



FINANCIAL REPORT FOR THE PERIOD 01/01 - 30/06/2022

Biograd na Moru, July 2022



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OVERVIEW OF KEY PERFORMANCE INDICATORS FOR THE PERIOD FROM 01/01-30/06/2022

in HRK	I-VI 2022	I-VI 2021	I-VI 2019	Index 2022/2021	Index 2022/2019
Financial indicators					
Total revenues	68.857.277,06	53.332.739,16	70.860.765,27	129,11	97,17
Operating revenues	68.840.049,46	53.323.424,94	70.834.035,22	129,10	97,18
Revenues from sales	68.548.761,82	48.339.570,12	70.046.605,65	141,81	97,86
Operating profit	22.474.037,65	21.265.122,30	23.820.728,04	105,68	94,35
EBITDA	22.491.265,25	21.274.436,52	23.847.458,09	105,72	94,31
EBIT	12.848.688,37	13.453.631,06	17.449.010,09	95,50	73,64
Profit	11.260.445,40	11.773.602,58	15.374.880,33	95,64	73,24
Value of assets	520.956.765,91	488.102.422,35	479.947.662,81	106,73	108,54
Capital	373.029.226,45	359.846.120,10	331.242.431,41	103,66	112,62
Total liabilities	147.927.539,46	128.256.302,25	148.705.231,40	115,34	99,48
Net debt	51.546.471,00	77.013.229,11	107.822.667,32	66,93	47,81

KEY INFORMATION FOR THE PERIOD 01/01 – 30/06/2022

1 Business activities increased in all sectors, but a special emphasis should be placed on the significant increase in activities of the hotel sector, the destination management company Ilirija Travel and the camping sector, considering the fact that these segments were the ones most heavily affected by the consequences of the global pandemic. Following the relaxing and ultimate lifting of epidemiological measures, the aforementioned tourist sectors recorded an increase in demand, even though this increase later slowed down due to the uncertainty caused by the Russian-Ukrainian conflict, which mostly affected the results of the hotel sector and the destination management company in the preseason, i.e. they did not achieve complete recovery to the level of pre-pandemic results. It is important to point out that in the last two years, the character of the sale of hotel capacities changed significantly, with last-minute sales being dominant and replacing continuous year-round sales activity, the fact which significantly affected the results of the hotel sector in the first half of the business year. The nautical and camping sectors achieved considerable growth in terms of physical and financial performance indicators in their most significant profit centres (Marina Kornati and Park Soline campsite), not only compared to the same period of the previous year, but also compared to the same period of the pre-pandemic 2019. The profitability indicators are also the best recorded so far, not only at the level of the sector but also at the level of the aforementioned profit centres. The real estate sector achieved an increase in operating revenue due to an

increased number of visitors to the Centre and an increased number of leased spaces, contributing to continuous stability of business operations in the first half of the year.

Both physical and financial performance results improved, given the continuous growth in terms of physical and financial performance indicators at the level of all sectors, and the results achieved by individual sectors are significantly better than those achieved in the same period of 2019, except for the hotel sector. At the same time, when it comes to profitability indicators, i.e. the operating profit and EBITDA, the Company recorded a growth even though the profit was lower compared to the same period of the previous year. The Company considers these results a success considering the circumstances of the business year, which was marked not only by the pandemic, but also by the rise in energy prices, the general increase in costs, i.e. inflation, and the unstable geopolitical situation in Europe.

2 Total revenue in the first half of the year amounted to HRK 68,857,277.06, constituting an increase of 29.11% compared to the same period of the previous business year, when it amounted to HRK 53,332,739.16, and resulting from an increased operating revenue generated at the level of all sectors of the Company, especially the tourism sectors due to their significant recovery. Operating revenue was generated in the amount of HRK 68,840,049.46, growing at a rate of 29.10%.

The increase in operating revenue is the result of an increase in revenue in the Company's tourism sectors due to the recovery of tourist demand thanks to the relaxing and ultimate lifting of epidemiological measures. The increase in demand led to a significant double-digit increase in revenue of the sectors most affected by the pandemic, i.e. primarily the hotel sector, the destination management company Ilirija Travel and the camping sector, whereas the revenue generated in the same period of the previous year was mostly generated in the sectors with year-round business activity, i.e. the nautical and real-estate sectors. With the revenue generated in the first half of 2022, the nautical and camping sectors surpassed the revenue realised in the pre-pandemic period, i.e. in the first six months of 2019, which makes their performance far more significant.

The nautical sector generated revenue in the amount of HRK 30,772,617.55, with a growth rate of 10% compared to the first half of the previous year, when it generated revenue in the amount of HRK 28,058,561.27. Both profit centres of the nautical sector (Marina Kornati and the hospitality unit) recorded an increase in revenue, with the largest part of that revenue being generated in Marina Kornati, in the amount of HRK 29,250,982.48, which is an increase of 8% compared to the same period last year, when it amounted to HRK 27,061,101.83. The increase in revenue in the segment of vessel accommodation was accompanied by a significant double-digit increase in revenue in the hospitality segment at a rate of 55%, realised in the amount of HRK 1,498,010.07.

The camping sector generated revenue in the amount of HRK 16,781,113.59, constituting an increase of 49% compared to the first half of 2021 and surpassing the revenue generated in the first half of 2019, not only at the level of the sector, but also at the level of both of its profit centres. Thanks to the revenue generated in the amount of HRK 15,530,553.19, the Park Soline campsite recorded a growth of 45%, while the restaurant of the same name achieved growth at a rate of 128% with generated revenue in the amount of HRK 1,250,560.40.

The other tourism sectors of the Company, i.e. the hotel sector and the destination management company Ilirija Travel, the segments most heavily affected by the consequences of the global pandemic, recorded a strong recovery in the reporting period when compared to the same period of the previous year. However, at the same time, these sectors did not achieve the results they recorded in the pre-pandemic period, mostly due to the fact that the business activities were, in one part of the business year, conducted under epidemiological restrictions and in the atmosphere of uncertainty as a result of the Russian-Ukrainian war, which all contributed to a delay in booking. The hotel sector generated revenue in the amount of HRK 11,511,130.93, constituting a 356% increase compared to the same period of the previous year. The destination management company Ilirija Travel also recorded significant recovery by generating HRK 3,270,018.95 in revenue, due to it being able to organise a significantly larger number of events thanks to the lifting of epidemiological measures. The real estate sector generated revenue in the amount of

HRK 6,457,659.74, constituting a 2% increase compared to the first half of the previous year and resulting from an increase in revenue from garage parking space lease as well as from the use of common areas.

3 Total expenses amounted to HRK 57,596,831.66 and, compared to the first half of 2021, they showed a 38.59% increase due to a 44.63% increase in operating expenses and a 23.29% increase in depreciation. Operating expenses in the observed period amounted to HRK 46,366,011.81, which marked a HRK 14,307,709.17 increase compared to the first half of the previous business year due to an increase in the volume of business activities, an increase in energy costs, a general increase in costs as a result of inflation, and an increase in wage costs as a result of improving the financial position of employees and the growth in the number of employees again due to increase in the business activities of the Company.

4 The operating profit generated in the reporting period amounted to HRK 22,474,037.65, constituting an increase by 5.68% compared to the same period of 2021, whereas EBITDA was realised in the amount of HRK 22,491,265.25, constituting an increase of 5.72%. Profit was generated in the amount of HRK 11,260,445.40, constituting a decrease by 4.36%, whereas EBIT in the reporting period amounted to HRK 12,848,688.37, constituting a decrease by 4.50%. Despite the significant increase in the operating revenue at Company level and at the level of all five sectors individually, such results in terms of profitability indicators were achieved due to the significant increase in expenses caused

by an increase in the business activities on one hand and by the general increase in costs, i.e. inflation, on the other, all of which greatly affected the results pertaining to the profit and EBIT of the Company.

Also, it is important to point out that the sectors of the Company that generated revenues better than the ones in the pre-pandemic period, i.e. the first half of 2019, namely the nautical and camping sectors, achieved better results in terms of operating profitability indicators as well, i.e. in terms of operating profit, profit, EBITDA and EBIT, which grew at double-digit rates in the camping sector.

5 Considering the fact that in this business year, as opposed to 2021, the Company did not generate revenue on account of a job retention grant from the Government of the Republic of Croatia aimed at addressing the COVID-19 pandemic, which for the period from 01/01 to 30/06/2021 amounted to HRK 4,710,940.02, the business results for the first half of 2022 in terms of profitability indicators and revenue were much higher compared to the adjusted operating performance from the same period of the previous year. The significance of the operating performance achieved in the first half of 2022 is even greater taking into account that such performance was achieved entirely on the basis of the Company's own business activities. In line with the above, in the reporting period (i.e. the first half of 2022), the Company recorded an increase in generated revenue, both total and operating, with respect to the same period of the previous year, namely at rates of 42% compa-

red to the adjusted total revenue generated in the amount of HRK 48,621,799.14, and the adjusted operating revenue generated in the amount of HRK 48,612,484.92.

In addition to that, the Company achieved growth in terms of all profitability indicators (operating profit, profit, EBITDA and EBIT), and at significantly higher rates compared to the adjusted ones achieved in the same period of the previous year. Considerable growth in profit was achieved at a rate of 59% compared to the first half of 2021, when the adjusted profit amounted to HRK 7,062,662.56. The operating profit grew by 36% compared to the same period in 2021, when the adjusted operating profit was realised in the amount of HRK 16,554,182.28. At the same time, EBITDA grew by 36% compared to the adjusted amount of HRK 16,563,496.50, and EBIT grew by 47% compared to the adjusted amount of HRK 8,742,691.04.

6 The Company's total liabilities in the first half of the business year amounted to HRK 147,927,539.46, constituting an increase by 15.34%, or HRK 19,671,237.21, in comparison to HRK 128,256,302.25 in the same period of 2021, which is the result of an increase in the Company's current and long-term liabilities.

7 The value of the Company's assets as at 30/06/2022 amounted to HRK 520,956,765.91, representing an increase by HRK 32,854,343.56 compared to the same period of 2021, when it amounted to HRK 488,102,422.35, and its increase is a result of an increase in current assets, i.e. bank deposits.

8 Equity and reserves of the Company as at 30/06/2022 amounted to HRK 373,029,226.45, representing an increase by HRK 13,183,106.35, or 3.66%, compared to the same period of 2021, when they amounted to HRK 359,846,120.10, and this increase is a result of an increase in retained profit.

9 The net debt, which includes both current and long-term liabilities of the Company towards banks, minus cash in hand and deposits, amounted to HRK 51,546,471.00 as at 30/06/2022, representing a decrease by 33.07%, or HRK 25,466,758.11, compared to the same period of the previous business year when it amounted to HRK 77,013,229.11, which significantly contributed to the stability of the Company's operations and strengthening its liquidity.

10 Pursuant to the Decision of the General Assembly of 12 April 2022, the Company distributed to the shareholders a dividend in the total amount of HRK 8,419,792.50, i.e. HRK 3.50 per share.

11 The average price of an ILRA share was HRK 174.78, constituting an increase by 5.19% compared to the same period of the previous year, when the price was HRK 166.16. The market capitalization of the Company was thus proportionally increased to HRK 421,829,432.64, calculated by applying the methodology of the average share price and number of shares, and this amount represents an increase of HRK 20,804,266.56 compared to the same period of the previous year.

12 At the meeting held on 12 April 2022, the General Assembly 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.

13 In the first half of the year, the Company invested HRK 9,383,195.97, 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.

14 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 30/06/2022, the Company invested HRK 651,214,993.09 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 1,072,294,686.22.

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.



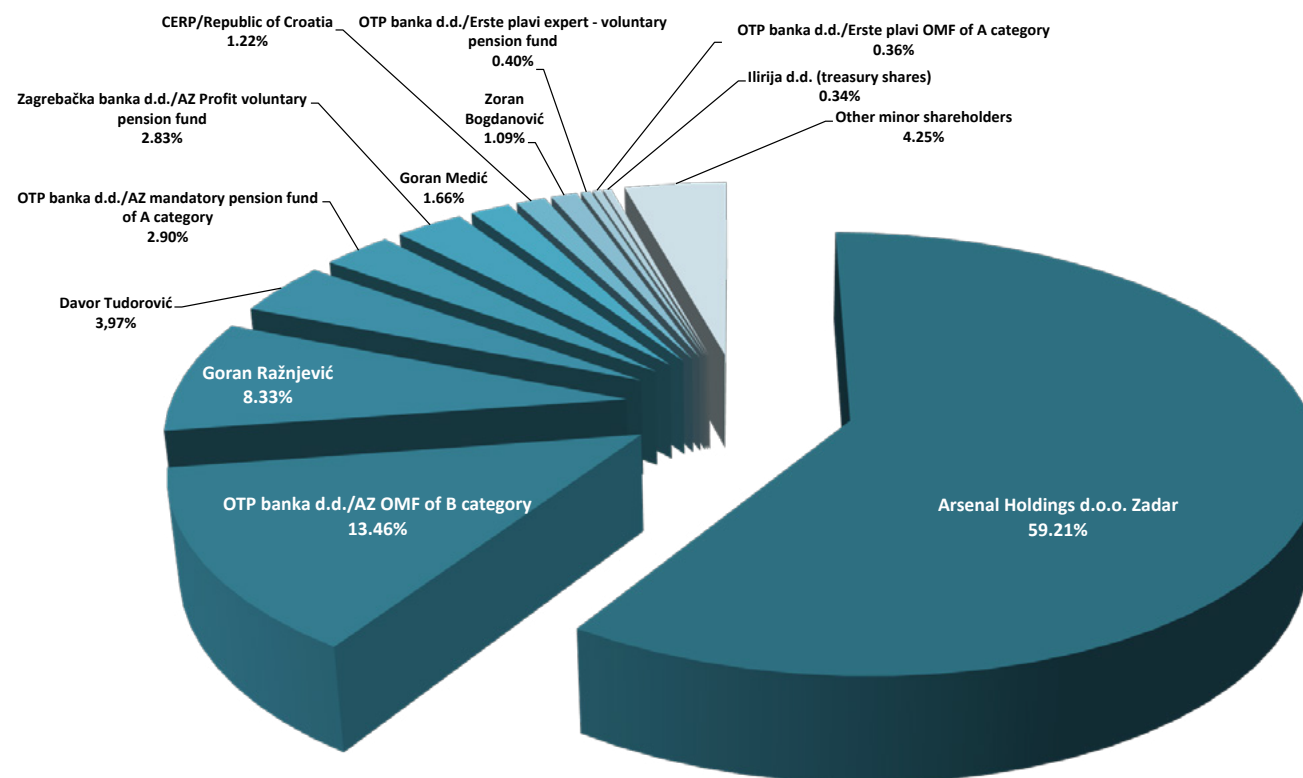
1.6 OWNERSHIP STRUCTURE OF THE COMPANY AND OVERVIEW OF TRADING IN COMPANY'S SHARES AT ZAGREB STOCK EXCHANGE

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 30/06/2022, there were no significant changes in the ownership structure, while an overview of the major shareholders of the Company as at 30/06/2022 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	324.773	13,46
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	29.448	1,22
Zoran Bogdanović	26.216	1,09
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
Ilirija d.d. (treasury shares)	8.131	0,34
Other minor shareholders	102.569	4,25
TOTAL	2.413.488	100

