MON PERIN

ANNUAL REPORT

2021

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1. SUMMARY

Mon Perin d.d. is a tourism company founded on 10 December 2005 in Bale, Istria. The company was established with a unique goal of developing and revitalising the local community, while encouraging progress and development through the use of existing cultural, historical and human resources. The emphasis is put on participatory, social, and sustainable entrepreneurship.

1.1. IN SHORT ABOUT MON PERIN D.D.

MON PERIN d.d. is a unique example of a company in which a large part of the local community, as well as its friends, participates and which since its foundation has always had more than 700 members, i.e., company shareholders.

The foundation of the Company was initiated and carried out in 2005 by the citizens' association "MON PERIN" from Bale, together with the Municipality of Bale (Valle), with the underlying idea of creating preconditions for progress and well-being of the local community through realising projects such as developing the Bale coastal area, as well as other entrepreneurial activities initiated in the Bale Municipality based on the municipality's spatial development study, participation in tenders for the allocation of land in concession, right of construction and/or ownership, preparation of necessary planning and other documents to bring land to its intended purpose, as well as the performance of hospitality, tourist, agricultural and other activities, primarily on the territory of the Bale municipality, while generating revenue.

The rules set by the Association for the procedure of company establishment contributed to the specific character of the Issuer. This primarily refers to the groups of its founders, the amounts of founding shares, and the calculation of voting rights held by business shares.

The company Mon Perin was founded in late 2005, with a unique management model and the goal of revitalising the Municipality of Bale-Valle. From the very beginning, its vision was focused on "social entrepreneurship" based on its specific ownership structure, the mode of investment in the local community and youth, and the employment of the local population.

In 2005, the Municipality of Bale-Valle adopted the Program-Spatial Municipal Development Study, which focused on the development of tourism with a recognisable identity and the brand "Bale – the region of dinosaurs, butterflies, humane accommodation (diffuse hotel), authentic olive growing and agriculture" '.

Mon Perin was envisaged to become the leader in the development of tourism and the hospitality industry, with nearly all families residing on the area of the Bale Municipality investing in the Company, as well as the Municipality itself, and others, the so-called "friends of Bale", who recognised the project and wanted to participate.

On 16 December 2005, the establishment of the Company with a share capital of HRK 12,357,000.00 was entered in the court register, which was divided into 928 business shares.

After its establishment, Mon Perin d.o.o. signed a lease agreement with the Municipality of Bale-Valle for a period of 50 years for the Bale coastal area, i.e., more than 120 ha of land, which included the existing Colona and San Polo campsites, and the surrounding area. In addition, a coastal development study was adopted.

The year 2006 was the first year that the Company managed the existing campsites, which had a 1-star rating and in 2005 generated about HRK 2.5 million of revenue and realised 60,000 overnight stays.

In the first year of operation, the campsites' revenues increased to HRK 5.2 million, with overnight stays growing by 24%. On 27 December 2006, an increase in the share capital from HRK 12,357,000.00 by the amount of HRK 18,704,000.00 to HRK 31,061,000.00 was entered in the court register.

From 2006 onwards, the Issuer started to progressively invest in the campsites in order to improve their rating. As a result, a new, 2-star rating was issued for Campsite Colon and Campsite San Polo in 2012, which generated HRK 14.2 million in revenue and recorded 164,000 overnight stays.

In 2014, the company Mon Perin won the award ''Poslovni uzlet (Business Take-Off) 2014'' as the best small and medium-sized enterprise in Istria, the Croatian Littoral and Mountainous Croatia in the 1 January 2009 to 31 December 2014 period.

In 2015, a major investment cycle was launched with the aim of modernising the then Colona and San Polo campsites by investing in the existing infrastructure, toilets, restaurants, reception, pitches with infrastructure and mobile homes, with a broad-ranging goal of merging the two campsites into a single one with a 4-star rating.

In 2016, a new rating was issued for the Mon Perin campsite, which included the former Colona and San Polo campsites, at a 4-star level. The same year, HRK 28.8 million of revenue was generated and 216,000 overnight stays realised.

On 22 December 2017, an increase in the share capital from HRK 31,061,000.00 by the amount of HRK 64,950,000.00 to HRK 96,011,000.00 was entered in the court register.

In 2019, Mon Perin started investing outside the Mon Perin campsite, as the construction of the first duplex villa in Bale began, which was a step forward for Mon Perin in the segment of solid buildings and luxury accommodation. Also, as part of the diffuse hotel project, the first house was built in the old town of Bale. Both facilities are 5-star rated.

The offer of the Mon Perin campsite was expanded for the 2019 season with the construction of the "Paleo Park" theme water park, which complements the campsite's services and is open to external visitors.

The Paleo Park project received the "Simply the Best" award from the Association of Croatian Travel Agencies for the inventive design of the amusement park enriching the attractiveness of the tourist offer of the destination with its educational, as well as entertainment and recreational facilities.

In April 2019, the Mon Perin campsite was rated at a 4-star level, with an increase of the campsite's capacity.

In the 2019 season, the campsite received the award as the ''Best Selectcamp Campsite'' in Europe from the global travel agency Vacanselect, according to guest reviews.

On 20 December 2019, the transformation of the limited liability company into a joint stock company with a share capital of HRK 96,011,000.00 was entered in the court register, which was divided into 9,601,100 registered ordinary shares, in the nominal amount of HRK 10.00 each.

In 2020, due to the emergency situation caused by the COVID-19 pandemic, the Issuer's investments were reduced to a minimum, with only about 50% of revenues generated compared to 2019.

In 2021, with an increase in the rate of vaccination and the introduction of test points, the tourism sector made a fresh start, with better results achieved in the high season and postseason compared to the record year 2019. Thus, HRK 47,458 thousand was generated in accommodation revenue, with 252,154 overnight stays realised.

Based on the decision of the Company's General Assembly of 28 October 2021, the Company's share capital was increased from HRK 96,011,000.00 by the amount of HRK 10,719,270.00 to HRK 106,730,270.00. On 13 December 2021, the increase in share capital and changes in the provisions of the Issuer's Articles of Association were entered in the court register of the Commercial Court in Pazin.

From 2006 to 2019, the Company's revenues increased 11 times, and overnight stays almost 4 times, with a total of HRK 204,000 thousand invested in this period, or an average of HRK 12,750 thousand per year.

The Group consists of the parent company Mon Perin d.d., Bale, and the companies Maian d.o.o., Bale (100% share capital), Dandoli d.o.o., Bale (100% share capital) and Mon Perin Castrum d.o.o., Bale (100% share capital).

1.2. Company's Accommodation Capacities

Today, the Company manages a total of 889 of its own accommodation units on the west coast of Istria, and the products it offers include camping pitches, luxury and spacious mobile homes and luxury villas, i.e., holiday homes. Mon Perin can accommodate around 3,000 guests a day, with the highest number of overnight stays realised by guests coming from Western Europe.

No.	Name of facility	Rating 2020	No. of accommoda-tion units	No. of beds	Description
1	Camping Mon Perin	4-star	887	2,661	Campsite with pitches and mobile homes
2	Villa Noble	5-star	1	12	Holiday home with six double rooms
3	Corto Bechera	5-star	1	4	Apartment with two double rooms
	TOTAL:		**889**	**2,677**	

2. SIGNIFICANT BUSINESS DEVELOPMENTS

The beginning of 2021 was still marked by great uncertainty due to the continued spread of the COVID-19 pandemic and the existing restrictive measures that significantly affected the reduction and restriction of tourist travels. As the Group had taken significant measures during the 2020 season in the form of business optimisation and cost rationalisation that allowed it to overcome the uncertain situation that prevailed then, 2021 was greeted with reduced costs and increased efforts aimed at the Company's and the Group's profitability. In this respect, compared to 2019, the years 2020 and 2021 were marked by cost rationalisation, which ultimately resulted in an increase in EBITDA margin.

On the other hand, in order to plan timely and prevent possible bottlenecks, the Group took the necessary steps to ensure smooth business operations, as well as safeguard the health and safety of both its employees and guests. This primarily refers to complying with the instructions of the Civil Headquarters of the Republic of Croatia and implementing the procedures of the "Safe Stay in Croatia" program initiated by the Ministry of Tourism. In addition, carrying out rapid antigen tests and PCR tests within the accommodation complex was enabled, while supplying our own food and business partners' products made it possible to limit the number of people gathering and staying at points of sale.

Despite this uncertainty, the Group generated operating revenues of HRK 54,935,877 and financial revenues of HRK 2,226,949, which makes HRK 57,162,826 in total revenues. This represents a 4% decrease compared to 2019, or rather a 96% increase compared to 2020. The increase in revenue was achieved primarily by increasing prices for luxury products offered by the Group, which, in addition to the comfort of accommodation, also offer adequate privacy and spaciousness, which is of great importance to guests at this time.

The end of 2021 was marked by a new recapitalisation of the Company through investments by 102 shareholders. The share capital was increased from HRK 96,011,000 to HRK 106,730,270, with a premium for shares issued of HRK 24,654,321.

3. COMPANY RESULTS

In 2021, the Company generated operating revenues of HRK 54,796 thousand, and financial revenues of HRK 2,227 thousand, or rather HRK 57,023 thousand in total revenues. Compared to 2020, this represents an increase of 95.9%, or 9.1% in relation to 2019.

EBITDA (earnings before interest, taxes, depreciation and amortisation) stood at HRK 31,194 thousand in 2021, with an EBITDA margin of 56.9%, which is an increase of 6.9 percentage points compared to 2020, or an increase of HRK 16,657 thousand.

Material costs amounted to HRK 15,814 thousand in 2021, or 63% more than in 2020.

Staff costs amounted to HRK 3,556 thousand, or 29% more than in 2020.

Depreciation in 2021 totalled HRK 16,035 thousand, a 4% increase compared to 2020.

Long-term liabilities to banks totalled HRK 37,004 thousand, and short-term liabilities HRK 1,948 thousand.

Long-term loan liabilities totalled HRK 7,500 thousand, and short-term liabilities HRK 1,000 thousand.

3.1 KEY FINANCIAL INDICATORS

	2019	2020	2021	2021/2020	2021/2019
Total revenues	51,733	29,111	57,023	+96%	+10%
Operating revenues	48,149	29,045	54,796	+89%	+14%
EBITDA	26,539	14,537	31,194	+115%	+118%
EBITDA margin	55.1%	50.0%	56.9%	+14%	+3%
Net profit	11,062	-3,795	15,555	-	+41%
Earnings per share	1.16	-0.40	1.61	-	+39%
Net debt	25,046	24,121	3,706	-85%	-85%
Net debt/EBITDA	0.94	1.66	0.12	-93%	-87%

** Values in thousands HRK*

*** For earnings per share, the weighted average number of shares in 2021 was taken*

3.2 KEY OPERATING INDICATORS

Revenues from accommodation amounted to a total of HRK 47,458 thousand in 2021, which is an increase of 86.3% compared to 2020 and an increase of 10.2% compared to 2019.

In 2021, the campsite was open for 172 days, until 10 October 2021, with a 54% occupancy by individual guests. The total occupancy was 62,607 units, with 203,254 overnight stays and an average gross price of HRK 746 per day.

The mobile homes recorded an occupancy rate of 67%, a total of 19,355 occupied units based on the capacity of 178 mobile homes. A total of 69,641 overnight stays were realised, with total revenues amounting to HRK 24.6 million and an average gross sales price of HRK 1,439 per day.

The pitches recorded an occupancy rate of 52%, with a total of 41,869 units sold based on the capacity of 494 pitches. A total of 130,055 overnight stays were realised, with total revenues of HRK 16.1 million and an average gross price of HRK 439 per day.

Allotment guests realised 48,342 overnight stays generating HRK 5.5 million of revenues.

In addition to the Mon Perin campsite, the accommodation portfolio also includes the newly opened Luxury Town House Corto Bechera and Design Villa Noble with Spa, which have the possibility of year-round operation.

In 2021, Corto Bechera was occupied for a total of 82 days, with 178 overnight stays realised, and an average gross sales price of HRK 1,171 per day.

Villa Noble achieved a total of 84 days of occupancy with 554 overnight stays, and an average gross sales price of HRK 9,557 per day.

Number of overnight stays

Number of overnight stays by type of guests	2019	2020	2021
Individual guests	208,142	105,041	203,986
Groups	2,586	-	-
Allotment guests	58,566	32,908	48,342
Total number of overnight stays	269,294	137,949	252,328

Key operating indicators

	2019	2020	2021	2021/2020	2021/2019
No. of accommodation units	889	889	889	-	-
Occupancy	110,984	70,496	105,097	+49%	-5%
No. of overnight stays	269,294	139,883	252,328	+80%	-6%
ADR	397	363	448	+23%	+13%
RevPar	49,562	28,785	52,962	+84%	+7%

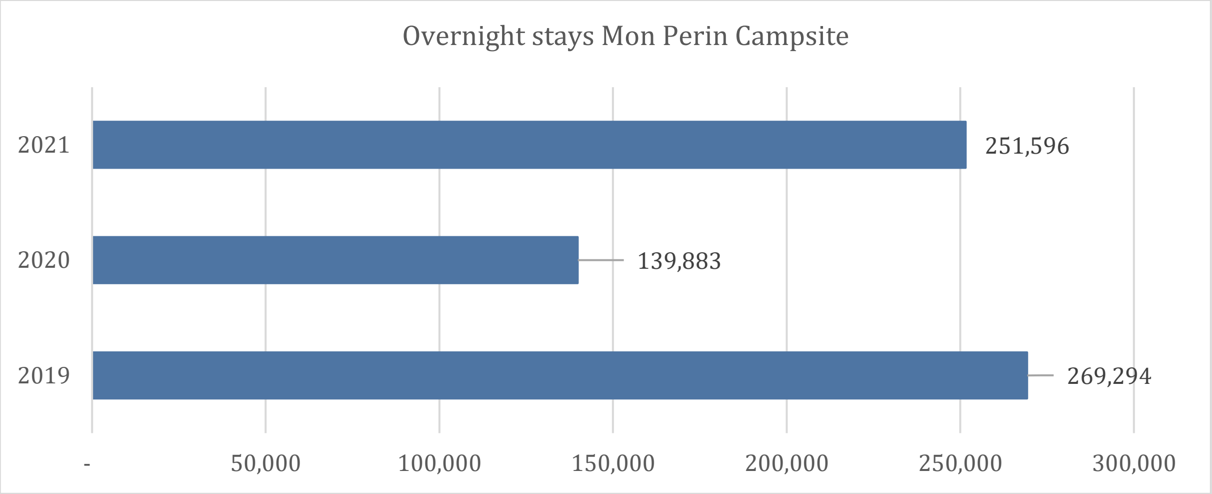
Camping Mon Perin

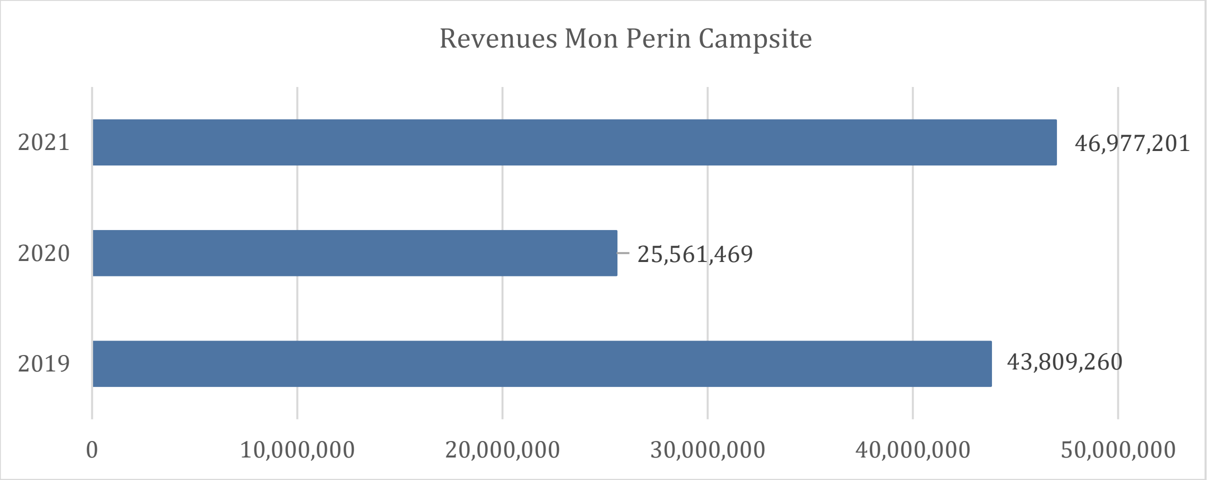
In 2021, a total of 251,596 overnight stays were realised at the Mon Perin campsite, or 7% fewer compared to 2019, and 80% more overnight stays compared to 2020.

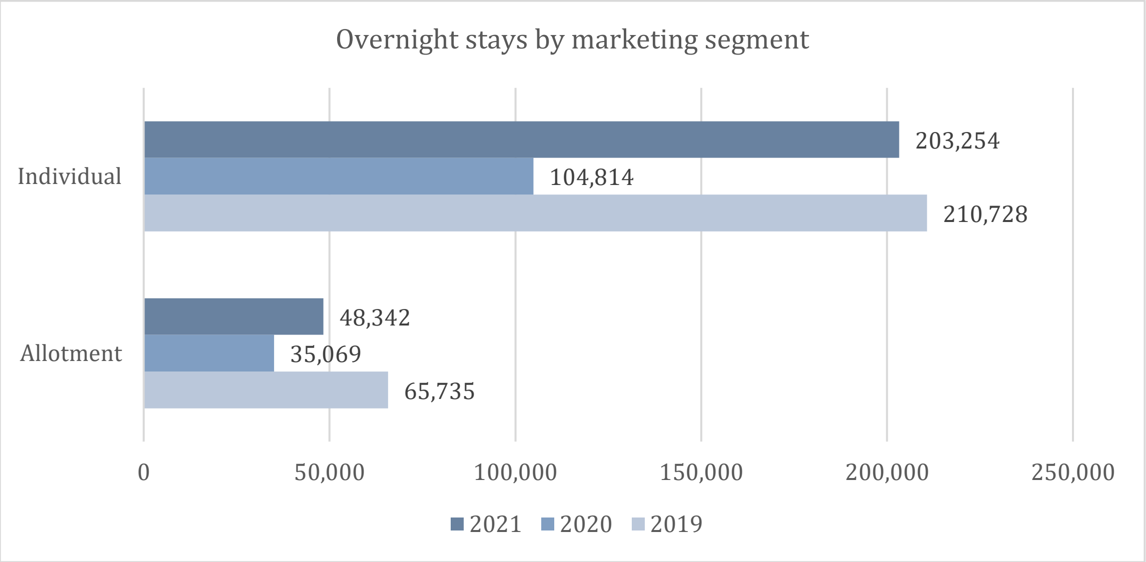
Revenues from the campsite increased by 7% compared to 2019, and by 84% compared to 2020, due to higher average sales prices of accommodation units.

