



# FINANCIAL STATEMENTS FOR THE PERIOD 01/01/-31/03/2022

Biograd na Moru, April 2022



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## OVERVIEW OF KEY PERFORMANCE INDICATORS FOR THE PERIOD FROM 01/01-31/03/2022

in HRK	I-III 2022	I-III 2021	Index 2022/2021
<b>Financial indicators</b>			
Total revenues	26.314.097,67	23.736.210,62	110,86
Operating revenues	26.306.275,93	23.731.831,89	110,85
<i>Revenues from sales</i>	26.169.232,26	21.162.790,77	123,66
<i>Operating profit</i>	8.968.647,80	9.174.726,21	97,75
EBITDA	8.976.469,54	9.179.104,94	97,79
EBIT	4.118.416,17	5.260.691,42	78,29
Profit	3.352.122,85	4.459.776,58	75,16
<i>Value of assets</i>	510.190.756,12	482.304.094,24	105,78
Capital	373.597.116,40	352.532.294,10	105,98
Total liabilities	136.593.639,72	129.771.800,14	105,26

## KEY INFORMATION FOR THE PERIOD 01/01 - 31/03/2022

1 In the first three months of 2022, the Company's operations were marked by a recovery of business activities in all of its sectors, which is reflected in the physical and financial operating results (revenue) compared to the previous business year, taking into account the usual standards with regard to a lesser extent of business activities in the tourism sector in the Republic of Croatia during the first quarter of the current business year. The relaxation of epidemiological measures and significant vaccination coverage of the populations in Croatia and Europe have had a major influence on the recovery of the tourism sector, which was especially reflected in the Company's tourism sectors most affected by the global pandemic, i.e. primarily in the hotel sector, the destination management company and the camping sector. At the same time, the nautical and real estate sectors, which had been much less affected by the pandemic, recorded continued growth of business activities.

Due to the start of the Russian–Ukrainian war in late February and the resulting global geopolitical and security destabilisation with significant not only security, but also economic consequences for all industries, including hospitality and tourism as the Company's core business, the strong recovery of the Company's tourism sector that started has been slowed down, as evidenced by a decline in booking rate, but without cancellations. The great and unexpected uncertainty on the key European tourism markets, as a direct consequence of the war in

Ukraine, was mostly reflected in the business activities of the hotel sector, camping sector and the destination management company in the reporting period. Apart from the security instability, the war in Ukraine has also strongly affected the rise in prices of energy sources, leading to even higher inflation and has, consequentially, also affected the profitability indicators the Company achieved to a certain degree, which indicators are lower in comparison to the same period of the previous year despite an increase in the volume of business activities.

Bearing in mind all of the above, the Company is satisfied with the achieved operating results, considering that, in the first quarter of the year, business activities were still carried out during the global COVID-19 pandemic on the one hand, and with a new global security risk, which has in turn led to more uncertainty, instability and unpredictability and has strongly affected the global economy on the other hand, all considering the usual limited scope of business during the first quarter in normal circumstances.

2 By the end of the first quarter, the Company generated a total of HRK 26,314,097.67 in revenue. This represents a 10.86% increase compared to the same period in 2021, when revenue amounted to HRK 23,736,210.62, a result of an increase in operating revenue generated in the amount of HRK 26,306,275.93, which has increased by 10.85%.

The increase in revenue, i.e. total and operating revenue, is the result of an increase in operating income of all sectors, especially in sectors with year-round business activity, i.e. nautical and real estate sector, and accompanied by a recovery in tourism demand in hotels and camping, destination management and catering.

In the tourism sectors, which faced an almost complete lack of demand in the same period of the previous year, we recorded a strong, four-digit increase in operating revenue such as the hotel sector and the destination management company, while the camping sector revenue increased by 54%. In the sectors with year-round business activities, which had been much less affected by the pandemic, revenue also increased, but at an expected lower rate. In the nautical sector, revenues increased by 8%, while in the real-estate sector, revenue increased by 4%.

3 Sales revenue amounted to HRK 26,169,232.26 compared to HRK 21,162,790.77 in the first quarter of 2021, constituting an increase of 24% as a result of increased realisation on the domestic market of 24%, i.e. 17% on the foreign market.

4 Total expenditure amounted to HRK 22,961,974.82, representing a 19% increase in comparison to HRK 19,276,434.04 in the same period of 2021, due to an increase in operating expenses and depreciation by 24%.

Operating expenses amounted to HRK 17,337,628.13, representing a 19% increase compared to the same period of 2021, when they amounted to HRK 14,557,105.68, which is partially due to an increase in the volume of business activities, increase of gross salary costs by 17% as a result of improving the financial position of employees, retaining employees after the high season and more intense employment in the first quarter of 2022 compared to the same period of the previous year, all of which led to increased gross salary costs. Moreover, the increase in the costs of raw materials, materials and energy by 65%, as well as the increase of other expenses by 1%, also significantly affected the increase in operating expenses.

5 The Company's total liabilities in the first quarter of the business year amounted to HRK 136,593,639.72, representing an increase by 5.26% or HRK 6,821,839.58 in comparison to HRK 129,771,800.14 in the same period of 2021, which is the result of an increase in the Company's current and long-term liabilities.

6 In the first quarter, the Company's operating profit was recorded in the amount of HRK 8,968,647.80, representing a decrease of 2%, whereas profit amounted to HRK 3,352,122.85, which constitutes a decrease of 25% compared to the same period of the previous year. EBITDA was realized in the amount of HRK 8,976,469.54, i.e. it was 2% less than in the same period of 2021, when it amounted to HRK 9,179,104.94, while EBIT was realised in the amount of HRK 4,118,416.17, constituting a decrease of 21.71%. Even though the

Company achieved positive profitability indicators, these were lower compared to the same period of the previous year despite increased business activities, which is due to the increase in operating expenses, indicated in point 4 of the Key Information section, at the rate higher than the rate of revenue increase, and is partially due to the fact that the Company did not receive a job retention grant, which amounted to HRK 2,497,667.82 in the first quarter of 2021.

7 The Company asset value equalled HRK 510,190,756.12, representing an increase by HRK 27,886,661.88 compared to HRK 482,304,094.24 realised in the same period of the previous business year, increase is a result of an increase in current assets. Capital increased by 5.98%, or HRK 21,064,822.30, i.e. from HRK 352,532,294.10 in the first quarter of the previous year to HRK 373,597,116.40 in the reporting period, due to retained profit.

8 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 54,177,963.37 in the first quarter of 2022, representing a decrease of 36.4%, or HRK 31,004,812.78 compared to the same period of the previous business year when was realized in the amount of HRK 85,182,776.15, indicating the liquidity and stability of cash flow of the Company.

9 On the capital market, Zagreb Stock Exchange, ILRA shares generated a considerably larger volume of trading compared to the same period of the previous

us year. A total of 1,604 shares were traded, resulting in a turnover of HRK 275,380.00, which is 32,297.65% more than in the first quarter of 2021.

10 In the same period, the ILRA share price increased by 0.59%, i.e. from HRK 170.00 to HRK 171.00 per share as at 31 March 2022. The market capitalization of the Company was thus proportionally increased to HRK412,706,448.00, calculated by multiplying the last achieved share price and the number of shares.

11 In the reporting period, the Company invested HRK 4,411,589.21, most of which pertained to its tourism sectors; 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, to re-decoration and refurbishing of the Ilirija Hotel lobby, to decoration of amenities for children in the Adriatic Hotel, to replacement of the internal doors and to improving hospitality services. In the camping sector, the glamping deluxe zone with 32 holiday homes has been finished, including the main roads in the camp's extra zone, amenities for children and further landscaping in the camp. In 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.



## 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 28.500m<sup>2</sup> gross area in total six floors and total 9.463,10m<sup>2</sup> 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.

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## 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 m<sup>2</sup> 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 m<sup>2</sup> 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 m<sup>2</sup>, 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 31/03/2022, the Company invested HRK 646,243,386.33 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 1,047,412,455.32.

**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 500m<sup>2</sup> along with accompanying facilities, thus complementing the existing tourism offer of the hotel Ilirija Resort in the destination of Biograd na Moru.

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## 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

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## 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.



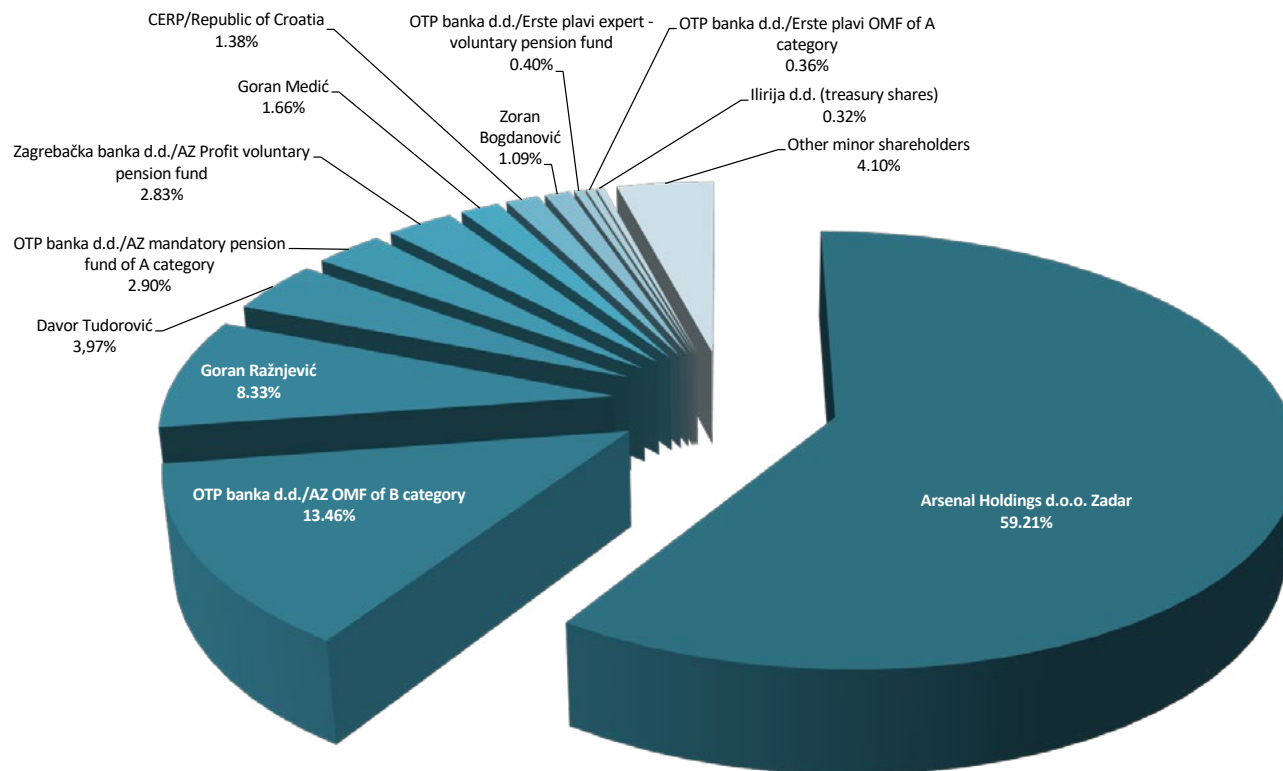
## 1.6 OWNERSHIP STRUCTURE OF THE COMPANY AND OVERVIEW OF TRADING IN COMPANY'S SHARES AT ZAGREB STOCK EXCHANGE

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 31 March 2022, there were no significant changes in the ownership structure, while an overview of the major shareholders of the Company as at 31/03/2022 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	33.403	1,38
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)	7.833	0,32
Other minor shareholders	98.912	4,10
<b>TOTAL</b>	<b>2.413.488</b>	<b>100,00</b>

## OWNERSHIP STRUCTURE OF THE COMPANY AS AT 31/03/2022



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

(amounts in HRK)	I-III 2022	I-III 2021	% of change
Total turnover	275.380,00	850,00	32297,65%
Average share price	171,68	170,00	0,99%
Average turnover per transaction	13.769,00	850,00	1519,88%
Average daily turnover	25.034,55	850,00	2845,24%
Last share price	171,00	170,00	0,59%
Market capitalization*	412.706.448,00	410.292.960,00	0,59%
Market capitalization**	414.347.619,84	410.292.960,00	0,99%
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

On the capital market, Zagreb Stock Exchange, the Company's shares, designated as ILRA, generated a considerably larger turnover compared to the same period of the previous business year, as a result of 1,604 shares being traded. As a result of the recovery of the capital market, turnover generated in the reporting period amounted to HRK 275,380.00, which is an increase of 32,297.65% compared to the same period of 2021, when there was only one transaction in the amount of HRK 850.00. At the same time, the increase in turnover was accompanied by an increase in the average daily turnover at the rate of 2,845.24%, generated in the amount of HRK 25,034.55, and in the average turnover per transaction, generated in the amount of HRK 13,769.00, with a growth rate of 1,519.88%.