OWNERSHIP STRUCTURE OF THE COMPANY AS AT 30/06/2022



TRADING IN COMPANY'S SHARES ON THE CROATIAN CAPITAL MARKET IN THE FIRST HALF OF 2022

(amounts in HRK)	I-VI 2022	I-VI 2021	% of change
Total turnover	360.738,00	593.226,00	-39,19%
Average share price	174,78	166,16	5,19%
Average turnover per transaction	10.609,94	6.741,20	57,39%
Average daily turnover	17.178,00	15.611,21	10,04%
Last share price	172,00	166,00	3,61%
Market capitalization*	415.119.936,00	400.639.008,00	3,61%
Market capitalization**	421.829.432,64	401.025.166,08	5,19%
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

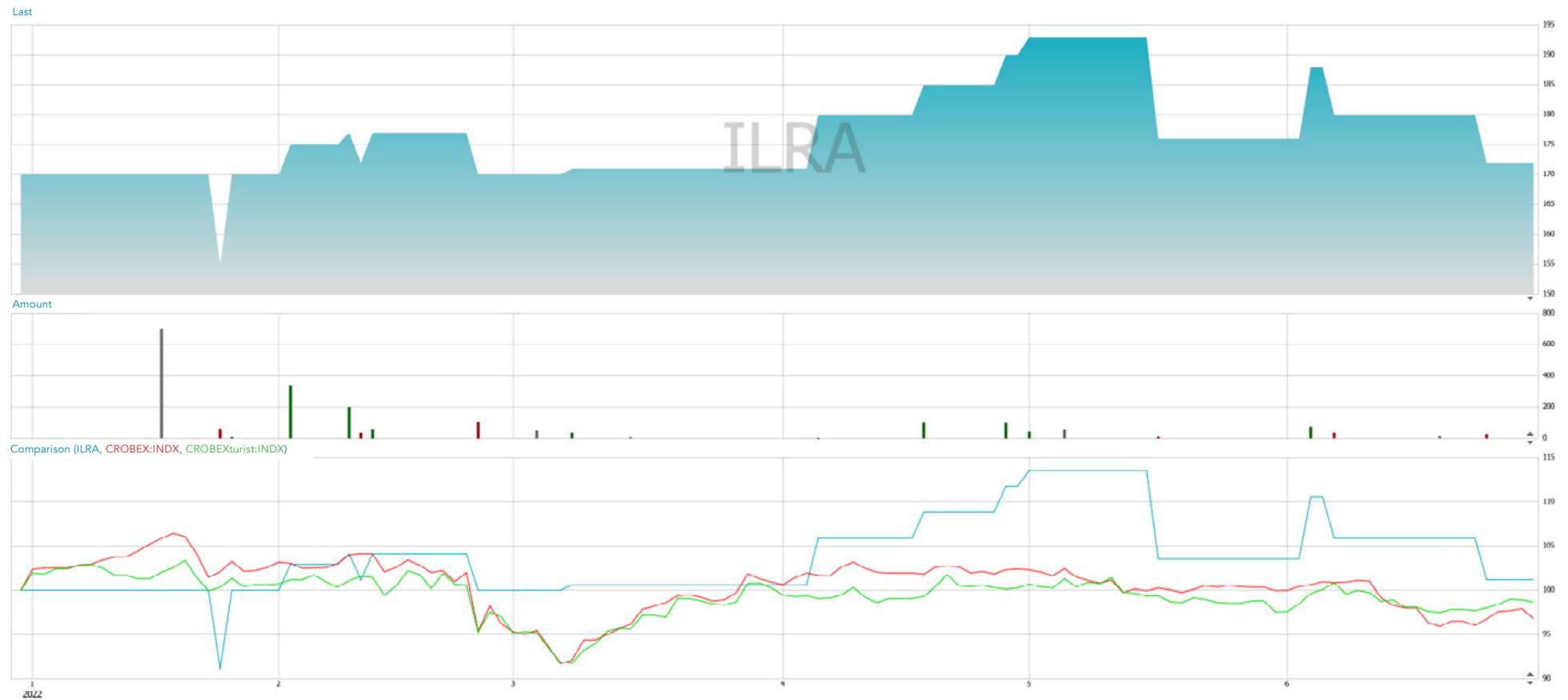
**indicated by the methodology of calculation according to the average share price multiplied with number of shares

In the first half of 2022, the Company shares traded under the designation ILRA generated a turnover on the capital market in the amount of HRK 360,738.00, representing a decrease of 39.19% compared to the same period of the previous year, when the turnover amounted to HRK 593,226.00. In that same period, a total of 2,064 Company shares were traded, in 34 transactions. At the same time, the average turnover per transaction amounted to HRK 10,609.94, indicating growth at a rate of 57.39% compared to the first half of 2021, when it amounted to HRK 6,741.20, whereas the average daily turnover amounted to HRK 17,178.00, representing a 10.04% increase.

The average price of an ILRA share in the first half of 2022 was HRK 174.78, constituting an increase by 5.19% compared to the same period of the previous year, when the price was HRK 166.16. The market capitalization of the Company was thus proportionally increased to HRK 421,829,432.64, calculated by applying the method of the average share price and the number of shares, and this amount represents an increase of HRK 20,804,266.56 compared to the same period of the previous year. The market capitalization calculated by applying the methodology of the last achieved share price and the number of shares amounted to HRK 415,119,936.00, representing an increase by 3.61%, or HRK 14,480,928.00, compared to the first half of 2021, when it amounted to HRK 400,639,008.00.

The value of the CROBEX index decreased by 5.47% in the observed period, while the value of the CROBEXturst sector index decreased by 3.24%. In the same period, the ILRA share price increased by 1.18%, from HRK 170.00 at the beginning of the year to HRK 172.00 per share as at 30 June 2022.

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, 906 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.

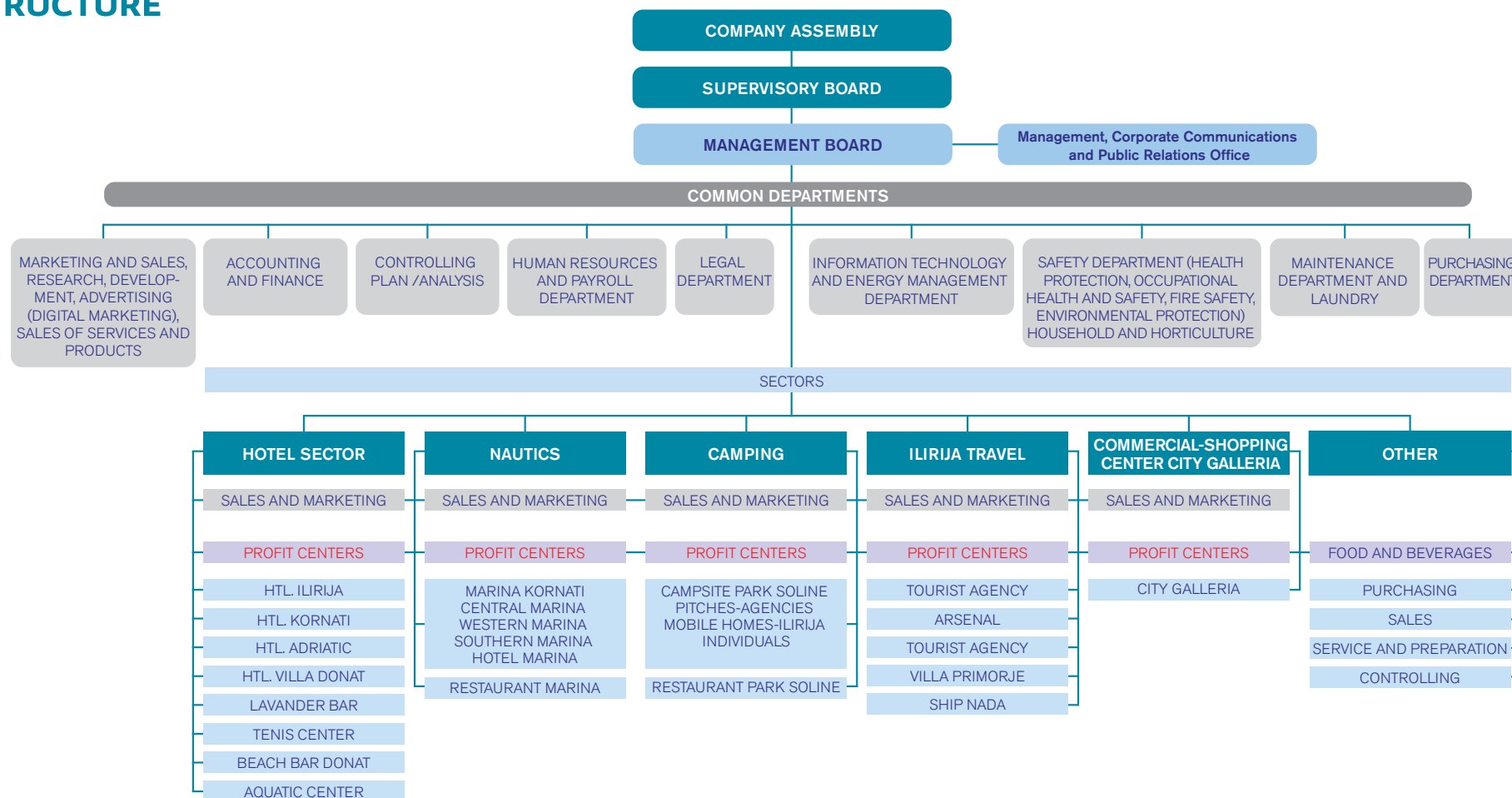
Sustainability and responsibility – in business, investment, relationship with its employees, business partners, clients (guests), local, regional and regional community, shareholders and day-to-day operations by integrating the economic, social aspects and environmental protection aspects into decision-making 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 906 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 322 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 June 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

In the first six months of the business year, the Company recorded significant growth in all its sectors in terms of operational performance indicators when compared to the same period of the previous business year, which in turn resulted in an increase in operating revenue. A more significant recovery of tourism sectors that were strongly affected by the pandemic was also evident in the first half of the year, with the most noticeable recovery being recorded in the hotel sector, the destination management company Ilirija Travel and the camping sector. The business activities in these sectors were of low intensity in the first quarter of the business year due to the general seasonal character of those activities, and this was further emphasised by a slow-down in booking from the end of February until the end of March as a direct consequence of the war in Ukraine. As the pre-season approached, starting from April, the business activities in the hotel sector, the destination management company and the camping sector intensified significantly in terms of increase in the volume of bookings, realisation of overnight stays and earlier opening of facilities, especially in the hotel sector.

The nautical sector in the segment of vessel accommodation services, i.e. Marina Kornati, continued recording growth in terms of all key operational performance indicators: vessels at contracted berths, transit berths and port service activities, which consequently resulted in an increase in operating revenue. The year-round bu-

siness activities of Marina Kornati, along with the high level of resilience of the nautical sector's operations achieved in the last two years due to the global pandemic, continued in the first half of the business year. The increase in demand evidenced by the growth in terms of key operational performance indicators, additionally strengthened by the lifting of epidemiological measures, generated not only growth in revenue compared to the same period of the previous year, but also in relation to the same period of 2019. In the reporting period, 697 vessels were contracted, representing a 1% growth compared to the same period of the previous year, whereas a growth of 4% was recorded in the category of individual vessels at contracted berths. Also, the Company continued to record a strong recovery in the category of transit berths, with 898 arrivals of vessels making up for a growth rate of 64%, while the port service activities grew as well, namely at a rate of 5%. The growth in terms of key physical operating results led to a revenue in the amount of HRK 29,250,139.00, excluding the revenue generated from nautical and regatta events, and representing an increase of 8% compared to the same period of the previous year and an increase of 9% compared to the pre-pandemic period.

The accommodation segment of the camping sector, i.e. the "Park Soline" campsite, recorded a strong recovery of demand compared to the first half of 2021, with 72,560 realised overnight stays and a growth rate of

83%. A double-digit growth in the number of overnight stays was recorded at the level of all market segments, with the highest growth rates of overnight stays being generated in the mobile homes segment (growth rate of 122%), followed by agencies (97%), individual guests (77%) and the lump sum segment (55%). The strong growth in terms of physical indicators at the level of all market segments resulted in revenue in the amount of HRK 15,530,553.19, with a growth rate of 45% compared to the same period of the previous year, and a growth rate of 28% compared to the pre-pandemic period, i.e. the year 2019.

In the reporting period, the hotel sector recorded 24,856 overnight stays, representing an increase of 252% in comparison to the 7,064 overnight stays recorded in the first half of 2021, while the revenue realised, taken together with the relevant profit centres of the sector, amounted to HRK 11,511,130.93, representing an increase of 355%. The growth in terms of physical performance indicators and in terms of revenue was accompanied by the growth in revenue per room on the basis of accommodation with board services, realised in the amount EUR 101.56 and representing a growth rate of 28%, whereas the revenue per room including the revenue from other profit centres of the hotel sector amounted to EUR 113.14 with a growth rate of 20%. Despite the recovery and significant growth rates of key operational and financial performance indicators, the results

achieved by the hotel sector did not reach the levels of the pre-pandemic period, given the fact that the hotel sector, along with the destination management company, was the segment most heavily affected by the consequences of the global pandemic in the last two years, with these circumstances being further exacerbated by the intensified uncertainty in key outbound markets brought about by the Russian-Ukrainian war, which significantly affected the character of the sale of hotel capacities, with last-minute sales being dominant, and consequently led to their slower recovery.

Like the hotel sector, the destination management company Ilirija Travel also recorded growth compared to the same period of the previous year, thanks to the organisation of 124 events with 11,867 participants and the realisation of revenue in the amount of HRK 3,921,717.83, generated through other profit centres of the Company, which represents a significant growth in terms of physical and financial operating results driven by the recovery of the market due to epidemiological measures being relaxed and ultimately lifted.

As regards the real-estate sector, the high occupancy rate of the centre (99.76%), the lifting of epidemiological measures and the increase in the number of lease agreements helped the Company maintain the business stability and achieve a revenue growth of 2% compared to the same period of the previous year.



4.1. HOTEL SECTOR

The lifting of COVID-19 related restrictions made way for a significant rise in business activities within the Company's hotel sector in the first half of 2022 compared to the previous year, which have resulted in a growth rate of overnight stays of 252% compared to the first half of 2021. These conditions made it possible for Kornati Hotel to stay open throughout the year, Ilirija Hotel from 03/03/2022, Adriatic Hotel from 18/05/2022, and Villa Donat in Sv. Filip i Jakov from 18/06/2022, whereas in the first half of the previous business year only the second hotel opened its doors in late June. In the reporting period, there were 8,285 guests making for 24,856 overnight stays, compared to the same period of the previous year in which the facilities recorded 2,278 guests making for 7,064 overnight stays.

The achieved physical operating results had a significant impact on the increase in financial performance, as evidenced by the fact that the hotel sector achieved an increase in revenue of 384% compared to the first half of 2021. Equally significant growth at the rate of 356% was also achieved by other profit centres of the hotel sector, hospitality facilities, bringing up the total revenue of the hotel sector to HRK 11,511,130.93. The increase in revenue, in addition to a significant physical growth, is also the result of price increases, following the earlier price decreases as a consequence of the pandemic, resulting from a substantial rise in input costs, especially as regards energy, but also of the Company's investments in improving the offer and amenities of the hotel sector.

Sales channels have experienced significant change as the mar-

ket recovered and reopened. During the period when the pandemic restrictions were in place, the individual sales segment had a dominant role, accounting for 46.6% of overnight stays in the first half of the previous year, whereas in the reporting period of the current business year, the hotel sector records substantial growth of the group sales segment due to the return of organised groups in the pre-season, constituting 58.7% of the market sales channels. The individual segment currently stands at 25.1%, whereas the allotment segment stands at 16.2%, recording a decrease as compared to a share of 27% in the previous year, although absolute figures show that in this area as well, i.e. through business with partner agencies, the sector records a significant increase in turnover.