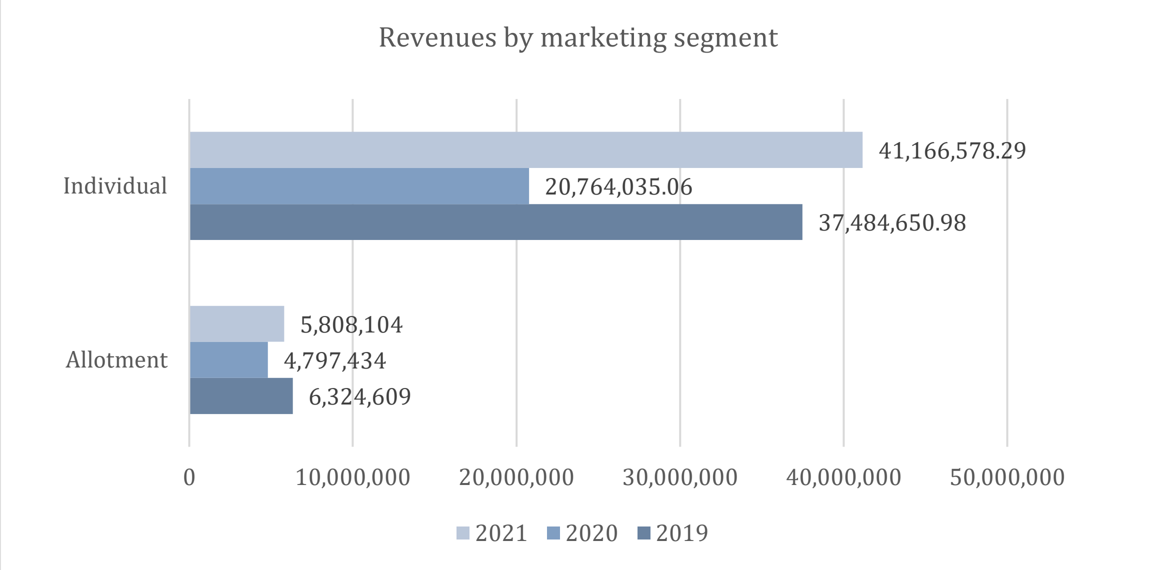
2021 saw a decrease in overnight stays of individual guests by 4%, with an increase in accommodation revenues of 10%, and a decrease in overnight stays of flat-rate guests by 26%, and a decrease in revenues of 8%.

Observed by accommodation units, by individual guests at the campsite, the mobile homes generated a revenue growth of 13% compared to 2019, or a growth of 114% in relation to 2020. The pitches achieved a revenue growth of 7% compared to 2019, or a 78% growth in relation to 2020.


Overnight stays Mon Perin Campsite
2021
2020
2019
251,596
139,883
269,294
-
50,000
100,000
150,000
200,000
250,000
300,000


Revenues Mon Perin Campsite
2021
2020
2019
46,977,201
25,561,469
43,809,260
0
10,000,000
20,000,000
30,000,000
40,000,000
50,000,000


Overnight stays by marketing segment
Individual
Allotment
203,254
104,814
210,728
48,342
35,069
65,735
0
50,000
100,000
150,000
200,000
250,000
2021 2020 2019

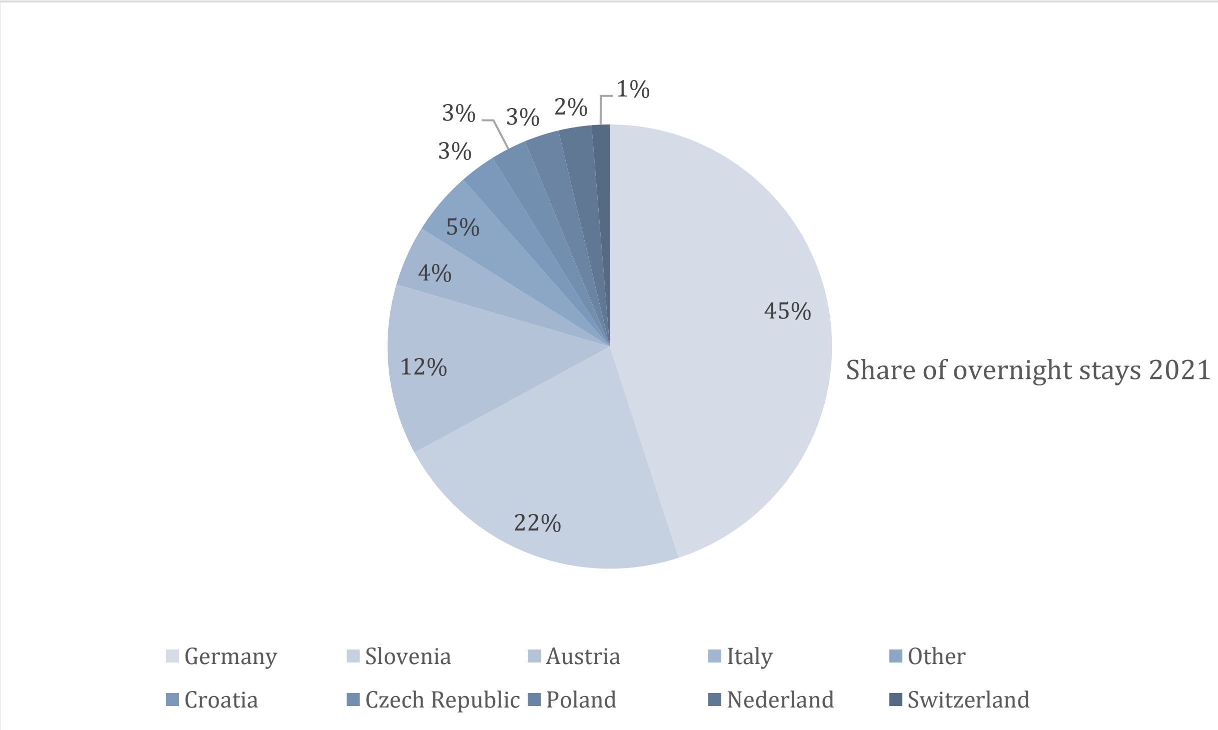


Overnight stays realised by main outbound markets

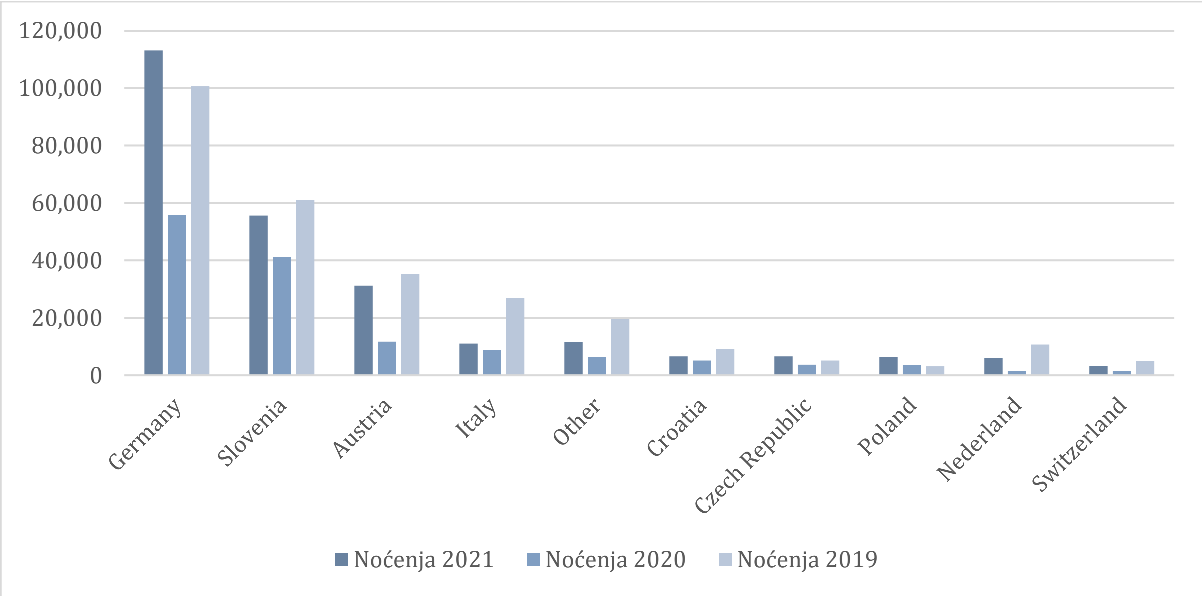
Observed by outbound markets, the most overnight stays were realised by guests coming from Germany, who had a share of 45% in overnight stays and 37% in arrivals in 2021. Compared to 2020, this represents an increase of 102% in overnight stays and 119% in arrivals.

They were followed by guests from Slovenia, with 22% of overnight stays and 25% of arrivals, guests from Austria, with 12% of arrivals and 13% of overnight stays, and guests from Italy, with 4% of overnight stays and 6% of arrivals.

Compared to 2019, a growth was noted in the number of German guests (+12% of overnight stays), and those from the Czech Republic (+27%) and Poland (+98%). Other markets were down compared to 2019.



Comparison of overnight stays by country, Mon Perin Campsite, 2019 to 2021



4. CORPORATE GOVERNANCE

Mon Perin d.d. operates in accordance with the principles and practice of good corporate governance with a high level of transparency and accountability to all its stakeholders.

The Company applies the Corporate Governance Code, which was jointly adopted by the Croatian Financial Services Supervisory Agency and the Zagreb Stock Exchange, by a decision of the General Assembly of 28 October 2021. The purpose of this Code is to set high standards of corporate governance and transparency of the Company's business operations.

The company respects and applies the stipulated corporate governance measures, with explanations of possible deviations, which is reflected in detail in the annual questionnaire published in accordance with regulations on the websites of the Zagreb Stock Exchange, the Croatian Financial Services Supervisory Agency and the Company (www.zse.hr; www.hanfa.hr; www.monperin.hr).

The corporate governance structure of the Company is based on a dualistic system consisting of the Company's Supervisory Board and Management Board. Together with the General Assembly, in accordance with the Articles of Association and the Companies Act, they represent the three basic bodies of the Company.

Information on significant shareholders in the Company is available on the website of the Central Depository and Clearing Company.

4.1 COMPANY BODIES

Member of the Issuer's Management Board:	**Massimo Piutti, President of the Management Board**
Members of the Issuer's Supervisory Board:	Plinio Cuccurin, President of the Supervisory Board
	Josip Lozančić, Deputy President of the Supervisory Board
	Joško Miliša, Member of the Supervisory Board
	Andrea Cerin, Member of the Supervisory Board
	Andrea Špiranac, Member of the Supervisory Board
	Janez Bojc, Member of the Supervisory Board
	Marija Orbanić, Member of the Supervisory Board
Audit Committee:	Plinio Cuccurin
	Josip Lozančić
	Joško Miliša

5. MANAGEMENT REPORT

5.1 FUTURE BUSINESS DEVELOPMENT

The Group has developed a five-year business plan during which it plans to spend a total of HRK 300,000 thousand on the camping resort development by increasing the number of luxury mobile homes, developing infrastructure, and raising the overall quality of the services offered.

The first investment cycle of HRK 56,000 thousand was launched for the 2022 season and includes the conversion of part of the campsite into a luxury zone with 15 mobile homes with private pools, an additional pool with a slide within the Paleo Park theme park, 10 mobile homes of 42m2 with a jacuzzi opposite the Paleo Park, the refurbishment of 110 pitches for campers with full infrastructure, and other interventions aimed at improving the service.

5.2 RESEARCH AND DEVELOPMENT ACTIVITIES

Considering the cyclical nature of its business operations, i.e., generating the largest part of annual revenues in the summer months, the Group has been exploring the possibilities of extending the tourist season by providing services in other periods of the year.

In this regard, in the 2021 season, the Group is planning to introduce a high-quality mobile home product that provides pellet heating, which aims to ensure a comfortable stay in the colder months.

Furthermore, assuming the exclusion of extraordinary circumstances, the Group is planning to introduce a new wellness complex in the autumn of 2023 that would be complementary in nature to the above-mentioned mobile homes. The complex would include an indoor heated seawater pool, a fitness area, a spa zone, and a dedicated area for medical and therapeutic activities.

5.3 INFORMATION ON THE PURCHASE OF OWN SHARES MONP-R-A

The Company did not acquire or dispose of its own shares in the period between 1 January 2021 and 31 December 2021. As of 31 December 2021, the Company holds 52,400 shares, representing 0.49% of the Company's share capital. The nominal value of each share is HRK 10.00.

There is currently no share repurchase program.

5.4 COMPANY SUBSIDIARIES

The Group has no subsidiaries.

5.5 FINANCIAL INSTRUMENTS USED BY THE COMPANY AND GROUP

For the purpose of risk diversification, the Company invests its assets in financial instruments. Significant financial assets include investments in liquid securities, of which investments in ordinary shares of ADRS-R-A of Adris d.d. stand out. The investment represents a share of 2.25% of shares of this kind, with a market value of HRK 99,631 thousand as of 31 December 2021. The Company monitors business developments and the price of securities in which it invests in order to be able to react in a timely manner to unwanted losses.

To finance projects, the Company uses part of its own funds while part is financed by banks and affiliated companies. As of 31 December 2021, the Company had two long-term loans contracted. One is a long-term loan from PBZ d.d. / HBOR (Croatian Bank for Reconstruction and Development) with the principal balance of HRK 38,952 thousand (or EUR 5,182 thousand) at the end of the year and a variable annual interest rate of 1.15%, and the other from the associated company PLINIO d.o.o. with the principal balance of HRK 8,500 thousand at the end of the period and an annual interest rate of 3.00%, as prescribed by the Ministry of Finance for 2021.

5.6 COMPANY AND GROUP RISKS

5.6.1 Currency risk

The Company has most of its prices expressed in euros and collects a significant part of receivables in the same currency, thus achieving price risk protection. The Group and the Company operate in the international market and are potentially exposed to currency risk as a result of changes in the nominal exchange rate of the euro and the kuna.

5.6.2 Price risk

The Group and the Company are holders of equity securities and are exposed to the risk of changes in the price of listed equity securities. The Company and the Group are not active participants in the capital market in terms of trading in equity and debt securities. The investment in Adris Group d.d. shares exposed the Company to the risk of changes in the price of equity securities to some extent.

5.6.3 Cash flow interest rate risk

The Group and the Company generate interest income on time deposits, thanks to surplus cash generated during the season period. Assets that generate interest income, income and cash flow from operating activities are not significantly dependent on changes in market interest rates.

The Group and the Company have the majority of loans contracted at a variable interest rate, while part of the loans received are at a fixed interest rate. This exposes the Company to cash flow interest rate risk.

5.6.4 Credit risk

Assets that could potentially put the Group and the Company at credit risk include mainly cash, trade receivables and other receivables (maximum exposure to credit risk is disclosed in Note 20). The Group mainly deposits money with banks members of reputable banking groups in the EU.

The Group's and Company's sales policies ensure that sales are made to customers through advance payment, in cash or by major credit cards (individual customers, i.e., natural persons) and customers with an appropriate credit history (mainly travel agencies). The Group and the Company do not grant credit limits to customers. The management does not expect additional losses from non-performance by customers.

5.6.5 Liquidity risk

Prudent liquidity risk management involves maintaining a sufficient amount of money, ensuring the availability of funds and the ability to meet all obligations. The management monitors liquidity projections on a weekly basis. At the corporate level, the Parent Company’s finance department reviews internal financial statements on a monthly basis.

6. RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

Pursuant to the Commission Delegated Regulation (EU) of 14 March 2019, the Management Board is responsible for ensuring that consolidated and non-consolidated financial statements are prepared for each financial year in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union, which give a true and fair view of the financial position and operating results of the company Mon Perin d.d. (the "Company") and its subsidiaries (hereinafter referred to as: the Group).

The Management Board has a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Management Board continues to adopt the going concern basis in preparing consolidated and non-consolidated financial statements.

In preparing consolidated and non-consolidated financial statements, the responsibilities of the Management Board include ensuring that:

- suitable accounting policies are selected and then applied consistently;
- judgements and estimates are reasonable and prudent;
- applicable accounting standards are followed; and
- the consolidated and non-consolidated financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Group and the Company will continue their business activities.

The Management Bord is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and the Company and must also ensure that the financial statements company with the Croatian Accounting Act in force. The Management Bord is also responsible for safeguarding the assets of the Group and the Company and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

Moreover, in accordance with the Commission Regulation (EU) the Management Board is obliged to prepare Annual Financial Reports and historical financial information.

The Annual Report and historical financial information was authorised for issuance by the Management Baard on 25 March 2022.

Signed on behalf of the Management Bord:

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Massimo Piutti

President of the Management Board

Mon Perin d.d.

