of 55.59%, the cost of energy (electricity, gas and fuel), which recorded an increase of 59%, costs of outsourced services, which recorded an increase of 34%, while other costs recorded an increase of 49%.

In terms of the total wage cost, the Company points out that, for September 2022, it paid an average net salary in the amount of HRK 8.198,07 to employees with a full-year employment contract.

FINANCIAL EXPENSES

Financial expenses in the observed period amounted to HRK 2,413,914.72, and they have decreased by 2.04% compared to the same period of 2021, when they amounted to HRK 2,464,071.77.

LIQUIDITY

In the reporting period, i.e. the first nine months of 2022, the Company fully and properly maintained current liquidity and settled its liabilities towards the suppliers, the bank, the state, the employees, etc. in a timely manner and within the deadlines. The Company has secured a sufficient amount of liquid funds to settle its liabilities, regardless of and taking into account the challenging business environment in conditions of reduced intensity due to COVID-19, further emphasised by the unstable security situation in Europe.

With regard to the Loan Agreement for Permanent Working Capital previously concluded with Erste & Steiermärkische Bank d.d. on 19 May 2021, the Agreement was fully realised, i.e. utilised, on 17 March 2022 in the amount of HRK 15,000,000.00, with a repayment grace period of 12 months, a five-year repayment period, and a fixed interest rate of 2.25%.

SHARE DISTRIBUTION

There was no share distribution in the reporting period.

COLLECTION OF CURRENT AND FUTURE REVENUE

The collection of outstanding receivables and those that are yet to mature has proven to be only somewhat difficult. Therefore, the Company actively monitors and manages both future trade receivables and trade receivables existing at the moment the COVID-19 pandemic was declared. The Company seeks to collect the receivables in the most appropriate manner, taking into account aggravated circumstances and applying measures of payment in instalments where possible, but it also undertakes measures of enforced collection, including the activation of security instruments, for the purpose of collection of its claims.

In terms of the effectiveness of the collection of all our trade receivables on account of realised and invoiced business activities or services for the year 2021, we would like point out the fact that the Company realised, i.e. collected 99.91% of the entire amount of receivables. In other words, we collected everything we had to collect.

6 ADDITIONAL INFORMATION ON THE STATUS AND BUSINESS OPERATIONS OF THE COMPANY

6.1 SIGNIFICANT EVENTS

The General Assembly of the Company, held on 12 April 2022, took note of the Annual Report for 2021 together with the Audit Report for 2021, Report of the Supervisory Board on the Performed Supervision of the Company's Operations for 2021, and the Management Board's Report on the Acquisition of Own Shares. The General Assembly adopted the Decision on the Approval of the 2021 Report on the Remuneration of Management Board and Supervisory Board Members, the Decision on Granting Discharge to the Company's Management Board, Decision on Granting Discharge to the Members of the Supervisory Board, and the Decision on the Appointment of the Company's Auditor for 2022, by virtue of which the authorised auditing company "UHY RUDAN d.o.o.", Ilica 213, Zagreb, PIN (OIB): 717995390000, was appointed to perform audit activities in 2022.

Moreover, the General Assembly also adopted a Decision on the Allocation of Profit for the business year 2021, based on which the profit generated in 2021 is to be allocated as follows:

- HRK 13,752,683.53 into the retained profit, and
- HRK 8,419,792.50 for dividend distribution.

Pursuant to the Decision on Dividend Distribution, a dividend in the total amount of HRK 8,419,792.50 was distributed to the shareholders of the Company from the profits generated in 2021. The dividend per share amounts to HRK 3.50.

In the reporting period, the Company acquired 3,048 own shares, designated as ILRA-R-A, which constitute 0.13% of the share capital. Following this acquisition, the Company owns 10881 own shares, constituting 0.45% of the share capital.

6.2 LEGAL MATTERS

- The Ilirija Tennis Centre real property in Biograd na Moru, under the cadastral plot no. 3232, in the Cadastral Municipality of Biograd na Moru, with a surface area of 48705 m², was allocated in 1988 by the Municipal Assembly of Biograd na Moru to the predecessor of the Company for the purpose of building a complex of tennis courts. By 1990, Ilirija had built 20 tennis courts with changing rooms and a restaurant facility, auxiliary roads, parking spaces and complete infrastructure on the property, and the land was subsequently evaluated and entered in the share capital of the Company within the national conversion process. Pursuant to the lawful conversion of the Company and the Act on Ownership and Other Real Rights, the Company had been registered as the sole owner and legal holder of said property until 2006, when, in the process of transforming the land registry for the Cadastral Municipality of Biograd na Moru in 2006, the entry in the land registry was changed for unknown reasons and 1/2 of the co-ownership share of Ilirija d.d. was removed, and the Town of Biograd na Moru was entered as the co-owner of the share in question for the first time. Consequently, Ilirija d.d. initiated civil proceedings for the establishment of the right of ownership and, under the 2012 ruling of the Commercial Court in Zadar, which was upheld by the 2016 ruling of the High Commercial Court of the Republic of Croatia, Ilirija was established as the owner of the entire real property Ilirija Tennis Centre. Under the decision of the Supreme Court of the Republic of Croatia following the review initiated by the Town of Bi-

ograd na Moru, with which we were made aware of on 18 January 2022, first-instance and second-instance rulings were set aside and the case was remanded for a retrial, during which it shall be determined whether amenities have been constructed, i.e. "more comprehensive works" have been performed on the real property at issue – which is indisputably the case in our opinion. In further proceedings the Company will continue to assert its right of ownership over the real property of the Ilirija Tennis Centre, which represents an equipped complex of 20 tennis courts with auxiliary facilities that has been in the possession and ownership of Ilirija d.d. for over 30 years.