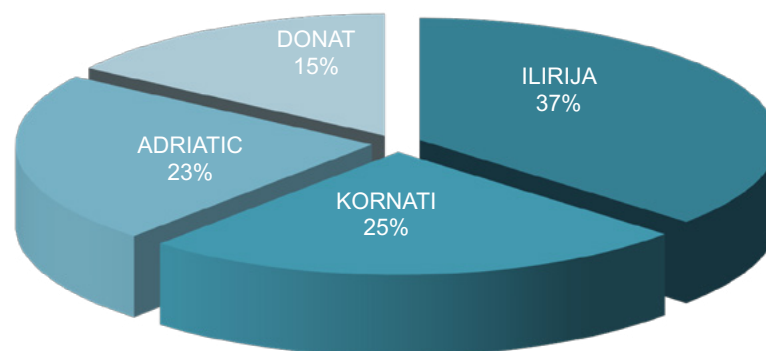
In the first six months of 2022, domestic guests were still the most numerous, but the share dropped to 21.51% from 43.11% in the previous year thanks to the strong return of foreign guests. Among the remaining markets, the Austrian market dominates with a share of 14.59%, followed by the German market with a share of 13.41%, the Slovenian market accounting for 10.07% of overnight stays as the fourth leading market in the Company's hotel sector, and the Belgian market with a share of 7.06%.

The occupancy and facility utilisation days have improved considerably compared to the same period of the previous business year. Capacity utilisation amounts to 7%, or 29 % on the basis of days of availability. Capacity occupancy reached 42.26% in June, compared to 20.23% in the same period of the previous year, with an average length of stay of 3 days.

Hotel sector capacities

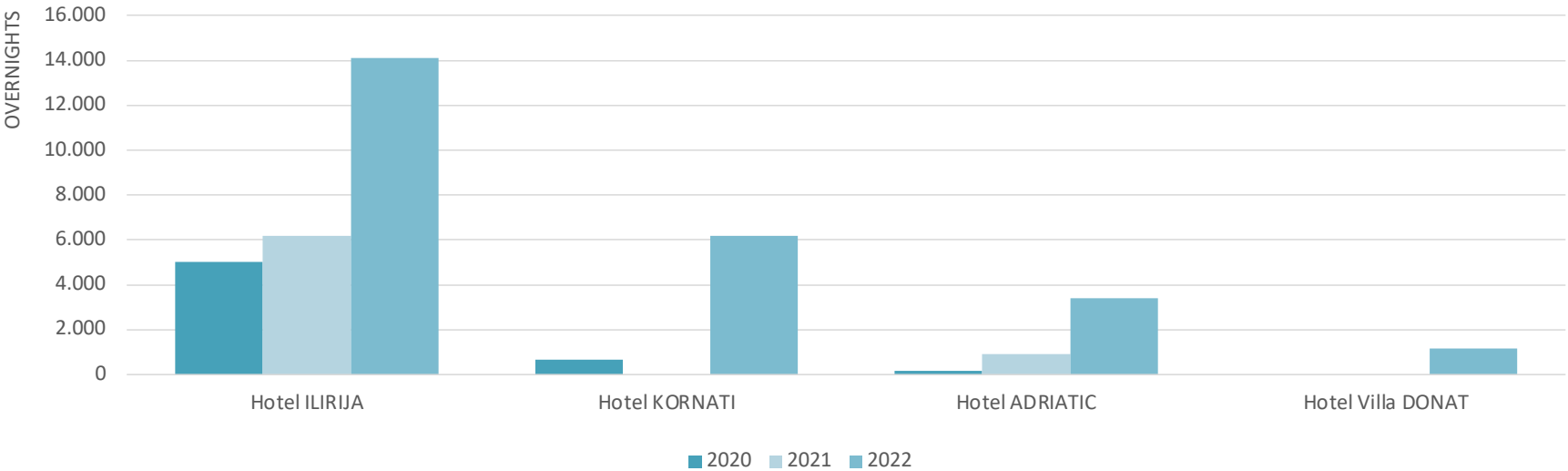
ILIRIJA D.D.	NUMBER OF ROOMS				NUMBER OF BEDS			
	2020	2021	2022	INDEX 2022/2021	2020	2021	2022	INDEX 2022/2021
ILIRIJA	165	165	157	0,95	338	338	326	0,96
KORNATI	106	106	106	1,00	230	230	230	1,00
ADRIATIC	100	100	100	1,00	210	210	210	1,00
DONAT	72	72	72	1,00	144	144	144	1,00
TOTAL	443	443	435	0,98	922	922	910	0,99

% Share of individual hotel (number of beds)

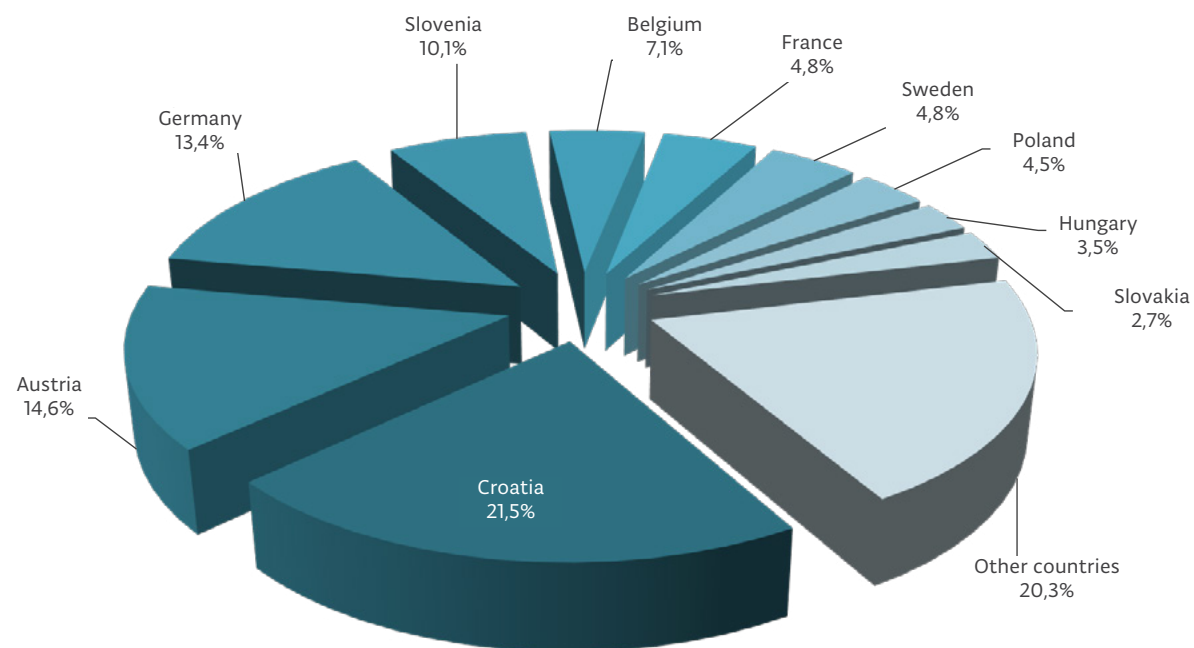


Overview and comparison of realised arrivals and overnight stays from 01/01/2022 to 30/06/2022 with the same period in 2021 and 2020

HOTEL SECTOR								
PROFIT CENTER	ARRIVALS			INDEX	OVERNIGHT STAYS			INDEX
	2020.	2021.	2022.	2022./2021.	2020.	2021.	2022.	2022./2021.
Hotel ILIRIJA	2.026	2.059	4.607	224	5.021	6.161	14.111	229
Hotel KORNATI	365	0	2.215	#DIV/O!	657	0	6.196	#DIV/O!
Hotel ADRIATIC	2	219	1.131	516	144	903	3.385	375
Hotel Villa DONAT	0	0	332	#DIV/O!	0	0	1.164	#DIV/O!
TOTAL	2.393	2.278	8.285	364	5.822	7.064	24.856	352



Graph of realised overnight stays by outbound markets for the period from 01/01/2022 to 30/06/2022



Occupancy rate for the period from 01/01/2022 to 30/06/2022 and a comparison with the same period in 2021

Percentage share

MONTH	ILIRIJA						KORNATI					ADRIATIC					DONAT					GRAND TOTAL					
	Room total	2021	%	Room total	2022	%	Room total	2021	%	2022	%	Room total	2021	%	2022.	%	Room total	2021	%	2022.	%	Room total	2021	%	Room total	2022	%
JANUARY (I)	5.115	0	0,00%	4.867	107	2,20%	3.286	0	0,00%	226	6,88%	3.100	0	0,00%	0	0,00%	2.232	0	0,00%	0	0,00%	13.733	0	0,00%	13.485	333	2,47%
FEBRUARY (II)	4.620	0	0,00%	4.396	0	0,00%	2.968	0	0,00%	250	8,42%	2.800	0	0,00%	0	0,00%	2.016	0	0,00%	0	0,00%	12.404	0	0,00%	12.180	250	2,05%
MARCH (III)	5.115	23	0,45%	4.867	532	10,93%	3.286	0	0,00%	16	0,49%	3.100	0	0,00%	0	0,00%	2.232	0	0,00%	0	0,00%	13.733	23	0,17%	13.485	548	4,06%
APRIL (IV)	4.950	294	5,94%	4.710	2.393	50,81%	3.180	0	0,00%	467	14,69%	3.000	0	0,00%	0	0,00%	2.160	0	0,00%	0	0,00%	13.290	294	2,21%	13.050	2.860	21,92%
MAY (V)	5.115	559	10,93%	4.867	2.160	44,38%	3.286	0	0,00%	1.249	38,01%	3.100	0	0,00%	511	16,48%	2.232	0	0,00%	71	3,18%	13.733	559	4,07%	13.485	3.991	29,60%
JUNE (VI)	4.950	2.316	46,79%	4.710	2.517	53,44%	3.180	0	0,00%	1.230	38,68%	3.000	373	12,43%	1.253	41,77%	2.160	0	0,00%	515	23,84%	13.290	2.689	20,23%	13.050	5.515	42,26%
TOTAL	60.225	3.192	5,30%	57.305	7.709	13,45%	38.690	0	0,00%	3.438	8,89%	36.500	373	1,02%	1.764	4,83%	26.280	6	0,02%	586	2,23%	161.695	3.571	2,21%	158.775	13.497	8,50%

Occupancy days

MONTH	ILIRIJA						KORNATI					ADRIATIC					DONAT					GRAND TOTAL					
	Room total	2021	Days 2021	Room total	2022	Days 2022	Room total	2021	Days 2021	2022	Days 2022	Room total	2021	Days 2021	2022	Days 2022	Room total	2021	Days 2021	2022	Days 2022	Room total	2021	Days 2021	Room total	2022	Days 2022
JANUARY (I)	5.115	0	0	4.867	107	1	3.286	0	0	226	2	3.100	0	0	0	0	2.232	0	0	0	0	13.733	0	0	13.485	333	1
FEBRUARY (II)	4.620	0	0	4.396	0	0	2.968	0	0	250	2	2.800	0	0	0	0	2.016	0	0	0	0	12.404	0	0	12.180	250	1
MARCH (III)	5.115	23	0	4.867	532	3	3.286	0	0	16	0	3.100	0	0	0	0	2.232	0	0	0	0	13.733	23	0	13.485	548	1
APRIL (IV)	4.950	294	2	4.710	2.393	15	3.180	0	0	467	4	3.000	0	0	0	0	2.160	0	0	0	0	13.290	294	1	13.050	2.860	7
MAY (V)	5.115	559	3	4.867	2.160	14	3.286	0	0	1.249	12	3.100	0	0	511	5	2.232	0	0	71	1	13.733	559	1	13.485	3.991	9
JUNE (VI)	4.950	2.316	14	4.710	2.517	16	3.180	0	0	1.230	12	3.000	373	4	1.253	13	2.160	0	0	515	7	13.290	2.689	6	13.050	5.515	13
TOTAL	60.225	3.192	19	57.305	7.709	49	38.690	0	0	3.438	32	36.500	373	4	1.764	18	26.280	6	0	586	8	161.695	3.571	8	158.775	13.497	31

Monthly comparison of revenue/overnight stays of Ilirija Resort hotels for the period from 01/01/2022 to 30/06/2022 and a comparison with the same period in 2021

MONTH	GENERATED REVENUES			OVERNIGHT STAYS			AVERAGE PRICE (HRK)		AVERAGE PRICE (EUR)		
	2021	2022	INDEX 2022/2021	2021	2022	INDEX 2022/2021	2021	2022	2021	2022	INDEX 2022/2021
JANUARY	4.318,06	611.697,23	14166,02	0	559	#DIV/0!	#DIV/0!	1.094,27	#DIV/0!	145,49	#DIV/0!
FEBRUARY	29.483,29	163.193,16	553,51	0	430	#DIV/0!	#DIV/0!	379,52	#DIV/0!	50,42	#DIV/0!
MARCH	19.403,36	334.090,89	1721,82	50	937	1874,00	388,07	356,55	51,23	47,12	91,98
APRIL	195.256,90	1.480.189,74	758,07	656	5.597	853,20	297,65	264,46	39,34	35,01	88,99
MAY	329.714,27	2.955.550,47	896,40	1.038	6.466	622,93	317,64	457,09	42,23	60,65	143,63
JUNE	1.554.939,29	4.787.562,76	307,89	5.320	10.867	204,27	292,28	440,56	39,00	58,56	150,18
JULY	7.201.132,28	0,00	0,00	19.101	0	0,00	377,00	#DIV/0!	50,29	#DIV/0!	#DIV/0!
AUGUST	10.352.861,55	0,00	0,00	27.161	0	0,00	381,17	#DIV/0!	50,89	#DIV/0!	#DIV/0!
SEPTEMBER	5.012.628,80	0,00	0,00	12.718	0	0,00	394,14	#DIV/0!	52,65	#DIV/0!	#DIV/0!
OCTOBER	2.623.244,43	0,00	0,00	6.922	0	0,00	378,97	0,00	50,49	0,00	0,00
NOVEMBER	492.042,65	0,00	0,00	1.510	0	0,00	325,86	0,00	43,37	0,00	0,00
DECEMBER	265.501,47	0,00	0,00	1.637	0	0,00	162,19	0,00	21,57	0,00	0,00
TOTAL	28.080.526,35	10.332.284,25	36,80	76.113	24.856	32,66	368,93	415,69	49,03	55,15	112,47
30/06	2.133.115,17	10.332.284,25	484,38	7.064	24.856	351,87	301,97	415,69	40,13	55,15	137,41

Revenue per sold room by 30/06/22	765,52 kn	101,56 €
Revenue per sold room by 30/06/21	597,34 kn	79,39 €

Revenue per sold room - 2022	852,87 kn	113,14 €
Revenue per sold room - 2021	707,48 kn	94,03 €

Selected profit centers within the hotel sector

Lavender	2021		
31/12	899.642,87	2022	INDEX 2022/2021
30/06	135.277,26	314.114,41	232,20

Aquatic centar	2021		
31/12	1.552.768,43	2022	INDEX 2022/2021
30/06	114.600,22	559.116,05	487,88

Tenis centar	2021		
31/12	419.767,45	2022	INDEX 2022/2021
30/06	143.434,86	305.616,22	213,07

Beach bar "Donat"	2021		
31/12	50.152,14	2022	INDEX 2022/2021
30/06	0,00	0,00	#DIV/0!