Trg La Musa 2, Bale

7. FINANCIAL STATEMENTS ACCORDING TO GFI-POD

7.1 MON PERIN D.D.

BALANCE SHEET
balance as at 31.12.2021.

in HRK

Submitter: Mon Perin d.d.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001		
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	234.054.341	261.542.268
I INTANGIBLE ASSETS (ADP 004 to 009)	003	95.311	79.577
1 Research and development	004		
2 Concessions, patents, licences, trademarks, software and other rights	005	16.798	3.153
3 Goodwill	006		
4 Advance payments for purchase of intangible assets	007	78.513	76.424
5 Intangible assets in preparation	008		
6 Other intangible assets	009		
II TANGIBLE ASSETS (ADP 011 to 019)	010	152.329.938	156.169.012
1 Land	011	4.331.290	4.331.290
2 Buildings	012	131.986.141	122.107.086
3 Plant and equipment	013	10.958.272	9.964.477
4 Tools, working inventory and transportation assets	014	1.472.875	1.365.336
5 Biological assets	015	685.070	690.424
6 Advance payments for purchase of tangible assets	016	20.882	6.630.298
7 Tangible assets in preparation	017	2.386.773	10.591.466
8 Other tangible assets	018	488.635	488.635
9 Investment property	019		
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	81.629.092	105.293.679
1 Investments in holdings (shares) of undertakings within the group	021	3.740.000	3.740.000
2 Investments in other securities of undertakings within the group	022		
3 Loans, deposits, etc. to undertakings within the group	023		
4 Investments in holdings (shares) of companies linked by virtue of participating interest	024	4.000	1.266.600
5 Investment in other securities of companies linked by virtue of participating interest	025		
6 Loans, deposits etc. given to companies linked by virtue of participating interest	026		
7 Investments in securities	027	77.491.123	99.961.775
8 Loans, deposits, etc. given	028	393.969	325.304
9 Other investments accounted for using the equity method	029		
10 Other fixed financial assets	030		
IV RECEIVABLES (ADP 032 to 035)	031	0	0
1 Receivables from undertakings within the group	032		
2 Receivables from companies linked by virtue of participating interests	033		
3 Customer receivables	034		
4 Other receivables	035		
V. Deferred tax assets	036		

C) CURRENT ASSETS (ADP 038+046+053+063)	037	25.533.434	45.751.674
I INVENTORIES (ADP 039 to 045)	038	106.826	224.307
1 Raw materials	039	1.050	1.830
2 Work in progress	040		
3 Finished goods	041		
4 Merchandise	042		
5 Advance payments for inventories	043	99.255	139.568
6 Fixed assets held for sale	044	6.521	82.909
7 Biological assets	045		
II RECEIVABLES (ADP 047 to 052)	046	743.369	1.781.812
1 Receivables from undertakings within the group	047		37.500
2 Receivables from companies linked by virtue of participating interest	048	22.426	
3 Customer receivables	049	140.535	257.327
4 Receivables from employees and members of the undertaking	050		
5 Receivables from government and other institutions	051	501.756	1.402.697
6 Other receivables	052	78.652	84.288
III SHORT-TERM FINANCIAL ASSETS (ADP 054 to 062)	053	5.853.690	12.610.304
1 Investments in holdings (shares) of undertakings within the group	054		
2 Investments in other securities of undertakings within the group	055		
3 Loans, deposits, etc. to undertakings within the group	056		
4 Investments in holdings (shares) of companies linked by virtue of participating interest	057		
5 Investment in other securities of companies linked by virtue of participating interest	058		
6 Loans, deposits etc. given to companies linked by virtue of participating interest	059		
7 Investments in securities	060		
8 Loans, deposits, etc. given	061	5.853.690	12.610.304
9 Other financial assets	062		
IV CASH AT BANK AND IN HAND	063	18.829.549	31.135.251
D) PREPAID EXPENSES AND ACCRUED INCOME	064		
E) TOTAL ASSETS (ADP 001+002+037+064)	065	259.587.775	307.293.942
OFF-BALANCE SHEET ITEMS	066		
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	067	164.239.708	213.017.710
I. INITIAL (SUBSCRIBED) CAPITAL	068	96.011.000	106.730.270
II CAPITAL RESERVES	069	64.950.000	89.604.321
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	571.419	571.419
1 Legal reserves	071	571.419	571.419
2 Reserves for treasury shares	072	1.190.650	1.190.650
3 Treasury shares and holdings (deductible item)	073	1.190.650	1.190.650
4 Statutory reserves	074		
5 Other reserves	075		
IV REVALUATION RESERVES	076	-16.590.906	-12.534.696
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	0	0
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078		
2 Cash flow hedge - effective portion	079		
3 Hedge of a net investment in a foreign operation - effective portion	080		
4 Other fair value reserves	081		
5 Exchange differences arising from the translation of foreign operations (consolidation)	082		
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	23.093.417	13.091.539
1 Retained profit	084	23.093.417	13.091.539
2 Loss brought forward	085		
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	-3.795.222	15.554.857
1 Profit for the business year	087		15.554.857
2 Loss for the business year	088	3.795.222	
VIII MINORITY (NON-CONTROLLING) INTEREST	089		
B) PROVISIONS (ADP 091 to 096)	090	149.815	1.391.889
1 Provisions for pensions, termination benefits and similar obligations	091		
2 Provisions for tax liabilities	092		
3 Provisions for ongoing legal cases	093	100.612	1.300.000
4 Provisions for renewal of natural resources	094		
5 Provisions for warranty obligations	095		
6 Other provisions	096	49.203	91.889

C) LONG-TERM LIABILITIES (ADP 098 to 108)	**097**	88.630.757	83.370.838
1 Liabilities towards undertakings within the group	**098**		
2 Liabilities for loans, deposits, etc. to companies within the group	**099**		
3 Liabilities towards companies linked by virtue of participating interest	**100**		
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	**101**	9.000.000	7.500.000
5 Liabilities for loans, deposits etc.	**102**		
6 Liabilities towards banks and other financial institutions	**103**	39.054.017	37.004.222
7 Liabilities for advance payments	**104**		
8 Liabilities towards suppliers	**105**	40.576.740	38.866.616
9 Liabilities for securities	**106**		
10 Other long-term liabilities	**107**		
11 Deferred tax liability	**108**		
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	**109**	6.567.495	9.513.505
1 Liabilities towards undertakings within the group	**110**		1.097.831
2 Liabilities for loans, deposits, etc. to companies within the group	**111**		
3 Liabilities towards companies linked by virtue of participating interest	**112**	72.114	16.769
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	**113**	750.000	1.000.000
5 Liabilities for loans, deposits etc.	**114**		
6 Liabilities towards banks and other financial institutions	**115**	114.775	1.947.591
7 Liabilities for advance payments	**116**	1.860.265	1.707.224
8 Liabilities towards suppliers	**117**	3.580.919	3.333.640
9 Liabilities for securities	**118**		
10 Liabilities towards employees	**119**	142.066	214.368
11 Taxes, contributions and similar liabilities	**120**	18.452	149.358
12 Liabilities arising from the share in the result	**121**	27.063	44.307
13 Liabilities arising from fixed assets held for sale	**122**		
14 Other short-term liabilities	**123**	1.841	2.417
E) ACCRUALS AND DEFERRED INCOME	**124**		
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	**125**	259.587.775	307.293.942
G) OFF-BALANCE SHEET ITEMS	**126**		

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2021. to 31.12.2021.

in HRK

Submitter: Mon Perin d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
I OPERATING INCOME (ADP 128 to 132)	127	29.044.583	54.796.244
1 Income from sales with undertakings within the group	128	25.389	45.003
2 Income from sales (outside group)	129	27.571.677	52.089.411
3 Income from the use of own products, goods and services	130	100.221	224.896
4 Other operating income with undertakings within the group	131		
5 Other operating income (outside the group)	132	1.347.296	2.436.934
II OPERATING EXPENSES (ADP 134+135+139+143+144+145+148+155)	133	29.965.615	39.637.301
1 Changes in inventories of work in progress and finished goods	134		
2 Material costs (ADP 136 to 138)	135	9.695.730	15.813.869
a) Costs of raw material	136	1.848.944	3.091.251
b) Costs of goods sold	137	131.923	68.962
c) Other external costs	138	7.714.863	12.653.656
3 Staff costs (ADP 140 to 142)	139	2.766.981	3.555.670
a) Net salaries and wages	140	1.764.336	2.143.985
b) Tax and contributions from salaries expenses	141	652.227	903.353
c) Contributions on salaries	142	350.418	508.332
4 Depreciation	143	15.458.164	16.035.372
5 Other expenses	144	1.566.412	2.229.302
6 Value adjustments (ADP 144+145)	145	3.068	0
a) fixed assets other than financial assets	146		
b) current assets other than financial assets	147	3.068	
7 Provisions (ADP 149 to 155)	148	39.448	1.265.477
a) Provisions for pensions, termination benefits and similar obligations	149	39.448	66.090
b) Provisions for tax liabilities	150		
c) Provisions for ongoing legal cases	151		1.199.387
d) Provisions for renewal of natural resources	152		
e) Provisions for warranty obligations	153		
f) Other provisions	154		
8 Other operating expenses	155	435.812	737.611
III FINANCIAL INCOME (ADP 157 to 166)	156	66.464	2.226.945
1 Income from investments in holdings (shares) of undertakings within the group	157		
2 Income from investments in holdings (shares) of companies linked by virtue of participating interest	158		
3 Income from other long-term financial investment and loans granted to undertakings within the group	159		
4 Other interest income from operations with undertakings within the group	160		
5 Exchange rate differences and other financial income from operations with undertakings within the group	161		
6 Income from other long-term financial investments and loans	162		2.213.194
7 Other interest income	163	49.686	13.751
8 Exchange rate differences and other financial income	164	16.778	
9 Unrealised gains (income) from financial assets	165		
10 Other financial income	166		
IV FINANCIAL EXPENDITURE (ADP 168 to 174)	167	2.940.654	1.831.031
1 Interest expenses and similar expenses with undertakings within the group	168		
2 Exchange rate differences and other expenses from operations with undertakings within the group	169		
3 Interest expenses and similar expenses	170	1.202.537	1.731.433
4 Exchange rate differences and other expenses	171	1.738.117	99.598
5 Unrealised losses (expenses) from financial assets	172		
6 Value adjustments of financial assets (net)	173		
7 Other financial expenses	174		

V SHARE IN PROFIT FROM COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175		
VI SHARE IN PROFIT FROM JOINT VENTURES	176		
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	177		
VIII SHARE IN LOSS OF JOINT VENTURES	178		
IX TOTAL INCOME (ADP 127+156+175 + 176)	179	29.111.047	57.023.189
X TOTAL EXPENDITURE (ADP 133+167+177 + 178)	180	32.906.269	41.468.332
XI PRE-TAX PROFIT OR LOSS (ADP 179-180)	181	-3.795.222	15.554.857
1 Pre-tax profit (ADP 179-180)	182	0	15.554.857
2 Pre-tax loss (ADP 180-179)	183	3.795.222	0
XII INCOME TAX	184		
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 181-184)	185	-3.795.222	15.554.857
1 Profit for the period (ADP 181-184)	186	0	15.554.857
2 Loss for the period (ADP 184-181)	187	3.795.222	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)			
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 189-190)	188	0	0
1 Pre-tax profit from discontinued operations	189	0	0
2 Pre-tax loss on discontinued operations	190	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	191	0	0
1 Discontinued operations profit for the period (ADP 186-189)	192	0	0
2 Discontinued operations loss for the period (ADP 189-186)	193	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)			
XVI PRE-TAX PROFIT OR LOSS (ADP 181+188)	194	0	0
1 Pre-tax profit (ADP 194)	195	0	0
2 Pre-tax loss (ADP 194)	196	0	0
XVII INCOME TAX (ADP 184+191)	197	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 194-197)	198	0	0
1 Profit for the period (ADP 194-197)	199	0	0
2 Loss for the period (ADP 197-194)	200	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)			
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 202+203)	201	0	0
1 Attributable to owners of the parent	202		
2 Attributable to minority (non-controlling) interest	203		
STATEMENT OF OTHER COMPRHENSIVE INCOME (to be filled in by undertakings subject to IFRS)			
I PROFIT OR LOSS FOR THE PERIOD	204	-3.795.222	15.554.857
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 206+ 213)	205	-21.345.375	4.056.210
III Items that will not be reclassified to profit or loss (ADP207 to 211)	206	-21.345.375	4.056.210
1 Changes in revaluation reserves of fixed tangible and intangible assets	207		
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	208	-21.345.375	4.056.210
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	209		
4 Actuarial gains/losses on the defined benefit obligation	210		
5 Other items that will not be reclassified	211		
6 Income tax relating to items that will not be reclassified	212		
IV Items that may be reclassified to profit or loss (ADP 214 to 221)	213	0	0
1 Exchange rate differences from translation of foreign operations	214		
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	215		
3 Profit or loss arising from effective cash flow hedging	216		
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	217		
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	218		
6 Changes in fair value of the time value of option	219		
7 Changes in fair value of forward elements of forward contracts	220		
8 Other items that may be reclassified to profit or loss	221		
9 Income tax relating to items that may be reclassified to profit or loss	222		
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 206+213- 212 - 222)	223	-21.345.375	4.056.210
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 204+223)	224	-25.140.597	19.611.067
APPENDIX to the Statement on comprehensive income (to be filled in by entrepreneurs who draw up consolidated statements)			
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 225+226)	225	0	0
1 Attributable to owners of the parent	226		
2 Attributable to minority (non-controlling) interest	227		

STATEMENT OF CASH FLOWS - direct method
for the period 01.01.2021 to 31.12.2021

in HRK

Submitter: Mon Perin 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	33.250.664	60.919.528
2 Cash receipts from royalties, fees, commissions and other revenue	002	83.306	194.394
3 Cash receipts from insurance premiums	003	201.730	111.148
4 Cash receipts from tax refund	004	1.303.805	1.309.604
5 Other cash receipts from operating activities	005	507.144	562.234
I Total cash receipts from operating activities (ADP 001 to 005)	006	35.346.649	63.096.908
1 Cash payments to suppliers	007	-15.150.985	-23.908.867
2 Cash payments to employees	008	-2.027.594	-2.561.087
3 Cash payments for insurance premiums	009	-252.647	-291.772
4 Interest paid	010	-2.778.172	-858.401
5 Income tax paid	011		
6 Other cash payments from operating activities	012	-4.595.770	-7.845.842
II Total cash payments from operating activities (ADP 007 to 012)	013	-24.805.168	-35.465.969
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	10.541.481	27.630.939
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	2.500	6.250
2 Cash receipts from sales of financial instruments	016	5.153.808	
3 Interest received	017	67.634	34.175
4 Dividends received	018		2.213.194
5 Cash receipts from repayment of loans and deposits	019	11.277.619	5.879.019
6 Other cash receipts from investment activities	020		
III Total cash receipts from investment activities (ADP 015 to 020)	021	16.501.561	8.132.638
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-16.870.737	-18.756.496
2 Cash payments for the acquisition of financial instruments	023		
3 Cash payments for loans and deposits	024	-10.421.919	-12.641.576
4 Acquisition of a subsidiary, net of cash acquired	025		-1.262.600
5 Other cash payments from investment activities	026		
IV Total cash payments from investment activities (ADP 022 to 026)	027	-27.292.656	-32.660.672
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	-10.791.095	-24.528.034
Cash flow from financing activities			
1 Cash receipts from the increase of initial (subscribed) capital	029		16.642.208
2 Cash receipts the from issue of equity financial instruments and debt financial instruments	030		
3 Cash receipts from credit principals, loans and other borrowings	031	6.530.000	
4 Other cash receipts from financing activities	032		
V Total cash receipts from financing activities (ADP 029 to 032)	033	6.530.000	16.642.208
1 Cash payments for the repayment of credit principals, loans andother borrowings and debt financial instruments	034	-2.634.426	-1.250.000
2 Cash payments for dividends	035		-6.189.411
3 Cash payments for finance lease	036	-2.591.000	
4 Cash payments for the redemption of treasury shares and decrease of initial (subscribed) capital	037		
5 Other cash payments from financing activities	038		
VI Total cash payments from financing activities (ADP 034 to 038)	039	-5.225.426	-7.439.411
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 +039)	040	1.304.574	9.202.797
1 Unrealised exchange rate differences in cash and cash equivalents	041		
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	1.054.960	12.305.702
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	17.774.589	18.829.549
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 042+043)	044	18.829.549	31.135.251

STATEMENT OF CHANGES IN EQUITY

for the period from 01/01/2021 to 31/12/2021

in HRK

Item	ADP code	Attributable to owners of the parent: Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent	Minority (non-controlling) interest	Total capital and reserves
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 do 6 - 7 + 8 do 17)	19	20 (18+19)
Previous period																			
1 Balance on the first day of the previous business year	01	96.011.000	64.950.000		1.190.650	1.190.650			4.754.469						23.664.836		189.380.305		189.380.305
2 Changes in accounting policies	02																0		0
3 Correction of errors	03																0		0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	96.011.000	64.950.000	0	1.190.650	1.190.650	0	0	4.754.469	0	0	0	0	0	23.664.836	0	189.380.305	0	189.380.305
5 Profit/loss of the period	05															-3.795.222	-3.795.222		-3.795.222
6 Exchange rate differences from translation of foreign operations	06																0		0
7 Changes in revaluation reserves of fixed tangible and intangible assets	07								-21.345.375								-21.345.375		-21.345.375
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08																0		0
9 Gains or losses on efficient cash flow hedging	09																0		0
10 Gains or losses arising from effective hedge of a net investment in a foreign operation	10																0		0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interest	11																0		0
12 Actuarial gains/losses on defined benefit plans	12																0		0
13 Other changes in equity unrelated to owners	13																0		0
14 Tax on transactions recognised directly in equity	14																0		0
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15																0		0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16																0		0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17																0		0
18 Redemption of treasury shares/holdings	18																0		0
19 Payments from members/shareholders	19																0		0
20 Payment of share in profit/dividend	20																0		0
21 Other distributions and payments to members/shareholders	21																0		0
22 Transfer to reserves according to the annual schedule	22			571.419											-571.419		0		0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23																0		0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	96.011.000	64.950.000	571.419	1.190.650	1.190.650	0	0	-16.590.906	0	0	0	0	0	23.093.417	-3.795.222	164.239.708	0	164.239.708
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	0	0	0	0	-21.345.375	0	0	0	0	0	0	0	-21.345.375	0	-21.345.375
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	0	-21.345.375	0	0	0	0	0	0	-3.795.222	-25.140.597	0	-25.140.597
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	571.419	0	0	0	0	0	0	0	0	0	0	-571.419	0	0	0	0

Current period																			
1 Balance on the first day of the current business year	**28**	96.011.000	64.950.000	571.419	1.190.650	1.190.650			-16.590.906						19.298.194		164.239.707	0	164.239.707
2 Changes in accounting policies	**29**																0	0	0
3 Correction of errors	**30**																0	0	0
4 Balance on the first day of the current business year (restated) (AOP 28 to 30)	**31**	96.011.000	64.950.000	571.419	1.190.650	1.190.650	0	0	-16.590.906	0	0	0	0	0	19.298.194	0	164.239.707	0	164.239.707
5 Profit/loss of the period	**32**															15.554.857	15.554.857		15.554.857
6 Exchange rate differences from translation of foreign operations	**33**																0		0
7 Changes in revaluation reserves of fixed tangible and intangible assets	**34**								4.056.210								4.056.210		4.056.210
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	**35**																0		0
9 Gains or losses on efficient cash flow hedging	**36**																0		0
10 Gains or losses arising from effective hedge of a net investment in a foreign operation	**37**																0		0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interest	**38**																0		0
12 Actuarial gains/losses on defined remuneration plans	**39**																0		0
13 Other changes in equity unrelated to owners	**40**																0		0
14 Tax on transactions recognised directly in equity	**41**																0		0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	**42**																0		0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	**43**																0		0
17 Increase of initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	**44**																0		0
18 Redemption of treasury shares/holdings	**45**																0		0
19 Payments from members/shareholders	**46**	10.719.270	24.654.321														35.373.591		35.373.591
20 Payment of share in profit/dividend	**47**														-6.206.655		-6.206.655		-6.206.655
21 Other distributions and payments to members/shareholders	**48**																0		0
22 Carryforward per annual plan	**49**																0		0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	**50**																0		0
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	**51**	106.730.270	89.604.321	571.419	1.190.650	1.190.650	0	0	-12.534.696	0	0	0	0	0	13.091.539	15.554.857	213.017.710	0	213.017.710
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	**52**	0	0	0	0	0	0	0	4.056.210	0	0	0	0	0	0	0	4.056.210	0	4.056.210
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 do 52)	**53**	0	0	0	0	0	0	0	4.056.210	0	0	0	0	0	0	15.554.857	19.611.067	0	19.611.067
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	**54**	10.719.270	24.654.321	0	0	0	0	0	0	0	0	0	0	0	-6.206.655	0	29.166.936	0	29.166.936

7.2 Group Mon Perin

BALANCE SHEET
balance as at 31.12.2021.