- By the Decision of the Constitutional Court of the Republic of Croatia No. U-III-4392/16 of 5 July 2017, the Constitutional Complaint of the Company was adopted, and the ruling of the Supreme Court of the Republic of Croatia was set aside. The ruling set aside rejected the review initiated by Ilirija d.d. in the case pertaining to the compensation of damages against the Town of Biograd na Moru, for the purpose of conversion of the real property "Primorje" from a construction area into the so-called "area with landscape features", and the case was referred back to the Supreme Court of the Republic of Croatia. In the repeated proceedings, the Supreme Court of the Republic of Croatia in its ruling number: Rev-x 688/2017 of 27 April 2022 rejected the review initiated by Ilirija d.d. as unfounded. The Company filed a constitutional complaint to the Constitutional Court of the Republic of Croatia against

the aforementioned ruling of the Supreme Court of the Republic of Croatia within the legal deadline.

- The ruling of the County Court in Zadar No. 6 GŽ-751/16-2 of 13 June 2017 reversed the sentence of the Municipal Court in Zadar, Permanent Service in Biograd na Moru, of January 2016, and rejected the claim of the town of Biograd na Moru as unfounded. By said claim, the town of Biograd na Moru requested that the Forest Land Lease Agreement concluded between Ilirija d.d. and Hrvatske šume d.o.o. Zagreb, Forest Administration, Split Branch, be declared null and void. Thus, the dispute was finally disposed of in favour of Ilirija d.d., and given the fact that the land in question is tourism land not evaluated in the process of conversion and privatisation, Ilirija d.d. has already, within the legal deadline, submitted an application to the Government of the Republic of Croatia through the Ministry of Tourism of the Republic of Croatia for a concession on the part co-owned by the Republic of Croatia, for the purpose of using the "Park Soline" campsite for 50 years. In the meantime, in May 2020, the new Act on Non-Evaluated Construction Land came into force, thus repealing the Act on Tourism and Other Construction Land Not Evaluated in the Conversion and Privatisation Process. The new Act on Non-Evaluated Construction Land provides that buildings and land in a campsite which are estimated in the value of the capital, are owned by the company, whereas the campsite land not estimated in the value of the capital is owned by the Republic of Croatia. On 5 March 2021, Ilirija d.d. submitted, within the

legal deadline, an application for a decision to the competent Croatian Ministry of Physical Planning, Construction and State Assets, under Article 17 of the Act on Non-Evaluated Construction Land, that is, for the determination/identification of the scope, evaluated and unevaluated parts and owners of the Park Soline campsite in Biograd na Moru and consequently for the conclusion of a lease agreement between the Republic of Croatia and Ilirija d.d. for a period of 50 years. The procedure is pending.

- The predecessor of the Company was allotted the maritime domain for permanent use by the Municipal Assembly of Biograd na Moru for the purpose of constructing a sport port or marina (1976) and an outdoor swimming pool with a beach facility (1986) in Biograd na Moru. In accordance with the valid building and operating permits, the Company built the Ilirija-Kornati hotel port (1977–1979) and an outdoor swimming pool with beach facilities (1988), and these investments were evaluated and entered in the value of the capital of Ilirija d.d. during the conversion process. The aforementioned permanent right to use the maritime domain was replaced in 1998 with a limited period concession, and in accordance with the Decisions of the Zadar County on the award of the concession on the maritime domain, the Maritime Domain Concession Agreement was concluded for the purpose of commercial use of the special purpose port - nautical tourism port for a period of 12 years (until 2011) as well as the Maritime Domain Concession Agreement for the purpose of commercial use of the outdoor swimming

pool for a period of 10 years (until 2008). Prior to the expiry of the concession for the nautical tourism port – the Ilirija-Kornati hotel port and the outdoor swimming pool with a beach facility, Ilirija d.d. submitted the applications for the extension of the term of the concession by 20 years, i.e. to a total of 30 years. Until the decision on the applications for the extension of the term of concession and the legal resolution of the legal issues of conversion and lawful capital investments in the maritime domain are reached, Ilirija d.d. has been regularly paying the fee for the use of maritime domain to the budget of the Republic of Croatia.

- During the conversion process, the property Dražice – Mini Golf was evaluated and entered in the value of the capital of the Company for the part with a surface area of 9,752 m², the part which Ilirija d.d. has been using uninterruptedly for the purposes of a parking lot and an entertainment and animation centre, and accordingly holds in its possession, while for the rest of the land of approximately 46,000 m² an application for a concession has been submitted. The dispute between Ilirija d.d. and the Town of Biograd na Moru before the Commercial Court in Zadar regarding the right of ownership is pending. The Republic of Croatia has joined the proceedings. No first-instance ruling has been rendered in this case.

- In the land registry renewal procedure for the Cadastral Municipality of Biograd na Moru, Ilirija d.d. was registered as the owner of the entire real property with an area

of 1,416 m², which essentially represents the land around the hotels Ilirija and Adriatic in Biograd na Moru, considering that these land plots were evaluated and entered in the share capital of Ilirija d.d. in the process of conversion and privatisation of the Company. The Municipal Court in Zadar, in a proper procedure, rejected the objections of the Town of Biograd na Moru regarding the registration of the ownership rights of Ilirija d.d. After the objections of the Town of Biograd na Moru to the registration of ownership rights on real property, which essentially represents the land around the hotels Ilirija and Adriatic, were rejected as unfounded, the Town of Biograd na Moru filed a lawsuit against Ilirija d.d. before the Commercial Court in Zadar for the purpose of correction and registration, asking to be established as the owner of the said real estate with a total area of 1,416 m². The first-instance ruling of the Commercial Court in Zadar rejected the claim of the Town of Biograd na Moru, and the said ruling was upheld by the ruling of the High Commercial Court of the Republic of Croatia of 16 May 2022, thus the registration of the ownership rights of Ilirija d.d. on the said real property for the whole remained unchanged.