Hotel sector total

TOTAL	2021		
31/12	31.002.857,24	2022	INDEX 2022/2021
30/06	2.526.427,51	11.511.130,93	455,63

REVENUE BY ACTIVITIES

Hotel service revenue amounted to HRK10,332,284.25, which is a 384.38% increase as compared to the revenue generated in the same period of the previous year.

Other revenue of the hotel sector including the revenue generated in selected profit centres, was generated in the amount of HRK 1,178,846.68, which is a significant increase compared to the first half of 2021.

The total revenue of the hotel sector amounted to HRK 11,511,130.93 and is 355.63% higher than the revenue generated in the first half of 2021.



4.2. NAUTICAL SECTOR - MARINA KORNATI

The Company's nautical sector in the segment of vessel accommodation, i.e. Marina Kornati, continued its successful business operations in the first half of the business year 2022 with retained continuous growth in terms of key operational performance indicators coupled with an increase in financial results, i.e. an increase in revenue, not just compared to the same period in the previous year, but also to the pre-pandemic period.

The physical indicators of Marina Kornati's business relate to the following items:

- 1) Contracted berth:
 - Contracted berth – individual
 - Contracted berth – charter
- 2) Transit berth – vessel arrivals
- 3) Transit berth – vessel overnight stays
- 4) Port service – crane operations

In terms of the physical operating results, in the first six months of 2022, 697 berth use contracts were concluded, representing a 1% increase compared to the same period in the previous business year. Of the total number of concluded berth use contracts, 402 contracts referred to individual vessels, which is 4% more compared to the same period in the previous business year, whereas 295 contracts were concluded for charter vessels, which is 2% less.

In the reporting period, 898 vessels arrived to Marina Kornati, representing an increase of 64% compared to the same period in 2021 in which 546 vessel arrivals were recorded. Vessels in transit realised 2885 overnight stays compared to 3281 overnight stays in the same period of the previous year, which is considerably more and is the result of stricter epidemiological measures, which have been lifted in the reporting period, decidedly leading to a shorter stay of vessels in transit in the marina.

Physical turnover of port service operations in the first six months of 2022 recorded a growth of 5%, with 1950 port service operations carried out compared to the 1851 that were carried out in the same period in 2021, predominantly due to a larger number of vessels.

In the first half of 2022, the Company's nautical sector in the segment of vessel accommodation, i.e. Marina Kornati, generated HRK 29,273,764.00 in revenue, representing an 8% increase compared to the same period in the previous year when HRK 27,095,180.00 in revenue was generated, and it should especially be noted that all key revenue items concerning vessel and guest accommodation and reception services achieved outstanding financial results.

Revenue from the most significant item – contracted berth – was generated in the amount of HRK 23,838,583.00, accounting for 82% of the total revenue of Marina Kornati and representing a 7% increase compared to the same period in the previous year. Revenue from transit berths was generated in the amount of HRK 972,404.00, representing a 46% increase compared to the same period in 2021, even though there were fewer overnight stays. The significant increase in revenue is due to the withdrawal of additional commercial or sales benefits for guests staying multiple days or for a longer period of time during the pandemic, which have been removed altogether following the lifting of epidemiological measures.

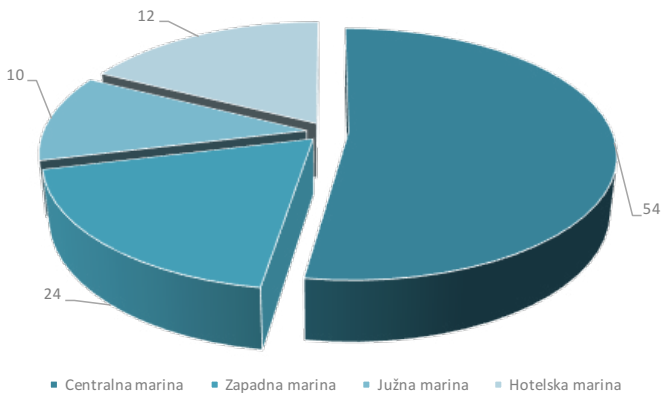
The notable increase in activity, or the number of port service operations, strongly contributed to the increase in revenue. In the reporting period, they generated revenue in the amount of HRK 1,993,766.00, constituting an increase of 7% compared to the same period in 2021, when they generated HRK 1,858,682.00. Also, the parking revenue item recorded an increase rate of 67%, by far higher than any of the other revenue items of Marina Kornati. The parking item generated HRK 918,945.00 in revenue, which represents a significant increase compared to HRK 551,399.00 generated in the first half of 2021.



Marine 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 Marina Kornati for the period from 01/01/2022 to 30/06/2022 and a comparison with the same period in 2021

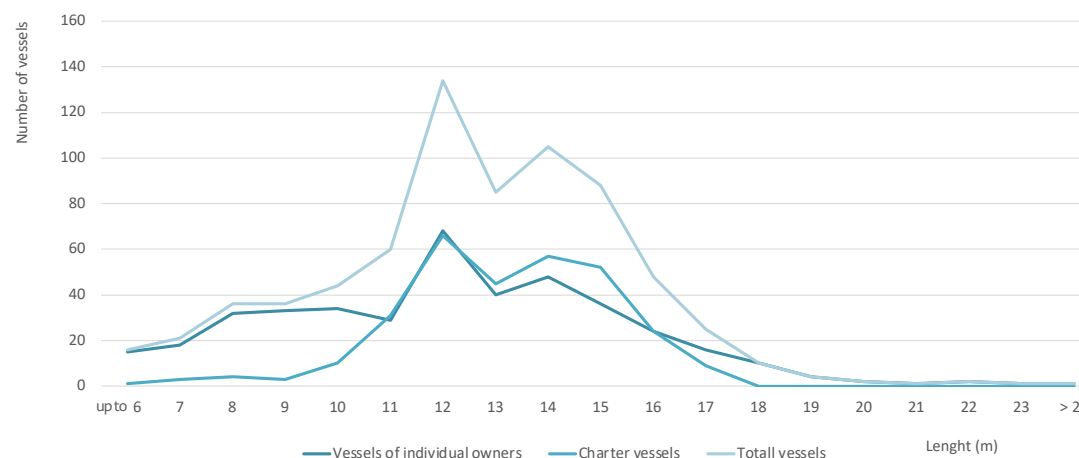
		2022 by month											
Name of position	Measurment unit	1	2	3	4	5	6	7	8	9	10	11	12
Contract-based berth-individual	Contracted vessel	104	259	296	348	387	402						
Contract-based berth-charter	Contracted vessel	0	1	8	276	291	295						
TOTAL Contract-based berth	Contracted vessel	104	260	304	624	678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

		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						
Contract-based berth-charter	Contracted vessel	0	4	22	285	299	300						
TOTAL Contract-based berth	Contracted vessel	77	252	316	630	665	687						
Transit berth-sailing in port	Sailing in port	1	8	30	79	214	546						
Transit berth-overnight stay of vessels	Boat/day	282	568	954	1.461	2.147	3.281						
Transit berth-overnight stay of vessel crew	Overnight stay of a person												
Port service	Operation	139	322	629	961	1.421	1.851						

Vessels on berth contract in the period from 01/01/2022-30/06/2022 and comparison with the same period in 2021

Purpose	Type of berth	Position of berth	01/01-30/06	% Total	01/01-30/06	% Total	Index
			2022	Vessels	2021	Vessels	2022/2021
Vessel of individual owners	Annual berth in the sea	Central aquatorium	276	40	280	41	99
		South aquatorium	38	5	42	6	90
		Western aquatorium	1	0	1	0	100
	Annual berth on the land	Hotel port	27	4	25	4	108
		Marina land	7	1	5	1	140
	Seasonal berth in the sea	Marina aquatorium	33	5	20	3	165
		Hotel port	20	3	14	2	143
	Total individual vessels:		402	58	387	57	104
Charter vessels	Annual berth in the sea	Central aquatorium	117	17	111	16	105
		South aquatorium	0	0	1	0	0
		Western aquatorium	177	25	188	27	94
		Hotel port	1	0	0	0	#DIV/0!
	Total charter vessels:		295	42	300	43	98
	Total vessels	697	100	687	100	101	

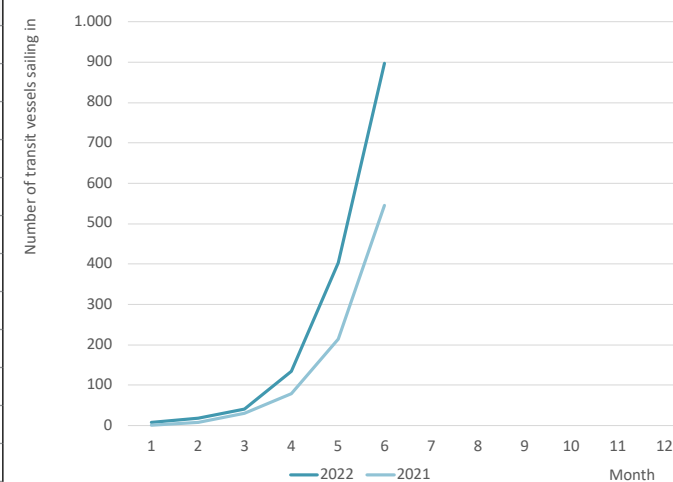
Vessels on berth contract in the period from 01/01/2022-30/06/2022



Transit berth-inbound vessels in the period from 01/01/2022-30/06/2022 and comparison with the same period in 2021

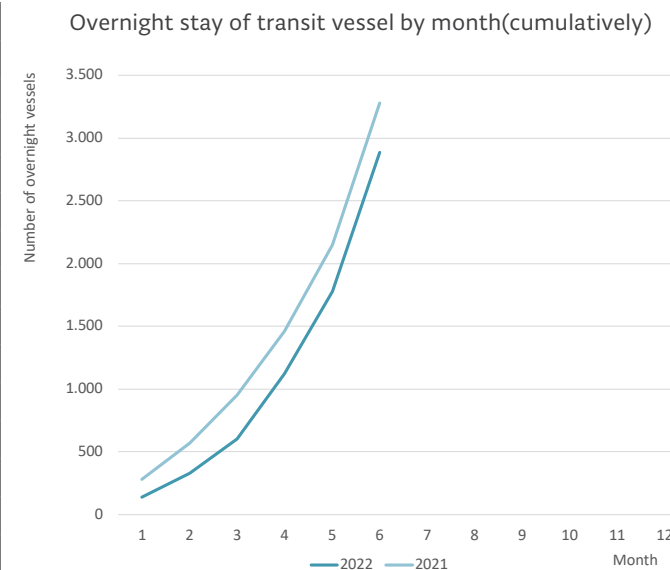
Individually monthly				Cumulatively monthly		
2022	2022	2021	INDEX	2022	2021	INDEX
Month	2022/2021			2022/2021		
1	8	1	800	8	1	800
2	11	7	157	19	8	238
3	22	22	100	41	30	137
4	93	49	190	134	79	170
5	269	135	199	403	214	188
6	495	332	149	898	546	164
7			#DIV/O!			#DIV/O!
8			#DIV/O!			#DIV/O!
9			#DIV/O!			#DIV/O!
10			#DIV/O!			#DIV/O!
11			#DIV/O!			#DIV/O!
12			#DIV/O!			#DIV/O!
Total:	2022	898				
Total:	2021	546				
Index	2022/2021	164				

Sailing in of transit vessels by months (cumulatively)



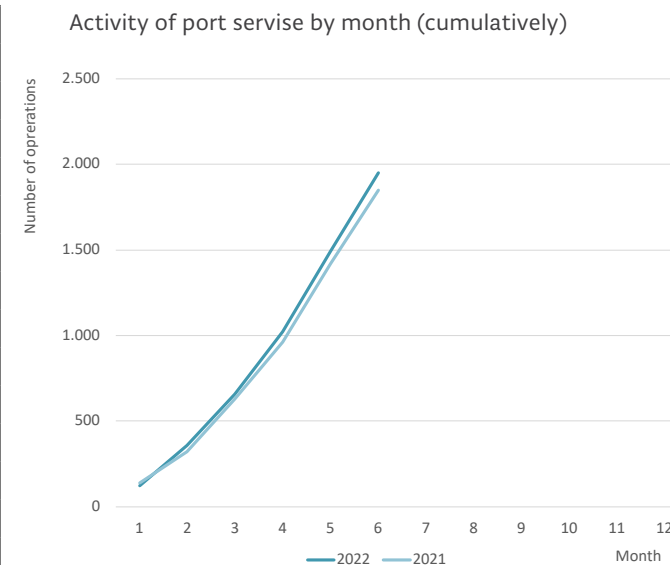
Transit berth - overnight stay of vessel in the period from 01/01/2022-30/06/2022 and comparison with the same period in 2021

Individually monthly				Cumulatively monthly		
2022	2022	2021	INDEX	2022	2021	INDEX
Month	2022./2021.			2022./2021.		
1	141	282	50	141	282	50
2	187	286	65	328	568	58
3	275	386	71	603	954	63
4	519	507	102	1.122	1.461	77
5	654	686	95	1.776	2.147	83
6	1.109	1.134	98	2.885	3.281	88
7			#DIV/O!			#DIV/O!
8			#DIV/O!			#DIV/O!
9			#DIV/O!			#DIV/O!
10			#DIV/O!			#DIV/O!
11			#DIV/O!			#DIV/O!
12			#DIV/O!			#DIV/O!
Total:	2022.	2.885				
Total:	2021.	3.281				
Index	2022./2021.	88				



Activities of port service in the period from 01/01/2022-30/06/2022 and comparison with the same period in 2021

Individually monthly				Cumulatively monthly		
2022	2022	2021	INDEX	2022	2021	INDEX
Month	2022./2021.			2022./2021.		
1	124	139	89	124	139	89
2	233	183	127	357	322	111
3	302	307	98	659	629	105
4	364	332	110	1.023	961	106
5	470	460	102	1.493	1.421	105
6	457	430	106	1.950	1.851	105
7			#DIV/O!			#DIV/O!
8			#DIV/O!			#DIV/O!
9			#DIV/O!			#DIV/O!
10			#DIV/O!			#DIV/O!
11			#DIV/O!			#DIV/O!
12			#DIV/O!			#DIV/O!
Total:	2022.	1.950				
Total:	2021.	1.851				
Index	2022./2021.	105				



Revenue generated by Marina Kornati for the period from 01/01/2022 to 30/06/2022 cumulatively by months and a comparison with the same period in 2021

REVENUES OF MARINA KORNATI 2022 CUMULATIVE BY MONTHS														
Revenue positions		Months 2022												% of total
		1	2	3	4	5	6	7	8	9	10	11	12	revenues
I	Daily berths	32.041	69.932	155.177	281.297	503.805	972.404							3
II	Contracted berth with accessories	4.548.472	11.366.507	13.047.209	22.103.036	23.250.945	23.838.583							82
III	Port service	86.567	362.543	690.409	1.085.656	1.588.484	1.993.766							7
IV	Vehicle parking	2.064	4.376	15.288	150.389	479.334	918.945							3
V	Other services	4.431	17.050	86.525	131.004	170.152	225.965							1
VI	Business cooperation		0	0	1.300.476	1.300.476	1.300.476							4
VII	Boat fair and events		0	0	11.295	16.875	23.625							0
TOTAL :		4.673.575	11.820.408	13.994.608	25.063.153	27.310.071	29.273.764							100

REVENUES OF MARINA KORNATI 2021 CUMULATIVE BY MONTHS														
Revenue positions		Months 2021												% of total
		1	2	3	4	5	6	7	8	9	10	11	12	revenues
I	Daily berths	24.596	43.957	114.911	235.341	369.157	666.986							2
II	Contracted berth with acce- ssories	3.033.918	10.624.440	12.199.157	21.012.804	21.788.590	22.373.963							83
III	Port service	126.180	309.929	648.979	1.024.211	1.498.397	1.858.682							7
IV	Vehicle parking		1.240	7.821	48.695	222.182	551.399							2
V	Other services	378	9.248	113.040	126.250	158.363	246.826							1
VI	Business cooperation					1.363.246	1.363.246							5
VII	Boat fair and events			3.600	3.600	15.588	34.078							0
TOTAL :		3.185.072	10.988.814	13.087.508	22.450.901	25.415.523	27.095.180							100

4.3 CAMPING SECTOR – CAMPSITE “PARK SOLINE”

In the first six months of 2022, the camping sector recorded 12,951 arrivals, which represents a 78.36% increase compared to the same period in the previous year. In line with the above, an increased number of arrivals also resulted in an increase in the number of overnight stays. A total of 72,560 overnight stays were recorded, representing a 83.23% increase relative to the same period in 2021. This increase is without doubt the result of the lifting of COVID-19 related travel restrictions both in Croatia and across Europe, as well as the result of exceptionally good booking figures in June thanks to the end of the school year and a favourable schedule of bank holidays in key outbound markets of the camping sector. Considering that the increase in the number of arrivals is more or less equal to the increase in the number of overnight stays, the total number of days of stay increased marginally from 5.45 to 5.60 days in the first half of 2022.