in HRK

Submitter: Group Mon Perin d.d.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001		
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	230.689.921	257.237.322
I INTANGIBLE ASSETS (ADP 004 to 009)	003	95.311	79.577
1 Research and development	004		
2 Concessions, patents, licences, trademarks, software and other rights	005	16.798	3.153
3 Goodwill	006		
4 Advance payments for purchase of intangible assets	007	78.513	76.424
5 Intangible assets in preparation	008		
6 Other intangible assets	009		
II TANGIBLE ASSETS (ADP 011 to 019)	010	152.705.518	155.604.066
1 Land	011	4.331.290	4.331.290
2 Buildings	012	132.193.997	122.107.086
3 Plant and equipment	013	11.001.616	9.965.277
4 Tools, working inventory and transportation assets	014	1.572.913	728.306
5 Biological assets	015	709.412	708.708
6 Advance payments for purchase of tangible assets	016	20.882	6.630.298
7 Tangible assets in preparation	017	2.386.773	10.644.466
8 Other tangible assets	018	488.635	488.635
9 Investment property	019		
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	77.889.092	101.553.679
1 Investments in holdings (shares) of undertakings within the group	021		
2 Investments in other securities of undertakings within the group	022		
3 Loans, deposits, etc. to undertakings within the group	023		
4 Investments in holdings (shares) of companies linked by virtue of participating interest	024	4.000	1.266.600
5 Investment in other securities of companies linked by virtue of participating interest	025		
6 Loans, deposits etc. given to companies linked by virtue of participating interest	026		
7 Investments in securities	027	77.491.123	99.961.775
8 Loans, deposits, etc. given	028	393.969	325.304
9 Other investments accounted for using the equity method	029		
10 Other fixed financial assets	030		
IV RECEIVABLES (ADP 032 to 035)	031	0	0
1 Receivables from undertakings within the group	032		
2 Receivables from companies linked by virtue of participating interests	033		
3 Customer receivables	034		
4 Other receivables	035		
V. Deferred tax assets	036		

C) CURRENT ASSETS (ADP 038+046+053+063)	037	26.245.419	46.137.535
I INVENTORIES (ADP 039 to 045)	038	112.874	227.055
1 Raw materials	039	1.050	1.830
2 Work in progress	040		
3 Finished goods	041		
4 Merchandise	042	99.255	139.568
5 Advance payments for inventories	043	12.569	85.657
6 Fixed assets held for sale	044		
7 Biological assets	045		
II RECEIVABLES (ADP 047 to 052)	046	836.998	1.758.866
1 Receivables from undertakings within the group	047		
2 Receivables from companies linked by virtue of participating interest	048	22.426	
3 Customer receivables	049	142.116	258.827
4 Receivables from employees and members of the undertaking	050		
5 Receivables from government and other institutions	051	588.545	1.415.751
6 Other receivables	052	83.911	84.288
III SHORT-TERM FINANCIAL ASSETS (ADP 054 to 062)	053	5.853.993	12.610.304
1 Investments in holdings (shares) of undertakings within the group	054		
2 Investments in other securities of undertakings within the group	055		
3 Loans, deposits, etc. to undertakings within the group	056		
4 Investments in holdings (shares) of companies linked by virtue of participating interest	057		
5 Investment in other securities of companies linked by virtue of participating interest	058		
6 Loans, deposits etc. given to companies linked by virtue of participating interest	059		
7 Investments in securities	060		
8 Loans, deposits, etc. given	061	5.853.993	12.610.304
9 Other financial assets	062		
IV CASH AT BANK AND IN HAND	063	19.441.554	31.541.310
D) PREPAID EXPENSES AND ACCRUED INCOME	064		
E) TOTAL ASSETS (ADP 001+002+037+064)	065	256.935.340	303.374.857
OFF-BALANCE SHEET ITEMS	066		
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	067	161.554.366	209.919.980
I. INITIAL (SUBSCRIBED) CAPITAL	068	96.011.000	106.730.270
II CAPITAL RESERVES	069	64.950.000	89.604.321
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	571.419	571.419
1 Legal reserves	071	571.419	571.419
2 Reserves for treasury shares	072	1.190.650	1.190.650
3 Treasury shares and holdings (deductible item)	073	1.190.650	1.190.650
4 Statutory reserves	074		
5 Other reserves	075		
IV REVALUATION RESERVES	076	-16.590.906	-12.534.696
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	0	0
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078		
2 Cash flow hedge - effective portion	079		
3 Hedge of a net investment in a foreign operation - effective portion	080		
4 Other fair value reserves	081		
5 Exchange differences arising from the translation of foreign operations (consolidation)	082		
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	20.885.470	10.406.198
1 Retained profit	084	20.885.470	10.406.198
2 Loss brought forward	085		
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	-4.272.617	15.142.468
1 Profit for the business year	087		15.142.468
2 Loss for the business year	088	4.272.617	
VIII MINORITY (NON-CONTROLLING) INTEREST	089		
B) PROVISIONS (ADP 091 to 096)	090	149.815	1.391.889
1 Provisions for pensions, termination benefits and similar obligations	091		
2 Provisions for tax liabilities	092		
3 Provisions for ongoing legal cases	093	100.612	1.300.000
4 Provisions for renewal of natural resources	094		
5 Provisions for warranty obligations	095		
6 Other provisions	096	49.203	91.889

C) LONG-TERM LIABILITIES (ADP 098 to 108)	**097**	88.630.757	83.370.838
1 Liabilities towards undertakings within the group	**098**		
2 Liabilities for loans, deposits, etc. to companies within the group	**099**		
3 Liabilities towards companies linked by virtue of participating interest	**100**		
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	**101**	9.000.000	7.500.000
5 Liabilities for loans, deposits etc.	**102**		
6 Liabilities towards banks and other financial institutions	**103**	39.054.017	37.004.222
7 Liabilities for advance payments	**104**		
8 Liabilities towards suppliers	**105**	40.576.740	38.866.616
9 Liabilities for securities	**106**		
10 Other long-term liabilities	**107**		
11 Deferred tax liability	**108**		
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	**109**	6.600.402	8.692.150
1 Liabilities towards undertakings within the group	**110**		
2 Liabilities for loans, deposits, etc. to companies within the group	**111**		
3 Liabilities towards companies linked by virtue of participating interest	**112**	72.114	16.769
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	**113**	750.000	1.000.000
5 Liabilities for loans, deposits etc.	**114**		
6 Liabilities towards banks and other financial institutions	**115**	114.775	1.947.591
7 Liabilities for advance payments	**116**	1.860.265	1.707.224
8 Liabilities towards suppliers	**117**	3.589.590	3.381.402
9 Liabilities for securities	**118**		
10 Liabilities towards employees	**119**	156.566	228.868
11 Taxes, contributions and similar liabilities	**120**	28.188	363.572
12 Liabilities arising from the share in the result	**121**	27.063	44.307
13 Liabilities arising from fixed assets held for sale	**122**		
14 Other short-term liabilities	**123**	1.841	2.417
E) ACCRUALS AND DEFERRED INCOME	**124**		
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	**125**	256.935.340	303.374.857
G) OFF-BALANCE SHEET ITEMS	**126**		

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2021. to 31.12.2021.

in HRK

Submitter: Group Mon Perin d.d.

Item	ADP code	Same period of the previous year	Current period
1	2	3	4
I OPERATING INCOME (ADP 128 to 132)	127	29.119.398	54.935.877
1 Income from sales with undertakings within the group	128		
2 Income from sales (outside group)	129	27.628.040	52.272.847
3 Income from the use of own products, goods and services	130	100.221	224.896
4 Other operating income with undertakings within the group	131		
5 Other operating income (outside the group)	132	1.391.137	2.438.134
II OPERATING EXPENSES (ADP 134+135+139+143+144+145+148+155)	133	30.519.007	40.189.060
1 Changes in inventories of work in progress and finished goods	134		
2 Material costs (ADP 136 to 138)	135	10.010.249	15.761.699
a) Costs of raw material	136	1.955.474	3.054.653
b) Costs of goods sold	137	176.564	132.470
c) Other external costs	138	7.878.211	12.574.576
3 Staff costs (ADP 140 to 142)	139	3.040.796	3.956.171
a) Net salaries and wages	140	1.934.416	2.379.698
b) Tax and contributions from salaries expenses	141	742.696	1.014.749
c) Contributions on salaries	142	363.684	561.724
4 Depreciation	143	15.627.616	16.144.543
5 Other expenses	144	1.332.782	2.290.194
6 Value adjustments (ADP 144+145)	145	7.709	0
a) fixed assets other than financial assets	146		
b) current assets other than financial assets	147	7.709	
7 Provisions (ADP 149 to 155)	148	39.448	1.265.477
a) Provisions for pensions, termination benefits and similar obligations	149	39.448	66.090
b) Provisions for tax liabilities	150		
c) Provisions for ongoing legal cases	151		1.199.387
d) Provisions for renewal of natural resources	152		
e) Provisions for warranty obligations	153		
f) Other provisions	154		
8 Other operating expenses	155	460.407	770.976
III FINANCIAL INCOME (ADP 157 to 166)	156	67.646	2.226.949
1 Income from investments in holdings (shares) of undertakings within the group	157		
2 Income from investments in holdings (shares) of companies linked by virtue of participating interest	158		
3 Income from other long-term financial investment and loans granted to undertakings within the group	159		
4 Other interest income from operations with undertakings within the group	160		
5 Exchange rate differences and other financial income from operations with undertakings within the group	161		
6 Income from other long-term financial investments and loans	162		2.213.194
7 Other interest income	163	49.698	13.755
8 Exchange rate differences and other financial income	164	17.948	
9 Unrealised gains (income) from financial assets	165		
10 Other financial income	166		
IV FINANCIAL EXPENDITURE (ADP 168 to 174)	167	2.940.654	1.831.298
1 Interest expenses and similar expenses with undertakings within the group	168		
2 Exchange rate differences and other expenses from operations with undertakings within the group	169		
3 Interest expenses and similar expenses	170	1.202.537	1.731.455
4 Exchange rate differences and other expenses	171	1.738.117	99.843
5 Unrealised losses (expenses) from financial assets	172		
6 Value adjustments of financial assets (net)	173		
7 Other financial expenses	174		

V SHARE IN PROFIT FROM COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	**175**		
VI SHARE IN PROFIT FROM JOINT VENTURES	**176**		
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	**177**		
VIII SHARE IN LOSS OF JOINT VENTURES	**178**		
IX TOTAL INCOME (ADP 127+156+175 + 176)	**179**	29.187.044	57.162.826
X TOTAL EXPENDITURE (ADP 133+167+177 + 178)	**180**	33.459.661	42.020.358
XI PRE-TAX PROFIT OR LOSS (ADP 179-180)	**181**	-4.272.617	15.142.468
1 Pre-tax profit (ADP 179-180)	**182**	0	15.142.468
2 Pre-tax loss (ADP 180-179)	**183**	4.272.617	0
XII INCOME TAX	**184**		
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 181-184)	**185**	-4.272.617	15.142.468
1 Profit for the period (ADP 181-184)	**186**	0	15.142.468
2 Loss for the period (ADP 184-181)	**187**	4.272.617	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)			
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 189-190)	**188**	0	0
1 Pre-tax profit from discontinued operations	**189**	0	0
2 Pre-tax loss on discontinued operations	**190**	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	**191**	0	0
1 Discontinued operations profit for the period (ADP 186-189)	**192**	0	0
2 Discontinued operations loss for the period (ADP 189-186)	**193**	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)			
XVI PRE-TAX PROFIT OR LOSS (ADP 181+188)	**194**	0	0
1 Pre-tax profit (ADP 194)	**195**	0	0
2 Pre-tax loss (ADP 194)	**196**	0	0
XVII INCOME TAX (ADP 184+191)	**197**	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 194-197)	**198**	0	0
1 Profit for the period (ADP 194-197)	**199**	0	0
2 Loss for the period (ADP 197-194)	**200**	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)			
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 202+203)	**201**	-4.272.617	15.142.468
1 Attributable to owners of the parent	**202**	-4.272.617	15.142.468
2 Attributable to minority (non-controlling) interest	**203**		
STATEMENT OF OTHER COMPRHENSIVE INCOME (to be filled in by undertakings subject to IFRS)			
I PROFIT OR LOSS FOR THE PERIOD	**204**	-4.272.617	15.142.468
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 206+ 213)	**205**	-21.345.375	4.056.210
III Items that will not be reclassified to profit or loss (ADP207 to 211)	**206**	-21.345.375	4.056.210
1 Changes in revaluation reserves of fixed tangible and intangible assets	**207**		
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	**208**	-21.345.375	4.056.210
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	**209**		
4 Actuarial gains/losses on the defined benefit obligation	**210**		
5 Other items that will not be reclassified	**211**		
6 Income tax relating to items that will not be reclassified	**212**		
IV Items that may be reclassified to profit or loss (ADP 214 to 221)	**213**	0	0
1 Exchange rate differences from translation of foreign operations	**214**		
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	**215**		
3 Profit or loss arising from effective cash flow hedging	**216**		
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	**217**		
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	**218**		
6 Changes in fair value of the time value of option	**219**		
7 Changes in fair value of forward elements of forward contracts	**220**		
8 Other items that may be reclassified to profit or loss	**221**		
9 Income tax relating to items that may be reclassified to profit or loss	**222**		
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 206+213- 212 - 222)	**223**	-21.345.375	4.056.210
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 204+223)	**224**	-25.617.992	19.198.678
APPENDIX to the Statement on comprehensive income (to be filled in by entrepreneurs who draw up consolidated statements)			
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 225+226)	**225**	-25.617.992	19.198.678
1 Attributable to owners of the parent	**226**	-25.617.992	19.198.678
2 Attributable to minority (non-controlling) interest	**227**		

STATEMENT OF CASH FLOWS - direct method
for the period 01.01.2021 to 31.12.2021

in HRK

Submitter: Group Mon Perin 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	33.122.007	61.132.422
2 Cash receipts from royalties, fees, commissions and other revenue	002	83.306	194.394
3 Cash receipts from insurance premiums	003	213.964	111.148
4 Cash receipts from tax refund	004	1.397.260	1.355.381
5 Other cash receipts from operating activities	005	507.144	578.802
I Total cash receipts from operating activities (ADP 001 to 005)	006	35.323.681	63.372.147
1 Cash payments to suppliers	007	-15.296.157	-23.931.368
2 Cash payments to employees	008	-2.202.674	-2.573.087
3 Cash payments for insurance premiums	009	-252.647	-294.305
4 Interest paid	010	-2.778.172	-858.401
5 Income tax paid	011		
6 Other cash payments from operating activities	012	-4.530.956	-8.289.996
II Total cash payments from operating activities (ADP 007 to 012)	013	-25.060.606	-35.947.157
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	10.263.075	27.424.990
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	2.500	6.250
2 Cash receipts from sales of financial instruments	016	5.153.808	
3 Interest received	017	67.646	34.179
4 Dividends received	018		2.213.194
5 Cash receipts from repayment of loans and deposits	019	11.277.619	5.879.019
6 Other cash receipts from investment activities	020		
III Total cash receipts from investment activities (ADP 015 to 020)	021	16.501.573	8.132.642
1 Cash payments for the purchase of fixed tangible and intangible assets	022	-16.870.737	-18.756.496
2 Cash payments for the acquisition of financial instruments	023		
3 Cash payments for loans and deposits	024	-10.421.919	-12.641.576
4 Acquisition of a subsidiary, net of cash acquired	025		-1.262.600
5 Other cash payments from investment activities	026		
IV Total cash payments from investment activities (ADP 022 to 026)	027	-27.292.656	-32.660.672
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	-10.791.083	-24.528.030
Cash flow from financing activities			
1 Cash receipts from the increase of initial (subscribed) capital	029		16.642.208
2 Cash receipts the from issue of equity financial instruments and debt financial instruments	030		
3 Cash receipts from credit principals, loans and other borrowings	031	6.530.000	
4 Other cash receipts from financing activities	032		
V Total cash receipts from financing activities (ADP 029 to 032)	033	6.530.000	16.642.208
1 Cash payments for the repayment of credit principals, loans andother borrowings and debt financial instruments	034	-2.634.426	-1.250.000
2 Cash payments for dividends	035		-6.189.411
3 Cash payments for finance lease	036	-2.591.000	
4 Cash payments for the redemption of treasury shares and decrease of initial (subscribed) capital	037		
5 Other cash payments from financing activities	038		
VI Total cash payments from financing activities (ADP 034 to 038)	039	-5.225.426	-7.439.411
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 +039)	040	1.304.574	9.202.797
1 Unrealised exchange rate differences in cash and cash equivalents	041		
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	776.566	12.099.757
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	18.664.988	19.441.554
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 042+043)	044	19.441.554	31.541.311

STATEMENT OF CHANGES IN EQUITY

for the period from 01/01/2021 to 31/12/2021

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	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	Minority (non-controlling) interest	Total capital and reserves
		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 do 6 - 7 + 8 do 17)	19	20 (18+19)
Previous period																			
1 Balance on the first day of the previous business year	01	96.011.000	64.950.000		1.190.650	1.190.650			4.754.469						21.456.889		187.172.358		187.172.358
2 Changes in accounting policies	02																0		0
3 Correction of errors	03																0		0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	96.011.000	64.950.000	0	1.190.650	1.190.650	0	0	4.754.469	0	0	0	0	0	21.456.889	0	187.172.358	0	187.172.358
5 Profit/loss of the period	05															-4.272.617	-4.272.617		-4.272.617
6 Exchange rate differences from translation of foreign operations	06																0		0
7 Changes in revaluation reserves of fixed tangible and intangible assets	07								-21.345.375								-21.345.375		-21.345.375
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08																0		0
9 Gains or losses on efficient cash flow hedging	09																0		0
10 Gains or losses arising from effective hedge of a net investment in a foreign operation	10																0		0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interest	11																0		0
12 Actuarial gains/losses on defined benefit plans	12																0		0
13 Other changes in equity unrelated to owners	13																0		0
14 Tax on transactions recognised directly in equity	14																0		0
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15																0		0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16																0		0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17																0		0
18 Redemption of treasury shares/holdings	18																0		0
19 Payments from members/shareholders	19																0		0
20 Payment of share in profit/dividend	20																0		0
21 Other distributions and payments to members/shareholders	21																0		0
22 Transfer to reserves according to the annual schedule	22			571.419											-571.419		0		0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23																0		0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	96.011.000	64.950.000	571.419	1.190.650	1.190.650	0	0	-16.590.906	0	0	0	0	0	20.885.470	-4.272.617	161.554.366	0	161.554.366
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	0	0	0	0	-21.345.375	0	0	0	0	0	0	0	-21.345.375	0	-21.345.375
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	0	-21.345.375	0	0	0	0	0	0	-4.272.617	-25.617.992	0	-25.617.992
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	571.419	0	0	0	0	0	0	0	0	0	0	-571.419	0	0	0	0

Current period																			
1 Balance on the first day of the current business year	**28**	96.011.000	64.950.000	571.419	1.190.650	1.190.650			-16.590.906						16.612.853		161.554.366	0	161.554.366
2 Changes in accounting policies	**29**																0	0	0
3 Correction of errors	**30**																0	0	0
4 Balance on the first day of the current business year (restated) (AOP 28 to 30)	**31**	96.011.000	64.950.000	571.419	1.190.650	1.190.650	0	0	-16.590.906	0	0	0	0	0	16.612.853	0	161.554.366	0	161.554.366
5 Profit/loss of the period	**32**															15.142.468	15.142.468		15.142.468
6 Exchange rate differences from translation of foreign operations	**33**																0		0
7 Changes in revaluation reserves of fixed tangible and intangible assets	**34**								4.056.210								4.056.210		4.056.210
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	**35**																0		0
9 Gains or losses on efficient cash flow hedging	**36**																0		0
10 Gains or losses arising from effective hedge of a net investment in a foreign operation	**37**																0		0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interest	**38**																0		0
12 Actuarial gains/losses on defined remuneration plans	**39**																0		0
13 Other changes in equity unrelated to owners	**40**																0		0
14 Tax on transactions recognised directly in equity	**41**																0		0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	**42**																0		0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	**43**																0		0
17 Increase of initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	**44**																0		0
18 Redemption of treasury shares/holdings	**45**																0		0
19 Payments from members/shareholders	**46**	10.719.270	24.654.321														35.373.591		35.373.591
20 Payment of share in profit/dividend	**47**														-6.206.655		-6.206.655		-6.206.655
21 Other distributions and payments to members/shareholders	**48**																0		0
22 Carryforward per annual plan	**49**																0		0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	**50**																0		0
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	**51**	106.730.270	89.604.321	571.419	1.190.650	1.190.650	0	0	-12.534.696	0	0	0	0	0	10.406.198	15.142.468	209.919.980	0	209.919.980
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	**52**	0	0	0	0	0	0	0	4.056.210	0	0	0	0	0	0	0	4.056.210	0	4.056.210
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 do 52)	**53**	0	0	0	0	0	0	0	4.056.210	0	0	0	0	0	0	15.142.468	19.198.678	0	19.198.678
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	**54**	10.719.270	24.654.321	0	0	0	0	0	0	0	0	0	0	0	-6.206.655	0	29.166.936	0	29.166.936

8. MANAGEMENT BOARD'S DECISION ON ESTABLISHING THE ANNUAL FINANCIAL STATEMENTS

Pursuant to Article 300a of the Companies Act, on 6 April 2022 the Company's Management Board adopted the following:

DECISION

ON THE ADOPTION OF ANNUAL FINANCIAL STATEMENTS FOR 2021

AND

ON THE ADOPTION OF CONSOLIDATED FINANCIAL STATEMENTS FOR 2021

The annual financial statements of the Company MON PERIN d.d. for the 2021 financial year with the content as attached to this Decision shall be adopted.