As for the disputes in which the Company participates, both actively or passively, we estimate that such disputes cannot significantly disrupt the Company's business, nor can they cause significant financial expenses for the Company or have a significant affect the Company's current and future financial results.



6.3 INVESTMENTS IN 2022

In the nine months of 2022, the Company invested HRK 12,745,411.75, most of which pertains to its tourism sectors; i.e. the hotel, camping and nautical sectors.

In the hotel sector, significant investments, some of which were started in the fourth quarter of the previous business year, pertained to enhancing and improving the quality and standard of additional facilities. By the end of the first quarter, the reconstruction and significant expansion of the wellness and beauty centre across the whole fifth floor of the Ilirija Hotel**** was finished, transforming it into a medical wellness spa centre by adding more saunas and hydromassage pools, as well as by enhancing and diversifying face and body treatments on offer with new, contemporary beauty devices. Furthermore, by the end of the first half of 2022, the redecoration and refurbishing of the Ilirija Hotel lobby was finished, as well as the adaptation of new shared amenities for children at the Adriatic Hotel, i.e. the adaptation of the Teen Club, envisaged as a gaming club, and of the Kid Club Lavender for children from 3 to 12 years of age, along with the expansion of the existing children's outside playground with amenities made from natural materials. Moreover, all of the internal doors in the Adriatic Hotel were replaced with more energy efficient aluminium ones, and additional decoration work was also done on the restaurant terrace.

As regards the camping sector, the glamping deluxe zone with 32 holiday homes was completed, including all of the infrastructure and landscaping work and the construction of the main roads in the camp's extra zone, as well as additional refurbishing and adaptation of amenities for children.

Since the risk of fire is one of the greatest risks in the nautical sector, the Company acquired a fireboat, specially designed and equipped for rescue and fire-fighting activities, to minimise this risk and to ensure timely reaction in case of a fire in order to protect the lives and wellbeing of its guests and employees, as well as to protect property. A fireboat is a specially designed vessel with a pump, monitor, tank and foam nozzle, which is used to fight shore-line and shipboard fires, fires in ports and marinas, warehouses on the coast and in those areas of the coast which can only be reached from the sea.

6.4 Non-OPERATING ASSETS

An additional impact on the value of Company shares comes from non-performing assets, which are owned by the Company, but they are neither used for core activities of the Company, nor do they provide economic benefits to the Company. The most important non-performing assets owned by the Company are unused land plots (9 acres in total) at highly attractive locations:

Land plot, Sv. Filip i Jakov: The Company owns a building site of approximately 2.5 acres in Sv. Filip i Jakov, of which only a smaller portion is used (Villa Donat), while approximately 20,000 m² of the site is unused. According to the preliminary design, the Company plans to build 8 detached villas with apartments at the unused portion of the land plot, and expand the existing accommodation and service facilities. The Municipality of Sv. Filip i Jakov adopted a Detailed Plan for the Development of a Mixed Hospitality and Tourism Zone (T1-hotel).

Land plot, Villa Primorje: The Company owns approximately 2.5 acres of land near the Villa Primorje Hotel, of which only a smaller portion is used (approximately 10% of the total surface area). Apart from the existing physical plan, there is a possibility of building a settlement of traditional Dalmatian villas at the unused portion of the plot. The unused part of the plot is in direct contact with a building site.

Land plot, Polača: The Company owns a building site of approximately 2.5 acres in Polača, located along the state road, which connects Biograd with the local motorway (regional importance). The site is equipped with basic communal infrastructure and Ilirija d.d. plans to use it to build a dry marina, which would be functionally connected with the existing nautical capacities owned by Ilirija d.d., but only if the existing concessions and the right of economic exploitation of the maritime domain within the existing nautical tourism ports owned by the Company are extended beforehand.

Land plot, Sv. Filip i Jakov: In December 2021, the Company bought a land plot with a surface area of 9,600 m² in Sv. Filip i Jakov in the crafts and services zone, within the area of the newly planned industrial zone, with the intention of building a central warehouse, distribution and service facility for the needs of the Company, which would include laundry service, central warehouse of assets, equipment and inventory, central warehouse of food and beverages, technical service workshops, storage of machines, dry berth, ancillary mobile storages, office space for the needs of the storage and distribution facility, as well as traffic and parking areas.

6.5 OTHER

BUSINESS MONITORING AND REPORTING ON A DAILY, WEEKLY AND MONTHLY BASIS

At the level of all sectors and the Company as a whole, a business monitoring system for all business segments was established, namely for monitoring on a daily, weekly and monthly basis in accordance with the applicable Croatian and world reporting standards for the tourism industry. This enabled timely and quality monitoring of achieved operating results as well as the development of quality forecasts and business plans throughout the business year, which created the foundations for a more efficient and rational management of the entire business process, as well as improved and accelerated the overall reporting process at all levels, and especially in the operational part of the Company's business.

MERGERS AND ACQUISITIONS

There were no mergers and acquisitions.