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 of 96.51% in overnight stays and 94.32% in arrivals, which resulted in an increase in the average number of days of stay of agency guests from 7.03 to 7.11 days. The lump-sum market segment realised an increase of 53.41% in arrivals and 55.42% in overnight stays compared to the first six months of 2021. The aforementioned increase is mostly a

consequence of reopening of the market, an increase in the number of leased lump-sum spots 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 72.14% in arrivals and 77.22% in overnight stays. The mobile homes market segment also realised an increase of 116.91% in arrivals and 121.55% in overnight stays in the first six months of this year compared to the observed period in 2021. Most of this increase occurred in June and was due to the Slovenian and the Croatian market.

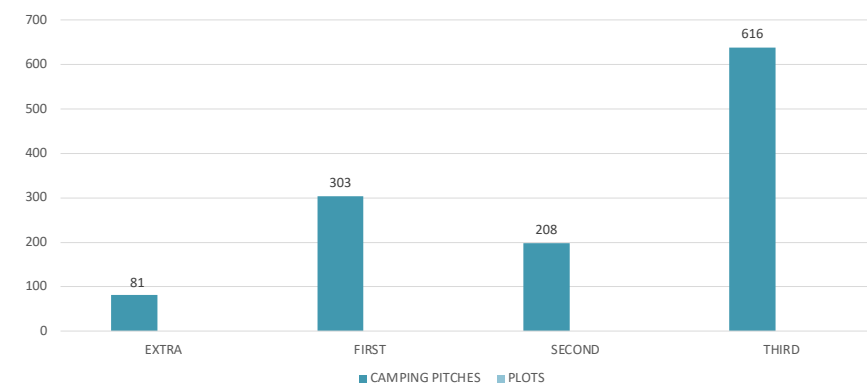
The accommodation segment of the camping sector, i.e. the “Park Soline” campsite, recorded an increase in both physical turnover and revenue, with revenue generated amounting to HRK 15,530,553.19, which is 45% higher than the previous year. The increase in revenue was realised through the increase in revenue of all market segments, most notably the increase in revenue from mobile homes by 153% and increase in the contractual revenue from lump-sum guests by 25%, which is a result of a greater number of leased lump-sum pitches relative to the previous year (with the entire part of the lump-sum segment pertaining to mobile homes that generate more revenue). The revenue from individual stays increased by 139% compared to the same period of the previous year, whereas revenue from agencies increased by 23%.

In the structure of recorded overnight stays, the five leading outbound markets are (I) the Slovenian market with a 29% share of overnight stays, (II) the Czech market with a 23% share, (III) the German market with a 14% share, (IV) the Croatian market with a 13% share, and (V) the Polish market with a 5% share. In the business segment of mobile homes, the largest increase in comparison with 2021 was recorded for guests from the German, Austrian, Czech and Slovenian markets. In the business segment of camping units, the largest increase was recorded for guests from the German market (29.57%), Slovenian market (80.69%) and Austrian market (27.40%). 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 35% and 31% in overnight stays respectively.

The increase in overnight stays, arrivals and revenue during the first six months of 2022 is the result of lifting of COVID-19 related travel restrictions. In 2022, a new mobile home zone Glamping Family de Lux was formed, which raised the accommodation, quality and services for guests staying in mobile homes to a new level. Intensified marketing activities and strategically planned investments in key sales channels certainly contributed to the increase in the number of overnight stays and delivery of higher financial operating results.

Capacities of the camp "Park Soline"

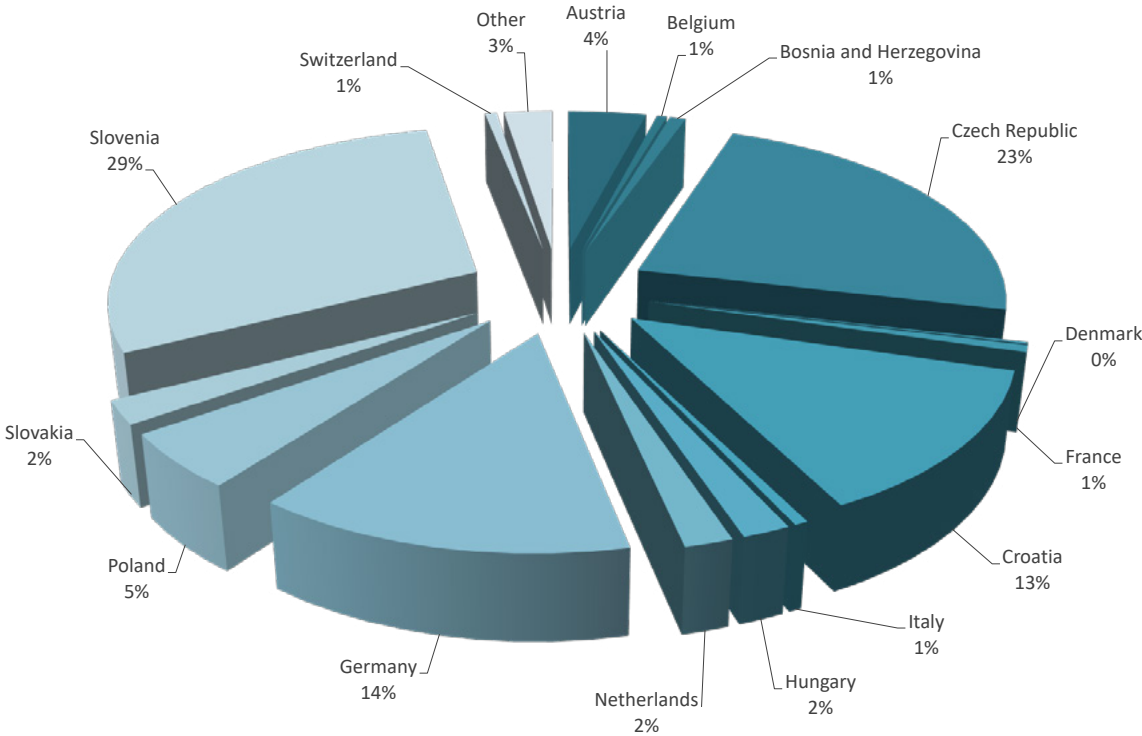
		2019	2022	2021	2022
I	EXTRA ZONE				
	CAMPING PITCHES	81	81	81	81
	CAMPING PLOTS	0	0	0	0
	TOTAL	81	81	81	81
II	FIRST ZONE				
	CAMPING PITCHES	303	303	303	303
	CAMPING PLOTS	0	0	0	0
	TOTAL	303	303	303	303
III	SECOND ZONE				
	CAMPING PITCHES	198	208	208	208
	CAMPING PLOTS	0	0	0	0
	TOTAL	198	208	208	208
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 01/01/2022 to 30/06/2022 and a comparison with the same period in 2021

COUNTRY	2022		2021		INDEX 2022/2021		AVERAGE STAY (DAYS)	
	Arrivals	Overnight stays	Arrivals	Overnight stays	Arrivals	Overnight stays	2022	2021
Austria	565	2.927	216	1.466	261,57	199,66	5,18	6,79
Belgium	69	371	38	240	181,58	154,58	5,38	6,32
B&H	153	592	66	331	231,82	178,85	3,87	5,02
Czech Rep	2.500	16.938	972	7.080	257,20	239,24	6,78	7,28
Denmark	33	120	2	2	1650,00	6000,00	3,64	1,00
France	68	450	34	181	200,00	248,62	6,62	5,32
Croatia	2.062	9.495	2.046	9.354	100,78	101,51	4,60	4,57
Italy	62	365	21	82	295,24	445,12	5,89	3,90
Hungary	237	1.270	159	907	149,06	140,02	5,36	5,70
Netherlands	211	1.283	14	65	1507,14	1973,85	6,08	4,64
Germany	1.468	9.943	472	2.553	311,02	389,46	6,77	5,41
Poland	585	3.633	366	2.524	159,84	143,94	6,21	6,90
Slovakia	277	1.556	152	831	182,24	187,24	5,62	5,47
Slovenia	4.217	21.365	2.537	13.174	166,22	162,18	5,07	5,19
Switzerland	100	439	55	215	181,82	204,19	4,39	3,91
Other	344	1.813	111	596	309,91	304,19	5,27	5,37
TOTAL	12.951	72.560	7.261	39.601	178,36	183,23	5,60	5,45

Realised overnight stays by outbound markets for the period from 01/01/2022 to 30/06/2022



Cumulative overview of daily and monthly occupancy of campsite accommodation units for the period from 01/04/2022 to 30/06/2022

MONTH	APRIL				MAY				JUNE			
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
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
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
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
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
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
INDIVIDUALS TOTAL	16.860	731	4,34%	1,30	17.422	721	4,14%	1,28	16.860	2.562	15,20%	4,56
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

MONTH	TOTAL.				
SEGMENT	NUMBER OF ACCOMMODATING UNITS	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY
MOBILE HOMES ILIRIJA	235	21.385	6.220	29,09%	26,47
AGENCIES	147	13.377	13.377	100,00%	91,00
LUMP SUM	264	24.024	24.024	100,00%	91,00
INDIVIDUALS PITCHES STANDARD MARE, COMFORT AND STANDARD III ZONE	383	34.853	3.973	11,40%	10,37
INDIVIDUALS CAMPING STANDARD IV ZONE	179	16.289	41	0,25%	0,23
INDIVIDUALS TOTAL	562	51.142	4.014	7,85%	7,14
TOTAL	1208	109.928	47.635	43,33%	39,43

Campsite revenue for the period from 01/01/2022 to 30/06/2022 and a comparison with the same period in 2021

SEGMENT		2021					2022			INDEX	
		GENERATED IN 2021			GENERATED PRIOR 30/06/2021		GENERATED PRIOR 30/06/2022			2022/2021	
		NO.OF PITCHES	OVERNIGHT STAYS	REVENUES	REALIZED OVERNIGHT STAYS	REVENUES	NO.OF PITCHES	OVERNIGHT STAYS	REVENUE	OVERNIGHT STAYS	REVENUES
1	MOBILE HOMES ILIRIJA	225	66.324	13.006.945,77 kn	10.297	1.221.179,51 kn	235	22.813	3.091.790,09 kn	222	253
2	AGENCIES	170	45.502	3.341.176,93 kn	7.302	1.827.103,09 kn	147	14.349	2.242.545,24 kn	197	123
3	INDIVIDUALS	560	49.625	4.975.347,82 kn	5.514	318.445,06 kn	562	9.772	760.040,25 kn	177	239
4	LUMP SUM	253	75.427	7.475.145,87 kn	16.488	7.111.309,01 kn	264	25.626	8.856.513,37 kn	155	125
5	OTHER SERVICES	-	-	1.332.955,89 kn	-	225.969,35 kn	0		579.664,24 kn	#DIV/0!	257
TOTAL:		1208	236.878	30.131.572,28 kn	39.601	10.704.006,02 kn	1208	72.560	15.530.553,19 kn	183	145

4.4. CITY GALLERIA BUSINESS AND SHOPPING CENTRE

City Galleria Business and Shopping Centre is located in a heavily residential and urban area in the immediate centre of Zadar, just a ten-minute walk from the old town. The favourable location of the building provides exceptional visibility and easy accessibility to the City Galleria Business and Shopping Centre. The newly completed public works on the reconstruction of major city roads encircling the centre have contributed to better traffic connections and easier access to the centre.

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. The total gross area of the centre is comprised of an underground garage with a surface area of 10,863.50 m², commercial premises with a total net rentable surface area of 9,464.72 m², and connecting, technical and common areas. 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.

A high occupancy rate of the commercial premises was maintained in the period in question. As at 30 June 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 65.53%. 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 98.75%.

Operating revenue of the City Galleria Centre, generated in the first half 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, amounts to HRK 6,412,556.79. Other operating revenue relating to insurance claims amounted to HRK 45,102.95 in the relevant period, which brings the total amount of generated revenue in the reporting period to HRK 6,457,659.74. Total revenue generated in the same period of 2021 amounted to HRK 6,349,432.01, which represents an increase of 1.7% in the current year. The easing of restrictive measure and steady stabilisation of business conditions led to higher business results in the first six months of 2022 compared to the previous year.

In the category of revenue from the lease of commercial premises in the observed period of 2022, in comparison to the same period in 2021, a slight decrease of 1.62% was recorded. As regards revenue from common costs, a decrease of 4.11% was recorded compared to the same period in 2021, while as regards the garage revenue category, an increase of as much as 54.50% was recorded compared to the same period of last year. When it comes to revenue from the lease of advertising space, a decrease of 6.04% was recorded compared to the first half of 2021, and in the category of use of common areas, compared to the results achieved in 2021, we recorded an increase of 33.07%. Operating revenue from the lease of commercial premises in the neighbouring Phase 1 of the Centre in the first six months of 2022 amounted to HRK 68,747.50, representing an increase of 35.46% compared to the same period in 2021 when they amounted to HRK 50,749.86.

In the first six months of 2022, the number of vehicles using the public underground garage of the centre amounted to 318,206 vehicles, while in the same period in 2021 the number amounted to 300,178 vehicles. This result represents an increase of 6.01%.

Due to the significant and unpredictable disruptions in the operations of global and domestic markets during

the last two business years, in such circumstances the Company has adopted a responsible approach to the situation in general. The technical, security and cleaning

services duly perform their activities of maintaining and guarding the property, with stricter security and disinfection measures of common areas being applied.