The consolidated financial statements of the MON PERIN Group for the 2021 financial year with the content as attached to this Decision shall be adopted.

This Decision is submitted to the Supervisory Board for approval.

Massimo Piutti, President of the Managemet Board

9. SUPERVISORY'S BOARD DECISION ON APPROVING THE ANNUAL FINANCIAL STATEMENTS

Pursuant to Article 300c of the Companies Act, the Supervisory Board of Mon Perin d.d. (hereinafter referred to as the "Company")

at its meeting held on 14 April 2022 rendered the following

CONSENT

TO THE MANAGEMENT BOARD'S DECISION ON ESTABLISHING ANNUAL FINANCIAL STATEMENTS FOR 2021 AND CONSOLIDATED FINANCIAL STATEMENTS FOR 2021

Based on the Management Board's Report on the Company's situation for 2021, the contents of the Company's Annual Financial Statements for 2021 and the MON PERIN Group's Consolidated Annual Financial Statements for 2021, and the Auditor's Report on the performed audit of these statements,

The Supervisory Board **gives its consent** to:

1. The Company's Annual Financial Statements for 2021
2. The MON PERIN Group's Consolidated Annual Financial Statements for 2021

Pursuant to Article 300 c of the Companies Act, the Company's annual financial statements and the MON PERIN Group's consolidated annual financial statements shall herewith be deemed as adopted by the Company.

This consent shall enter into force immediately.

Plinio Cuccurin, President of the Supervisory Board

10. SUPERVISORY BOARD'S DECISION ON ALLOCATION OF PROFIT

Pursuant to Article 20 of the Mon Perin d.d. Company's Statute (hereainafter referred to as the "Company"), the Company's Supervisory Board

at its meeting held on 14 April 2022 rendered the following

CONSENT

TO THE MANAGEMENT'S BOARD DECISION ON THE PROPOSAL FOR THE DECISION ON THE ALLOCATION OF THE COMPANY'S PROFIT

The Company's Supervisory Board **gives its consent** to the Management Board's Decision on the Proposal for the Decision on the Allocation of Profit dated 6 April 2022, which reads as follows:

"The Company's profit in 2021 amounting to HRK 15,554,857 shall be allocated to retained profit."

This consent shall enter into force immediately.

Plinio Cuccurin, President of the Supervisory Board

11. ANNUAL FINANCIAL STATEMENTS INCLUDING THE INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the shareholders of MON PERIN d.d., Bale

Report on the audit of consolidated and non-consolidated financial statements

Opinion

We have audited the consolidated and non-consolidated annual financial statements of Mon Perin d.d. (hereinafter referred to as the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated and non-consolidated balance sheet as at 31 December 2021, the consolidated and non-consolidated statement of comprehensive income, the consolidated and non-consolidated statements of cash flows, the consolidated and non-consolidated statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the enclosed consolidated and non-consolidated financial statements give a true and fair view of the financial position of the Company and the Group as at 31 December 2021, its financial performance and cash flows for the year that ended in accordance with the Croatian Accounting Act and the International Financial Reporting Standards (IFRS) as adopted by the European Commission and published in the EU's Official Journal.

Basis for opinion

We conducted our audit in accordance with the Croatian Accounting Act, Croatian Audit Act and International Financial Reporting Standards (IFRS). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Code of Ethic for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Management Board and those responsible for the annual financial statements

The Management Board is responsible for the preparation of the annual financial statements and for being satisfied that they give a true and fair view in accordance with IFRS and for such internal control as the Management Board determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing annual financial statements, the Management Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Report on the audit of consolidated and non-consolidated financial statements (continued)

Auditor's responsibilities for the audit of annual financial statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date or our independent auditor's report. However, future events or conditions may cause the Company to cease to continue as going concern.

- Evaluate overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements the underlying transactions and events in a manner that achieves fair presentation.

Report on the audit of consolidated and non-consolidated financial statements (continued)

We communicate with those charged with governance regarding, among other things, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

IAUDIT d.o.o. za reviziju, Rijeka
Jelačićev trg 7/I, Rijeka

25 March 2022

Filip Zekan
Member of the Board of Directors

Ivana Fatur Jovanović
Certified Audi

IAUDIT d.o.o.
RIJEKA

MON PERIN d.d., BALE

CONSOLIDATED AND NON-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

(all amounts in thousands of HRK)	**Notes**	**Mon Perin Group 2021**	**Mon Perin Group 2020**	**Mon Perin d.d. 2021**	**Mon Perin d.d. 2020**
Revenue from contracts with customers	5,6	52,273	27,628	52,135	27,598
Other revenue	5,6	1,725	1,492	1,725	1,451
Cost of goods sold		(132)	(177)	(69)	(132)
Cost of materials and services	7	(11,183)	(7,681)	(11,390)	(7,762)
Staff costs	8	(4,669)	(3,352)	(4,238)	(3,073)
Depreciation and impairment	15,16	(16,145)	(15,628)	(16,035)	(15,458)
Other operating expenses	9	(7,987)	(3,328)	(7,905)	(3,205)
Other gains/(losses) net	10	865	(353)	936	(339)
Operating profit/ (loss)		**14,747**	**(1,399)**	**15,159**	**(920)**
Finance income	11	2,226	67	2,226	66
Finance costs	11	(1,831)	(2,940)	(1,831)	(2,941)
Finance expenses – net	**11**	**395**	**(2,873)**	**395**	**(2,875)**
(Loss)/Profit before income tax		**15,142**	**(4,272)**	**15,554**	**(3,795)**
Income tax	13	-	-		-
Net (loss)/profit		**15,142**	**(4,272)**	**15,554**	**(3,795)**
Other comprehensive income		4,056	(21,345)	4,056	(21,345)
Total comprehensive (loss)/income for the year		**19,198**	**(25,617)**	**19,610**	**(25,140)**
Basic/diluted (loss)/income per share (in HRK)	14	1,57	(0,45)	1,61	(0,40)

MON PERIN d.d., BALE

CONSOLIDATED AND NON-CONCOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2021

(all amounts in thousands of HRK)	**Note**	**Mon Perin Group** 31 December 2021	**Mon Perin Group** 31 December 2020	**Mon Perin d.d.** 31 December 2021	**Mon Perin d.d.** 31 Dec 2020
Assets					
Non-current assets					
Property, plant and equipment	15	155,604	152,706	156,169	152,330
Intangible assets	16	80	95	80	95
Investment in subsidiaries	18	1,264	-	5,003	3,740
Financial assets held for sale	17	99, 965	77,495	99,965	77,495
Long-term loans given	17	325	394	325	394
Deferred tax assets		-	-	-	-
		257,238	**230,690**	**261,542**	**234,054**
Current assets					
Inventories	19	227	113	225	107
Loans given	20	12,610	5,854	12,610	5,854
Trade and other receivables	20	1,749	780	1,782	743
Income tax receivables	20	10	57	-	-
Cash and cash equivalents	21	31,541	19,441	31,135	18,829
		46,137	**26,245**	**45,752**	**25,533**
TOTAL ASSETS		**303,375**	**256,935**	**307,294**	**259,587**
CAPITAL AND RESERVES					
Capital intended for owners of the parent					
Share capital	22	106,730	96,011	106,730	96,011
Share premium		89,605	64,950	89,605	64,950
Legal reserves		571	571	571	571
Fair value reserves		(12,535)	(16,591)	(12,535)	(16,591)
Reserves for treasury shares		1,191	1,191	1,191	1,191
Treasury shares		(1,191)	(1,191)	(1,191)	(1,191)
Retained earnings		25,549	16,613	28,647	19,299
Total capital and reserves		**209,920**	**161,554**	**213,018**	**164,240**
LIABILITIES OBVEZE					
Non-current liabilities					
Long-term loans	23	44,504	48,054	44,504	48,054
Contractual liabilities	23,25	38,867	40,577	38,867	40,577
Deferred tax liability		-	-	-	-
Provisions		-	-	-	-
		83,371	**88,631**	**83,371**	**88,631**
Current liabilities					
Borrowings	24	2,948	750	2,948	750
Trade and other payables	25	3,714	3,822	4,535	3,790
Contractual liabilities	23, 25	2,030	2,026	2,030	2,026
Provisions		1,392	150	1,392	150
Income tax payable	13	-	2	-	-
		10,084	**6,750**	**10,905**	**6,716**
Total liabilities		**93,455**	**95,381**	**94,276**	**95,347**
TOTAL CAPITAL AND LIABILITIES		**303,375**	**256,935**	**307,294**	**259,587**

Mon Perin Group

	Equity attributable to Company's shareholders							
(in thousands of HRK)	**Share capital**	**Share premium**	**Legal reserves**	**Fair value reserves**	**Reserves for treasury shares**	**Treasury shares**	**Retained earnings**	**Total**
Balance as at 31 December 2019	**96,011**	**64,950**	**-**	**4,754**	**1,191**	**(1,191)**	**21,456**	**187,171**
Adjustment for IFRS 16								
Balance as at 1 January 2020	**96,011**	**64,950**	**-**	**4,754**	**1,191**	**(1,191)**	**21,456**	**187,171**
Total comprehensive income for the year	-	-	-	**(21,345)**	-	-	**(4,272)**	**(25,617)**
Profit / (loss) for the year	-	-	-	-	-	-	(4,272)	(4,272)
Other comprehensive (loss) / income for the year	-	-	-	(21,345)	-	-	-	(21,345)
Transactions with owners:								
(Acquisition)/sale of treasury shares	-	-	-	-	-	-	-	-
Transfer from retained earnings to reserves	-	-	**571**	-	-	-	**(571)**	-
Total transactions with owners	**-**	**-**	**571**	**-**	**-**	**-**	**(571)**	**-**
Balance as at 31 December 2020	**96,011**	**64,950**	**571**	**(16,591)**	**1,191**	**(1,191)**	**16,613**	**161,554**
Total comprehensive income for the year	-	-	-	**4,056**	-	-	**15,142**	**19,198**
Profit/ (loss) for the year	-	-	-	-	-	-	15,142	15,142
Other comprehensive (loss)/income for the year	-	-	-	4,056	-	-	-	4,056
Transactions with owners	-	-	-	-	-	-	-	-
Increase in share capital	10,719	24,655	-	-	-	-	-	35,374
Dividend payment	-	-	-	-	-	-	**(6,206)**	**(6,206)**
Total transactions with owners	**10,719**	**24,655**	**-**	**-**	**-**	**-**	**(6,206)**	**29,168**
Balance as at 31 December 2021	**106,730**	**89,605**	**571**	**(12,535)**	**1,191**	**(1,191)**	**25,549**	**209,920**

Mon Perin d.d.

	Equity attributable to Company's shareholders							
(in thousands of HRK)	**Share capital**	**Share premium**	**Legal reserves**	**Fair value reserves**	**Reserves for treasury shares**	**Treasury shares**	**Retained earnings**	**Total**
Balance as at 1 January 2020	**96,011**	**64,950**	**-**	**4,754**	**1,191**	**(1,191)**	**23,665**	**189,380**
Total comprehensive income for the year	**-**	**-**	**-**	**(21,345)**	**-**	**-**	**(3,795)**	**(25,140)**
Profit / (loss) for the year	-	-	-	-	-	-	(3,795)	(3,795)
Other comprehensive (loss) / income for the year	-	-	-	(21,345)	-	-	-	(21,345)
Transactions with owners:								
(Acquisition)/sale of treasury shares	-	-	-	-	-	-	-	-
Transfer from retained earnings to reserves	-	-	**571**	-	-	-	**(571)**	-
Total transactions with owners	**-**	**-**	**571**	**-**	**-**	**-**	**(571)**	**-**
Balance as at 31 December 2020	**96,011**	**64,950**	**571**	**(16,591)**	**1,191**	**(1,191)**	**19,299**	**164,240**
Total comprehensive income for the year	**-**	**-**	-	**4,056**	-	-	**15,554**	**19,610**
Profit/ (loss) for the year	-	-	-	-	-	-	15,554	15,554
Other comprehensive (loss)/income for the year	-	-	-	4,056	-	-	-	4,056
Transactions with owners	**-**	-	-	-	-	-	-	-
Increase in share capital	10,719	24,655	-	-	-	-	-	35,374
Dividend payment	-	-	-	-	-	-	**(6,206)**	**(6,206)**
Total transactions with owners	**10,719**	**24,655**	-	-	-	-	**(6,206)**	**29,168**
Balance as at 31 December 2021	**106,730**	**89,605**	**571**	**(12,535)**	**1,191**	**(1,191)**	**28,647**	**213,018**

CONSOLIDATED AND NON-CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

(all amounts are in thousands of HRK)	**Note**	**Mon Perin Group 2021**	**Mon Perin Group 2020**	**Mon Perin d.d. 2021**	**Mon Perin d.d. 2020**
Cash flows from operating activities					
Cash generated from operations	27	28,283	13,041	28,489	13,319
Interest paid		(858)	(2,778)	(858)	(2,778)
Income tax return/(Corporate income tax paid)		-	-	-	-
Cash flow from operating activities		**27,425**	**10,263**	**27,631**	**10,541**
Cash flow from investing activities					
Purchase of property, plant and equipment, and intangible assets	15,16	(18,756)	(16,871)	(18,756)	(16,871)
Proceeds from sale of non-current assets		6	2	6	2
Proceeds/investments in financial assets		(8,025)	6,011	(8,025)	6,011
Dividend received		2,213	-	2,213	-
Interest received		34	67	34	67
Cas flow used in investing activities		**(24,528)**	**(10,791)**	**(24,528)**	**(10,791)**
Cash flow from financing activities					
Proceeds from borrowings		16,642	6,530	**16,642**	6,530
Repayment of borrowings		(1,250)	(2,635)	(1,250)	(2,635)
Payment of lease liabilities		-	(2,591)	-	(2,591)
Dividends paid		(6,189)	-	(6,189)	-
Cash flow used in financing activities		**9,203**	**1,304**	**9,203**	**1,304**
Net (decrease)/increase in cash and cash equivalents		**12,100**	**776**	**12,306**	**1,054**
Cash and cash equivalents at the beginning of year		19,441	18,665	18,829	17,775
Cash and cash equivalents at the end of year	21	**31,541**	**19,441**	**31,135**	**18,829**

NOTE 1 – GENERAL INFORMATION

The company Mon Perin d.d. (joint stock company) for tourism, hospitality, agriculture and real estate business with registered office in Bale (Municipality of Bale – Valle) at Trg La Musa 2, is registered as a limited liability company according to the Company's Articles of Association concluded on 10 December 2005.

The Statute of Mon Perin d.d. was adopted on 6 December 2019 as an integral part of the Decision on conversion of Mon Perin d.o.o. into a joint stock company. The Company is recorded in the Register of the Commercial Court in Pazin with the identification number 040224587.

By decision of the Company's members of 9 December 2006 the equity capital was increased from HRK 12,357,000.00 by the amount of HRK 18,704,000.00 to HRK 31,061,000.00. By decision of the Company's Assembly of 10 November 2017 the Company's equity capital was increased from HRK 31,061,000.00 by not less than HRK 30,000,000.00 and not more than HRK 65,000,000.00, to not less than HRK 61,061,000.00 and not more than HRK 96,061,000.00. Pursuant to Point 16 of the Decision to increase the equity capital the Decision of the Company's Management Board of 7 December 2017, with the consent of the Company's Supervisory Board of 22 December 2017, established that the equity capital was increased by HRK 64,950,000.00 to HRK 96,011,000.00. By Decision of the Company's General Assembly of 28 October 2021 the Company's equity capital was increased from HRK 96,011,000.00 by not less than HRK 3,500,000.00 and not more than HRK 50,000,000.00 to not less than HRK 99,511,000.00 and not more than HRK 146,011,000.00. By Decision of the Company's Management Board of 29 November 2021, with the consent of the Supervisory Board of 29 November 2021, it was established that the equity capital was increased by HRK 10,719,270.00 to HRK 106,730,270.00 kn.

The person entitled to represent the Company individually and autonomously is the President of the Management Board Massimo Piutti, from Bale, Fonde 30, OIB: 88749164987.

The Company's scope of business – activities from which the Company derives most of the income is holiday and other short-stay accommodation.
As at the reporting date of 31 December 2021the Company had 33 employees (2020: 26).

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The summary of the significant accounting policies adopted for the preparation of these financial statements are set out below. These accounting policies have been consistently applied to all the periods presented unless otherwise stated. Unless otherwise stated, all policies applicable to the Group also apply to the Company.

2.1 Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value in the Income statement.

Accounting policies are consistent with accounting policies of the previous financial year.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Management Board to exercise its judgment in applying the Group's and Company's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1.1 Continuation of business operation

As a result of increased investments in the construction of campsites, the Group became significantly indebted during the last few years.

The Balance sheet as of 31 December 2021 shows that short-term liabilities are lower than short-term assets by HRK 36,053 thousand for the Group and HRK 34,847 thousand for the Company (31 December 2020: less by HRK 19,495 thousand for the Group and HRK 18,817 thousand for the Company.
Total liabilities registered as of 31 December 2021, HRK 8,500 thousand for the Group and HRK 8.500 thousand for the Company (31 December 2020: HRK 9,750 thousand for the Group and HRK 9,750 thousand for the Company) comprised of borrowings from related companies, mainly from the ultimate parent company.

The Management Board believes that both the Group and the Company have no liquidity issues considering that they hold significant funds invested in the shares of the Company Adris grupa d.d., Rovinj (Note 3.3). As of 31 December, 2021 fair value of the investment in shares of Adris Grupa d.d. amounts to HRK 99,631 thousand (31 December 2020: HRK 76,954 thousand), which is sufficient to cover all short and long term liabilities of the Group and Company to third parties.