The average share price amounted to HRK 171.68, representing a slight increase compared to the first quarter of 2021, when the average share price amounted to HRK 170.00. The CROBEX index achieved an increase of 0.92% in the observed period, while the CROBEXtursturist sector index saw an increase of 0.24%. In the same period, the ILRA share price increased by 0.59%, i.e. from HRK 170.00 to HRK 171.00 per share as at 31 March 2022. The market capitalization of the Company was thus proportionally increased to HRK 412,706,448.00, calculated by multiplying the last achieved share price and the number of shares.



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

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## 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.

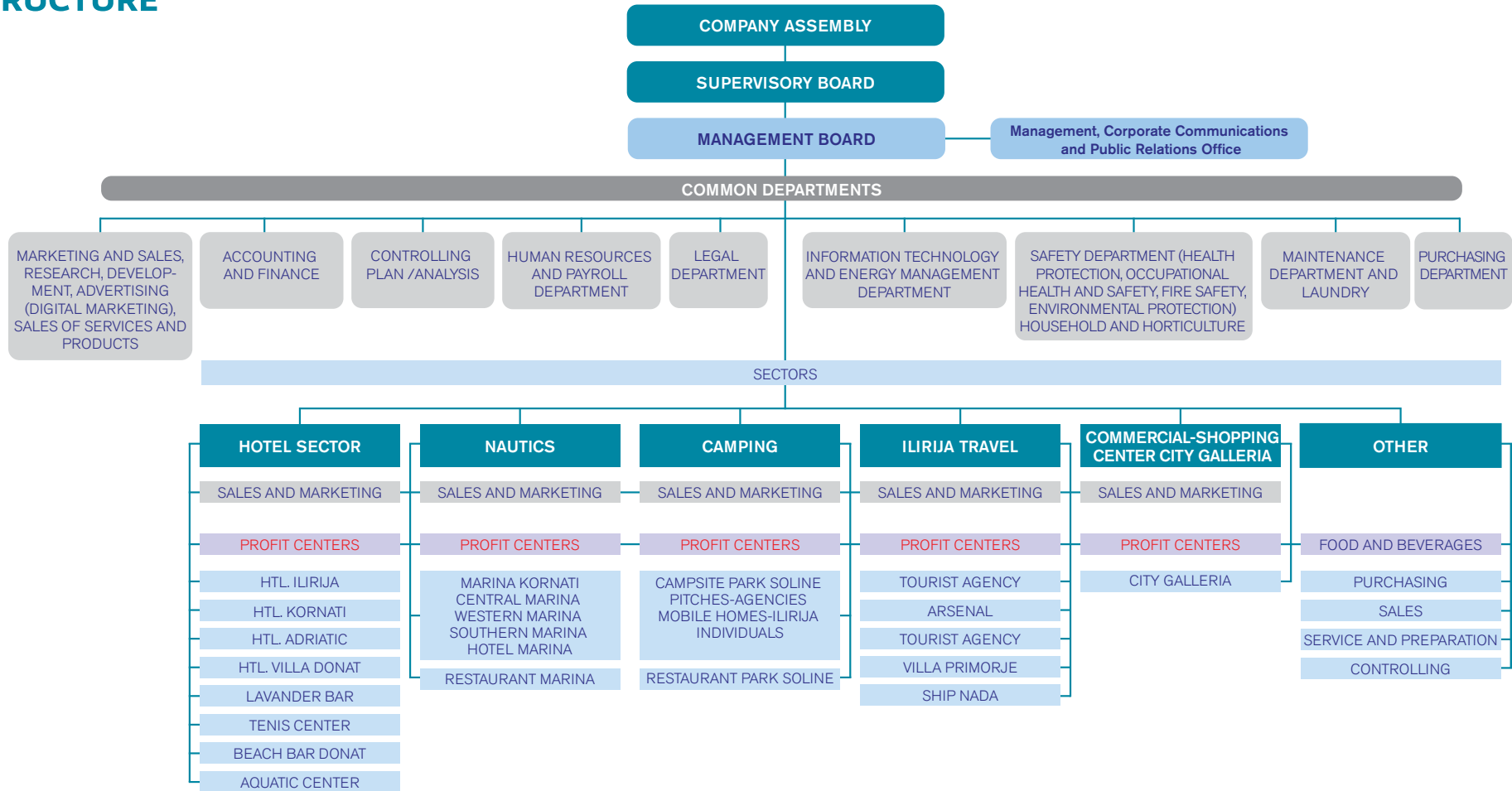
**Sustainability and responsibility** – in business, investment, relationship with its employees, business partners, clients (guests), local, regional and regional community, shareholders and day-to-day operations by integrating the economic, social aspects and environmental protection aspects into decision-making 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 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 Company's risk;
- 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 prescribed procedures.

The Company, as most entrepreneurs in the tourism sector, is exposed to currency, price, credit and liquidity risks, environmental risks, the risk of the tourism industry, the risk of macroeconomic developments and the risk 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-legal issues concerning tourism land and maritime domain and related issues of protection of acquired rights, legitimate investments and the protection of legitimate expectations of companies performing their activities on the maritime domain, i.e. tourism land.

Even though most of its revenue are realised in the domestic market, the Company is exposed to currency risk. The prices of accommodation services are linked to foreign currencies, predominantly to the euro, the value fluctuations of which may affect

business results. Exposure to the currency risk is also the result of borrowing based on loans, the agreed amounts of which are denominated in euros.

The repayment obligation regarding loans taken out with a currency clause, which the Company uses in proportion to its business load, depends on the movements of the exchange rate of the kuna against the euro. Negative aspects of exchange rate fluctuations with respect to loans are compensated by the fact that a significant portion of the Company's revenue are realised in the same currency (EUR). 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 based on that, 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 credit liabilities to an adequate, i.e. optimum level in order for them to be lower than its own source 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 collec-

tion-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 catering 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 actively cooperates with all significant creditors in settling current liabilities at the time of the global pandemic.

Most of the Company's prices are expressed in Euro, and the Company recovers most of its claims in the said currency, thus hedging the price risk.

Bookkeeping values of the following items of financial assets and financial liabilities reflect their respective fair values: money, investments, account 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 tourist land, in which domain the Company has made significant long-term investments crucial for its business, while not all rights guaranteed by the Constitution from the field of vested rights before, during and after conversion, the protection of legal capital investments and legitimate expectations regarding legal investments have been fully realised under Art. 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 Transformation and Privatization 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, a request for a concession on tourism land for the "Park Soline" Camp 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 request. According to the information available to the Company, no concession contract for tourism land plots in campsites has been concluded in the Republic of Croatia since the

Act has come 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 the new Act on non-evaluated construction land was adopted, and thus the Act on tourist and other construction land not evaluated in the transformation and privatization process ceased to have effect. The new Act provides for the right of tourism companies to submit an application for leasing construction tourist land for a period of 50 years. In March 2021 the Company submitted the appropriate application for leasing construction land of the camp site 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 privatization 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 privatization process (so called Parts of the campsite owned by the Republic of Croatia).

The Company is a concessionaire of the Kornati nautical tourism port in Biograd na Moru (hereinafter: Ma-



rina 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, a request 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 primarily considering the same or similar cases from the recent Croatian practice where, according to the request for extension of the concession term submitted by other companies engaging in nautical tourism and which compete with Ilirija d.d., the concession term was extended to them in marinas by a period of 50 years. The mentioned request is yet to be decided on.

In February 2015, a request was submitted for an extension of the concession term to the County of Zadar for the Ilirija-Kornati hotel port, to 30 years, while a request for an extension of the concession was also previously submitted for the open swimming pool in Biograd na Moru. The request has not yet been decided on, and the Company duly settles the concession fee in the agreed amount.

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 infectious diseases, accidental pollution of the coastal and marine aquarium, which are 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 as low impact on the Company's long-term business viability as possible, being aware of the fact that the Company's impact here is reduced to measures which cannot be of key importance to 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 has had an extremely negative impact on business entities in almost all industries, albeit the most severely affected ones are certainly the

travel industry, tourism and hospitality, 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 lives of guests and employees, maintain financial stability and current liquidity for the duration of the COVID-19 pandemic, preserve assets and capital, 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 review of other key obstacles or restrictions in the development of Croatian tourism in general, and thus of tourism companies and Ilirija d.d. as one of them.

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

(1) the unresolved issue of ownership since the moment of conversion, that is, property-legal, physical planning-urban and 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. of acquired rights, legitimate investments and legitimate expectations in the maritime domain, having in mind, in particular, the contracted permanent right to utilization of the maritime domain, while companies which completed 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 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 improvement of the existing services and standards, affects new employment and salaries in tourism and hospitality,

(IV) insurmountable obstacles regarding existing bureaucracy, administrative barriers, frequent changes to 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 conversion of use primarily of construction and tourism land for other non-commercial and non-economic purposes,

(VIII) fiscal and parafiscal benefits 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 Rus-

sia 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 turnover is insignificant compared to the Company's total turnover, and losing it does not represent a risk to the Company.

Should the crisis; that is, the war from Ukraine, spread to other European countries or lead to destabilisation of the Balkan countries, 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 year due to the global COVID-19 pandemic and a lack of tourism turnover from remote markets (America, Asia). This turnover could be significantly reduced if the Russian-Ukrainian crisis; that is, 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 the 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.





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### 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.



Istija d.d.

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## 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.



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## 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.).



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## 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 m<sup>2</sup>, 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.





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## 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 m<sup>2</sup> 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 m<sup>2</sup>, 9.463,10m<sup>2</sup> of net rentable area, as well as ancillary rooms and corridors. As at 31 March 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 OPERATING RESULTS OF THE COMPANY

In the first quarter of the business year, more significant business activities of the Company have centered around the sectors operating year-round, i.e. the nautical and real estate sectors. In both sectors, business activity and results are in line with set plans and expectations, while in other tourism sectors of the Company (hotel, nautical and camping sectors) business activities are of a usually low intensity due to the seasonal character of Croatian tourism, which has been further emphasized 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.

In the nautical sector, i.e. Marina Kornati, as regards its most important item, the number of vessels on contractual berth slightly decreased compared to the same period last year, mostly in the part of charters due to delays in their delivery by manufacturers. At the same time, the number of vessels in transit increased by 37% and the number of port service operations by 5%, while the generated revenue amounted to HRK 13,994,608.00 and increased by 7%.

In the real estate sector, i.e. the City Galleria Business and Shopping Center, with a high occupancy rate of 99.32%, the lifting of epidemiological measures further affected the growth in the number of visitors of the Center, and consequently the stability and an increase in revenue of 4%.



## 4.1 NAUTICAL SECTOR – MARINA KORNATI

In the first quarter, the tourist-related transactions of the nautical sector in the vessel accommodation segment, i.e. Marina Kornati, took place at a quite satisfactory level and in accordance with the Company's expectations with regard to operational and financial business results. Regardless of the deteriorating geopolitical situation in Europe, which has in part contributed to the slow-down in tourism-related transactions, in the first quarter of the business year Marina Kornati continued to boast stability and resilience in all key physical indicators of its business.