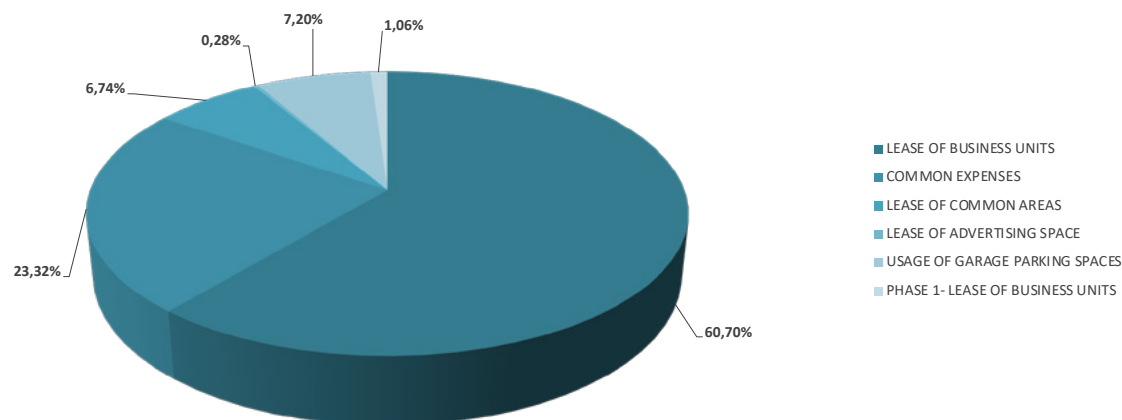
Operating revenue of the City Galleria Business and Shopping Centre in Zadar for the period from 01/01/2022 to 30/06/2022 and a comparison with the same period in 2021

DESIGNATION	DESCRIPTION	NUMBER OF ACTIVE CONTRACTS	SURFACE AREA m ²	REVENUES 01-06/2022	%	REVENUES 01-06/2021	%	INDEX 2022/2021
1	LEASE OF BUSINESS UNITS	37	9.464,72	3.919.757,63 kn	60,70%	3.984.437,78 kn	62,75%	98
2	COMMON EXPENSES	35	6.668,13	1.505.805,34 kn	23,32%	1.570.389,69 kn	24,73%	96
3	LEASE OF COMMON AREAS	24	1.499,00	435.494,36 kn	6,74%	327.257,69 kn	5,15%	133
4	LEASE OF ADVERTISING SPACE	7	121,18	17.912,58 kn	0,28%	19.064,58 kn	0,30%	94
5	USAGE OF GARAGE PARKING SPACES	410***	10.863,50	464.839,38 kn	7,20%	300.875,67 kn	4,74%	154
6	PHASE 1- LEASE OF BUSINESS UNITS	4	289,96	68.747,50 kn	1,06%	50.749,86 kn	0,80%	135
PRIHODI:				6.412.556,79 kn	99,30%	6.252.775,27 kn	98,48%	103
7	OTHER BUSINESS REVENUES			45.102,95 kn	0,70%	96.656,74 kn	1,52%	47
TOTAL REVENUES				6.457.659,74 kn	100,00%	6.349.432,01 kn	100,00%	102

* total net leasable surface area

** total net leasable area for calculation of common expenses

*** number of parking spaces in garage



4.5. ILIRIJA TRAVEL

As a destination management company, Ilirija Travel has been particularly hard-hit by the COVID-19 pandemic in the first six-month period of 2021, along with the entire events, MICE and incentives industry, but has experienced strong recovery of demand and turnover in the first half of 2022. By developing new services and amenities, the Company has been creating an integrated and complementary tourism product and offering additional services in the pre-season through the agency, which has, thanks to improved sales and increasing number of arrivals of organised groups, as well as the permission to organise various manifestations and events that have been banned or severely limited in the last two years, increased the number of events and attendees as well as revenue.

The total revenue in the amount of HRK 3,921,717.83, also generated through other profit centres of the Company, has increased almost tenfold compared to HRK 423,543.31 realised in the first half of 2021. Attesting to this are this year's 124 events and 11,867 participants compared to the 28 events organised in the previous year, with an attendance of 1,135 people. Special programmes, concerts, incentives, events, conferences, congresses, weddings, excursions, regattas and other are again chasing the levels of the pre-pandemic 2019.

Significant growth was also recorded by the multi-functi-

onal facility Arsenal in Zadar with HRK 1,845,394.86 in revenue compared to HRK 41,610 it generated in the previous year, when it operated only symbolically and under strict restrictions due to the measures imposed in response to the pandemic. A total of 20 events were organised, gathering 5,997 participants. Having generated HRK 35,000 in revenue and organised a single event in the previous year, the "Nada" event boat has so far in this period hosted 16 events, mostly for international business groups, with 1,638 participants, and has generated HRK 819,170.04 in revenue. The heritage hotel and agrotourism complex has also experienced a recovery.

The return of regattas and other special events has breathed life back into the Marina Kornati restaurant, which has hosted 40 events for 2,190 guests and generated HRK 517,017.45 in revenue. All of the other components of the Company's additional offer also report considerable growth.

Agencies also record changes in travel organisation, in terms of a major increase in transfer services, which is due to an increasing number of flight connections between Zadar or Split and other European destinations, as well as stronger focus on this type of transport as a result of the current energy price situation. If we add transfers to the mentioned revenues of all components, the amount increases by HRK 4,024,841.13.

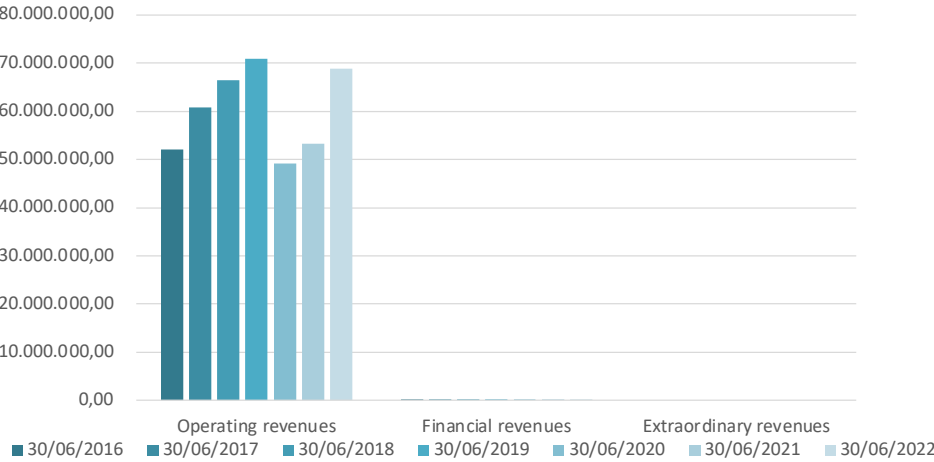
5. FINANCIAL OPERATING RESULTS AT COMPANY LEVEL:

5.1. FINANCIAL PERFORMANCE OF THE COMPANY

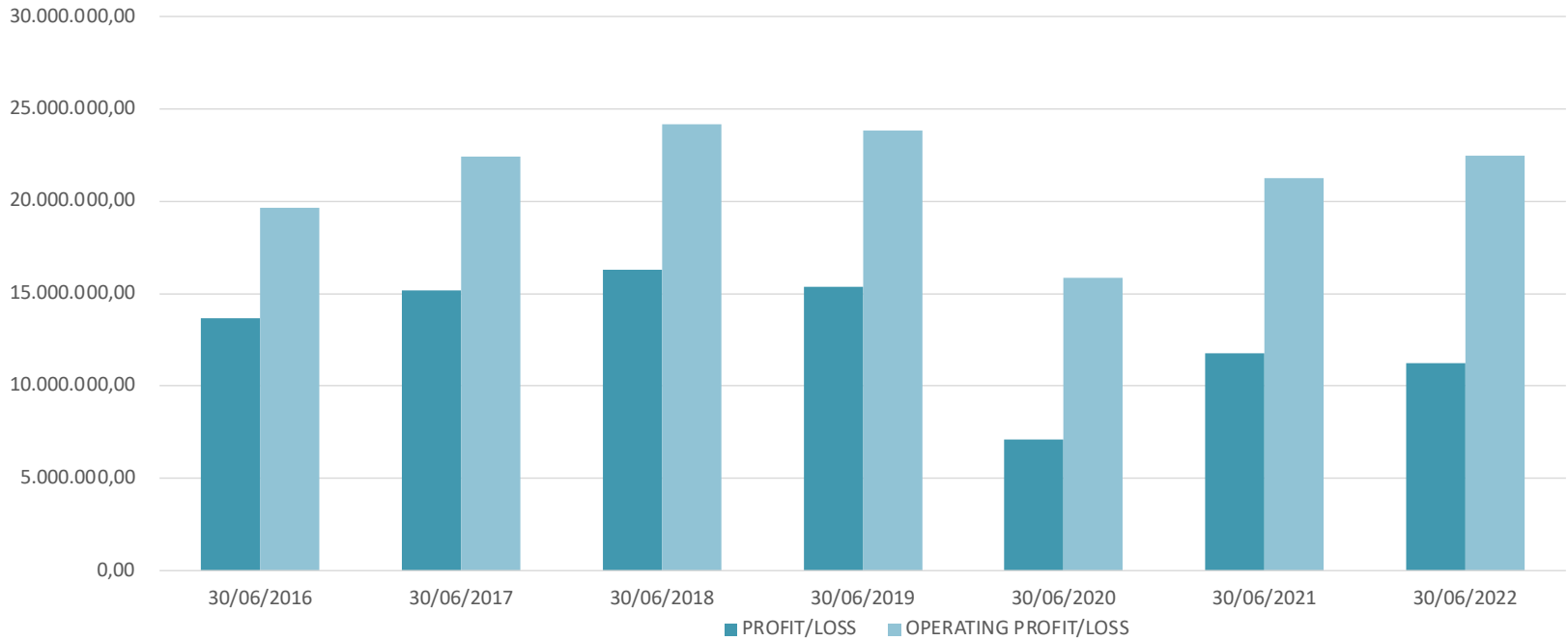
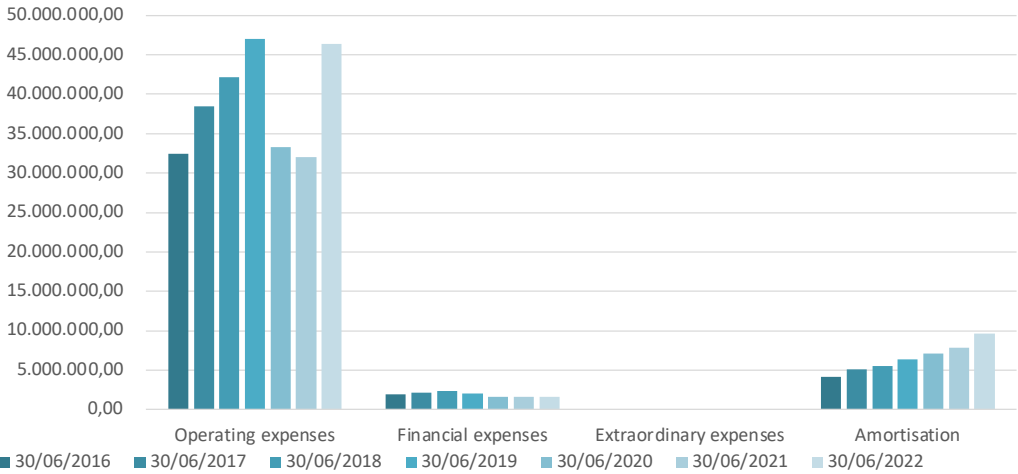
Overview of financial performance for the period from 01/01 to 30/06/2022 and a comparison with the same period from 2016 to 2021

DESCRIPTION	30/06/2016	30/06/2017	30/06/2018	30/06/2019	30/06/2020	30/06/2021	30/06/2022	Index 2022/2021
Operating revenues	52.119.553,90	60.835.505,20	66.358.980,89	70.834.035,22	49.102.175,85	53.323.424,94	68.840.049,46	129,10
Financial revenues	59.307,67	46.580,99	41.311,15	26.730,05	23.692,02	9.314,22	17.227,60	184,96
Extraordinary revenues	0,00	0,00	0,00	0,00	0,00	0,00	0,00	#DIV/0!
TOTAL REVENUES	52.178.861,57	60.882.086,19	66.400.292,04	70.860.765,27	49.125.867,87	53.332.739,16	68.857.277,06	129,11
Operating expenses	32.459.221,51	38.421.030,46	42.169.136,63	47.013.307,18	33.258.340,33	32.058.302,64	46.366.011,81	144,63
Financial expenses	1.955.680,90	2.185.302,75	2.345.497,67	2.074.129,76	1.682.229,49	1.680.028,48	1.588.242,97	94,54
Extraordinary expenses	0,00	0,00	0,00	0,00	0,00	0,00	0,00	#DIV/0!
Amortisation	4.112.990,64	5.100.666,64	5.577.738,24	6.398.448,00	7.075.711,81	7.820.805,46	9.642.576,88	123,29
TOTAL EXPENSES	38.527.893,05	45.706.999,85	50.092.372,54	55.485.884,94	42.016.281,63	41.559.136,58	57.596.831,66	138,59
PROFIT/LOSS	13.650.968,52	15.175.086,34	16.307.919,50	15.374.880,33	7.109.586,24	11.773.602,58	11.260.445,40	95,64
OPERATING PROFIT/LOSS	19.660.332,39	22.414.474,74	24.189.844,26	23.820.728,04	15.843.835,52	21.265.122,30	22.474.037,65	105,68
EBITDA	19.719.640,06	22.461.055,73	24.231.155,41	23.847.458,09	15.867.527,54	21.274.436,52	22.491.265,25	105,72

REVENUES 2016 - 2022



EXPENSES 2016 - 2022



1

Total revenue generated in the first half of 2022 amounted to HRK 68,857,277.06, showing a 29.11% increase compared to the same period in 2021. Operating revenue in the observed period amounted to HRK 68,840,049.46, and compared to the same period of the previous year, it increased by 29.10% due to an increase in revenue at the level of all sectors of the Company, especially the tourism sector. Revenue from sales amounted to HRK 68,548,761.82, representing an increase of 41.80% compared to the same period of the previous business year when it amounted to HRK 48,339,570.12, due to a 113.78% increase in revenue from sales on the foreign market and a 36.97% increase in revenue from sales on the domestic market. Revenue from sales represented 99.57% of operating revenue and 99.55% of total revenue.

2

Total expenses amounted to HRK 57,596,831.66 and, compared to the same period of 2021, they showed a 38.59% increase due to a 44.63% increase in operating expenses and a 23.29% increase in depreciation. Operating expenses in the observed period amounted to HRK 46,366,011.81, which marked a HRK 14,307,709.17 increase compared to the first half of

the previous business year due to an increase in the costs of raw materials, materials and energy, outsourcing costs, wage costs and other costs, which is partially due to an increase in the volume of business activities at the level of all Company sectors, a general increase in costs as a result of inflation, and an increase in wage costs as a result of improving the financial position of employees and the growth in the number of employees.

3

Operating profit of the Company amounted to HRK 22,474,037.65, recording an increase of 5.68% compared to the same period of 2021, when it amounted to HRK 21,265,122.30.

Profit for the reporting period amounted to HRK 11,260,445.40, which is a decrease by 4.36% or HRK 513,157.18 resulting from the increase in the total expenses at the rate higher than the rate of revenue increase. EBITDA, i.e. earnings before depreciation, interest and taxes, was generated in the amount HRK 22,491,265.25, and showed a 5.72% increase compared to the same period of the previous business year, when it amounted to HRK 21,274,436.52. EBIT, i.e. earnings before financing expenses, was generated in the amount of HRK 12,848,688.37, and showed a 4.50% increase, i.e. an increase of HRK 604,942.69.