In line with their business strategy, the Group and Company have invested significant funds in improving their own service portfolio over the past five years. Investments carried out during this period were mainly financed by an increase in share capital and bank loans. In the future, it is expected that investments made up to date and future investments will form a foundation for continued growth and development of the Group and Company.

The Company and Group achieved significant business recovery in 2021 following the COVID-19 pandemic 2020. After one unsuccessful business year in 2021, the Group realized a net income of HRK 15,147 thousand (2020: net loss of HRK 4,272 thousand). The company realized net income of HRK 15,147 thousand (2020: net loss in the amount of HRK 3,795 thousand). Despite all challenges, the Group realized positive net cash flow from operating activities of HRK 27,425 thousand (2020: HRK 10,263 thousand), while the Company realized positive net cash flow from operating activities in the amount of HRK 27,631 thousand (2020: HRK 10,541 thousand).

After performing an analysis, the Management Board has a realistic expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Therefore, the Group and Company prepared financial statements on a going concern basis.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.2 New and amended standards adopted by the Group and the Company

The following amended standards have been in effect since 01 January 2020, but they have had no significant impact on the Group and Company:

- COVID-19-Related Rent Concessions – which amended IFRS 16 issued on 28 May 2020 and effective for annual periods starting on a day or after 01 June 2020.
- Amendments to the Conceptual Framework for Financial Reporting (issued on 29 March 2018 and effective for annual periods starting on a day or after 01 January 2020).
- Definition of a business – Amendments to IFRS 3 (issued on 22 October 2018 and effective for acquisitions from the beginning of the annual reporting period starting on a day or after 01 January 2020).
- Definition of material– Amendments to IAS 1 and IAS 8 (issued on 31 October 2018 and effective for annual periods starting on a day or after 01 January 2020).
- Interest rate benchmark reform – Amendments to IFRS 9, IAS 39, and IFRS 7 (issued on 26 September 2019 and effective for annual periods starting on a day or after 01 January 2020).

2.1.3 New standards and interpretations that have not yet been adopted

Certain new standards and interpretations have been published that are not mandatory for reporting periods beginning on a day or after 01 January 2021 and have not been earlier adopted by the Group and Company.

Sale or contribution of assets between an Investor and its Associate or joint venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and in effect for annual periods starting on a day or after the date to be determined by the IASB). These amendments address the inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

If follows from the amendments that a full gain or loss is recognized when a transaction involves a business. A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The Group and the Company expect the amendment will have no impact on the financial statements.

Classification of liabilities as current or con-current – Amendments to IAS 1 (issued on 23 January 2020 and in effect for annual reporting periods starting on a day or after 01 January 2022, have not yet been approved by the European Union). These narrow-scope amendments clarify the classification of liabilities into current or non-current, subject to rights in effect at the end of the reporting period. Liabilities are classified as non-current liabilities if, at the end of the reporting period, an entity holds the material right to defer settlement for at least twelve months. The Guidelines no longer require that this right be unconditional. The Management Board's expectations of whether to exercise the right to defer settlement do not affect the classification of liabilities. The right to deferral exists only if the entity meets all relevant conditions at the end of the reporting period. The liability is classified as current in the event of a breach of the condition on or before the day of reporting, even if the lender waives that condition after the end of the reporting period. In contrast, a loan is classified as non-current in the event of a breach of loan agreement provisions only after the reporting date.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.3 New standards and interpretations that have not yet been adopted (continued)

Furthermore, the amendments include a clarification of the classification requirements of debt that the Company can settle by converting it into capital. "Settlement" is defined as the closure of liability with financial means, other resources representing economic benefits, or with own equity instruments of an entity. An exception applies to convertible instruments that can be transformed into capital, but only for those instruments where the conversion option is classified as an equity instrument if it is a separate component of a complex financial instrument. European Union has not approved the amendment yet. The Group and the Company are currently assessing the impact of the amendments on their financial statements.

Classification of liabilities as current or non-current, postponement of the date of entry into effect – Amendments to IAS 1 (issued on 15 July 2020 and are effective for annual periods beginning on or after 1 January 2023, not yet approved by the European Union). Amendment to IAS 1 that deals with the classification of liabilities as current or non-current were issued in January 2020, with 1 January 2022 projected as the original date of entry into effect. However, in response to the Covid-19 pandemic, the effective date was postponed by one year to provide entities with more time to implement any classification changes resulting from the amended guidelines. The Group and the Company are currently assessing the impact of the amendments on their financial statements.

Revenues prior to the intended use, Onerous contracts – cost of fulfilling a contract, reference to the Conceptual Framework – narrow-scope amendments to IAS 16, IAS 37, and IFRS 3, and Annual improvements in IFRS 2018-2020 cycle – amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 (issued on 14 May 2020 and in effect for annual periods beginning on or after 1 January 2022). Amendment IAS 16 prohibits a company from deducting from the cost of property, plant, and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Proceeds from sale of such items, together with production costs, are nor recognised in profit or loss. To measure the costs of these items entity will apply IAS 2. The cost will not include depreciation of the asset under review as it is not ready for its intended use. Amendment IAS 16 also clarifies that an entity "examines whether a property is in proper working order for operation" when the entity assesses the technical and physical efficiency of an asset.

The financial efficiency of an asset is not of the essence for this assessment. Therefore, the assets could be enabled for operation in the manner the Management Board requires and could be subject to depreciation before it reaches the operational efficiency the Management Board expects.

Amendment IAS 37 clarifies the meaning of “cost of fulfilling a contract”. The Amendment sets out that direct costs of fulfilling a contract encompass additional costs of fulfilling the contract, but it also explains the distribution of other costs directly related to the fulfilment. The Amendment also clarifies that before forming a special provision for an onerous contract, an entity recognizes the impairment loss on the assets used to fulfil the contract and not the assets intended for that contract.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.3 New standards and interpretations that have not yet been adopted (continued)

IFRS 3 has been amended, and it now refers to the Conceptual Framework for financial reporting from 2018 to determine what constitutes an asset or obligation in a business combination. Before, this amendment IFRS 3 had referred to the Conceptual Framework for financial reporting from 2001. Additionally, IFRS 3 has added a new exception covering liabilities and contingent liabilities. In accordance with this exception for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should apply IAS 37, or Interpretation (IFRIC) 2, rather than the Conceptual framework of 2018. Had this new exception not been introduced, an entity would recognize some liabilities in a business combination that would not be recognized by IAS 37. Therefore, immediately after the acquisition, the entity would have to derecognize these liabilities and recognize gain that does not constitute economic profit. Also, it is clarified that the acquirer should not recognize a potential asset at the acquisition date, as defined by IAS 37.

Amendment to the IFRS 9 clarifies the fees that should undergo examination if a change of at least 10% has occurred so that the financial liability is derecognized. Expenses or fees could be paid to third parties or a creditor. Per the above-stated amendment, the expenses or fees paid out to the third parties will not undergo examination if a change in the value of at least 10% has occurred.

Illustrative example 13 accompanying IFRS 16 has been amended, and it no longer contains an example of payment to lessor related to investments in property owned by another party. The example was changed to remove potential misunderstandings about the accounting for lease incentives.

IFRS 1 allows for an exception if a subsidiary adopts IFRS after the parent company has already adopted them. The subsidiary may measure its assets and liabilities according to carrying amounts, which would be included in the consolidated financial statements of a parent company while taking into account the date the Parent company introduced IFRS and provided that no reconciliations have been carried out for consolidation procedures and for effects of business combination that resulted in parent company acquiring a subsidiary. IFRS 1 has been amended to allow entities that used this exception from MSFI 1 to measure cumulative exchange rate differences by applying amounts recognized by the parent company and taking into account the date the Parent company introduced IFRS. Amendment to IFRS 1 the mentioned exception was extended to cumulative exchange rate differences in order to reduce costs for those entities that introduced IFRS for the first time. This amendment will also apply to subsidiaries and joint ventures that have applied the same exception provided by IFRS 1.

The requirement that all entities measuring fair value by IAS 41 had to exclude cash flows for taxation purposes has been abolished. The purpose of this amendment is harmonization with the standard's requirement according to which cash flows should be discounted after taxation. The European Union has not yet approved this interpretation. The Group and the Company are currently assessing the impact of the amendments on their financial statements.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.3 New standards and interpretations not yet adopted (continued)

***Interest rate benchmark reform (IBOR) – 2. phase, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 (issued on 27 August 2020 and effective for annual periods starting on a day or after 01 January 2021*).** Amendments included in phase 2 address issues arising from implementing reforms, including substituting one benchmark with an alternative one. The amendments cover the following areas:

- *Disclosing changes in the basis for determination of contractual cash flows that appeared as a result of IBOR reform:* For instruments subject to amortized cost measurement, the amendments require entities to reflect, as a practical solution, the change in the basis for determining contractual cash flows resulting from the IBOR reform by updating the effective interest rate using the guidance stated in paragraph B5.4.5 IFRS 9. Based on the above, no immediate gain or loss is recognized. This practical solution relates only to such a change and only to the extent necessary as a direct consequence of IBOR reform. The new basis in economic terms corresponds to the previous one. Insurers implementing the temporary exemption under IFRS 9 must apply the same practical solution. IFRS 16 has also been amended, which now requires Lessees to use a similar practical solution when disclosing lease changes that result in a change in the basis for determining future lease payments as a result of the IBOR reform.
- *Ending date for completion of reliefs from phase 1 related to risk components not specified in the contract which are not specified by the contract for hedging relationships:* The phase 2 amendments require an entity to discontinue applying 1 phase reliefs to a risk component that is not contractually determined at the moment when changes are made to the risk component which is not contractually determined or when the hedging relationship is terminated, depending on what date occurs earlier. In the 1 phase amendments the ending date for application of relief to a risk component has not been indicated.
- *Additional temporary exemptions from the application of certain requirements related to hedge accounting:* The phase 2 amendments introduce several additional temporary exemptions from the obligation to apply certain requirements related to hedge accounting in IAS 39 and IFRS 9 to the hedging relationship directly affected by the IBOR reform.
- *Additional disclosures under IFRS 7 related to IBOR reform:* Amendments require disclosure: (i) of the manner in which the entity manages the transition to alternative benchmark interest rates, transition flow, and risks arising from the stated transition; (ii) quantitative information on derivative and non-derivative instruments pending transition to stated interest rates, classified according to the significant benchmark interest rate; and (iii) a description of all changes to the risk management strategy resulting from the IBOR reform.

The Group and the Company are currently assessing the impact of amendments to the financial statements.

New standards and interpretations are not expected to have a material impact on the current or future financial statements of the Group and the Company.

NOTE 2 – SIGNIFICNT ACCOUNTING POLICIES (continued)

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls the Company when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date control is transferred to the Group and are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of subsidiaries is a fair value of the assets transferred, liabilities incurred and equity interests issued by the Group. The consideration transferred includes the fair value of each asset or liability item that results from the contingent consideration agreement. Acquisition-related costs are recognized in the Statement of comprehensive income as incurred. Acquired identifiable assets, liabilities, and contingent liabilities in a business combination are initially measured at fair value on the day of acquisition. The Group recognizes non-controlling interests in the acquired Company either at fair value or at the proportionate share of the non-controlling interest in the acquired Company's net assets.

Investments in subsidiaries in the unconsolidated report are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments.

The excess of consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (Note 2.9.).

All intra-Group transactions, balances, and unrealized gains on transactions among the Group companies are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Transactions and non-controlling interest

The Group treats transactions with non-controlling shareholders as transactions with the majority owners of the Group. When acquiring shares from non-controlling shareholders, the difference between the amounts paid and the corresponding acquired shareholding in carrying amounts of net assets in subsidiaries are recorded in equity. Gains or losses from the sale of non-controlling interest are also recorded in equity.

When the Group losses control or significant influence, all retained shares in Company are remeasured to their fair value while recognizing the change in the carrying amount in the consolidated Statement of comprehensive income. Fair value is the initial carrying amount used for the purpose of the subsequent accounting treatment of retained shares as an associate, joint venture, or financial asset. Furthermore, all amounts previously recognized in other comprehensive revenue related to that Company are treated as if the Group had directly sold the related assets and liabilities. This may mean that the amounts previously recognized in other comprehensive revenue are reclassified in the consolidated Statement of comprehensive income.

If the ownership interest in an associate is reduced but significant influence retained, the consolidated Statement of comprehensive income, when necessary, reclassifies only a proportionate share of the amounts previously recognized in other comprehensive revenue.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Merger of companies under common control

The predecessor method of accounting is used to account for the merger of entities under common control. The present value of assets and liabilities of the predecessor entity are transferred as balances in the successor entity on the date of the merger. On the date of the merger, inter-company transactions, balances, and unrealized gains and losses on transactions between the two entities merging are eliminated.

2.4 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired Company,
- equity interests issued by the Group,
- the fair value of any asset or liability resulting from a contingent consideration agreement and
- the fair value of any pre-existing equity interests in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred in the consolidated Statement of comprehensive income.

The excess of
- consideration transferred,
- the amount of any non-controlling interest in the acquiree and
- the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, then the difference is recognized directly in the Income statement as a bargain purchase.

In case when a settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the incremental interest rate, i.e., the interest rate at which similar borrowings could be obtained from an independent financial institution under comparable terms and conditions.

Contingent consideration is classified either as a financial liability or equity. Amounts classified as a financial liability are subsequently measured at their fair value, and all changes in fair value are recognized in the Income statement.

If the business combination is realized in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in the Income statement.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Segment reporting

Operating segments are sections of the reporting entity included in reporting consistent with the internal reporting provided to the chief operating business decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the Management Board of Mon Perin Group that makes strategic decisions. This consolidated financial statement presents reporting on business segments identified at the Mon Perin Group level.

• 2.6 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of the Group and Company are measured using the currency of the primary economic environment in which the parent and subsidiaries operate ("the functional currency"). The financial statements of the Group and the Company are presented in Croatian kuna (HRK), which is the Company's functional and presentation currency and the Group's presentation currency.

The exchange rate used for the calculation of significant balance sheet items presented in foreign currencies as of the Balance sheet date amounts to:

	31 December 2021	31 December 2020
1 EUR	HRK 7.517174	HRK 7.536898

(b) Transactions and balances in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of comprehensive income.
Foreign exchange gains and losses resulting from operating activities are recorded in the statement of comprehensive income within the "Other gains/ (losses)".
Foreign exchange gains or losses resulting from financing activities are recorded in the statement of comprehensive income within the "Financial revenues " or "Financial expenses."

2.7 Revenue recognition

Revenues are generated from the sale of products and services during the regular operations of the Group and Company. Revenues are reported in the amounts of transaction prices. The transaction price represents the amount of consideration that Group and Company expect to be entitled to in exchange for transferring control over goods and services they promised to the buyer, excluding amounts collected by the Group and Company on behalf of third parties.

Revenues are recognized net of the value-added tax, refunds, rebates, and discounts.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Revenue recognition (continued)

(a) Revenues from tourism services

Tourism services include revenues from the accommodation of guests in campsites, sale of food and beverages, and sale of other services related to guests' stay. Revenues are recognized when accommodation units are occupied (over time), when food and beverages are sold (at a point in time), i.e., when other services are rendered (at a point in time).
The Group and the Company provide tourism services on the basis of fixed-price contracts whereby contractual price lists make an integral part of the contract. Price lists include quantities and types of accommodation units and other services and are defined by the period to which the service refers. All discounts charged to the prices stated in the price list constitute a reduction in the selling price.

Agency commissions to certain agencies represent the incremental costs of acquiring contracts and are recognized by the Group and the Company as an expense at their occurrence, considering that the period for coverage of costs amounts to one year or shorter and expenses are reported under other operating expenses.

Revenues from tourism services are recorded under Proceeds from sale.

Contractual liabilities

A contractual obligation is the obligation to transfer goods or services to a buyer from whom the Group and the Company received consideration (or the amount of consideration due) from a buyer. If a buyer pays consideration before the Group or Company delivers goods or renders services to a buyer, the contractual obligation (liabilities for received advances) is recognized once the payment has been made or when the payment is due (whichever is earlier). Contractual obligations are recognized as revenues when the Group and Company operate on a contractual basis.

Financing component

The Group and the Company do not expect to have any contracts in which the period between the transfer of contracted goods and services to the buyer and the payment for that transfer is longer than one year. As a consequence of the above stated, the Group and the Company do not adjust the transaction prices for the present value of money.

(b) Dividend income

Dividend income is recognized when the right to receive payment is established.

2.8 Earnings per share

Earnings per share are calculated by dividing the net profit or loss attributable to the Group and Company's shareholders by the weighted average number of ordinary shares outstanding.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Intangible assets

(a) Goodwill
Goodwill represents the excess of the fair value of the cost of acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Separately recognised goodwill is tested annually for impairment, or whenever there are indications of impairment, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Each unit or group of units to which the goodwill is allocated represents the lowest level at which the goodwill is monitored for internal management purposes, i.e., at the operating segment level (Note 2.13.).

(b) Software
Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line method over their estimated useful lives of 5 years.
Their useful lives are reviewed, and adjusted, if appropriate, at each balance sheet date.

2.10 Property, plant and equipment

Property, plant and equipment is included in the balance sheet at historical cost less accumulated depreciation. Historical cost includes the cost that is directly attributable to the purchase of the assets.

Subsequent costs are included in the asset's carrying amount as a or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The cost of replacing significant parts of property, plant and equipment is capitalised, whereas the replaced parts are taken out of use or expensed. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Land and assets under construction are not depreciated. Depreciation of other items of property, plant and equipment is calculated using the straight-line method to allocate their cost over their estimated useful lives as follows:

	2021	**2020**
Buildings	10 – 20 years	10 - 20 years
Equipment	2 – 4 years	2 – 4 years
Small inventory	1 – 2 years	1 – 2 years

The Company applies a component approach for buildings where depreciation rates are separately adjusted to the useful life of each component.

The residual value of an asset is the estimated amount that the Group and the Company would currently obtain from the sale of the asset less the estimated costs of sale, if the asset were already of the age and in the condition expected at the end of its useful life. The residual value of an asset is nil if the Group and the Company expect to use the asset until the end of its useful life. The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at each balance sheet date.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Leases

On the lease commencement date, the Group and the Company are required to recognise the asset with the right to use that lease obligation. On the date of commencement of the lease, the right to use is measured at cost, which includes the following:

- amount of the initial measurement of the lease liability,
- all lease payments made on or before the commencement of the lease, less any lease incentives received,
- all initial direct costs incurred for the Group and the Company,
- estimate of the costs to be borne by the lessee in dismantling and removing the relevant assets, restoring the location of the assets or restoring the related assets to the required condition under the lease terms, unless these costs are incurred in producing inventories. The Group and the Company incur a liability for these costs on the lease date or as a result of the use of the related assets during a certain period.

After the date of commencement of the lease, the Group and the Company measure the asset to be used using the cost model. When applying the cost model, the Group and the Company measure assets with the right of use at cost less accumulated depreciation and all accumulated impairment losses and adjusted for remeasurement of the lease liability.

Assets with the right of use are depreciated on a straight-line basis from the date of commencement of the lease to the end of the lease (from 5 to 99 years). Lease agreements are concluded for a definite and indefinite period. For an indefinite lease, the Group and the Company have estimated the lease term in view of the possibility of renewal or termination, the historical duration of the lease or the significant cost of replacing the leased asset. The same was true for leases with a fixed lease term, and the lease term was checked individually.