The physical indicators of Marina Kornati's business are arranged by items containing the names of service groups to which they refer, namely:

1 Contracted berths:

- Contracted berths – individual
- Contracted berths – charter

2 Transit berth – vessel arrival

3 Transit berth – vessel overnight stays

4 Port service – crane operations

In the reporting period, 304 agreements for the use of berths were concluded, of which 296 were agreements for individual vessels, which is almost identical compared to the same period of the previous business year. In total, during the first quarter of 2022, 4% fewer agreements were concluded for the use of

berths, with the reason being mainly related to charter vessels due to delays in the delivery of vessels by manufacturers.

The physical turnover of transit vessels in terms of arrival during the first three months increased by 37%, with 41 vessels arriving, compared to the same period in 2021 when 30 vessels arrived. Overnight stays of transit vessels are decreasing due to their shorter stay in the waters of Marina Kornati as a result of lifting epidemiological measures in European countries and less complicated travel options compared to the same period of last year, which was reflected in the number of overnight stays of transit vessels. In the port service segment, 659 operations were realised, which was an increase of 5% compared to the same period in 2021, when 629 operations were realised.

As at the end of the first quarter of 2022, Marina Kornati generated revenue in the amount of HRK 13,994,608.00, which represents an increase of 7% compared to the first quarter of the previous year, when HRK 13,087,508.00 of revenue was generated. By far the most significant revenue item is the revenue from the contractual berths, realised in the amount of HRK 13,047,209.00, representing 93% of the total revenue of Marina Kornati and indicating an increase of 7%, or HRK 848,052.00, contributing in absolute terms to the most significant revenue increase of the entire Marina Kornati.

Revenue from daily (transit) berths as of the first quarter of the current year were realised in the amount of HRK 155,177.00, indicating an increase of 35% compared to the same period in 2021. The revenue such as daily berths, port service, parking are increasing; however, their impact on the revenue of the Marina Kornati within the said period is negligible. Servicing revenue, as well as revenue from daily berths, i.e. transits increased by 6% due to an increase in the number of vessels moored at servicing transit berths, for which no invoices are issued prior to their departure. Therefore, in the revenue segment of transit vessels, the revenue can be viewed depending on whether or not invoices have been issued for the vessels in the reporting period. Moreover, in this period of the business year, the revenue from the nautical fair and events was absent because it is a period of planning and contracting, and the realisation of revenue is expected in the upcoming period.

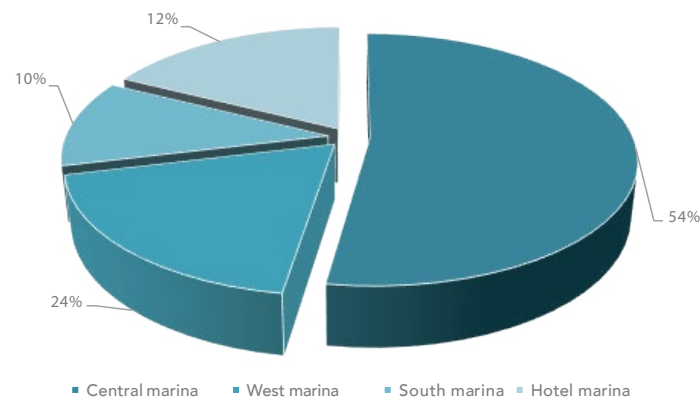
At the end of the first quarter of the business year, despite the unstable geopolitical situation caused by the war in Ukraine and assuming no spillover to other European countries, the Company believes that given the specific nature of the nautical sector, such as high guest loyalty, proximity to key destinations and lower health risk perception because most services are provided in the open, it is realistic to expect that the nautical sector will remain stable in terms of its operations in the coming months of the business year.



### Marina Kornati capacities

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

% Share of individual marina (number of berths)







Vessels on berth contract in the period from 01/01/-31/03/2022 and comparison with the same period in 2021

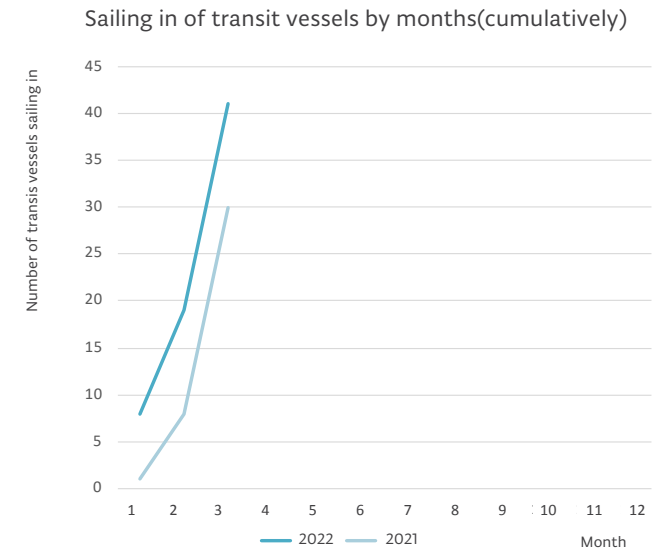
Purpose	Type of berth	Position of berth	01/01-31/03	Total	01/01-31/03	Total	Index
			2022	Vessels	2021	Vessels	2022/2021
VESSELS OF INDIVIDUAL OWNERS	Annual berth in the sea	Central aquatorium	229	75	233	74	98
		South aquatorium	36	12	33	10	109
		Western aquatorium	1	0	1	0	100
		Hotel port	23	8	22	7	105
	Annual berth on the land	Marina land	5	2	3	1	167
	Seasonal berth in the sea	Marina aquatorium	2	1	1	0	200
		Hotel port	0	0	1	0	0
	Total individual vessels:			296	97	294	92
CHARTER VESSELS	Annual berth in the sea	Central aquatorium	1	0	8	3	13
		South aquatorium	0	0	0	0	#DIV/0!
		Western aquatorium	7	3	14	5	50
		Hotel port	0	0	0	0	#DIV/0!
	Total charter vessels:			8	3	22	8
Total vessels:			304	100	316	100	96

Vessels on contractual berth 01/01-31/03/2022



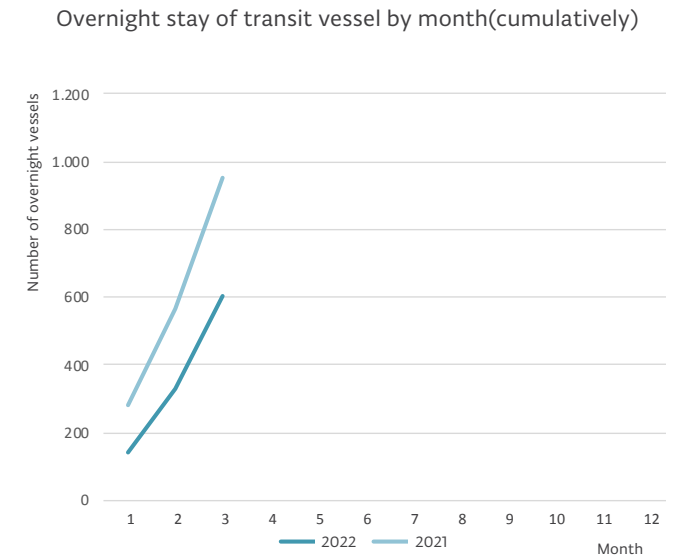
Transit berth – inbound vessels sailing in the period from 01/01 to 31/03/2022 and comparison with the same period in 2021

2022	Individually monthly			Cumulatively monthly		
	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			#DIV/0!			#DIV/0!
5			#DIV/0!			#DIV/0!
6			#DIV/0!			#DIV/0!
7			#DIV/0!			#DIV/0!
8			#DIV/0!			#DIV/0!
9			#DIV/0!			#DIV/0!
10			#DIV/0!			#DIV/0!
11			#DIV/0!			#DIV/0!
12			#DIV/0!			#DIV/0!
<b>Total:</b>	<b>2022</b>	<b>41</b>				
<b>Total:</b>	<b>2021</b>	<b>30</b>				
<b>Index</b>	<b>2022/2021</b>	<b>137</b>				



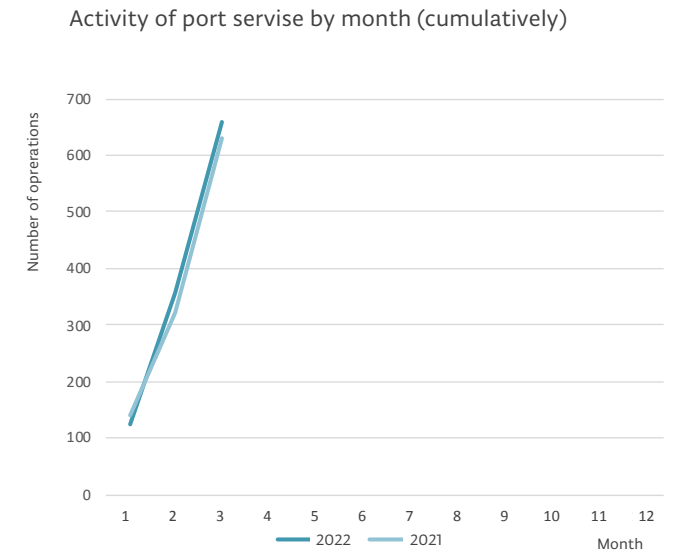
Transit berth – vessel overnight stays in the period from 01/01 to 31/03/2022 and comparison with the same period in 2021

2022	Individually monthly			Cumulatively monthly		
	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			#REF!			#REF!
5			#REF!			#REF!
6			#REF!			#REF!
7			#REF!			#REF!
8			#REF!			#REF!
9			#REF!			#REF!
10			#REF!			#REF!
11			#REF!			#REF!
12			#REF!			#REF!
<b>Total:</b>	<b>2022</b>	<b>603</b>				
<b>Total:</b>	<b>2021</b>	<b>954</b>				
<b>Index</b>	<b>2022/2021</b>	<b>63</b>				



Activities of port services in the period from 01/01 to 31/03/2022 and comparison with the same period in 2021

2022	Individually monthly			Cumulatively monthly		
	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			#REF!			#REF!
5			#REF!			#REF!
6			#REF!			#REF!
7			#REF!			#REF!
8			#REF!			#REF!
9			#REF!			#REF!
10			#REF!			#REF!
11			#REF!			#REF!
12			#REF!			#REF!
<b>Total:</b>	<b>2022</b>	<b>659</b>				
<b>Total:</b>	<b>2021</b>	<b>629</b>				
<b>Index</b>	<b>2022/2021</b>	<b>105</b>				







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## 4.2 CITY GALLERIA BUSINESS AND SHOPPING CENTER

City Galleria Business and Shopping Center is located in a heavily residential and urban area in the immediate center of Zadar, just a ten-minute walk from the old town. The favourable location of the facility provides exceptional visibility and easy accessibility to the center. Public works on the reconstruction of the surrounding roads are underway, which will contribute to a more efficient traffic network and easier access to the old town.

The total gross area of the building is more than 28,500 m<sup>2</sup>, 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 building is comprised of an underground garage with an area of 10,863.50 m<sup>2</sup>, commercial premises with a total net rentable area of 9,463.10 m<sup>2</sup>, and connecting, technical and common areas. By purchasing the business premises in the neighbouring Phase 1 of the Zadar Shopping Center facility that was completed in December 2020, the Company secured an additional 142.13 m<sup>2</sup> of business premises intended for lease. In 2021, the Company bought three additional business premises in Phase 1 of the facility and currently disposes of a total of 233.53 m<sup>2</sup> in Phase 1 of the facility.

As at 31 March 2022, the occupancy of the Center amounted to 99.76% of all capacities, that is, 37 commercial lease agreements were active, with a surface area range from 9,80 m<sup>2</sup> to 1.836 m<sup>2</sup>. The commercial premises occupancy rate in Phase 1 for the same period was 81.36%. Taking into account the total net area of the commercial premises in Phases 1 and 2 of the facility, amounting to 9,696.63 m<sup>2</sup>, the current total occupancy rate is 99.32%.