Despite the double-digit increase in the total and operating revenue due to a significant growth in the business activities of its tourism sectors, and despite the increase in total expenses at a rate of 38.59%, in the first half of the business year the Company managed to partially achieve the profitability indicators (operating profit and EBITDA), whereas the profit and EBIT were lower compared to the same period of the previous year. The Company considers the aforementioned results to be satisfactory considering the circumstances of the business year, which was marked by uncertainty in key European markets brought about by the Russian-Ukrainian war (that partially contributed to the delay in booking), the ongoing pandemic, as well as the considerable increase in energy costs and other costs as a result of inflation. The decrease in profitability was partially also due to an increase in the gross wage cost, as the Company at this point employs 22% more employees than in the same period of the previous year and has since improved the financial position of its employees. Moreover, the achieved results were also partially affected by the lack of job retention grants in 2022, compared to the first half of 2021, when they amounted to HRK 4,710,940.02.

Financial report of the Company as at 30/06/2022 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	59.982.954,37	42.584.755,52	45.300.221,71	106	62.117.970,12	137
Revenues on foreign market	10.433.716,30	2.838.180,70	3.039.348,41	107	6.497.791,70	214
Other operating revenues	417.364,55	3.679.239,63	4.983.854,82	135	224.287,64	5
OPERATING REVENUES	70.834.035,22	49.102.175,85	53.323.424,94	109	68.840.049,46	129
FINANCIAL REVENUES	26.730,05	23.692,02	9.314,22	39	17.227,60	185
EXTRAORDINARY REVENUES	0,00	0,00	0,00	#DIV/0!	0,00	#DIV/0!
TOTAL REVENUES	70.860.765,27	49.125.867,87	53.332.739,16	109	68.857.277,06	129
EXPENSES						
Raw material and material costs	8.953.465,21	3.675.474,68	4.970.145,45	135	10.166.645,54	205
Costs of services	8.414.814,27	6.291.850,99	6.813.494,76	108	9.662.940,09	142
Gross pays	19.181.663,91	15.037.967,78	14.852.343,63	99	19.843.507,66	134
Other expenses	10.463.363,79	8.253.046,88	5.422.318,80	66	6.692.918,52	123
TOTAL EXPENSES	47.013.307,18	33.258.340,33	32.058.302,64	96	46.366.011,81	145
AMORTISATION	6.398.448,00	7.075.711,81	7.820.805,46	111	9.642.576,88	123
FINANCIAL EXPENSES	2.074.129,76	1.682.229,49	1.680.028,48	100	1.588.242,97	95
EXTRAORDINARY EXPENSES	0,00	0,00	0,00	#DIV/0!	0,00	#DIV/0!
TOTAL EXPENSES	55.485.884,94	42.016.281,63	41.559.136,58	99	57.596.831,66	139
PROFIT/LOSS	15.374.880,33	7.109.586,24	11.773.602,58	166	11.260.445,40	96
OPERATING PROFIT/LOSS	23.820.728,04	15.843.835,52	21.265.122,30	134	22.474.037,65	106
EBITDA	23.847.458,09	15.867.527,54	21.274.436,52	134	22.491.265,25	106

REVENUE BY ACTIVITIES:

Revenue of the hotel sector amounted to HRK 11,511,130.93, constituting a 356% increase compared to the same period of 2021, when the generated revenue amounted to HRK 2,526,427.51, and resulting from an increase in the business activities at the level of the entire sector due to an increase in demand, the relaxing and lifting of epidemiological measures, as well as the significantly earlier opening of facilities.

Revenue of the nautical sector amounted to HRK 30,772,617.55, constituting a 9.67% increase compared to the same period of 2021 and resulting from an increase in revenue of both profit centres, that is of Marina Kornati by 8% and of Marina Kornati restaurant by 55%. At the same time, both profit centres generated higher revenue compared to the first half of 2019, which was the best business year of the nautical sector so far.

Revenue from the camping sector amounted to HRK 16,781,113.59, constituting a 49.13% increase compared to the same period of the previous year and resulting from an increase in revenue at the level of all accommodation market segments of the camping sector, that is of the Park Soline campsite by 45% and of the Park Soline restaurant by 128%, as two profit centres of the sector. The camping sector, including both of its profit centres, recorded an increase in revenue compared to the same period of 2019 as well.

Revenue from the real-estate sector, i.e. the City Galleria Business and Shopping Centre, amounted to HRK 6,457,659.74, constituting a 1.70% increase compared to the same period of 2021 and resulting from an increase in revenue from garage parking space lease caused by an increased number of visitors, 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 3,317,527.65, 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 mentioned sectors in the first half of the business year.

TOTAL: Operating revenue per activity amounted to HRK 68,840,049.46, representing an increase of 29% compared to the same period of 2021.



5.2. FINANCIAL POSITION OF THE COMPANY



FUNDAMENTAL FINANCIAL INDICATORS OF THE POSITION OF THE COMPANY AS AT 30/06/2022

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

The value of the Company assets as at 30/06/2022 amounted to HRK 520,956,765.91, representing an increase of HRK 32,854,343.56 compared to the same period of 2021, when it amounted to HRK 488,102,422.35. The value of the Company assets increased from HRK 293,607,414.30 in 2012 by HRK 227,349,351.61, or by 77.43%, amounting to HRK 520,956,765.91.

2

Total liabilities of the Company amount to HRK 147,927,539.46, representing an increase of HRK 19,671,237.21, or 15.33%, compared to the same period of 2021, when they amounted to HRK 128,256,302.25. Total liabilities of the Company as at 30/06/2022 were higher by HRK 68,210.36, or 0.05%, compared to total liabilities of the Company as at 30/06/2012, when they amounted to HRK 147,859,329.10.

3

Equity and reserves of the Company as at 30/06/2022 amounted to HRK 373,029,226.45, representing an increase of HRK 13,183,106.35, or 3.66%, compared to the same period of 2021, when they amounted to HRK 359,846,120.10. Comparing equity and reserves of the Company as at 30/06/2022, they increased by HRK 227,281,141.25, or 155.94%, compared to the same the same period of 2012, when they amounted to HRK 145,748,085.20.

4

Net debt of the Company as at 30/06/2022 amounted to HRK 51,546,471.00, constituting a decrease of 33.07%, or HRK 25,466,758.11, compared to the same period of the previous year, when it amounted to HRK 77,013,229.11. This also represents a 57.15%, or HRK 68,745,930.33, decrease compared to the same period of 2012, when the net debt amounted to HRK 120,292,401.33.

5

Total revenue of the Company amounted to HRK 68,857,277.06, constituting an increase of HRK 15,524,537.90, or 29.11%, compared to the same period of 2021, when it amounted to HRK 53,332,739.16. 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 45,443,237.36, increased by HRK 23,414,039.70, or 51.52%.

6

The Company generated an operating profit in the amount of HRK 22,474,037.65, which is HRK 1,208,915.35 or 5.68% more compared to the same period of 2021, when it amounted to HRK 21,265,122.30.

Comparing the operating profit generated in the first half of 2022 to the operating profit generated same period of 2012, when it amounted to HRK 14,886,389.82, a 50.97% increase can be seen.

7

EBITDA was realised in the amount of HRK 22,491,265.25, constituting an increase of 5.72%, or HRK 1,216,828.73, compared to the same period of 2021, when it amounted to HRK 21,274,436.52.

The realised EBITDA in the reporting period increased by HRK 7,938,796.77, or 54.55%, compared to the first half of 2012, when it amounted to HRK 14,552,468.48.

8

The Company's profit in the reporting period amounted to HRK 11,260,445.10, decreasing by HRK 513,157.48, or 4.36%, compared to the first half of 2021, when it amounted to HRK 11,773,602.58.

The profit realised in the first half of 2022, compared to the profit generated in the same period of 2012, which amounted to HRK 8,367,007.92, increased by HRK 2,893,437.18, or 34.58%.

9

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

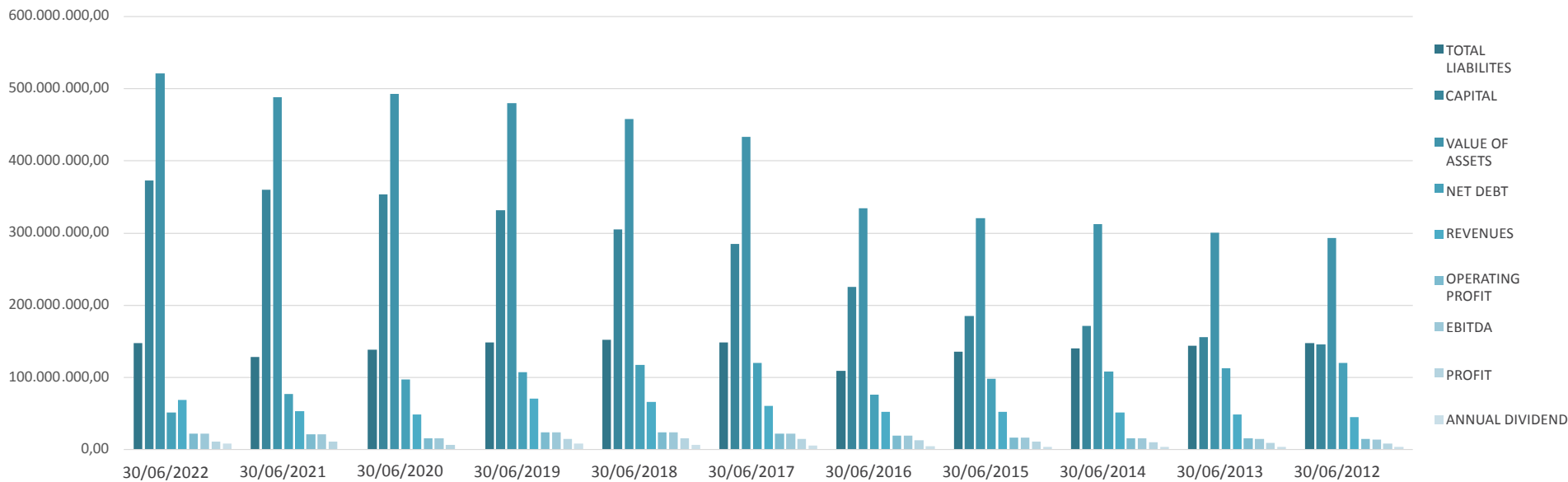
The Company allocated 125.08%, or HRK 4,679,002.50, more for dividend distribution in 2022 compared to the dividend distributed to shareholders in 2012, when it amounted to HRK 3,740,790.00. In the period from 2012 until 30/06/2022, the shareholders were paid a total of HRK 49,975,842.50 for dividends.

CUMULATIVE COMPARATIVE OVERVIEW

of fundamental operating results, as well as asset, capital and liability indicators of the Company as at 30/06/2022,
and for the same period of the years 2012–2021

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
30/06/2022	147.927.539,46	373.029.226,45	520.956.765,91	51.546.471,00	68.857.277,06	22.474.037,65	22.491.265,25	11.260.445,10	8.419.792,50
30/06/2021	128.256.302,25	359.846.120,10	488.102.422,35	77.013.229,11	53.332.739,16	21.265.122,30	21.274.436,52	11.773.602,58	0,00
30/06/2020	138.418.558,33	353.852.960,62	492.271.518,95	97.860.494,90	49.125.867,87	15.843.835,52	15.867.527,54	7.109.586,24	0,00
30/06/2019	148.705.231,40	331.242.431,41	479.947.662,81	107.822.667,32	70.860.765,27	23.820.728,04	23.847.458,09	15.374.880,33	8.417.962,00
30/06/2018	152.451.480,22	305.291.785,40	457.743.265,62	117.540.256,45	66.400.292,04	24.189.844,26	24.231.155,41	16.307.919,50	7.221.240,00
30/06/2017	148.635.775,69	284.842.454,32	433.478.230,01	120.615.502,35	60.882.086,19	22.414.474,74	22.461.055,73	15.175.086,34	6.016.540,00
30/06/2016	109.454.544,00	225.089.988,45	334.544.532,45	76.227.772,47	52.178.861,57	19.660.332,39	19.719.640,06	13.650.968,52	4.937.148,00
30/06/2015	135.582.449,17	185.222.056,71	320.804.505,88	98.733.565,68	52.943.679,14	17.114.584,30	17.162.952,23	11.104.131,04	3.740.790,00
30/06/2014	140.571.098,89	171.392.497,49	311.963.596,38	108.756.782,71	51.990.594,65	16.267.060,01	16.171.051,03	10.098.757,22	3.740.790,00
30/06/2013	143.828.125,16	156.257.179,19	300.085.304,35	113.125.091,80	48.648.448,85	15.757.208,14	15.163.931,08	9.524.968,84	3.740.790,00
30/06/2012	147.859.329,10	145.748.085,20	293.607.414,30	120.292.401,33	45.443.237,36	14.886.389,82	14.552.468,48	8.367.007,92	3.740.790,00

A graph of fundamental operating results, as well as asset, capital and liability indicators of the Company as at 30/06/2022, and for the same period of the years 2012 –2021



Statement of the Company's financial position as at 30 /06/2022
and compared to 30/06/2021 and 31/12/2021

		30/06/2022	30/06/2021	Index 30/06/2022/ 30/06/2021	31/12/2021	Index 30/06/2022/ 31/12/2021
		UNAUDITED	UNAUDITED		REVISED	
A	FIXED ASSETS	441.761.041,57	443.906.855,50	99,52	442.020.422,48	99,94
B	CURRENT ASSETS	79.195.724,34	44.195.566,85	179,19	52.882.621,62	149,76
A+B	TOTAL ASSETS	520.956.765,91	488.102.422,35	106,73	494.903.044,10	105,26
C	SHORT-TERM LIABILITIES	36.603.191,28	22.013.714,35	166,27	30.224.806,99	121,10
D	LONG-TERM LIABILITIES	111.324.348,18	106.242.587,90	104,78	94.433.243,56	117,89
E	TOTAL LIABILITIES	147.927.539,46	128.256.302,25	115,34	124.658.050,55	118,67
F	TOTAL SHARE CAPITAL AND RESERVES	373.029.226,45	359.846.120,10	103,66	370.244.993,55	100,75
E+F	TOTAL CAPITAL AND LIABILITIES	520.956.765,91	488.102.422,35	106,73	494.903.044,10	105,26

OPERATING AND OTHER COSTS

Operating costs for the first half of 2022 amounted to HRK 46,366,011.81, representing an increase by 44.63% compared to the same period of the previous business year, when they amounted to HRK 32,058,302.64. This recorded increase is the result of a significant increase in the gross wage cost, the cost of raw materials and materials (food and beverages) as well the cost of energy (electricity, gas and fuel). Looking at growth rates, the cost of food and beverages grew by 162%, the cost of energy by 73%, while the total wage cost grew by 34%, i.e. in absolute terms it contributed the most to the growth of operating costs. Also, in terms of the total wage cost, the Company points out that, for June 2022, it paid an average net salary in the amount of HRK 7,788.70 per employee to employees with a full-year employment contract.

When it comes to the comparison of operating costs, i.e. operating expenses incurred in 2022 compared to the same period in 2019 (the last year before the COVID-19 pandemic), we emphasise the fact that the costs for the first six months are lower by 1.40% compared to the same period in 2019, when they amounted to HRK 47,013,307.18.

All this supports the conclusion about the careful and integral management of the system of operating costs, i.e. expenses stemming from the Company's operational activities.

FINANCIAL EXPENSES

Financial expenses in the observed period amounted to HRK 1,588,242.97, and they have decreased by 5.46% compared to the first quarter of 2021, when they amounted to HRK 1,680,028.48.

LIQUIDITY

In the reporting period, i.e. the first six 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 shall be 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 298 own shares, designated as ILRA-R-A, which constitute 0.01% of the share capital. Following this acquisition, the Company owns 8131 own shares, constituting 0.34% of the share capital.