The Group and the Company mostly lease land, buildings and business premises.

On the date of commencement of the lease, lease liabilities are measured at the present value of the lease payments that have not been paid by that date. Lease payments are discounted by applying the interest rate arising from the lease, if that rate can be determined directly. If the rate cannot be determined directly (mostly in the case of renting business premises), the Group and the Company apply the marginal lending rate. The Group and the Company determine their marginal interest rate based on publicly available data taking into account various factors such as the duration of the lease, the value of the leased property, the economic environment and the specifics of the lessee's credit position.

On the date of commencement of the lease, the lease payments included in the measurement of the lease liability include the following payments for the right to use the property in question during the lease term that have not been paid by the lease commencement date:

- fixed payments less received rental incentives,
- variable lease payments that depend on an index or rate, initially measured using an index or rate valid on the lease commencement date,
- amounts expected to be paid by the lessee under residual value guarantees,
- exercise price of the purchase option, if it is certain that the Group and the Company will use that option,

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Leases (continued)

- payment of fines for termination of the lease, if the lease period reflects that the Group and the Company will use the possibility of termination of the lease.

After the date of commencement of the lease, the Group and the Company measure the lease liability as follows:

- increasing the carrying amount to reflect interest on lease obligations,
- reducing the carrying amount to reflect lease payments made,
- remeasuring the carrying amount to reflect a revaluation or change in the lease or to reflect revised lease payments that are substantially fixed.

The interest on the lease liability in each period during the lease term is equal to the amount from which the fixed periodic interest rate on the remaining balance of the lease liability arises. This periodic interest rate shall be equal to the discount rate or, if applicable, the revised discount rate.

The Group and the Company, in the role of lessee, in accordance with IFRS 16, have decided not to apply the requirements of the standard to:

- short-term leases (up to 12 months),
- leases with related low value assets (less than HRK 30,000).

In such cases, the Group and the Company recognise lease payments associated with those leases as an expense on a straight-line basis over the term of the lease. These leases are mostly related to vehicles and equipment.

In the balance sheet, assets with the right of use are shown within the line Property and equipment, while the lease liability is shown within the line Supplier and other liabilities.

2.12 Impairment of non-financial assets

Impairment is tested annually for assets that have an indefinite useful life, such as goodwill or land, and that are not depreciated. Depreciable assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the difference between the asset's carrying amount and its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, for which an impairment loss has been recognised, are reviewed for possible reversal of the impairment at each reporting date.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial assets

2.13.1 Classification

The Group and the Company classify their financial assets in the following categories according to the valuation method: financial assets at fair value through other comprehensive income and financial assets at amortised cost. The classification is made at initial recognition and depends on the business model for managing financial assets adopted by the Group and the Company and on the characteristics of the contractual cash flows of the instrument. The classification of debt instruments will change, if and only if the business model for managing them has changed.

2.13.2 Recognition and derecognition

Financial assets are recognised in the balance sheet if the Group and the Company become party to the contractual provisions of the instrument. Financial assets cease when the rights to receive cash flows from the financial assets have expired or have been transferred, together with all other rights and responsibilities.

Upon initial recognition, the Group measures financial assets at fair value plus, when financial assets are not classified as financial assets at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets at fair value through profit or loss are recognised in the income statement.

2.13.3 Ex-post evaluation

a) Debt instruments – Financial assets measured at amortised cost

Debt instruments held for the purpose of collecting contracted cash flows, when such cash flows represent solely payments of principal and interest (“SPPI”), are measured using the amortised cost method.

Interest income on such financial assets is calculated using the effective interest method and is presented in the Statement of comprehensive income within the item "Financial income". Impairment losses are included in "Other operating expenses".

The Group and the Company classify the following forms of assets in the mentioned category:

- operating receivables and other receivables,
- loans that meet the classification according to the SPPI test and which are held in accordance with the definition of the business model "holding on the basis of collecting contracted cash flows",
- money and cash equivalents.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13.3 Ex-post evaluation (continued)

b) Equity instruments

Shares in other companies consist of equity instruments of other companies that do not involve control, joint control or significant influence.

Shares in other companies are initially recognised at fair value plus transaction costs. Subsequently, the shares are measured at fair value.

Dividends are recognised in profit or loss when the Group's right to receive payment is established.

As of 31 December 2021 and 31 December 2020, the Group and the Company had no strategic equity instruments.

Based on future expectations, the Group and the Company estimate expected credit losses for debt instruments measured at amortised cost (AC). The Company measures expected credit losses at each reporting date and recognises net impairment losses on financial assets. The measurement of expected credit losses reflects: (i) an unbiased and probabilistic amount based on an estimate of a number of possible outcomes, (ii) the time value of money (iii) all reasonable and reasonable data available without undue cost and effort at the end of each reporting period about past events, current conditions, and predictions of future conditions.

Debt instruments measured at amortised cost and contractual assets are presented in the balance sheet less the provision for impairment of expected credit losses.

The Group and the Company apply a simplified approach to expected credit losses to trade receivables, resulting in earlier recognition of impairment losses.

Impairment losses on cash and cash equivalents

Value adjustments related to cash and cash equivalents are determined individually for cash in each individual financial institution. In order to assess credit risk, internal scoring models are used for all financial institutions based on all publicly available information.
Because all components of cash have low credit risk at the reporting date, the Group and the Company have determined value adjustments based on 12-month expected credit losses.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13.3 Ex-post evaluation (continued)

Impairment losses related to receivables

For trade receivables without significant financial components, the Group and the Company apply a simplified approach in accordance with the requirements of IFRS 9. The Company, taking into account its historical experience regarding default rates and recorded losses, regulatory requirements, and future expectations of losses on this type of exposure, expertly established a matrix of ECL lifelong values on which the percentages of value adjustments are based. Delay rates are calculated for the following age structure groups:

- up to 90 days,
- from 91 to 120 days,
- from 121 to 180 days,
- from 181 to 265 days,
- over 365 days.

Definition of default

Default status occurs when one of the following conditions is met:

- The Group considers it probable that the debtor will not fully settle its obligations, without taking into account the possible collection of collateral (unlikeliness to pay), or
- The debtor has matured over 90 days without settling his obligation.

2.14 Financial liabilities

2.14.1 Financial liabilities – measurement categories

Financial liabilities are classified as subsequently measured at amortised cost, except for (i) financial liabilities at fair value through profit or loss: this classification applies to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by the acquirer in the business combination and other financial liabilities designated as such upon initial recognition; and (ii) financial guarantee agreements and loans.

2.14.2 Financial liabilities – derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract has been performed, cancelled or expires).

Exchanges of debt instruments with significantly modified terms between the Group and the Company and their original lenders, as well as significant changes in the terms of existing financial liabilities, are counted as extinguishing the original financial liability and recognizing a new financial liability.

The terms are considered significantly changed if the discounted present value of the cash flows under the new conditions, including any fees paid less any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

If an exchange of debt instruments or a change in conditions is considered a cancellation, the costs or fees incurred are recognised as part of the gain or loss on the cancellation. If the exchange or change in conditions is not considered a write-off, any incurred costs or fees are adjusted to the present value of the liability and depreciated over the remaining period of the modified liability.

Changes in liabilities that do not result in cancellation are accounted for as a change in valuation using the cumulative method of compensation, with gains or losses recognised in profit or loss, unless the economic substance of the difference in carrying amount is attributed to a capital transaction with owners.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Inventories

Food and beverage inventories are stated at the cost of their procurement or net realizable value, depending on which is lower. The cost is determined using the price-weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less the applicable variable selling expenses.

Inventories of trade goods are stated at selling prices less applicable taxes and margins.

2.16 Trade receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method, less the impairments determined using the expected credit loss model (Note 2.15).

The amounts reserved for credit losses in trade receivables as well as settled credit losses earlier recorded as expected losses are disclosed in the Income statement under "Other operating expenses "as a net expense or revenue.

2.17 Cash and cash equivalents

Cash and cash equivalents include cash, deposits held at calls with banks, and other short terms highly liquid instruments with original maturities of three months or less. Money held in accounts with banks meets the criteria of SPPI test and business model "hold to collect. " Related to this, cash is valued at amortized cost less any allowance for impairment, which is determined using the expected credit loss model (Note 2.15).

2.18 Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognized in the profit or loss for the period, except to the extent to which it refers to items recognized in other comprehensive income or directly in the capital. In this case, tax is recognized in the other comprehensive income statement or in equity.

The current income tax charge is calculated according to the tax laws effective in the Republic of Croatia at the Balance sheet date for individual companies in the Group. The Management Board periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers establishing reserve provisions, where appropriate, on the basis of amounts expected to be paid to the Tax Authorities.

Deferred income tax is recognized using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not recognized if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss. Deferred tax assets and liabilities are measured using tax rates expected to be in effect when the related deferred income tax asset is realized or the deferred liability is settled, based on tax rates and tax laws in force or partially in force as of the balance sheet date.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Current and deferred income tax (continued)

The amount of deferred net income tax gets calculated by applying it to the temporary differences arising from investments in subsidiaries, except where the Group controls the timing of the reversal of the temporary differences, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognized up to the level of future taxable net income, likely to be available, against which the temporary differences can be utilized.

Deferred tax assets and liabilities are offset when there is a legal right to offset the current tax assets and liabilities, and where the deferred income tax items relate to the same Tax Authority.

Current tax assets and liabilities are offset where the Company has a legal right of set-off and intends to either settle the balance on the net basis or realize assets while settling liability at the same time.

2.19 Employee benefits

(a) Pension obligations and other post-employment benefits

In the ordinary course of business operations, when paying out salaries, the Group and the Company, on behalf of their employees, who are members of mandatory pension funds, make regular payments as contributions in accordance with the Law. When calculated, all contributions made to the mandatory pension funds are recorded as part of salary expense. The Group and the Company do not have any additional pension scheme and therefore have no other obligations with respect to employee pensions. Furthermore, there is no obligation to provide any other income to employees after retirement.

(b) Long-term employee benefits

The Group and the Company recognize a liability for long-term employee benefits such as jubilee awards and termination benefits evenly over the period in which the benefit is realized, based on the actual number of years of service. The long-term employee benefits liability is determined based on the assumption of the number of employees to whom the benefits should be paid, the estimated cost of benefits, and the discount rate (2021: 1.22%; 2020:0.70%).

(c) Termination benefits

Termination benefits are recognized when the Group and the Company terminate an employee's employment before the normal retirement date or when an employee decides to accept voluntary termination of employment in exchange for compensation. The Group recognizes termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or provide termination benefits as a result of an offer to encourage voluntary termination of employment

(d) Short-term employee benefits

The Group and the Company factor in the cost of bonus when there is a contractual obligation or past practice from which the obligation is derived. In addition, the Group recognizes a liability for accumulated compensated work absences based on unused vacation days at the balance sheet date.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Share capital

Share capital consists of ordinary shares. When issuing new shares or options, receipts recorded as equity are recorded net of the attributable transaction costs and net income tax.

Consideration paid for the acquisition of own shares, including all directly attributable transaction costs (reduced by the net income tax), is deducted from the equity attributable to the Group and Company shareholders until the shares are redeemed or reissued. When such shares are reissued later, any consideration received, net of any attributable direct transaction costs and the related income tax effects, are included in equity attributed to the Group and Company shareholders

2.21 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs. In future periods, borrowings are stated at amortized cost, and any differences between the proceeds (net of transaction costs) and the redemption value are recognized in the Statement of comprehensive income during the period of the borrowings using the effective interest rate method. Borrowing costs directly attributable to the acquisition of construction of a qualifying asset are capitalized during the time required to complete and prepare the asset for its intended use. Other borrowing costs are charged to the Statement of comprehensive income

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.22 Provisions

Provisions for litigation, concessions, and long-term employee benefits are recognized if the Group and the Company have a present legal or derived obligation as a result of the past event, if it is probable that an outflow of resources will be required to settle the obligation and if the amount can be estimated reliably.

Provisions are measured at the present value of the costs expected to be needed to settle the liability, using a discount rate before taxes, which reflects current market estimates of the time value of money as well as the risks specific to that liability. The amount of the provision increases during each period to reflect the elapsed time.

2.23 Value added tax (VAT)

The Tax Authorities require the settlement of VAT on a net basis. VAT related to sales and purchases is recognized and disclosed in the Balance sheet on a net basis. Where provisions are recorded for the loan receivable losses, accounts receivable, and other receivables, the impairment loss is recorded for the gross amount, including VAT.

2.24 Trade payables

Trade payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Government subsidies

Government subsidies are recognized at their fair value when it may be reasonably guaranteed that subsidies will be received and that the Group and the Company will meet all necessary conditions required.

Government subsidies to compensate for expenses or losses already incurred or for the purpose of providing temporary financial relief without future related costs are recognized as revenue for the period during which the claim appeared within other revenue item.

NOTE 3 – FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

Business activities carried out by the Group and the Company create exposure to various financial risks: the market risk (including foreign exchange risk, price risk, cash flow interest rate risk, and fair value of market interest rate risk), credit risk, and liquidity risk. The Group and the Company actively manage financial risks. Market risk management primarily relates to the foreign exchange inflows, which are of seasonal character.

(a) Market risk

(i) Foreign exchange risk

Most sales revenues are realized dominantly in euros. The Group and the Company operate on the international market and are potentially exposed to the foreign exchange risk due to changes in the nominal exchange rate of the euro and Croatian kuna. Foreign exchange risk is present in the commercial transactions and recognition of assets and liabilities. Volatility in the exchange rates of the euro and Croatian kuna may have only a limited impact on future business results and cash flows because part of the long-term debt is denominated in euros, and part is denominated in Croatian kunas. The Group and the Company do not utilize derivative instruments for active hedging against exposure to the foreign exchange risk due to limited exposure to the foreign exchange risk. Limited exposure to a foreign exchange risk arises from historically minimal volatility in the nominal exchange rate of the euro and Croatian kuna, which is under the scrutiny of the central bank and is part of the natural hedging.

As at 31 December 2021, if the euro had depreciated/appreciated against Croatian kuna by 1.00%, assuming other variables remained unchanged, the annual profits would have been HRK 390 thousand higher/lower for the Group and HRK 390 thousand higher/lower for the Company, mainly as a result of positive/(negative) exchange rate differences from the conversion of borrowings, trade payables and trade receivables and foreign currency cash funds expressed in euros.

As at 31 December 2020, if the euro had depreciated/appreciated by 1.00% against Croatian kuna, assuming other variables remained unchanged, the annual profits would have been higher/lower for Group by HRK 313 thousand and HRK 313 thousand higher/lower for the Company, mainly as a result of positive/(negative) exchange rate differences from the conversion of borrowings, trade payables and trade receivables and foreign currency cash funds expressed in euros.

(ii) Price risk

The Group and the Company are exposed to the risk of changes in the price of listed equity securities. Considering that investments classified in the balance sheet at fair value in the Statement of comprehensive income the Company has a certain degree of exposure to the risk of a price change in equity security. The Group and the Company's investments in equity instruments, publicly traded, are included in the CROBEXplus index.

Compared to the reported position as of 31 December 2021, if the value of the portfolio had been increased/decreased by 10%, under the assumption that all other variables remained unchanged (2020: 10%), the comprehensive after-tax income of the Group and the Company for the reporting period would have been HRK 10,123 thousand higher/lower, (2020: comprehensive after-tax income would have been higher/lower by HRK 6,354 thousand) mainly as a result of gains/losses from equity securities classified as financial assets held for sale.

NOTE 3 – FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(iii) Cash flow and fair value interest rate risks

As the Group and the Company have no significant interest-bearing assets that generate interest revenue, the revenues and cash flow from operations are not substantially dependent on changes in the market interest rates.

Most borrowings have a contracted variable interest rate. All borrowings with a contracted variable interest rate do not relate to the benchmark interest rates, and except in very limited situations, changes in variable interest rates are, for the most part, elastic to market conditions.

Borrowings expose the Group and the Company to a fair value interest rate risk. The carrying value of borrowings does not significantly differ from their fair value considering that interest rates at which the Group and the Company could borrow at the Balance sheet date do not vary considerably from the contracted ones.

Compared to the reported position as of 31 December 2021, if the effective interest rate on loans raised by the Group had increased by one percentage point on an annual level, the profit after tax for the reporting period would have been lower by HRK 390 thousand (31 December 2020: lower by HRK 160 thousand).

Compared to the reported position as of 31 December 2021, if the effective interest rate on loans raised by the Company had decreased by one percentage point on an annual level, the profit after tax for the reporting period would have been higher by HRK 390 thousand (31 December 2020: higher by HRK 160 thousand).

(b) Credit risk

The assets that could potentially expose the Group/Company to credit risk mainly include cash, trade receivables, and other receivables (maximum exposure to credit risk has been disclosed in Note 20). The Group mainly holds cash deposits with banks - members of reputable banking groups in the EU.

The Group's and the Company's sales policies ensure that sales to buyers are made through advance payments, in cash, or accepting major credit cards (individual buyers, i.e., natural persons) and buyers with appropriate credit history (mainly travel agencies). The Group and the Company do not approve credit limits to buyers. The Management Board does not expect additional losses to result from non-performance on the part of buyers.

(c) Liquidity risk

Sound management of liquidity risk implies that sufficient amounts of money are maintained, making available financial means and the ability to meet all obligations. Management Board monitors liquidity projections on a weekly basis. At a corporate level, the parent company's finance department reviews internal financial statements on a monthly basis.

The following table shows the financial liabilities of the Group and the Company at the balance sheet date according to maturities, which includes principal and expected interest rates. The amounts stated in the table represent contractual rather than undiscounted cash flows.

NOTE 3 – FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

Group *(in thousands of HRK)*	**Less than 6 months**	**From 6 to 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
As at 31 December 2021					
Borrowings long-term	-	-	4,395	9,790	30,319
Borrowings shirt-term	1,474	1,474	-	-	-
Lease liabilities	1,015	1,015	1,867	3,572	33,428
Trade and other payables	3,714	-	-	-	-
As at 31 December 2020					
Borrowings long-term	-	-	1,953	16,716	29,385
Borrowings short-term	-	750	-	-	-
Lease liabilities	1,013	1,013	4,100	6,250	30,227
Trade and other payables	3,974	-	-	-	-

Company *(in thousands of HRK)*	**Less than 6 months**	**From 6 to 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
As at 31 December 2021					
Borrowings long-term	-	-	4,395	9,790	30,319
Borrowings short-term	1,474	1,474	-	-	-
Lease liabilities	1,015	1,015	1,867	3,572	33,428
Trade and other payables	4,535	-	-	-	-
As at 31 December 2020					
Borrowings long-term	-	-	1,953	16,716	29,385
Borrowings short-term	-	750	-	-	-
Lease liabilities	1,013	1,013	4,100	6,250	30,227
Trade and other payables	3,940	-	-	-	-

3.2 Capital risk management

The Group monitors capital on the basis of laws and regulations of the Republic of Croatia, which require a minimum paid-up capital of HRK 200 thousand for joint-stock companies. The owners require no specific measures in managing capital. The Group is not subject to externally imposed capital requirements. In addition, there are no internally monitored capital objectives.

NOTE 3 – FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation

The fair value of financial instruments is measured in accordance with the following hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from the prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (i.e., invisible inputs) (Level 3).