7 BUSINESS EXPECTATIONS IN 2022

Given the current favourable epidemiological situation compared to the same period of last year, and primarily considering the availability of vaccines and vaccination rate of the adult population at the global level, the preconditions for the easing of epidemiological measures, i.e. lifting of restrictions regarding movement and travel, have been created, which has ultimately enabled the recovery of the travel and tourism industry in the second half of 2021 and in the nine months of 2022, and the same can be expected until the end of the business year.

A further increase in the vaccination coverage of the EU population, including the key outbound markets for Croatian tourism, as well as the share of vaccinated population of the Republic of Croatia reaching the EU average, followed by vaccination with the third or booster dose, would create the basic assumptions for a more favourable epidemiological situation that would in turn have an effect on business results, particularly in the hospitality and tourism industry.

Moreover, the Company would like to note that the planned implementation of the business plan could not only be affected by the epidemiological situation, but also by the geopolitical instability in Europe caused by the war in Ukraine, especially if this instability spreads to other European countries.

Still, bearing in mind all of the above, the Company opted for business plan in its full scope, regardless of the current situation surrounding COVID-19. The business expectations for 2022 were prepared under the assumption of no restrictive circumstances, epidemiological or ones pertaining to safety, existing with regard to year-round business activities (pre-season, peak season and post-season) at the level of all the Company's sectors and profit centres. The Company expects a further significant recovery of tourist demand in 2022 and year-round business activities to continue, especially with regard to traditional European tourist markets for which Croatia is a destination reachable by car.

Furthermore, the Company is aware that the business expectations for 2022, presented in the planned financial results, i.e. the business plan, represent a bold business move given the current epidemiological circumstances and the unstable geopolitical situation in Ukraine. Taking into account the previously mentioned achieved preconditions for conducting year-round business activities (vaccine development and vaccination of the population) as well as the fact that Croatian tourism in 2021, in the period from the second half of July until the end of this business year, recorded a strong recovery, the Company considers that the realisation of its 2022 business plan is feasible under the assumption of these circumstances.

Furthermore, the Company stresses that the manner of selling tourism facilities, especially in the hotel sector where continuous sales were replaced by last-minute sales, was significantly altered as a direct consequence of the pandemic, a situation exacerbated in 2022 by the precarious security circumstances in Europe.

Main goals and priorities of the Company in 2022

- preservation of the Company's long-term economic viability and security
- preservation of a stable financial position
- preservation of fixed assets and capital,
- preservation of business operations and activities, and
- long-term sustainability of the Company

In addition to the above-mentioned determinants and preconditions of the 2022 Business Plan, we believe that it is realistic for the Company to achieve the following business goals in 2022, which are numerically defined in the Company's Budget for 2022:

a) achieving significantly higher revenues in all sectors; that is, at the level of the whole Company, the increase in the revenues is planned in comparison to the pre-pandemic period.

b) generating EBITDA, or its share in the total revenues, in line with the tourism industry standards.

c) growth of other profitability indicators (profit, EBIT).

By achieving the stated business goals that are considered as the maximum business limit, and under the assumption of a year-round business activity in its full scope, i.e. at the level of all sectors and profit centres, as well as providing for the absence of limiting factors due to COVID-19 and a stable geopolitical situation, we believe that the Company has ensured long-term economic sustainability and security, a stable financial position, fixed assets and capital, as well as business activity of the Company in 2022.

The Company further emphasises the possibility of realising the business expectations for 2022 to a much lesser extent than planned, given the unpredictability and complexity of the situation surrounding COVID-19 and the basic measures aimed at controlling it (restrictions on movement and travel), which directly limits the Company's business activities in its tourism sectors and further complicated by an unfavourable security situation in Europe.



8 NOTES

The Company has all the permits required for the performance of its activities, such as the decisions on categorization and on the meeting of the minimum technical work requirements, as well as water rights permits, etc.

Goran Ražnjević, predsjednik Uprave

ILIRIJA dioničko društvo
za ugostiteljstvo i turizam
Biograd na Moru



FINANCIAL STATEMENTS FOR THE PERIOD 01/01/- 30/09/2022

Annex 1

ISSUER'S GENERAL DATA

Reporting period: 01/01/2022 to 30/09/2022

Year: 2022

Quarter: 3

Annual financial statements

Registration number (MB): 03311953 Issuer's home Member State code: HRVATSKA

Entity's registration number (MBS): 060032302

Personal identification number (OIB): 05951496767 LEI: 74780000VOGH8Q3K5K76

Institution code: 1271

Name of the issuer: ILIRIJA d.d. BIOGRAD NA MORU

Postcode and town: 23210 BIOGRAD NA MORU

Street and house number: TINA UJEVIĆA 7

E-mail address: ilirija@zd.t-com.hr

Web address: www.ilirijabiograd.com

Number of employees (end of the reporting period): 397

Consolidated report: KN (KN-not consolidated/KD-consolidated)

Audited: RN (RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS): Registered office: MB:

Bookkeeping firm: (Yes/No) (name of the bookkeeping firm)

Contact person: STRPIĆ ZORKA (only name and surname of the contact person)

Telephone: 023/383178

E-mail address: zorkas@ilirijabiograd.com

Audit firm: UHY RUDAN d.o.o. ZAGREB (name of the audit firm)

Certified auditor: SANDRA MIKIĆ (name and surname)