Business revenue generated in the first quarter of 2022 through lease of commercial premises, common costs, use of common parts of the Center, lease of advertising space, garage revenue and lease of commercial premises in Phase 1 of the Center, amounted to HRK 3,205,941.70. Other operating revenue relating to insurance claims amounted to HRK 41,542.95 in the relevant period, which brings the total generated revenue in the first quarter of 2022 to HRK 3,247,484.65. Total revenue generated in the same period in 2021 amounted to HRK 3,110,161.89, representing an increase of 4.42% in the current year which was realised mostly through the increase in revenue from the lease of parking spaces in the garage and revenue from the use of common areas.

In the category of revenue from the lease of bu-

business premises in the observed period of 2022, in comparison to the previous year, a slight increase of 0.66% was recorded. As regards revenue from common costs, a decrease of 3.81% was recorded compared to the same period in 2021, while as regards the garage revenue category, an increase of as much as 72.09% 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 quarter of 2021, and in the category of use of common areas, compared to the results achieved in 2021, we recorded an increase of 36.37%. Operating revenue from the lease of business premises in the neighbouring Phase 1 of the Center in the first quarter of 2022 amounted to HRK 32,075.96, representing an increase of 28.23% compared to the same period in 2021 when they amounted to HRK 25,014.19. In the first three months of 2022, the number of vehicles visiting the public underground garage of the Center amounted to 151,344 vehicles, while in the same period in 2021 it amounted to 144,355 vehicles. This result represents an increase of 4.84%.





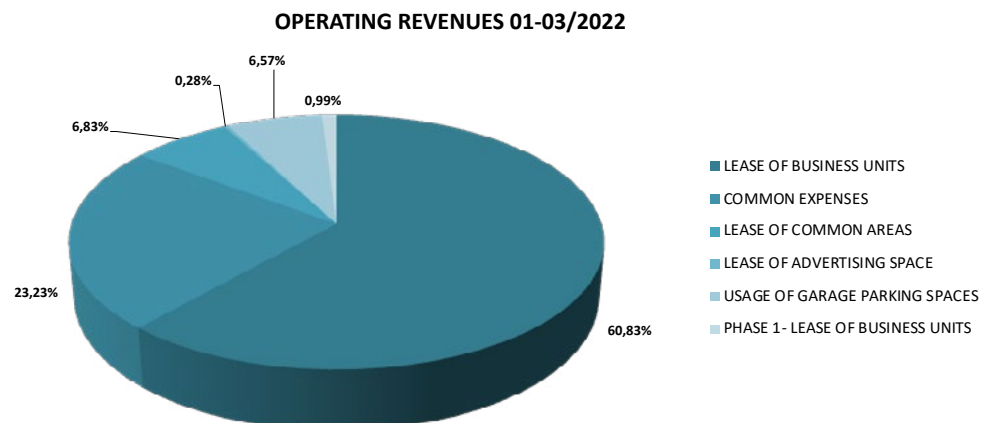
## Business revenue of the business and shopping centre City Galleria in Zadar for the period from 01/01 to 31/03/2022 and a comparison with the same period in 2021

DESIGNATION	DESCRIPTION	NUMBER OF ACTIVE CONTRACTS	SURFACE AREA (m <sup>2</sup> )	REVENUES 01-03/2022	%	REVENUES 01-03/2021	%	INDEX 2022/2021
1	LEASE OF BUSINESS UNITS	37	9.463,10	1.975.506,36 kn	60,83%	1.962.534,20 kn	63,10%	101
2	COMMON EXPENSES	35	6.668,13	754.268,57 kn	23,23%	784.147,51 kn	25,21%	96
3	LEASE OF COMMON AREAS	25	1.513,00	221.716,35 kn	6,83%	162.586,41 kn	5,23%	136
4	LEASE OF ADVERTISING SPACE	7	121,18	8.956,29 kn	0,28%	9.532,29 kn	0,31%	94
5	USAGE OF GARAGE PARKING SPACES	410***	10.863,50	213.418,17 kn	6,57%	124.012,49 kn	3,99%	172
6	PHASE 1- LEASE OF BUSINESS UNITS	4	233,53	32.075,96 kn	0,99%	25.014,19 kn	0,80%	128
<b>REVENUES</b>				<b>3.205.941,70 kn</b>	<b>98,72%</b>	<b>3.067.827,09 kn</b>	<b>98,64%</b>	<b>105</b>
7	OTHER BUSINESS REVENUES			41.542,95 kn	1,28%	42.334,80 kn	1,36%	98
<b>TOTAL REVENUES</b>				<b>3.247.484,65 kn</b>	<b>100,00%</b>	<b>3.110.161,89 kn</b>	<b>100,00%</b>	<b>104</b>

\* Total net leasable surface area

\*\* Total net leasable area for calculation of common expenses

\*\*\* Number of parking spaces in garage



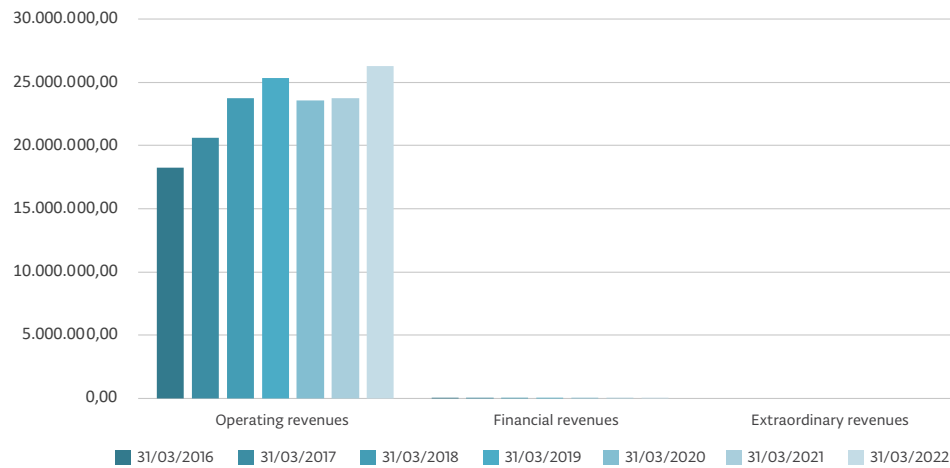
## 5 FINANCIAL OPERATING RESULTS AT COMPANY LEVEL

### 5.1 FINANCIAL PERFORMANCE OF THE COMPANY

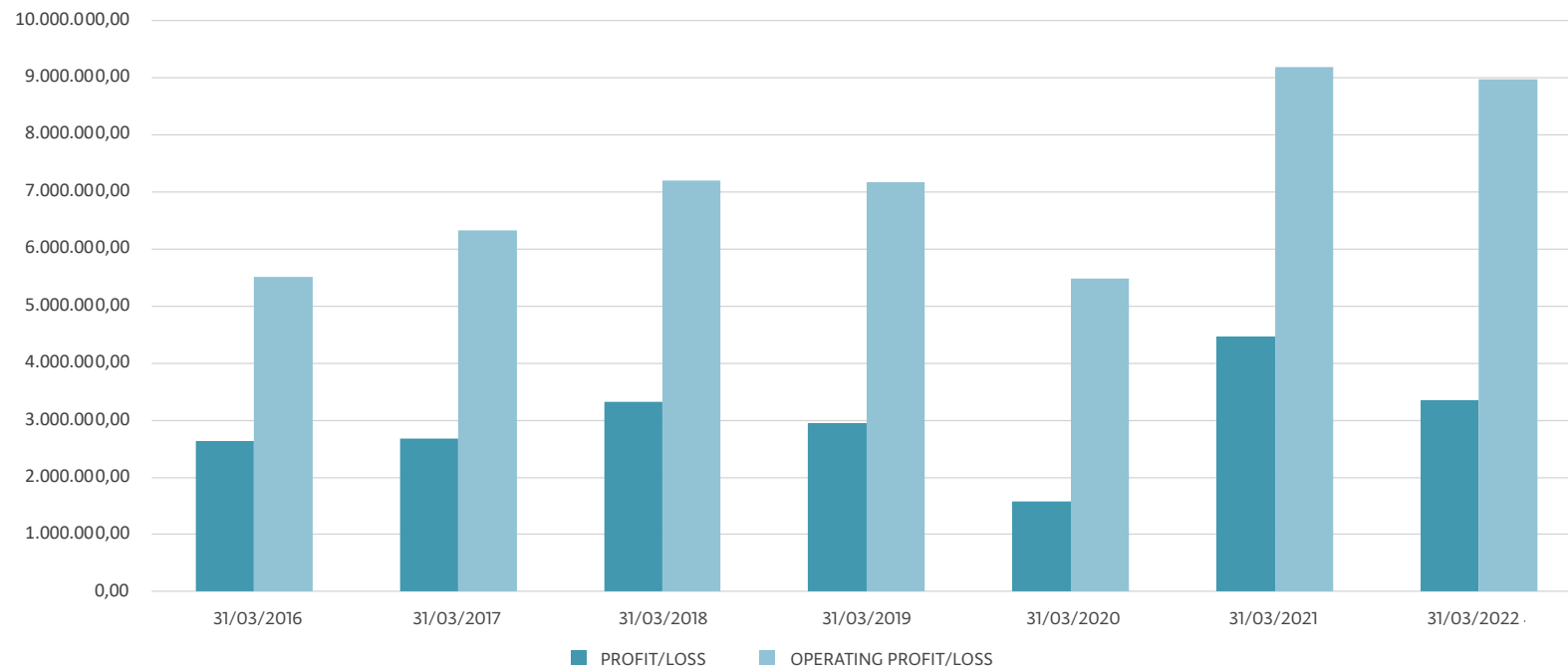
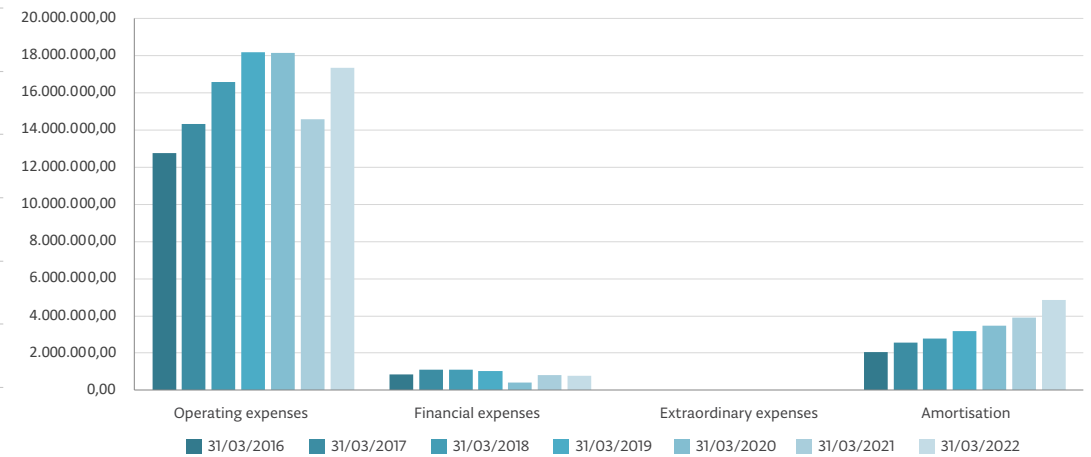
#### Overview of financial performance for the period from 1 January to 31 March 2022 and a comparison with the same period from 2016 to 2022