6.2. POST-BALANCE SHEET EVENTS

The Company acquired 750 own shares, designated as ILRA-R-A, which constitute 0.03% of the share capital. Following this acquisition, the Company owns 8881 own shares, constituting 0.37% of the share capital.



6.3 LEGAL MATTER

- 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 will file a constitutional complaint to the Constitutional Court of the Republic of Croatia aga-

inst 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. submit-

ted, 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 of use of 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 significantly affect the Company's current and future financial results.



6.4. INVESTMENTS IN 2022

In the first half of 2022, the Company invested HRK 9,383,195.97, 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 external 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.

6.5 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.

6.6 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 circumstances regarding COVID-19, including its new variants, 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 first half of the business year 2022, the same can be expected in the rest 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.

By opting for such business plan in 2022, the Company aims to achieve the same or approximately the same business results as the ones achieved in the business year 2019. The current course of the Company's business activities gives us the right to believe that such results are achievable or at least achievable to an approximate extent.

Furthermore, the Company is aware that the business expectations for 2022, presented in the planned financial results, i.e. the business plan, represent a significant business move given the current epidemiological circumstances and the unstable geopolitical situation in Ukraine. Taking into account the previously mentioned achieved preconditions for conducting ye-

ar-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 the business year 2021, 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 hospitality 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, and
- preservation of business operations and activities.

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 incre-

ase 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 still further emphasises that there is unfortunately also a possibility of realising the business expectations for 2022 to a 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 conducting of the Company's business activities in its tourism sectors, which is further complicated by the 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,
President of the Management Board

ILIRIJA dioničko društvo
za ugostiteljstvo i turizam
Biograd na Moru



FINANCIAL STATEMENTS FOR THE PERIOD 01/01/- 30/06/2022

Annex 1

ISSUER'S GENERAL DATA

Reporting period: 01/01/2022 to 30/06/2022

Year: 2022

Quarter: 2

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): 386

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 30/06/2022			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	443.906.855	441.761.042
I INTANGIBLE ASSETS (ADP 004 to 009)	003	56.536	69.947
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	56.536	69.947
II TANGIBLE ASSETS (ADP 011 to 019)	010	443.812.159	441.653.299
1 Land	011	43.295.283	44.409.059
2 Buildings	012	257.793.818	249.710.187
3 Plant and equipment	013	62.831.564	63.017.431
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	321.986	1.609.754
7 Tangible assets in preparation	017	1.993.287	5.278.080
8 Other tangible assets	018	0	0
9 Investment property	019	77.576.221	77.628.788
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	38.160	37.796
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	38.160	37.796
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. given 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	43.895.681	78.803.016
I INVENTORIES (ADP 039 to 045)	038	1.415.468	1.912.342
1 Raw materials and consumables	039	1.415.468	1.912.342
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	6.685.000	9.904.239
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	6.035.969	8.369.745
4 Receivables from employees and members of the undertaking	050	36.011	91.094
5 Receivables from government and other institutions	051	306.523	1.057.867
6 Other receivables	052	306.497	385.533
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	548.490	63.563.398
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	548.490	63.563.398
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	35.246.723	3.423.037
D) PREPAID EXPENSES AND ACCRUED INCOME	064	299.886	392.708
E) TOTAL ASSETS (ADP 001+002+037+064)	065	488.102.422	520.956.766
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	359.846.120	373.029.226
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	37.405.212	37.348.793
1 Legal reserves	071	24.077.985	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	-1.227.588
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 (ADP 078 to 080)	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	11.773.603	11.260.445
1 Profit for the business year	087	11.773.603	11.260.445
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	106.242.588	111.324.348
1 Liabilities towards undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. to companies within the group	099	0	0
3 Liabilities towards companies linked by virtue of participating interest	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities towards banks and other financial institutions	103	106.242.588	111.324.348
7 Liabilities for advance payments	104	0	0
8 Liabilities towards 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	18.990.194	28.298.588
1 Liabilities towards undertakings within the group	110	0	0
2 Liabilities for loans, deposits, etc. to companies within the group	111	0	0
3 Liabilities towards companies linked by virtue of participating interest	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities towards banks and other financial institutions	115	6.195.375	5.509.553
7 Liabilities for advance payments	116	0	0
8 Liabilities towards suppliers	117	6.954.095	10.558.042
9 Liabilities for securities	118	0	0
10 Liabilities towards employees	119	2.410.354	3.691.161
11 Taxes, contributions and similar liabilities	120	2.269.250	7.378.712
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	3.023.520	8.304.604
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	488.102.422	520.956.766
G) OFF-BALANCE SHEET ITEMS	126	0	0

STATEMENT OF PROFIT OR LOSS					
for the period 01/01/2022 to 30/06/2022					
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	53.323.425	29.591.592	68.840.050	42.533.774
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	48.339.570	27.208.122	68.548.762	42.392.061
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	4.983.855	2.383.470	291.288	141.713
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	39.879.108	21.430.919	56.008.589	33.825.624
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	11.783.640	7.084.835	19.829.586	13.718.441
a) Costs of raw materials and consumables	010	4.970.145	3.334.178	10.166.646	7.489.613
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	6.813.495	3.750.657	9.662.940	6.228.828
3 Staff costs (ADP 014 to 016)	013	14.852.344	7.597.259	19.843.508	11.367.435
a) Net salaries and wages	014	9.209.067	4.718.882	12.095.001	6.922.990
b) Tax and contributions from salary costs	015	3.530.739	1.797.736	4.927.520	2.829.022
c) Contributions on salaries	016	2.112.538	1.080.641	2.820.987	1.615.423
4 Depreciation	017	7.820.805	3.902.392	9.642.577	4.784.524
5 Other costs	018	5.094.798	2.705.034	6.665.977	3.938.034
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	327.521	141.399	26.941	17.190
III FINANCIAL INCOME (ADP 031 to 040)	030	9.314	4.699	17.227	9.405
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	103	48	18	0
8 Exchange rate differences and other financial income	038	9.211	4.651	17.209	9.405
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	1.680.028	879.120	1.588.243	821.950
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	1.669.239	872.666	1.575.222	813.507
4 Exchange rate differences and other expenses	045	10.789	6.454	13.021	8.443
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	53.332.739	29.596.291	68.857.277	42.543.179
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	41.559.136	22.310.039	57.596.832	34.647.574
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	11.773.603	7.286.252	11.260.445	7.895.605
1 Pre-tax profit (ADP 053-054)	056	11.773.603	7.286.252	11.260.445	7.895.605
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	11.773.603	7.286.252	11.260.445	7.895.605
1 Profit for the period (ADP 055-059)	060	11.773.603	7.286.252	11.260.445	7.895.605
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	11.773.603	7.286.252	11.260.445	7.895.605
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	11.773.603	7.286.252	11.260.445	7.895.605
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 30/06/2022			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	11.773.603	11.260.445
2 Adjustments (ADP 003 to 010):	002	9.490.147	11.248.047
a) Depreciation	003	7.820.805	9.642.577
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	103	17.227
e) Interest expenses	007	1.669.239	1.588.243
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	21.263.750	22.508.492
3 Changes in the working capital (ADP 013 to 016)	012	-2.417.965	13.117.329
a) Increase or decrease in short-term liabilities	013	-10.336.180	9.308.394
b) Increase or decrease in short-term receivables	014	7.954.985	3.219.239
c) Increase or decrease in inventories	015	-104.902	496.874
d) Other increase or decrease in working capital	016	68.132	92.822
II Cash from operations (ADP 011+012)	017	18.845.785	35.625.821
4 Interest paid	018	-1.357.871	-1.288.127
5 Income tax paid	019	0	-4.884.845
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	17.487.914	29.452.849
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	-2.509.430	-9.383.196
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	-17.656.954
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-2.509.430	-27.040.150
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-2.509.430	-27.040.150
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	-1.770.772	-5.885.522
2 Cash payments for dividends	041	0	-4.534.099
3 Cash payments for finance lease	042	-1.317.719	-3.555.755
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	-3.750.761

VI Total cash payments from financing activities (ADP 040 to 044)	045	-3.088.491	-17.726.137
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-3.088.491	-2.726.137
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	11.889.993	-313.438
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	35.246.723	3.423.037

STATEMENT OF CASH FLOWS - direct method			
for the period 01/01/2022 to 30/06/2022			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 30/06/2022

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	24.077.985	6.975.716	1.171.168	0	7.522.679	0	0	0	0	0	0	78.588.436	0	348.072.517	0	348.072.517	
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	24.077.985	6.975.716	1.171.168	0	7.522.679	0	0	0	0	0	0	78.588.436	0	348.072.517	0	348.072.517	
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11.773.603	11.773.603	0	11.773.603	
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	24.077.985	6.975.716	1.171.168	0	7.522.679	0	0	0	0	0	0	78.588.436	11.773.603	359.846.120	0	359.846.120	
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	11.773.603	11.773.603	0	11.773.603	
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	24.077.985	6.975.716	1.171.168	0	7.522.679	0	0	0	0	0	0	100.760.912	0	370.244.993	0	370.244.993
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	24.077.985	6.975.716	1.171.168	0	7.522.679	0	0	0	0	0	0	100.760.912	0	370.244.993	0	370.244.993
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11.260.445	11.260.445	0	11.260.445
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	56.420	0	0	0	0	0	0	0	0	0	0	-56.420	0	-56.420
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	-8.419.792	0	-8.419.792	0	-8.419.792
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	0	13.752.683	0	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	-13.752.683	0	-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	24.077.985	6.975.716	1.227.588	0	7.522.679	0	0	0	0	0	0	92.341.120	11.260.445	373.029.226	0	373.029.226
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	11.260.445	11.260.445	0	11.260.445
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	0	0	56.420	0	0	0	0	0	0	0	0	-8.419.792	0	-8.476.212	0	-8.476.212

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 – 30/06/2022**A. Notes on the Company's financial position:****Non-current assets**

The non-current asset value amounts to HRK 441,761,041.57, constituting a decrease of HRK 2,145,813.93, or 0.48% compared to the value as at 30 June 2021, when it amounted to HRK 443,906,855.50. An amount of HRK 9,383,195.97 was invested in all sectors of the Company during the reporting period of 2022.

Current assets

The current asset value amounted to HRK 79,195,724.34 and increased by HRK 35,000,157.49 or 79.19 %, as compared to the balance as at 30 June 2021, when it amounted to HRK 44,195,566.85. 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 36,603,191.28, recording an increase of HRK 14,589,476.93, or 66.27% compared to the balance as at 30 June 2021, when they amounted to HRK 22,013,714.35.

Non-current liabilities

Non-current liabilities amounted to HRK 111,324,348.18, recording an increase of HRK 5,081,760.28 or 4.78% compared to the balance as at 30 June 2021, when they amounted to HRK 106,242,587.90.

Equity and reserves

Equity and reserves equalled HRK 373,029,226.45, which represents an increase of HRK 13,183,106.35 or 3.66% compared to the balance as at 30 June 2021, when they amounted to HRK 359,846,120.10.

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

Total revenue generated as at 30 June 2022 amounted to HRK 68,857,277.06, representing an increase of 29.11% of the total revenue as at 30 June 2021, when it amounted to HRK 53,332,739.16.

Total expenses

Total expenses as at 30 June 2022 amounted to HRK 57,596,831.66, representing an increase of 38.59% of the total expenses as at 30 June 2021, when it amounted to HRK 41,559,136.58.

Operating profit

Operating profit generated as at 30 June 2022 amounted to HRK 22,474,037.65, constituting an increase of 5.68% of the operating profit as at 30 June 2021, when it amounted to HRK 21,265,122.30.

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 June 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 68,857,277.06 was generated, which constitutes a 29.11% increase compared to the same period of the previous year, when it amounted to HRK 53,332,739.16. 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 11,511,130.93, which constitutes an increase of HRK 8,984,703.42 compared to the same period of the previous year, when it amounted to HRK 2,526,427.51:

Revenue of the nautical sector in the observed period of 2022 amounted to HRK 30,772,617.55, constituting an increase of 9.67% compared to the same period of 2021, when they amounted to HRK 28,058,561.27. 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 16,781,113.59, constituting an increase of HRK 5,528,412.39, or 49.13% compared to the same period of the previous year, when it amounted to HRK 11,252,701.20. 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 6,457,659.74, representing an increase of 1.70% compared to the same period of the previous year, when it amounted to HRK 6,349,432.01.

Last year, on account of the job retention grant by the Government of the Republic of Croatia, as at 30 June 2021, the Company has received a grant in the amount of HRK 4,710,940.02. In the period observed, i.e. as at 30 June 2022, the Company did not receive any grants.

As at 30 June 2022, operating costs amounted to HRK 46,366,011.81, recording an increase of HRK 14,307,709.17 or 44.63% compared to the same period of 2021, when they amounted to HRK 32,058,302.64. In the reporting period of 2022, financial expenses amounted to HRK 1,588,242.97, which is a 5.46% decrease compared to the same period of the previous year, when they amounted to HRK 1,680,028.48. The depreciation charge for the reporting period of 2022 amounted to HRK 9,642,576.88, which is a 23.29% increase compared to the same period of 2021, when it amounted to HRK 7,820,805.46.

Total expenses amounted to HRK 57,596,831.66, recording an increase of 38.59% compared to the same period of the previous year, when they amounted to HRK 41,559,136.58. The operating profit generated by business operations for the reporting period of 2022 amounted to HRK 22,474,037.65, which constitutes an increase of 5.68% compared to the same period of the previous year, when it amounted to HRK 21,265,122.30. EBITDA, i.e. earnings before depreciation, interest and taxes, amounted to HRK 22,491,265.25, representing an increase of 5.72% compared to the same period of the previous year. EBIT, i.e. earnings before interest and taxes was realized in the amount of HRK 12,848,688.37, recording a decrease of 4.50% compared to the same period of the previous year, when it amounted to HRK 13,453,631.06. The profit for the observed period amounted to HRK 11,260,445.40, recording a decrease of 4.36% compared to the same period of the previous year, when it amounted to HRK 11,773,602.58.

Additional clarifications of individual items can be found in the Company comments, which comprise an integral part of the statement as at 30 June 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 62,117,970.12 and the foreign market in the amount of HRK 6,497,791.70. Operating revenue generated in the hotel sector amounted to HRK 11,511,130.93, whereas it amounted to HRK 30,772,617.55 in the nautical sector, HRK 16,781,113.59 in the camping sector, while the operating revenue of City Galleria amounted to HRK 6,457,659.74. Revenue from other activities or profit centres, including Ilirija Travel and hospitality were realized in the amount of HRK 3,317,527.65. 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 57,596,831.66. Business expenses amount to HRK 46,366,011.81. Most of them were incurred in connection to the cost of raw material, other materials and energy, accounting for HRK 10,166,645.54; outsourcing costs, accounting for HRK 9,662,940.09; other operating costs, accounting for HRK 19,843,507.66; and staff costs, accounting for HRK 6,692,918.52.

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 In the period from 1 January to 30 June 2022, the average number of employees was 310.

Point 7 The employee cost presented in the income statement amounted to HRK 19,843,607.66 (net salary being HRK 12,095,000.55, contributions from salaries being HRK 3,386,557.89, the salary tax being HRK 1,540,961.88, and the contributions to salaries being HRK 2,820,987.34). 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 436,818.41, which brings the total employee cost to HRK 20,280,326.07. 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 June 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, 22 July 2022

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

The financial statements for the period from 01/01 to 30/06/2022 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.

Tina Ujevića 7, Biograd na Moru, Republika Hrvatska
TEL: 023 383 165 FAX: 023 383 008 www.ilirijabiograd.com