BALANCE SHEET			
balance as at 30/09/2022			in HRK
Submitter: ILIRIJA d.d. BIOGRAD NA MORU			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	442.020.422	439.819.761
I INTANGIBLE ASSETS (ADP 004 to 009)	003	195.936	78.691
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	0	0
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	0
6 Other intangible assets	009	195.936	78.691
II TANGIBLE ASSETS (ADP 011 to 019)	010	441.786.690	439.703.274
1 Land	011	44.409.058	44.409.058
2 Buildings	012	254.354.467	247.328.941
3 Plant and equipment	013	62.368.657	62.543.072
4 Tools, working inventory and transportation assets	014	0	0
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	941.389	2.480.002
7 Tangible assets in preparation	017	1.519.414	5.769.429
8 Other tangible assets	018	0	0
9 Investment property	019	78.193.705	77.172.772
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	37.796	37.796
1 Investments in holdings (shares) of undertakings within the group	021	37.796	37.796
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	0	0
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	0	0
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	0	0
V DEFERRED TAX ASSETS	036	0	0
C) CURRENT ASSETS (ADP 038+046+053+063)	037	52.882.622	103.796.043
I INVENTORIES (ADP 039 to 045)	038	998.219	1.800.399
1 Raw materials and consumables	039	998.219	1.800.399
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	0	0
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0

II RECEIVABLES (ADP 047 to 052)	046	3.068.267	12.078.698
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	1.570.424	9.621.455
4 Receivables from employees and members of the undertaking	050	10.568	25.717
5 Receivables from government and other institutions	051	1.039.414	1.990.066
6 Other receivables	052	447.861	441.460
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	45.080.000	80.703.277
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	45.080.000	80.703.277
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	3.736.136	9.213.669
D) PREPAID EXPENSES AND ACCRUED INCOME	064	0	0
E) TOTAL ASSETS (ADP 001+002+037+064)	065	494.903.044	543.615.804
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	067	370.244.994	416.076.077
I INITIAL (SUBSCRIBED) CAPITAL	068	229.146.480	229.146.480
II CAPITAL RESERVES	069	2.932.389	2.932.389
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	37.405.213	36.848.455
1 Legal reserves	071	24.077.986	24.077.986
2 Reserves for treasury shares	072	6.975.716	6.975.716
3 Treasury shares and holdings (deductible item)	073	-1.171.168	-1.727.926
4 Statutory reserves	074	0	0
5 Other reserves	075	7.522.679	7.522.679
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	0	0
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	78.588.436	92.341.119
1 Retained profit	084	78.588.436	92.341.119
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	22.172.476	54.807.634
1 Profit for the business year	087	22.172.476	54.807.634
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	0	0
1 Provisions for pensions, termination benefits and similar obligations	091	0	0
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	0	0
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	0	0

C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	94.433.244	111.521.047
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities to banks and other financial institutions	103	94.433.244	111.521.047
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	0	0
11 Deferred tax liability	108	0	0
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	28.274.461	15.077.625
1 Liabilities to undertakings within the group	110	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities to banks and other financial institutions	115	14.118.155	1.979.410
7 Liabilities for advance payments	116	75.031	83.502
8 Liabilities to suppliers	117	5.670.806	4.606.448
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	1.746.985	2.951.146
11 Taxes, contributions and similar liabilities	120	5.502.364	4.295.999
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	1.161.120	1.161.120
E) ACCRUALS AND DEFERRED INCOME	124	1.950.345	941.055
F) TOTAL - LIABILITIES (ADP 067+090+097+109+124)	125	494.903.044	543.615.804
G) OFF-BALANCE SHEET ITEMS	126	0	0

STATEMENT OF PROFIT OR LOSS					
for the period 01/01/2022 to 30/09/2022					
in HRK					
Submitter: ILIRIJA d.d.					
Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	121.831.185	68.477.651	162.146.217	93.306.167
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	116.391.425	68.151.813	161.647.819	93.159.604
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	0	0	0	0
5 Other operating income (outside the group)	006	5.439.760	325.838	498.398	146.563
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	74.231.477	34.371.426	104.952.462	48.926.622
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	26.501.081	14.747.436	39.611.518	19.764.681
a) Costs of raw materials and consumables	010	13.682.034	8.711.888	22.415.590	12.232.408
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	12.819.047	6.035.548	17.195.928	7.532.273
3 Staff costs (ADP 014 to 016)	013	25.039.998	10.187.655	34.579.403	14.735.895
a) Net salaries and wages	014	15.481.040	6.271.629	20.768.885	8.907.782
b) Tax and contributions from salary costs	015	5.998.571	2.468.176	8.896.759	3.735.342
c) Contributions on salaries	016	3.560.387	1.447.850	4.913.759	2.092.771
4 Depreciation	017	11.678.148	3.857.343	14.392.211	4.749.635
5 Other costs	018	10.670.404	5.575.548	16.307.529	9.641.551
6 Value adjustments (ADP 020+021)	019	0	0	0	0
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	0	0	0	0
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	341.846	3.444	61.801	34.860
III FINANCIAL INCOME (ADP 031 to 040)	030	16.645	7.130	27.794	10.408
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	0	0
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	167	63	19	1
8 Exchange rate differences and other financial income	038	16.478	7.067	27.775	10.407
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	0	0
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	2.464.072	783.996	2.413.915	826.375
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0

2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0
3 Interest expenses and similar expenses	044	2.445.744	776.505	2.358.068	782.845
4 Exchange rate differences and other expenses	045	18.328	7.491	55.847	43.530
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	0	0	0	0
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	121.847.830	68.484.781	162.174.011	93.316.575
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	76.695.549	35.155.422	107.366.377	49.752.997
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	45.152.281	33.329.359	54.807.634	43.563.578
1 Pre-tax profit (ADP 053-054)	056	45.152.281	33.329.359	54.807.634	43.563.578
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	45.152.281	33.329.359	54.807.634	43.563.578
1 Profit for the period (ADP 055-059)	060	45.152.281	33.329.359	54.807.634	43.563.578
2 Loss for the period (ADP 059-055)	061	0	0	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)	068	0	0	0	0
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0	0	0
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	075	0	0	0	0
1 Attributable to owners of the parent	076	0	0	0	0
2 Attributable to minority (non-controlling) interest	077	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	45.152.281	33.329.359	54.807.634	43.563.578
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	0	0	0	0
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0