DESCRIPTION	31/03/2016	31/03/2017	31/03/2018	31/03/2019	31/03/2020	31/03/2021	31/03/2022	Index 2022/2021
Operating revenues	18.265.476,75	20.642.372,56	23.749.772,28	25.330.248,15	23.598.472,79	23.731.831,89	26.306.275,93	110,85
Financial revenues	30.689,62	23.419,38	22.186,19	13.944,49	9.116,53	4.378,73	7.821,74	178,63
Extraordinary revenues	0,00	0,00	0,00	0,00	0,00	0,00	0,00	#DIV/0!
<b>TOTAL REVENUES</b>	<b>18.296.166,37</b>	<b>20.665.791,94</b>	<b>23.771.958,47</b>	<b>25.344.192,64</b>	<b>23.607.589,32</b>	<b>23.736.210,62</b>	<b>26.314.097,67</b>	<b>110,86</b>
Operating expenses	12.756.687,07	14.317.916,72	16.561.149,13	18.159.456,24	18.118.877,48	14.557.105,68	17.337.628,13	119,10
Financial expenses	848.451,04	1.121.027,66	1.101.937,91	1.031.239,46	427.759,77	800.914,84	766.293,32	95,68
Extraordinary expenses	0,00	0,00	0,00	0,00	0,00	0,00	0,00	#DIV/0!
Amortisation	2.056.495,32	2.551.211,77	2.788.869,12	3.199.224,00	3.475.634,71	3.918.413,52	4.858.053,37	123,98
<b>TOTAL EXPENSES</b>	<b>15.661.633,43</b>	<b>17.990.156,15</b>	<b>20.451.956,16</b>	<b>22.389.919,70</b>	<b>22.022.271,96</b>	<b>19.276.434,04</b>	<b>22.961.974,82</b>	<b>119,12</b>
<b>PROFIT/LOSS</b>	<b>2.634.532,94</b>	<b>2.675.635,79</b>	<b>3.320.002,31</b>	<b>2.954.272,94</b>	<b>1.585.317,36</b>	<b>4.459.776,58</b>	<b>3.352.122,85</b>	<b>75,16</b>
<b>OPERATING PROFIT/LOSS</b>	<b>5.508.789,68</b>	<b>6.324.455,84</b>	<b>7.188.623,15</b>	<b>7.170.791,91</b>	<b>5.479.595,31</b>	<b>9.174.726,21</b>	<b>8.968.647,80</b>	<b>97,75</b>
<b>EBITDA</b>	<b>5.539.479,30</b>	<b>6.347.875,22</b>	<b>7.210.809,34</b>	<b>7.184.736,40</b>	<b>5.488.711,84</b>	<b>9.179.104,94</b>	<b>8.976.469,54</b>	<b>97,79</b>

REVENUES 2016 - 2022



EXPENSES 2016 - 2022



## 1

Total revenues in the first quarter of 2022 amounted to HRK 26,314,097.67, and show a 10.86% increase compared to the same period in 2021.

Operating revenue for the period observed amounted to HRK 26,306,275.93 and, compared to the same period in the previous year, it has increased by 10.85% due to an increase in revenue from sales. In the first quarter of the previous business year, the Company received the amount of HRK 2,497,667.82 on account of the job retention grant, which was recorded as operating revenue. In this year, the Company did not receive the grant, so all of the Company's operating revenue generated in the first quarter of 2022 was from business activities.

Revenue from sales amounted to HRK 26,169,232.26, representing an increase of 23.66% compared to the first quarter of the previous year when it amounted to HRK 21,162,790.77 due to a 24% increase in revenue from sales on the domestic market and a 17% increase in revenue from sales on the foreign market. Revenue from sales represented 99.48% of operating revenue and 99.45% of total revenue.

## 2

Total expenses amounted to HRK 22,961,974.82 and, compared to the same period of 2021, they showed a 19.12% increase due to a 19.10% increase in operating expenses and a 23.98% increase in depreciation.

Operating expenses in the period observed amounted to HRK 17,337,628.13 and marked a HRK 2,780,522.45 increase compared to the same period of the previous business year due to a 65% increase in the costs of raw materials, materials and energy, followed by a 17% increase in gross salaries, a 16% increase in outsourcing costs and a 1% increase in other costs.

## 3

Operating profit from the Company's business activities amounted to HRK 8,968,647.80, and showed a 2.25% decrease compared to the same period in 2021.

The profit before tax for the reporting period amounted to HRK 3,352,122.85, representing a decrease of 24.84%, due to an increase in total expenses.

EBITDA, i.e. earnings before depreciation, interest and taxes, was generated in the amount HRK 8,976,469.54, and showed a 2.21% decrease compared to the same period of the previous year.

EBIT, i.e. earnings before financing expenses, was generated in the amount of HRK 4,118,416.17, and showed a 21.71% decrease, i.e. a decrease of HRK 1,142,275.25.

In the reporting period, despite an increase in the total and operating revenue compared to the same period of the previous year at the rate of 11%, the Company achieved positive profitability indicators (operating profit, profit, EBITDA and EBIT), even though these were lower compared to the same period of the previous business year. The decrease in profitability was mostly due to an increase in the gross salary cost, as the Company employs 10% more employees than in the same period of the previous year and, at the same time, it has allocated more funds for salaries, which is also the Company's strategic determinant in terms of HR management. Despite the achieved double-digit growth in revenue, the increased gross salary costs, increased raw materials, materials and energy costs, as well as services and depreciation costs all amounted to increased expenses, which in turn resulted in lower profitability indicators. Moreover, the achieved results were also partly affected by the lack of job retention grants in 2022, compared to the first quarter of 2021, when they amounted to HRK 2,497,667.82.

**Financial statements of the Company as at 31/03/2022 and a comparison  
with the same period in 2021 and 2020**

REVENUES	2020	2021	INDEX 2021/2020	2022	INDEX 2022/2021
Revenue on the domestic market	22.008.526,42	20.193.458,96	92	25.031.444,01	124
Revenues on foreign market	1.462.807,17	969.331,81	66	1.137.788,25	117
Other operating revenues	127.139,20	2.569.041,12	2.021	137.043,67	5
<b>OPERATING REVENUES</b>	<b>23.598.472,79</b>	<b>23.731.831,89</b>	<b>101</b>	<b>26.306.275,93</b>	<b>111</b>
FINANCIAL REVENUES	9.116,53	4.378,73	48	7.821,74	179
EXTRAORDINARY REVENUES	0,00	0,00	#DIV/0!	0,00	#DIV/0!
<b>TOTAL REVENUES</b>	<b>23.607.589,32</b>	<b>23.736.210,62</b>	<b>101</b>	<b>26.314.097,67</b>	<b>111</b>
EXPENSES					
Raw material and material costs	1.828.781,54	1.633.326,69	89	2.693.569,29	165
Costs of services	3.251.777,24	2.951.316,67	91	3.434.112,49	116
Gross pays	8.037.704,00	7.255.084,59	90	8.476.072,47	117
Other expenses	5.000.614,70	2.717.377,73	54	2.733.873,88	101
<b>TOTAL EXPENSES</b>	<b>18.118.877,48</b>	<b>14.557.105,68</b>	<b>80</b>	<b>17.337.628,13</b>	<b>119</b>
AMORTISATION	3.475.634,71	3.918.413,52	113	4.858.053,37	124
FINANCIAL EXPENSES	427.759,77	800.914,84	187	766.293,32	96
EXTRAORDINARY EXPENSES	0,00	0,00	#DIV/0!	0,00	#DIV/0!
<b>TOTAL EXPENSES</b>	<b>22.022.271,96</b>	<b>19.276.434,04</b>	<b>88</b>	<b>22.961.974,82</b>	<b>119</b>
<b>PROFIT/LOSS</b>	<b>1.585.317,36</b>	<b>4.459.776,58</b>	<b>281</b>	<b>3.352.122,85</b>	<b>75</b>
<b>OPERATING PROFIT/LOSS</b>	<b>5.479.595,31</b>	<b>9.174.726,21</b>	<b>167</b>	<b>8.968.647,80</b>	<b>98</b>
<b>EBITDA</b>	<b>5.488.711,84</b>	<b>9.179.104,94</b>	<b>167</b>	<b>8.976.469,54</b>	<b>98</b>

## REVENUE BY ACTIVITIES

The nautical sector revenue amounted to HRK 14,262,207.88 and was 8% higher than in the same period of 2021, as a result of increased revenue in the segment of vessel accommodation, i.e. Marina Kornati by 7% and hospitality by 79%, which was a result of heightened business activities due to a better epidemiological situation and relaxation of epidemiological measures.

The camping sector revenue amounted to HRK 7,356,250.72 and was 54% higher, in general due to the increased revenue in the accommodation segment, i.e. in the "Park Soline" campsite due to increased revenue generated from the fixed-lease pitches, as a result of a higher number of leased holiday home pitches.

Revenue from the real-estate sector, i.e. the City Galleria Business and Shopping Center, amounted to HRK 3,247,484.65, constituting a 4% increase compared to the same period of 2021, due to an increase in revenue from garage space lease caused by an increased number of visitors and an increase in revenue from use of common areas.

The revenue from the hotel sector, Ilirija Travel and other profit centres amounted to HRK 1,440,332.68, with a significantly higher growth compared to the same period of the previous year, which was a result of an increase in the volume of business activities in the mentioned sectors in the first quarter of the business year.

**TOTAL:** Operating revenue per activity amounted to HRK 26,306,275.93, representing an increase by 11% compared to the same period in 2021.



## 5.2 FINANCIAL POSITION OF THE COMPANY

### KEY FINANCIAL INDICATORS OF THE STATUS AND OPERATION OF THE COMPANY AS AT 31 MARCH 2022

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



#### 1

The value of the Company's assets as at 31/03/2022 amounted to HRK 510,190,756.12, showing an increase of HRK 27,886,661.88 compared to the same period in 2021, when it amounted to HRK 482,304,094.24, and its increase is a result of an increase in current assets.

The value of the Company assets increased from HRK 284,675,972.60 in 2012 by HRK 225,514,783.52, or 79.22% to HRK 510,190,756.12.

#### 2

The Company's total liabilities amount to HRK 136,593,639.72, increasing by HRK 6,821,839.58, or 5.26% compared to HRK 129,771,800.14 for the same period in 2021, as a result of an increase in short-term and long-term liabilities of the Company.

Total liabilities of the Company as at 31/03/2022 were lower by HRK 10,164,645.70, or 6.93% compared to total liabilities of the Company as at 31/03/2012 when they amounted to HRK 146,758,285.42.

#### 3

Equity and reserves of the Company as at 31/03/2022 amounted to HRK 373,597,116.40, recording an increase of HRK 21,064,822.30, or 5.98% due to an increase in retained profit compared to the same period in 2021 when they amounted to HRK 352,532,294.10.

Comparing equity and reserves of the Company as at 31 March 2022, they increased by HRK 235,679,429.22 or 170.88% compared to the same the same period in 2012, when they amounted to HRK 137,917,687.18.

## 4

On 31 March 2022, net debt amounted to HRK 54,177,963.37, constituting a decrease of 36.4%, or HRK 31,004,812.78 compared to the previous year, when it amounted to HRK 85,182,776.15.

This also represents a 55.54%, or HRK 67,668,065.11 decrease compared to the same period in 2012, when the net debt amounted to HRK 121,846,028.48.

## 5

The Company's total revenue amounted to HRK 26,314,097.67, increasing by HRK 2,577,887.05, or 10.86% compared to HRK 23,736,210.62 for the same period in 2021, as a result of an increase in the revenue from sales at the level of all Company sectors.

Total revenue of the Company, compared to the same period in 2012 when it amounted to HRK 14,910,581.52, increased by HRK 11,403,516.15, or 76.48%.

## 6

The Company realised an operating profit in the amount of HRK 8,968,647.80, which is HRK 206,078.41, or 2.25% less compared to the same period of 2021, when it amounted to HRK 9,174,726.21, as a result of a significant increase in operating expenses.

Comparing the operating profit generated in the first quarter of 2022 compared to the same period in 2012, when it amounted to HRK 3,600,648.28, a 149.08% increase can be seen.

## 7

EBITDA was realised in the amount of HRK 8,976,469.54, decreasing by 2.21% or HRK 202,635.40 compared to HRK 9,179,104.94 for the same period in 2021.

The realised EBITDA in the reporting period increased by HRK 5,336,851.85, or 146.63% compared to the first quarter of 2012, when it amounted to HRK 3,639,617.69.

## 8

The Company's profit in the reporting period amounted to HRK 3,352,122.85, decreasing by HRK 1,107,653.73 or 24.84% compared to the first quarter of 2021, when it amounted to HRK 4,459,776.58 due to an increase in total expenses.

Profit realised in the first quarter of 2022, compared to the profit generated in the same period of 2012, which amounted to HRK 536,609.90, has increased by HRK 2,815,512.95 or 524.69%.

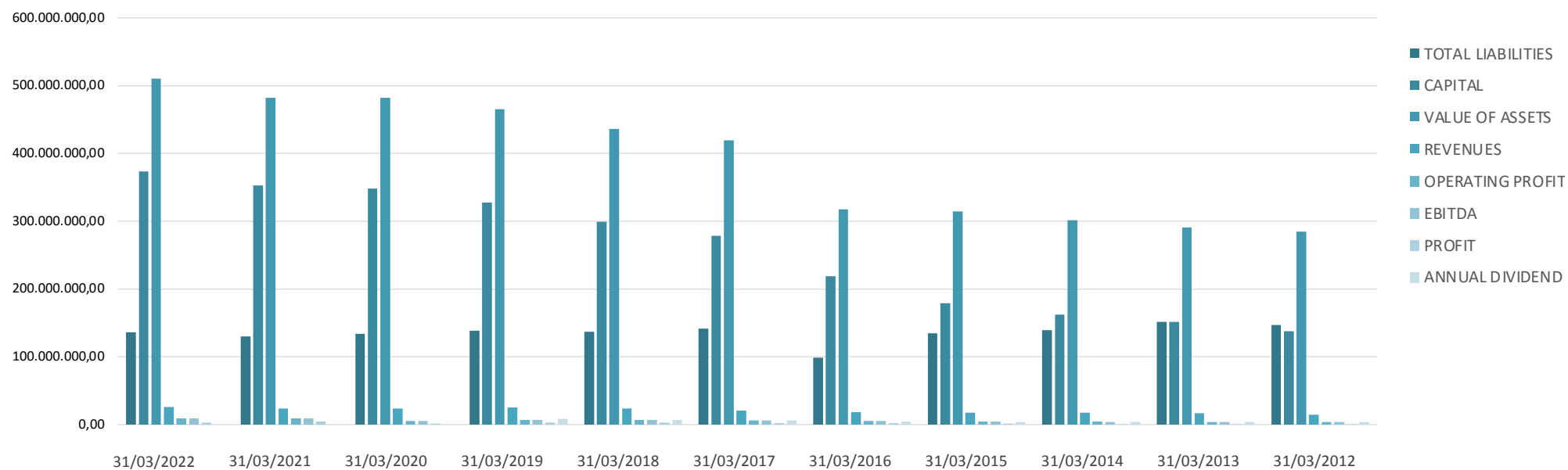


## CUMULATIVE COMPARATIVE OVERVIEW

of fundamental operating results, as well as asset, capital and liability indicators of the Company  
as at 31/03/2022, and for the same period of 2012-2021

YEAR	TOTAL LIABILITIES	CAPITAL	VALUE OF ASSETS	NET DEBT	REVENUES	OPERATING PROFIT	EBITDA	EARNINGS BEFORE TAXES	ANNUAL DIVIDEND
1	2	3	4	5	6	7	8	9	10
31/03/2022	136.593.639,72	373.597.116,40	510.190.756,12	54.177.963,37	26.314.097,67	8.968.647,80	8.976.469,54	3.352.122,85	0,00
31/03/2021	129.771.800,14	352.532.294,10	482.304.094,24	85.182.776,15	23.736.210,62	9.174.726,21	9.179.104,94	4.459.776,58	0,00
31/03/2020	133.871.075,10	348.328.691,74	482.199.766,84	98.141.684,88	23.607.589,32	5.479.595,31	5.488.711,84	1.585.317,36	0,00
31/03/2019	138.393.153,05	327.310.786,02	465.703.939,07	111.158.528,68	25.344.192,64	7.170.791,91	7.184.736,40	2.954.272,94	8.417.962,00
31/03/2018	137.122.236,40	299.275.231,55	436.397.467,95	118.361.025,25	23.771.958,47	7.188.623,15	7.210.809,34	3.320.002,31	7.221.240,00
31/03/2017	141.448.734,76	278.359.543,77	419.808.278,53	120.784.697,39	20.665.791,94	6.324.455,84	6.347.875,22	2.675.635,79	6.016.540,00
31/03/2016	98.831.910,81	219.010.700,88	317.842.611,69	66.950.235,04	18.296.166,37	5.508.789,68	5.539.479,30	2.634.532,94	4.937.148,00
31/03/2015	135.069.382,93	179.280.859,69	314.350.242,62	102.316.280,47	17.767.942,65	4.759.336,36	4.777.705,01	1.422.144,02	3.740.790,00
31/03/2014	139.140.342,44	162.510.566,87	301.650.909,31	111.048.177,40	17.329.038,51	4.341.095,98	4.236.701,97	1.167.270,71	3.740.790,00
31/03/2013	151.603.255,36	151.603.255,36	291.120.786,27	116.061.030,13	16.657.469,54	3.822.239,36	3.904.873,47	1.130.255,01	3.740.790,00
31/03/2012	146.758.285,42	137.917.687,18	284.675.972,60	121.846.028,48	14.910.581,52	3.600.648,28	3.639.617,69	536.609,90	3.740.790,00

A graph of basic operating results, as well as asset, capital and liability indicators of the Company as at 31/03/2022, and for the same period of 2012 – 2021



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

		31/03/2022	31/12/2021	INDEX
		UNAUDITED	REVISED	
A	FIXED ASSETS	441.033.722,80	442.020.422,48	99,78
B	CURRENT ASSETS	69.157.033,32	52.882.621,62	130,77
<b>A+B</b>	<b>TOTAL ASSETS</b>	<b>510.190.756,12</b>	<b>494.903.044,10</b>	<b>103,09</b>
C	SHORT-TERM LIABILITIES	27.175.321,25	30.224.806,99	89,91
D	LONG-TERM LIABILITIES	109.418.318,47	94.433.243,56	115,87
E	TOTAL LIABILITIES	136.593.639,72	124.658.050,55	109,57
F	TOTAL SHARE CAPITAL AND RESERVES	373.597.116,40	370.244.993,55	100,91
<b>E+F</b>	<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>510.190.756,12</b>	<b>494.903.044,10</b>	<b>103,09</b>

## OPERATING AND OTHER COSTS

Operating expenses for the first quarter of 2022 amounted to HRK 17,337,628.13 and are higher by 19.10% compared to the same period of the previous business year, when they amounted to HRK 14,557,105.68, due to an increase in operating expenses caused by an increase in the gross salary cost and costs of raw materials, materials and energy.

## FINANCIAL EXPENSES

Financial expenses in the period observed amounted to HRK 766,293.32, and they have decreased by 4.32% compared to the first quarter of 2021, when they amounted to HRK 800,914.84.

## LIQUIDITY

One of the primary Company goals in the significantly changed business environment due to the absence of the hospitality and tourism industry activities caused by the global COVID-19 pandemic and further emphasised by the political instability in Europe is to maintain its current liquidity. The Company is, therefore, undertaking activities to diversify its existing and secure new financing sources to overcome this period, while at the same time it is implementing activities

aimed at optimisation of all of its operating costs. The Company concluded a Loan Agreement for Permanent Working Capital with Erste&Steiermarkische Bank d.d. on 19 May 2021, which was executed, i.e. completely mobilised on 17 March 2022 in the amount of HRK 15,000,000.00, with a grace period of 12 months and a recovery period of five years. Moreover, the Company also concluded a Short-term Limit Agreement with Erste&Steiermarkische Bank d.d. in June 2021 to increase its current liquidity if necessary, which the Company did not use in the reporting period.

## SHARE DISTRIBUTION

There was no share distribution in the reporting period.

## COLLECTION OF FUTURE REVENUE

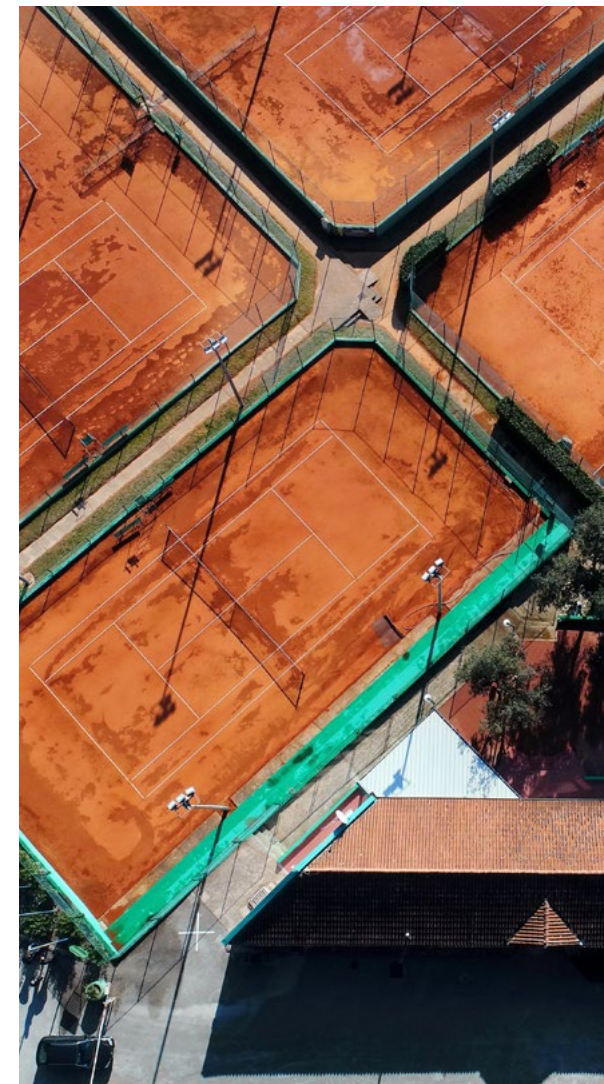
There is only a partial difficulty in the collection of outstanding receivables and those that are yet to mature. Therefore, the Company actively monitors and manages both future trade receivables and trade

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 compulsory collection measures, including the activation of collaterals to collect its claims.

## 6 ADDITIONAL INFORMATION ON THE STATUS AND OPERATION OF THE COMPANY

### 6.1 SIGNIFICANT EVENTS

Under the decision of the Supreme Court of the Republic of Croatia following the revision initiated by the Town of Biograd na Moru, with which the Company was 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 subject real property – which is indisputably the case in the Company’s opinion. Until the Court issues another decision, the entry in the land register shall return to its 2006 status, i.e. the tennis centre property shall have Ilirija d.d. and the Town of Biograd na Moru as co-owners, each owning  $\frac{1}{2}$  of the property. In further proceedings the Company will continue to assert its right of ownership over the real property, which represents an equipped complex of 20 tennis courts with auxiliary facilities that has been in the possession and ownership of the Company for over 30 years.



## 6.2 POST-BALANCE SHEET 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 Discharge of the Company's Management Board, Decision on Discharge of the Members of the Supervisory Board and 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): 71799539000 is appointed to perform the audit.

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,
- 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 from the

profits generated in 2021. The dividend per share amounts to HRK 3.50.

The Company acquired 100 own shares, designated as ILRA-R-A, which constitute 0.004% of the share capital. Following this acquisition, the Company owns 7933 own shares, constituting 0.328% of the share capital.