4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	0	0	0	0
1 Exchange rate differences from translation of foreign operations	088	0	0	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)	097	0	0	0	0
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	45.152.281	33.329.359	54.807.634	43.563.578
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	0	0	0	0
1 Attributable to owners of the parent	100	0	0	0	0
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method			
for the period 01/01/2022 to 30/09/2022			in HRK
Submitter: ILIRIJA d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	45.152.281	54.807.634
2 Adjustments (ADP 003 to 010):	002	14.123.892	16.344.478
a) Depreciation	003	11.678.148	14.392.211
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	0
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	0	0
e) Interest expenses	007	2.445.744	1.952.267
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	0	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	0
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	59.276.173	71.152.112
3 Changes in the working capital (ADP 013 to 016)	012	-6.537.182	-5.072.318
a) Increase or decrease in short-term liabilities	013	-4.223.546	-7.476.085
b) Increase or decrease in short-term receivables	014	-3.284.851	1.921.049
c) Increase or decrease in inventories	015	111.366	482.718
d) Other increase or decrease in working capital	016	859.849	0
II Cash from operations (ADP 011+012)	017	52.738.991	66.079.794
4 Interest paid	018	-2.445.744	-1.952.267
5 Income tax paid	019	0	-5.931.597
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	50.293.247	58.195.930
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	0
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	0	0
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	0	0
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-4.053.505	-9.567.093
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	-35.214.912
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	-475.403	-1.885.729
IV Total cash payments from investment activities (ADP 028 to 032)	033	-4.528.908	-46.667.734
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-4.528.908	-46.667.734
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	0	15.000.000
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	0	15.000.000
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-4.041.538	-8.162.914
2 Cash payments for dividends	041	0	-8.369.359
3 Cash payments for finance lease	042	-2.773.380	-4.518.729
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	0	0

VI Total cash payments from financing activities (ADP 040 to 044)	045	-6.814.918	-21.051.002
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-6.814.918	-6.051.002
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	38.949.421	5.477.194
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	23.356.730	3.736.475
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	62.306.151	9.213.669

STATEMENT OF CASH FLOWS - direct method			
for the period 01/01/2022 to 30/09/2022			in HRK
Submitter: ILIRIJA d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	0	0
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	0	0
4 Cash receipts from tax refund	004	0	0
5 Other cash receipts from operating activities	005	0	0
I Total cash receipts from operating activities (ADP 001 to 005)	006	0	0
1 Cash payments to suppliers	007	0	0
2 Cash payments to employees	008	0	0
3 Cash payments for insurance premiums	009	0	0
4 Interest paid	010	0	0
5 Income tax paid	011	0	0
6 Other cash payments from operating activities	012	0	0
II Total cash payments from operating activities (ADP 007 to 012)	013	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	0	0
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	0	0
2 Cash receipts from sales of financial instruments	016	0	0
3 Interest received	017	0	0
4 Dividends received	018	0	0
5 Cash receipts from the repayment of loans and deposits	019	0	0
6 Other cash receipts from investment activities	020	0	0
III Total cash receipts from investment activities (ADP 015 to 020)	021	0	0
1 Cash payments for the purchase of fixed tangible and intangible assets	022	0	0
2 Cash payments for the acquisition of financial instruments	023	0	0
3 Cash payments for loans and deposits	024	0	0
4 Acquisition of a subsidiary, net of cash acquired	025	0	0
5 Other cash payments from investment activities	026	0	0
IV Total cash payments from investment activities (ADP 022 to 026)	027	0	0
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	0	0
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	029	0	0
2 Cash receipts the from issue of equity financial instruments and debt financial instruments	030	0	0
3 Cash receipts from credit principals, loans and other borrowings	031	0	0
4 Other cash receipts from financing activities	032	0	0
V Total cash receipts from financing activities (ADP 029 to 032)	033	0	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	0	0
2 Cash payments for dividends	035	0	0
3 Cash payments for finance lease	036	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	037	0	0
5 Other cash payments from financing activities	038	0	0
VI Total cash payments from financing activities (ADP 034 to 038)	039	0	0
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 + 039)	040	0	0
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	0	0
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	0	0
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)	044	0	0

STATEMENT OF CHANGES IN EQUITY

for the period from 01/01/2022 to 30/09/2022

in HRK

Item	ADP code	Attributable to owners of the parent																	Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	"18 (3 to 6 - 7 + 8 to 17)"	19	20 (18+19)	
Previous period																				
1 Balance on the first day of the previous business year	01	229.146.480	2.932.389	24.077.986	6.975.716	1.171.168	0	7.522.679	0	0	0	0	0	0	0	78.588.436	348.072.518	0	348.072.518	
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	229.146.480	2.932.389	24.077.986	6.975.716	1.171.168	0	7.522.679	0	0	0	0	0	0	0	78.588.436	348.072.518	0	348.072.518	
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	22.172.476	22.172.476	0	22.172.476	
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21 Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	229.146.480	2.932.389	24.077.986	6.975.716	1.171.168	0	7.522.679	0	0	0	0	0	0	0	100.760.912	370.244.994	0	370.244.994	
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																				
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	22.172.476	22.172.476	0	22.172.476	
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Current period																				