## 6.3 LEGAL MATTERS

The “Tenis centar Ilirija” real estate in Biograd na Moru, under the cadastral plot No 3232, in the Cadastral Municipality of Biograd na Moru, surface area of 48705 m<sup>2</sup> 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 transformation process. Pursuant to the lawful transformation 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 Biograd na Moru in 2006, the entry in the land registry was changed for reasons unknown to us and ½ of the co-ownership share of Ilirija d.d. was removed, and the Town of Biograd na Moru was for the first time entered as the co-owner of the subject share. 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 revision initiated by the Town of Biograd 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 subject real property – 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 Tennis centre Ilirija, which represents an equipped complex of 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 sentence of the Supreme Court of the Republic of Croatia was set aside. The sentence set aside rejected the review of 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 estate “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. To date, nearly five (5) years after the adoption of the decision of the Constitutional Court, the Croatian Supreme Court has not adopted a decision within the repeal procedure.

The sentence 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 tourist land not assessed in the process of conversion and privatization, Ilirija d.d. has already, within the legal deadline, submitted a request to the Government of the Republic of Croatia through the Ministry of Tourism of the Republic of Croatia, for a concession on the co-owned part of the Republic of Croatia, for the use of the "Park Soline" campsite for 50 years. In the meantime, in May 2020, the new Act on Unevaluated Construction Land came into force, thus repealing the Act on Tourist and Other Construction Land not Evaluated During the Transformation and Privatisation Process. The new Act on Non-Evaluated Construction Land) provides that buildings and land in the campsite which are estimated in the value of the capital, are owned by the company, whereas campsite land not estimated in the value of the capital is owned by the Republic of Croatia. On 5 March 2021, Ilirija d.d. submitted a Request for a Decision, within the legal deadline, 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 the Lease Agreement between the Republic of Croatia and Ilirija d.d. for a period of 50 years. The procedure is ongoing.

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 use permits, the Company built the Hotel Port Ilirija – Kornati (1977-1979) and an outdoor swimming pool with beach facilities (1988), which investments were evaluated and entered in the value of the socially-owned capital of Ilirija d.d. during the process of transformation. The aforementioned permanent right to use the maritime domain was replaced in 1998 with a limited period concession, and in accordance with the Decisions of the Zadar County on the award of the concession on the maritime domain, the Maritime Domain Concession Agreement was concluded for the purpose of commercial use of the special purpose port - nautical tourism port for a period of 12 years (until 2011) as well as the Maritime Domain Concession Agreement for the purpose of commercial use of the outdoor swimming pool for a period of 10 years (until 2008). Prior to the expiry of the concession for the nautical tourism port – the Ilirija-Kornati hotel port and the outdoor swimming pool with a beach facility, Ilirija d.d. submitted the applications for extending the term of the concession by 20 years, i.e. a total of 30 years. Until the decision on the requests for the extension of the concession and the legal resolution of the legal issues of transformation 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 transformation process, the property Dražice – Mini Golf was evaluated and entered in the value of the socially-owned capital for the part with the surface area of 9752 m<sup>2</sup>, the part which Ilirija d.d. has been using uninterruptedly for the purposes of the parking lot and the entertainment and animation centre, and accordingly holds in its possession, while for the rest of the land of approximately 46,000 000 m<sup>2</sup> 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 judgment has been rendered in this case.

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 negatively affect the Company's current and future financial results.



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## 6.4 INVESTMENTS IN 2022

In the first quarter of 2022, the Company invested HRK 4,411,589.21, 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 third quarter of 2022, 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, hydromassage pools, as well as by enhancing and diversifying face and body treatments on offer with new, contemporary beauty devices. Furthermore, the redecoration and refurbishing of the Ilirija Hotel lobby has been started, as well as the decoration of new shared amenities for children at the Adriatic Hotel, i.e. the decoration of the Teen club, envisaged as a gaming club, and of the Kid club Lavander for children from 3 to 12 years. The expansion of the existing children's playground with amenities made from natural materials has also started. Moreover, all of the internal doors in the Adriatic Hotel have been replaced with more energy efficient aluminium ones, and additional decoration work has also been done on the restaurant terrace.

In the camping sector, the glamping deluxe zone with 32 holiday homes has been completed, including all of the infrastructure and landscaping work and construction of the main roads in the camp's extra zone, as well as additional refurbishing and decoration 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 shoreline 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 m<sup>2</sup> 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.

**Land plot, Sv. Filip i Jakov:** In December 2021, the Company bought a land plot with a surface area of 9,600 m<sup>2</sup> 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.

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## 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.

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## 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 the same can be expected for year 2022.

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

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

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

Furthermore, the Company is aware that the business expectations for 2022, presented in the planned financial results, i.e. the business plan, represent a 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 year-round business activities (vaccine development and vaccination of the population) as well as the fact that Croatian tourism in 2021, in the period from the second half of July until the end of the business year 2021, recorded a strong recovery, the Company considers that the realisation of its 2022 business plan is feasible un-

der 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 increase in the revenues is planned in comparison to the pre-pandemic period.

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

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

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

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



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## 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/-31/03/2022

### Annex 1

#### ISSUER'S GENERAL DATA

Reporting period: 01/01/2022 to 31/03/2022  
 Year: 2022  
 Quarter: 1

#### 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): 271  
 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 31/03/2022			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
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	<b>0</b>	<b>0</b>
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	<b>446.879.813</b>	<b>441.033.723</b>
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	<b>37.497</b>	<b>96.177</b>
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	37.497	96.177
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	<b>446.804.157</b>	<b>440.899.750</b>
1 Land	011	43.295.283	44.409.058
2 Buildings	012	259.434.771	251.973.220
3 Plant and equipment	013	64.373.768	61.965.424
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	424.864	484.154
7 Tangible assets in preparation	017	1.589.344	4.330.206
8 Other tangible assets	018	0	0
9 Investment property	019	77.686.127	77.737.688
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	<b>38.159</b>	<b>37.796</b>
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	38.159	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
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	<b>0</b>	<b>0</b>
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
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	<b>0</b>	<b>0</b>
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	<b>35.424.281</b>	<b>69.157.033</b>
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	<b>1.098.318</b>	<b>1.095.257</b>
1 Raw materials and consumables	039	1.098.318	1.095.257
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



<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	<b>3.493.408</b>	<b>2.564.310</b>
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	2.998.163	1.890.281
4 Receivables from employees and members of the undertaking	050	11.821	58.000
5 Receivables from government and other institutions	051	357.488	388.517
6 Other receivables	052	125.936	227.512
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	<b>262.124</b>	<b>63.348.532</b>
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	262.124	63.348.532
9 Other financial assets	062	0	0
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	<b>30.570.431</b>	<b>2.148.934</b>
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	<b>0</b>	<b>0</b>
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	<b>482.304.094</b>	<b>510.190.756</b>
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	<b>0</b>	<b>0</b>
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)</b>	<b>067</b>	<b>352.532.294</b>	<b>373.597.116</b>
<b>I INITIAL (SUBSCRIBED) CAPITAL</b>	<b>068</b>	<b>229.146.480</b>	<b>229.146.480</b>
<b>II CAPITAL RESERVES</b>	<b>069</b>	<b>2.932.389</b>	<b>2.932.389</b>
<b>III RESERVES FROM PROFIT (ADP 071+072-073+074+075)</b>	<b>070</b>	<b>37.405.212</b>	<b>37.405.212</b>
1 Legal reserves	071	24.077.985	24.077.985
2 Reserves for treasury shares	072	6.975.716	6.975.716
3 Treasury shares and holdings (deductible item)	073	-1.171.168	-1.171.168
4 Statutory reserves	074	0	0
5 Other reserves	075	7.522.679	7.522.679
<b>IV REVALUATION RESERVES</b>	<b>076</b>	<b>0</b>	<b>0</b>
<b>V FAIR VALUE RESERVES (ADP 078 to 080)</b>	<b>077</b>	<b>0</b>	<b>0</b>
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
<b>VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)</b>	<b>083</b>	<b>78.588.436</b>	<b>100.760.912</b>
1 Retained profit	084	78.588.436	100.760.912
2 Loss brought forward	085	0	0
<b>VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)</b>	<b>086</b>	<b>4.459.777</b>	<b>3.352.123</b>
1 Profit for the business year	087	4.459.777	3.352.123
2 Loss for the business year	088	0	0
<b>VIII MINORITY (NON-CONTROLLING) INTEREST</b>	<b>089</b>	<b>0</b>	<b>0</b>
<b>B) PROVISIONS (ADP 091 to 096)</b>	<b>090</b>	<b>0</b>	<b>0</b>
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

<b>C) LONG-TERM LIABILITIES (ADP 098 to 108)</b>	<b>097</b>	<b>106.266.960</b>	<b>109.418.318</b>
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	106.266.960	109.418.318
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
<b>D) SHORT-TERM LIABILITIES (ADP 110 to 123)</b>	<b>109</b>	<b>21.690.541</b>	<b>25.434.907</b>
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	9.462.252	9.595.533
7 Liabilities for advance payments	116	0	0
8 Liabilities towards suppliers	117	7.498.866	6.966.735
9 Liabilities for securities	118	0	0
10 Liabilities towards employees	119	2.071.439	2.464.377
11 Taxes, contributions and similar liabilities	120	1.496.864	5.247.142
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
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>124</b>	<b>1.814.299</b>	<b>1.740.415</b>
<b>F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)</b>	<b>125</b>	<b>482.304.094</b>	<b>510.190.756</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>126</b>	<b>0</b>	<b>0</b>