1 Balance on the first day of the current business year	28	229.146.480	2.932.389	24.077.986	6.975.716	1.171.168	0	7.522.679	0	0	0	0	0	0	0	100.760.912	370.244.994	0	370.244.994
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the current business year (restated) (AOP 28 to 30)	31	229.146.480	2.932.389	24.077.986	6.975.716	1.171.168	0	7.522.679	0	0	0	0	0	0	0	100.760.912	370.244.994	0	370.244.994
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	54.807.634	54.807.634	0	54.807.634
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	45	0	0	0	0	556.758	0	0	0	0	0	0	0	0	0	0	-556.758	0	-556.758
19 Payments from members/shareholders	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-8.419.793	-8.419.793	0	-8.419.793
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13.752.683	13.752.683	0	13.752.683
22 Carryforward per annual plane	49	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-13.752.683	-13.752.683	0	-13.752.683
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	51	229.146.480	2.932.389	24.077.986	6.975.716	1.727.926	0	7.522.679	0	0	0	0	0	0	0	147.148.753	416.076.077	0	416.076.077
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 do 52)	53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	54.807.634	54.807.634	0	54.807.634
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	0	0	556.758	0	0	0	0	0	0	0	0	0	-8.419.793	-8.976.551	0	-8.976.551

NOTES TO THE FINANCIAL STATEMENTS – TFI-POD

(made for quarterly periods)

Name of the issuer: ILIRIJA d.d. BIOGRAD NA MORU

PIN: 05951496767

Reporting period: 01/01 – 30/09/2022**A. Notes on the Company's financial position:****Non-current assets**

The non-current asset value amounts to HRK 439,819,760.80, constituting a decrease of HRK 2,200,661.68 compared to the value as at 31 December 2021, when it amounted to HRK 442,020,422.48. An amount of HRK 12,745,411.75 was invested in all sectors of the Company during the reporting period of 2022.

Current assets

The current asset value amounted to HRK 103,796,043.45 and increased by HRK 50,913,421.83 or 96.28 % compared to 31 December 2021, when it amounted to HRK 52,882,621.62. The largest part of the increase in current assets was realized by cash inflows from customers and cash collections, which was reflected in an increase in the cash flow.

Short-term liabilities

Short-term liabilities amounted to HRK 16,018,679.94, recording a decrease of HRK 14,206,127.05 or 53.00% compared to the balance as at 31 December 2021, when they amounted to HRK 30,224,806.99.

Non-current liabilities

Non-current liabilities amounted to HRK 111,521,046.96, recording an increase of HRK 17,087,803.40 or 18.10% compared to the balance as at 31 December 2021, when they amounted to HRK 94,433,242.56.

Equity and reserves

Equity and reserves equalled HRK 416,076,077.35, which represents an increase of HRK 45,831,083.80, or 12.38% compared to the balance as at 31 December 2021, when they amounted to HRK 370,244,993.55.

Note – total revenue, expenses and operating profit**Total revenue**

Total revenue generated as at 30 September 2022 amounted to HRK 162,174,011.07, representing an increase of 33.10% of the total revenue as at 30 September 2021, when it amounted to HRK 121,847,829.71.

Total expenses

Total expenses as at 30 09 2022 amounted to HRK 107,366,376.77, representing an increase of 39.99% of the total expenses as at 30 September 2021, when it amounted to HRK 76,695,548.83.

Operating profit

Operating profit generated as at 30 September 2022 amounted to HRK 71,585,966.22, constituting an increase of 20.76% of the operating profit as at 30 September 2021, when it amounted to HRK 59,277. 85.23.

B. The last revised annual statements of the Company: are available on the website of ILIRIJA d.d. <https://ilirijabiograd.com/izvjesca-o-poslovanju>, Zagreb Stock Exchange (Zagrebačka burza d.d.) and the Croatian Financial Services Supervisory Agency within the framework of the central storage of regulated information.

C. Statement on the application of the same accounting policies during the preparation of the statement as at 30 September 2022 and the last revised annual statement as at 31 December 2021.

D. In the observed reporting period of 2022 operating revenue in the amount of HRK 162,146,216.83 was generated, which constitutes a 33.09% increase compared to the same period of the previous year, when it amounted to HRK 121,831,184.80. The Company's business activities are seasonal. The Company generates most of its revenue in summer. The Company generates revenue in the hotel, nautical, camping and real-estate sectors and the destination management company DMC Ilirija Travel. The hotel sector generates most of its revenue in summer.

In the observed reporting period of 2022, operating revenue of the hotel sector was generated in the amount of HRK 47,278,398.89, which constitutes an increase of HRK 19,768,806.37, or 71.87% compared to the same period of the previous year, when it amounted to HRK 27,509,592.52.

Revenue of the nautical sector in the observed period of 2022 amounted to HRK 49,054,857.11, constituting an increase of 10.81% compared to the same period of 2021, when they amounted to HRK 44,272,639.56. The majority of the revenue was generated by annual berth fees.

In the observed reporting period of 2022, operating revenue of the camping sector was generated in the amount of HRK 49,695,322.39, constituting an increase of HRK 16,644,501.07, or 50.36% compared to the same period of the previous year, when it amounted to HRK 33,050,821.32. The most significant revenue was realised from fixed-lease camping pitches and plots.

In the reporting period of 2022, revenue from the real estate sector, i.e. the City Galleria Business and Shopping Centre amounted to HRK 10,146,232.38, representing an increase of 4.56% compared to the same period of the previous year, when it amounted to HRK 9,704,009.68.

On account of the job retention grant by the Government of the Republic of Croatia, last year the Company received a grant in the amount of HRK 4,963,771.11 as at 30 September 2021. In the period observed, i.e. as at 30 September 2022, the Company did not receive any grants.

As at 30 September 2022, operating costs amounted to HRK 90,560,250.61, recording an increase of HRK 28,006,922.04 or 44.77% compared to the same period of 2021, when they amounted to HRK 62,553,328.57. In the reporting period of 2022, financial expenses amounted to HRK 2,413,914.72, which is a 2.04% decrease compared to the same period of the previous year, when they amounted to HRK 2,464,071.77. The depreciation charge for the reporting period of 2022 amounted to HRK 14,392,211.44, which is a 23.24% increase compared to the same period of 2021, when it amounted to HRK 11,678,148.49.

Total expenses amounted to HRK 107,366,376.77, recording an increase of 39.99% compared to the same period of the previous year, when they amounted to HRK 76,695,548.83. The operating profit generated by business operations for the reporting period of 2022 amounted to HRK 71,585,966.22, which constitutes an increase of 20.76% compared to the same period of the previous year, when it amounted to HRK 59,277,856.23. EBITDA, i.e. earnings before depreciation, interest and taxes, amounted to HRK 271,613,760.46, representing an increase of 20.78% compared to the same period of the previous year. EBIT, i.e. earnings before interest and taxes was realized in the amount of HRK 57,221,549.02, recording an increase of 20.17% compared to the same period of the previous year, when it amounted to HRK 47,616,352.65. The profit for the observed period amounted to HRK 54,807,634.30, recording an increase of 21.38% compared to the same period of the previous year, when it amounted to HRK 45,152,280.88.

Additional clarifications of individual items can be found in the Company comments, which comprise an integral part of the statement as at 30 September 2022.

E. There were no significant changes.

F. Point 1 ILIRIJA d.d. BIOGRAD NA MORU, Tina Ujevića 7, 23210 Biograd na Moru, Croatia, Company Reg. No: 060032302, PIN:05951496767.

Point 2 There has been no change in the accounting policies compared to the last revised annual statement.

Point 3 Point 3 does not apply to our Company and is not used.

Point 4 The majority of the revenue was generated on the domestic market in the amount of HRK 129,365,350.29 and the foreign market in the amount of HRK 32,272,625.73, while other revenue was generated in the amount of HRK 508,240.81. Operating revenue generated in the hotel sector amounted to HRK 47,278,398.89, whereas it amounted to HRK 49,054,857.11 in the nautical sector, HRK 49,695,322.39 in the camping sector, while the operating revenue of City Galleria amounted to HRK 10,146,232.38. Revenue from other activities or profit centres, including Ilirija Travel and hospitality were realized in the amount of HRK 5,971,406.06. In the period observed, the Company did not receive any job retention grants by the Government of the Republic of Croatia. Total expenses amounted to HRK 107,366,376.77. Business expenses amount to HRK 90,560,250.61. Most of them were incurred in connection to the cost of raw material, other materials and energy, accounting for HRK 22,415,589.71; outsourcing costs, accounting for HRK 17,195,928.50; other operating costs, accounting for HRK 34,579,403.39; and staff costs, accounting for HRK 16,369,329.01.

Point 5 Long-term loans which will become due in the period from 2026 to 2034 amount to HRK 64,315,912.30. Securing payment of mortgages on property.

Point 6 Average number of employees in the period from 01/01-30/ 09/ 2022 was 345.

Point 7 The employee cost presented in the income statement amounted to HRK 34,579,403.39 (net salary being HRK 21,002,782.90, contributions from salaries being HRK 5,903,430.06, the salary tax being HRK 2,759,431.63, and the contributions to salaries being HRK 4,913,758.80). Due to the restrictions of the form, which does not include Other Employee Costs, e.g. travel expenses, severance pay, etc., this amount is supplemented by said costs of HRK 923,613,28, which brings the total employee cost to HRK 35,503,016.67. The Company does not capitalise the salary costs.

Point 8 and 9 do not apply to our Company and are not used.

Point 10 The share capital of the Company as at 30 September 2022 amounted to HRK 229,146,480.00, and it is divided into 2,413,488 no-par-value ordinary shares.

Points 11 to 17 do not apply to our Company. There was no consolidation.

REPRESENTATION LETTER BY PERSONS RESPONSIBLE FOR THE PREPARATION OF FINANCIAL STATEMENTS

ILIRIJA d.d.

BIOGRAD NA MORU

Biograd na Moru, 20 October 2022

Statement by the persons responsible for the preparation of the financial statements for the period from 1 January 2022 to 30 September 2022

Pursuant to Articles 403–410 of the Capital Market Act, we hereby state that the Financial statements of Ilirija d.d. Biograd na Moru, Tina Ujevića 7, PIN: 05951496767 for the period from January to September 2022 are prepared in accordance with the International Financial Reporting Standards and pursuant to the Croatian Accounting Act. The financial statements provide realistic and objective data on the Company's financial position as at 30 September 2022, its business results and cash flow in accordance with the International Financial Reporting Standards.

The Company's Management report contains a legitimate representation of its results and position as at 30 September 2022.

The financial statements for the period from 01/01 to 30/09/2022 have not been audited.

Accounting Manager::
Zorka Strpić

Management Board:
Goran Ražnjević



ILIRIJA dioničko društvo
za ugostiteljstvo i turizam
Biograd na Moru





ILIRIJA D.D.

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