STATEMENT OF PROFIT OR LOSS					
for the period 01/01/2022 to 31/03/2022					
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
<b>I OPERATING INCOME (ADP 002 to 006)</b>	<b>001</b>	<b>23.731.832</b>	<b>23.731.832</b>	<b>26.306.276</b>	<b>26.306.276</b>
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	21.165.508	21.165.508	26.169.232	26.169.232
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	2.566.324	2.566.324	137.044	137.044
<b>II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)</b>	<b>007</b>	<b>18.475.519</b>	<b>18.475.519</b>	<b>22.195.682</b>	<b>22.195.682</b>
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
<b>2 Material costs (ADP 010 to 012)</b>	<b>009</b>	<b>4.584.644</b>	<b>4.584.644</b>	<b>6.127.681</b>	<b>6.127.681</b>
a) Costs of raw materials and consumables	010	1.633.327	1.633.327	2.693.569	2.693.569
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	2.951.317	2.951.317	3.434.112	3.434.112
<b>3 Staff costs (ADP 014 to 016)</b>	<b>013</b>	<b>7.255.085</b>	<b>7.255.085</b>	<b>8.476.072</b>	<b>8.476.072</b>
a) Net salaries and wages	014	4.490.186	4.490.186	5.172.011	5.172.011
b) Tax and contributions from salary costs	015	1.733.003	1.733.003	2.098.497	2.098.497
c) Contributions on salaries	016	1.031.896	1.031.896	1.205.564	1.205.564
4 Depreciation	017	3.918.414	3.918.414	4.858.053	4.858.053
5 Other costs	018	2.531.254	2.531.254	2.724.125	2.724.125
<b>6 Value adjustments (ADP 020+021)</b>	<b>019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	0	0	0	0
<b>7 Provisions (ADP 023 to 028)</b>	<b>022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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	186.122	186.122	9.751	9.751
<b>III FINANCIAL INCOME (ADP 031 to 040)</b>	<b>030</b>	<b>4.379</b>	<b>4.379</b>	<b>7.822</b>	<b>7.822</b>
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	56	56	17	17
8 Exchange rate differences and other financial income	038	4.323	4.323	7.805	7.805
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	0	0
<b>IV FINANCIAL EXPENSES (ADP 042 to 048)</b>	<b>041</b>	<b>800.915</b>	<b>800.915</b>	<b>766.293</b>	<b>766.293</b>
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	796.573	796.573	761.715	761.715
4 Exchange rate differences and other expenses	045	4.342	4.342	4.578	4.578
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
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	049	0	0	0	0
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	050	0	0	0	0
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	051	0	0	0	0
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>052</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IX TOTAL INCOME (ADP 001+030+049 +050)</b>	<b>053</b>	<b>23.736.211</b>	<b>23.736.211</b>	<b>26.314.098</b>	<b>26.314.098</b>
<b>X TOTAL EXPENDITURE (ADP 007+041+051 + 052)</b>	<b>054</b>	<b>19.276.434</b>	<b>19.276.434</b>	<b>22.961.975</b>	<b>22.961.975</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 053-054)</b>	<b>055</b>	<b>4.459.777</b>	<b>4.459.777</b>	<b>3.352.123</b>	<b>3.352.123</b>
1 Pre-tax profit (ADP 053-054)	056	4.459.777	4.459.777	3.352.123	3.352.123
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
<b>XII INCOME TAX</b>	<b>058</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)</b>	<b>059</b>	<b>4.459.777</b>	<b>4.459.777</b>	<b>3.352.123</b>	<b>3.352.123</b>
1 Profit for the period (ADP 055-059)	060	4.459.777	4.459.777	3.352.123	3.352.123
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)					
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)</b>	<b>062</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>065</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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)					
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)</b>	<b>068</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
<b>XVII INCOME TAX (ADP 058+065)</b>	<b>071</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)</b>	<b>072</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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)					
<b>XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)</b>	<b>075</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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)					
<b>I PROFIT OR LOSS FOR THE PERIOD</b>	<b>078</b>	<b>4.459.777</b>	<b>4.459.777</b>	<b>3.352.123</b>	<b>3.352.123</b>
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)</b>	<b>079</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>III Items that will not be reclassified to profit or loss (ADP 081 to 085)</b>	<b>080</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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
<b>IV Items that may be reclassified to profit or loss (ADP 088 to 095)</b>	<b>087</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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
<b>V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)</b>	<b>097</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)</b>	<b>098</b>	<b>4.459.777</b>	<b>4.459.777</b>	<b>3.352.123</b>	<b>3.352.123</b>
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)</b>	<b>099</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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 31/03/2022			
			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	4.459.777	3.352.123
<b>2 Adjustments (ADP 003 to 010):</b>	<b>002</b>	<b>4.160.890</b>	<b>5.034.598</b>
a) Depreciation	003	3.918.414	4.858.053
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	0
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	0	0
e) Interest expenses	007	242.476	176.545
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
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>8.620.667</b>	<b>8.386.721</b>
<b>3 Changes in the working capital (ADP 013 to 016)</b>	<b>012</b>	<b>764.736</b>	<b>1.828.980</b>
a) Increase or decrease in short-term liabilities	013	-11.920.339	3.744.366
b) Increase or decrease in short-term receivables	014	7.163.337	-929.098
c) Increase or decrease in inventories	015	-497.811	-3.061
d) Other increase or decrease in working capital	016	6.019.549	-983.227
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>9.385.403</b>	<b>10.215.701</b>
4 Interest paid	018	0	0
5 Income tax paid	019	0	0
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>9.385.403</b>	<b>10.215.701</b>
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	4.649	7.822
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
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>4.649</b>	<b>7.822</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-1.896.243	-3.871.354
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-1.896.243</b>	<b>-3.871.354</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-1.891.594</b>	<b>-3.863.532</b>
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
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>0</b>	<b>15.000.000</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	0	-3.603.748
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	-280.108	-1.679.008
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	-17.656.954

<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>-280.108</b>	<b>-22.939.710</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>-280.108</b>	<b>-7.939.710</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>7.213.701</b>	<b>-1.587.541</b>
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	23.356.730	3.736.475
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	<b>30.570.431</b>	<b>2.148.934</b>

STATEMENT OF CASH FLOWS - direct method			
for the period 01/01/2022 to 31/03/2022			
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
<b>I Total cash receipts from operating activities (ADP 001 to 005)</b>	<b>006</b>	<b>0</b>	<b>0</b>
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
<b>II Total cash payments from operating activities (ADP 007 to 012)</b>	<b>013</b>	<b>0</b>	<b>0</b>
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)</b>	<b>014</b>	<b>0</b>	<b>0</b>
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
<b>III Total cash receipts from investment activities (ADP 015 to 020)</b>	<b>021</b>	<b>0</b>	<b>0</b>
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
<b>IV Total cash payments from investment activities (ADP 022 to 026)</b>	<b>027</b>	<b>0</b>	<b>0</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)</b>	<b>028</b>	<b>0</b>	<b>0</b>
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
<b>V Total cash receipts from financing activities (ADP 029 to 032)</b>	<b>033</b>	<b>0</b>	<b>0</b>
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
<b>VI Total cash payments from financing activities (ADP 034 to 038)</b>	<b>039</b>	<b>0</b>	<b>0</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 + 039)</b>	<b>040</b>	<b>0</b>	<b>0</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	0	0
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)</b>	<b>042</b>	<b>0</b>	<b>0</b>
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 31.03.2022

in HRK

Item	ADP code	Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Attributable to owners of the parent										"Minority (non-controlling) interest"	Total capital and 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)	
<b>Previous period</b>																				
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	
<b>4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)</b>	<b>04</b>	<b>229.146.480</b>	<b>2.932.389</b>	<b>24.077.985</b>	<b>6.975.716</b>	<b>1.171.168</b>	<b>0</b>	<b>7.522.679</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>78.588.436</b>	<b>0</b>	<b>348.072.517</b>	<b>0</b>	<b>348.072.517</b>	
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4.459.777	4.459.777	0	4.459.777	
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	
<b>24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)</b>	<b>24</b>	<b>229.146.480</b>	<b>2.932.389</b>	<b>24.077.985</b>	<b>6.975.716</b>	<b>1.171.168</b>	<b>0</b>	<b>7.522.679</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>78.588.436</b>	<b>4.459.777</b>	<b>352.532.294</b>	<b>0</b>	<b>352.532.294</b>	
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																				
<b>I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4.459.777</b>	<b>4.459.777</b>	<b>0</b>	<b>4.459.777</b>	
<b>III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Current period																				



**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 – 31/03/2022****A. Notes on the Company's financial position:****Non-current assets**

The non-current asset value amounts to HRK 441,033,722.80, constituting a decrease of HRK 5,846,090.54, or 1.31% compared to the value as at 31 March 2021, when it amounted to HRK 446,879,813.34. An amount of HRK 4,411,589.21 was invested in all sectors of the Company during the reporting period of 2022.

**Current assets**

The current asset value amounted to HRK 69,157,033.32 and increased by HRK 33,732,752.42 or 95.22 %, as compared to the balance as at 31 March 2021, when it amounted to HRK 35,424,280.90. 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 27,175,321.25, recording an increase of HRK 3,670,481.34, or 15.62% compared to the balance as at 31 March 2021, when they amounted to HRK 23,504,839.91.

**Non-current liabilities**

Non-current liabilities amounted to HRK 109,418,318.47, recording an increase of HRK 3,151,358.24 or 2.97% compared to the balance as at 31 March 2021, when they amounted to HRK 106,266,960.23.

**Equity and reserves**

Equity and reserves equalled HRK 373,597,116.40, which represents an increase of HRK 21,064,822.30 or 5.98% compared to the balance as at 31 March 2021, when they amounted to HRK 352,532,294.10.

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

Total revenue generated as at 31 March 2022 amounted to HRK 26,314,097.67, representing an increase of 10.86% of the total revenue as at 31 March 2021, when it amounted to HRK 23,736,210.62.

**Total expenses**

Total expenses as at 31 March 2022 amounted to HRK 22,961,974.82, representing an increase of 19.12% of the total expenses as at 31 March 2021, when it amounted to HRK 19,276,434.04.

**Operating profit**

Operating profit generated as at 31 March 2022 amounted to HRK 8,968,647.80, constituting a decrease of 2.25% of the operating profit as at 31 March 2021, when it amounted to HRK 9,174,726.21.

**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 31 March 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 26,306,275.93 was generated, which constitutes a 10.85% increase compared to the same period of the previous year, when it amounted to HRK 23,731,831.89. 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 1,173,885.88, which constitutes an increase of HRK 1,086,507.92 compared to the same period of the previous year, when it amounted to HRK 87,377.96.

Revenue of the nautical sector in the observed period of 2022 amounted to HRK 14,262,207.88, constituting an increase of 7.74% compared to the same period of 2021, when they amounted to HRK 13,237,021.78. 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 7,356,250.72, constituting an increase of HRK 2,574,027.16, or 53.82% compared to the same period of the previous year, when it amounted to HRK 4,782,223.56. 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 3,247,484.65, representing an increase of 4.42% compared to the same period of the previous year, when it amounted to HRK 3,110,161.89.

On account of the job retention grant by the Government of the Republic of Croatia, last year the Company received a grant in the amount of HRK 2,566,323.51 as at 31 March 2021. In the period observed, i.e. as at 31 March 2022, the Company did not receive any grants.

As at 31 March 2022, operating costs amounted to HRK 17,337,628.13, recording an increase of HRK 2,780,522.45 or 19.10% compared to the same period of 2021, when they amounted to HRK 14,557,105.68. In the reporting period of 2022, financial expenses amounted to HRK 766,293.32, which is a 4.32% decrease compared to the same period of the previous year, when they amounted to HRK 800,914.84. The depreciation charge for the reporting period of 2022 amounted to HRK 4,858,053.37, which is a 23.98% increase compared to the same period of 2021, when it amounted to HRK 3,918,413.52.

Total expenses amounted to HRK 22,961,974.82, recording an increase of 19.12% compared to the same period of the previous year, when they amounted to HRK 19,276,434.04. The operating profit generated by business operations for the reporting period of 2022 amounted to HRK 8,968,647.80, which constitutes a decrease of 2.25% compared to the same period of the previous year, when it amounted to HRK 9,174,726.21. EBITDA, i.e. earnings before depreciation, interest and taxes, amounted to HRK 8,976,469.54, representing a decrease of 2.21% compared to the same period of the previous year. EBIT, i.e. earnings before interest and taxes was realized in the amount of HRK 4,118,416.17, recording a decrease of 21.71% compared to the same period of the previous year, when it amounted to HRK 5,260,691.42. The profit for the observed period amounted to HRK 3,352,122.85, recording a decrease of 24.84% compared to the same period of the previous year, when it amounted to HRK 4,459,776.58.

Additional clarifications of individual items can be found in the Company comments, which comprise an integral part of the statement as at 31 March 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 25,031,444.01 and the foreign market in the amount of HRK 1,137,788.25. Operating revenue generated in the hotel sector amounted to HRK 1,173,885.88, whereas it amounted to HRK 14,262,207.88 in the nautical sector, HRK 7,356,250.72 in the camping sector, while the operating revenue of City Galleria amounted to HRK 3,247,484.65. Revenue from other activities or profit centres, including Ilirija Travel and hospitality were realized in the amount of HRK 266,446.80. 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 22,961,974.62. Business expenses amount to HRK 17,337,628.13. Most of them were incurred in connection to the cost of raw material, other materials and energy, accounting for HRK 2,693,569.29; outsourcing costs, accounting for HRK 3,434,112.49; other operating costs, accounting for HRK 8,476,072.47; and staff costs, accounting for HRK 2,733,873.88.

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

**Point 6** Average number of employees in the period from 01/01-31/ 03/ 2022 was 265.

**Point 7** The employee cost presented in the income statement amounted to HRK 8,476,072.47 (net salary being HRK 5,172,010.89, contributions from salaries being HRK 1,445,806.20, the salary tax being HRK 652,691.12, and the contributions to salaries being HRK 1,205,564.26). 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 the subject costs of HRK 148,748.88, which brings the total employee cost to HRK 8,624,821.35. 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 31 March 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

ILIRIJA d.d.  
BIOGRAD NA MORU

Biograd na Moru, 21 April 2022

Statement by the persons responsible for the preparation of the financial statements for the period from 1 January 2022 to 31 March 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 March 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 31 March 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 31 March 2022.

The financial statements for the period from 01/01 to 31/03/2022 have not been audited.

Accounting Manager::  
Zorka Strpić

Management Board:  
Goran Ražnjević



**ILIRIJA** dioničko društvo  
za ugostiteljstvo i turizam  
Biograd na Moru





ILIRIJA D.D.

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