The following table presents the Group and the Company's assets measured at fair value as of 31 December 2021, grouped according to the manner in which fair value is calculated:

(in thousands of HRK)	**Level 1**	**Level 2**	**Level 3**	**Total balance**
Assets				
Financial assets held for sale				
- Equity instruments	99,635	330	-	99,965
Total assets	**99,635**	**330**	**-**	**99,965**

The following table presents the Group and Company's assets measured at fair value as of 31 December 2020, grouped according to the manner in which fair value is calculated

(in thousands of HRK)	**Level 1**	**Level 2**	**Level 3**	**Total balance**
Assets				
Financial assets held for sale				
- Equity instruments	76,958	537	-	77,495
Total assets	**76,958**	**537**	**-**	**77,495**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is considered active if quoted prices are readily and regularly available from an exchange or broker activity, and these prices represent actual and regularly occurring market transactions under regular commercial terms. The quoted market price used for financial assets held by the Group and the Company is the current bid price. These instruments are part of Level 1. Instruments included in Level 1 comprise equity investments in shares classified as marketable securities, whereas the instruments included in Level 3 comprise investments in shares of companies not traded on the stock exchange.

The Group and the Company have no financial assets that can be classified in Level 3.

NOTE 4 – CRITICAL ACCOUNTING ESTIMATES

Estimates are continually evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable under existing circumstances. The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that could cause a significant risk of reconciling the carrying amounts of assets and liabilities in the following financial year are provided henceforth.

a) Lawsuits and judicial proceedings

Provisions for lawsuits and court proceedings are stated based on the Management Board's assessment of potential losses and the probability of resolving these disputes in a period shorter or longer than one year after consulting a lawyer. Based on current information, it is reasonably possible that the outcomes of court proceedings will differ from the estimated potential losses.

b) Useful life of property, plant and equipment

By using an asset, the Group and the Company consume the economic benefits contained in that asset, which are reduced more intensively due to economic and technological aging. Therefore, when determining the useful life of an asset, in addition to considering the expected use based on physical utilization, it is necessary to assess changes in demand in the tourism market that would stimulate faster economic obsolescence and the faster intensity of new technology development. On this basis, the modern operation of the business in the tourism accommodation industry demands increasingly more frequent investments, which substantiates the argument that the useful life of an asset is getting shorter

The useful life of the building facilities as a group of fixed assets disclosed in the accounting class "Land and building facilities" ranging from 10 to 40 years was assessed as appropriate for the smooth functioning of business by the opinions of the technical department. The useful life of the equipment and other assets was also revised.

The useful life of use shall be periodically revised to determine whether any circumstances emerged that would change the assessment compared to the previous determination. If there are any, changes in the assessments shall be recorded in the future periods, as changed depreciation expense extends over the remaining changed useful life.

If the useful life of property, plant and equipment had been 5% longer, and assuming that other variables remain unchanged, annual profits would have been higher by HRK 807 thousand for the Group, i.e., HRK 802 thousand higher for the Company, and the net carrying value of the property, plant, and equipment would have been higher by HRK 807 thousand for the Group, i.e., HRK 802 thousand for the Company (2020: profits would have been higher by HRK 781 thousand for the Group, i.e., HRK 773 thousand higher for the Company, and net carrying value of property, plant, and equipment would have been HRK 781 thousand higher for Group, i.e., HRK 773 thousand higher for the Company).

If the useful life of property, plant, and equipment had been 5% shorter, and under the assumption that other variables remain unchanged, annual profits would have been lower by HRK 807 thousand for the Group, i.e., HRK 802 thousand for the Company, and the net carrying value of property, plant, and equipment would have been lower by HRK 807 thousand for the Group, i.e., lower by HRK 802 thousand for Company (2020:profits would have been lower by HRK 781 thousand for Group, i.e., HRK 773 thousand lower for the Company, and the net carrying value of the property, plant, and equipment would have been lower by HRK 781 thousand for Group, i.e., HRK 773 thousand for Company).

NOTE 4 – CRITICAL ACCOUNTING ESTIMATES (continued)

c) Recoverable amount of property, plant and equipment

The Group and the Company review the carrying amounts of non-financial assets at least once a year (including property, plant, and equipment) in order to establish whether there is any indication of impairment. If any such indications exist, the recoverable amount of the asset is estimated. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The cash-generating unit in tourism is an accommodation facility. The Accounting policy is disclosed in Note 2.12. Even though the Group and the Company identified COVID-19 as an event due to which special attention must be paid to identifying the impairment, the Management Board thinks this was a one-off event and expects recovery by 2022/2023.

The recoverable amounts have been calculated in one of the following two ways: by calculating a fair value of assets for new camps where there is no historical data and by calculating the value of assets in use. The calculation of fair value reduced by the cost of sale is based on the revenue method. According to the revenue method, real estate property is worth as much as the revenues it can generate during its lifetime. After determining all revenues and expenses related to a particular accommodation unit, the net revenue of all future periods is calculated and then discounted to the present value by applying an adequate discount rate to obtain the present value of the future cash flows. The key assumptions used in the revenue method are the price of overnight stay per accommodation unit, the average occupancy rate per facility, the weight of the revenue distribution by service categories, gross EBITDA margin, and capitalization rate.

Value-in-use is evaluated by discounting the forecasted future cash flows to their present value by using the discount rate before tax, which reflects the present market estimate of the time value of money and specific risks associated with that asset. When determining the recoverable value, management considers critical indicators such as an increase in revenues, which are based on occupancy of a facility, revenue per unit, and expected market growth in tourism, etc. The valuations are based on five-year projections of cash flows approved by the Company's Management Board. For the period following the end of the five-year period, the terminal growth rate (residual growth rate) was applied. The terminal growth rates used in the valuation represent the projections of the annual growth rate of the Republic of Croatia's GDP in the long run and are in line with the expected growth rates in tourism.

The key assumptions used for value-in-use calculations are as follows:

Tourism	**2021**
Gross EBITDA margin	52.9% on average
Growth in profit	3%* on average
Discount rate	6.99%
Rate of remaining growth	2.7 – 3.2%

*After returning to ante Covid-19 operating levels in 2023

The Group and the Company considered the impact of reasonable changes in key assumptions and identified as follows:

- If the discount rate had increased by 1pp, the Group/Company would have had to recognise in their books an impairment in the amount of HRK 3,408 thousand.
- If the profit growth rate over a five-year period had decreased by 10%, the Group/Company would have had to recognise in their books an impairment in the amount of HRK 3,722 thousand.

NOTE 4 – CRITICAL ACCOUNTING ESTIMATES (continued)

d) Discount rates used for establishment of lease liability

The Group and the Company use their incremental borrowing rate as a basis for the discount rate calculation, because the interest rate implicit in the lease is not easily identifiable.

The increase of the discount rate by 10% as at 31 December 2021 would result in the reduction of lease liabilities totalling HRK 1,428 thousand (31 December 2020: HRK 1,519 thousand), while the decrease of the discount rate by 10% as at 31 December 2021 would result in the increase of lease liabilities totalling HRK 1,364 thousand (31 December 2020: 1,519 thousand).

NOTE 5 – INFORMATION ON BUSINESS SEGMENTS

The Management Board has determined the Company's operating segments based on reporting reviewed by the Mon Perin's Management Board to make strategic decisions.

The Management Board has identified its reportable segments as business activities based on differences in the type of accommodation. The reportable segments are (1) Campsites, (2) Restaurants. Other segments include mainly administrative functions and eliminations.

The Management Board of Mon Perin evaluates the operating segments' performance on the basis of Earnings Before Interest, Taxes, Depreciation and Amortisation (hereinafter: EBITDA). However, internal reporting on the results additionally includes revenues resulting from the provision of basic services (accommodation and board).

(in millions of HRK)	**Campsites**	**Restaurants**	**Other**	**Total**
Segment revenue in 2021	47,513	-	6,485	53,998
Segment revenue in 2020	25,470	-	3,650	29,120
EBITDA 2021	26,425	-	3,602	30,027
EBITDA 2020	13,188	-	1,394	14,582

Reconciliation of EBITDA and operating segments' revenue as well as between net profit and income for the period:

(in millions of HRK)	**2021**	**2020**
EBITDA of operating segments	30,027	14,582
Depreciation and impairment	(16,145)	(15,628)
Net financial expenses	395	(2,873)
Other items	865	(353)
Net profit for the period	15,142	(4,272)

Internal reporting on segment results is adjusted to the operations and key events for each segment separately and the disclosures of this information have been adjusted for the current year and prior period accordingly.

Campsites *(in millions of HRK)*	**2021**	**2020**
Income	47,513	25,470
Operating expense	(21,088)	(12,281)
EBITDA	26,425	13,188

The Management Board monitors only the assets and liabilities by segments at Company level and not at Group level.

NOTE 5 – INFORMATION ON BUSINESS SEGMENTS (continued)

All revenue and non-current tangible assets are realised and located in Croatia.

Sales revenue differs based on the country of origin of customers.

The Management Board also monitors the occupancy of accommodation units by segments and sales channels.

	Mon Perin Group		Mon Perin d.d.	
Analysis of sales by category *(in millions of HRK)*	**2021**	**2020**	**2021**	**2020**
Accommodation income	47,513	25,470	47,513	25,470
Income from other tourist services	4,760	2,158	4,622	2,128
Other income	1,725	1,492	1,725	1,451
	53,998	**29,120**	**53,860**	**29,049**

NOTE 6 – OTHER INCOME

	Mon Perin Group		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Lease services	3,301	1,362	3,316	1,377
Services rendered	560	162	490	162
Damage compensation	113	214	113	202
Subsidies /i/	638	879	638	860
Other income /ii/	1,873	1,033	1,790	978
	6,485	**3,650**	**6,347**	**3,579**

/i/ In 2021 both the Group and the Company were beneficiaries of Croatian Government's subsidies granted to businesses for retaining employees. Both the Group and the Company have met all criteria for their use.

/ii/ Other income during 2021 of the Group and the Company, for the most part, relate to revenue from guest registration totalling HRK 413 thousand (2020: HRK 226 thousand), revenue from own property for donation totalling HRK 338 thousand (2020: HRK 0), and parking revenue and revenue from tickets sold totalling HRK 314 thousand (2020: HRK 200 thousand).

NOTE 7 – COST OF MATERIALS AND SERVICES

	Mon Perin Group		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Raw materials and supplies				
Raw materials and supplies used	1,506	1,125	1,602	1,113
Energy and water used	1,393	707	1,372	705
	2,899	1,832	2,974	1,818
External services				
Utility services	1,823	1,934	1,823	1,934
Cleaning and laundry services	1,824	1,137	1,824	1,137
Maintenance	1,661	1,352	1,698	1,332
Low-value leases not recognised as liabilities	1,464	5	1,464	5
Marketing and advertising	524	942	524	942
Security service costs	233	121	233	121
Transport services	70	52	169	111
Other services	685	306	681	362
	8,284	5,849	8,416	5,944
	11,183	**7,681**	**11,390**	**7,762**

NOTE 8 – STAFF COSTS

	Mon Perin Group		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Net salaries	2,380	1,934	2,144	1,764
Taxes and contributions /i/	1,576	1,106	1,412	1,003
Provisions for unused holidays	66	39	66	39
Other staff costs /ii/	647	273	616	267
	4,669	**3,352**	**4,238**	**3,073**

/i/ Pension contributions for the Group amounted to HRK 726 thousand (2020: HRK 608 thousand) for the Group and HRK 653 thousand (2020: HRK 553 thousand) for the Company.

/ii/ Other staff costs comprise termination benefits, transportation costs, jubilee awards, Christmas bonuses, holiday allowances and meals.

In the year ended 31 December 2021 the Group had 32 employees (2020: 29 employees) and the Company had 32 employees (2020: 29 employees).

NOTE 9 – OTHER OPERATING EXPENSES

	Mon Perin Group		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Intellectual services	4,067	1,587	4,018	1,498
Provisions for legal disputes	1,199	-	1,199	-
Donations	625	400	625	400
Representation expenses	435	202	435	203
Bank charges	408	194	401	187
Licences	365	259	362	255
Insurance premiums	304	264	292	253
Telecommunication services	189	152	187	145
Taxes and fees	119	72	117	71
Value adjustment for trade receivables	17	11	17	6
Daily allowances and travelling costs	9	91	9	92
Education costs	6	17	6	17
Missions expenses	-	1	-	1
Other	244	78	237	77
	7,987	**3,328**	**7,905**	**3,205**

NOTE 10 – OTHER GAINS / (LOSSES) – NET

	Mon Perin Group		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Gains/(losses) on sale of tangible assets	(70)	2	-	2
Foreign exchange differences – net	934	(342)	935	(342)
Gains/(losses) on change in fair value	1	1	1	1
Other gains/(losses)	-	(14)	-	-
	865	**(353)**	**936**	**(339)**

NOTE 11 – NET FINANCIAL EXPENSES

	Mon Perin Group		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Financial income				
Interest and dividend income	2,226	67	2,226	66
	2,226	**67**	**2,226**	**66**
Financial expenses				
Interest expense resulting from lease contracts	(1,049)	(1,033)	(1,049)	(1,033)
Interest expense	(682)	(712)	(682)	(712)
Losses and investment	(100)	(1,195)	(100)	(1,196)
	(1,831)	**(2,940)**	**(1,831)**	**(2,941)**
Net financial expenses	**395**	**(2,873)**	**395**	**(2,875)**

NOTE 12 – LEASES

Amounts recognised in the balance sheet and trends during the year are presented in Note 15 – Property, plant and equipment and Note 25 – Trade and other payables.

In the statement of comprehensive income for 2021 and 2020 the following is reported:

	Mon Perin Group		**Mon Perin d.d.**	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Depreciation cost of the right-of-use asset				
Real estate	2,237	1,558	2,237	1,558
	2,237	**1,558**	**2,237**	**1,558**
Interest expenses (Note 11)	1,049	1,033	1,049	1,033
Costs connected with low-value leases that are not accounted for as short-term leases (Note 7)	1,464	5	1,464	5

For leases where the Group and the Company are the lessor, income is recognised within the scope of other income (Note 6).

In 2021, the Group's and the Company's lease liability payment totalled HRK 3,268 thousand (2020.: HRK 2,591 thousand).

NOTE 13 – INCOME TAX

(in thousands of HRK)	**Mon Perin Group** 2021	2020	**Mon Perin d.d.** 2021	2020
Current tax	-	-	-	-
Deferred tax	-	-	-	-
	-	**-**	**-**	**-**

The adjustment of the Group's and the Company's tax cost according to the Statement of comprehensive income and taxation at a statutory tax rate is shown in the table below:

(in thousands of HRK)	**Mon Perin Group** 2021	2020	**Mon Perin d.d.** 2021	2020
(Loss)/Profit before tax	15,147	(4,272)	15,554	(3,795)
Tax calculated at a rate of 18%	2,726	(769)	2,800	(683)
Effect of non-taxable income /i/	(482)	(144)	(482)	(144)
Effect of non-deductible expenses /ii/	78	49	77	49
Effect of tax loss carried forward	(712)	864	(784)	778
Effect of recognition of state incentives for investment /iii/	(1,610)	-	(1,610)	-
Tax charge	-	-	-	-

/i/ Non-taxable income relates mainly to government subsidies and other income excluded from the tax base (in accordance with tax regulations).

/ii/ Non-deductible expenses relate predominantly to exceeding borrowing costs, depreciation above the prescribed rates, and provision costs.

/iii/ Pursuant to Article 9 of the Investment Promotion Law, tax rates for SMEs and large undertakings for investment amounting from EUR 150,000 to EUR 1,000,000 equivalent in Croatian kuna, and based on the Certificate of the Croatian Ministry of Economy, Entrepreneurship and Crafts of 20 June 2016, the Company was granted a reduction in the corporate tax rate by 50% under condition that 5 new employees are employed. On 30 April 2019 on the basis of a new Certificate a further corporate tax rate reduction by 50% was granted under condition that another 5 new employees are employed in the period of 3 years. The tax incentive lasts 10 years from the day of issuance of the certificate.

In accordance with the regulations of the Republic of Croatia, the Tax Authority may at any time inspect the Company's books and records, including those of its subsidiaries, within 3 years following the year in which the tax liability is reported and may impose additional tax liabilities and penalties. The Company's Management Board is not aware of any circumstances which may give rise to a potential material liability in this respect.

NOTE 14 – EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit by the weighted average number of ordinary shares, excluding the average number of ordinary shares purchased by the Company and held as treasury shares. Basic loss per share equals the diluted loss as there are no diluted shares.

	Mon Perin Group		Mon Perin d.d.	
	2021	**2020**	**2021**	**2020**
Net (loss)/profit for shareholders *(in thousands of HRK)*	15,147	(4,272)	15,554	(3,795)
Weighted average number of shares	9,645,614	9,548,700	9,645,614	9,548,700
(Loss)/earnings per share *(in HRK)*	**1.57**	**(0.45)**	**1.61**	**(0.40)**

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT

Mon Perin Group

(in thousands of HRK)	Land and buildings	Right-of-use assets – IFRS 16	Plant and equipment	Small inventory	Assets under construction	Other tangible assets	Total
For the year ended 31 December 2020							
Opening net book amount	**81,504**	**40,567**	**12,694**	**855**	**9,826**	**2,286**	**147,732**
Additions	-	3,685	-	7	16,376	489	20,557
Transfers	22,059	-	2,053	1,180	(23,815)	(1,477)	-
Depreciation and impairment for the year	(9,732)	(1,558)	(3,745)	(469)	-	(79)	(15,583)
Closing net book amount	**93,831**	**42,694**	**11,002**	**1,573**	**2,387**	**1,219**	**152,706**
At 31 December 2020							
Purchase value	169,528	45,346	22,761	5,446	2,387	1,441	246,909
Accumulated depreciation and impairment	(75,697)	(2,652)	(11,759)	(3,873)	-	(222)	(94,203)
Net book amount	**93,831**	**42,694**	**11,002**	**1,573**	**2,387**	**1,219**	**152,706**
For the year ended 31 December 2021							
Opening net book amount	**93,831**	**42,694**	**11,002**	**1,573**	**2,387**	**1,219**	**152,706**
Effect of eliminations	-	-	-	(647)	-	-	(647)
Additions	-	207	52	-	13,121	6,609	19,989
Transfers	1,715	-	2,804	243	(4,864)	102	-
Decrease	(229)	-	(77)	(5)	-	(2)	(313)
Depreciation and impairment for the year	(9,542)	(2,237)	(3,816)	(436)	-	(101)	(16,131)
Closing net book amount	**85,775**	**40,664**	**9,965**	**729**	**10,644**	**7,827**	**155,604**
At 31 December 2021							
Purchase value	170,853	45,553	24,777	3,131	10,644	8,147	263,105
Accumulated depreciation and impairment	(85,078)	(4,889)	(14,812)	(2,402)	-	(320)	(107,501)
Net book amount	**85,775**	**40,664**	**9,965**	**729**	**10,644**	**7,828**	**155,604**

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT (continued)

Mon Perin d.d.

(in thousands of HRK)	**Land and buildings**	**Right-of-use assets – IFRS 16**	**Plant and equipment**	**Small inventory**	**Assets under constructi on**	**Other tangible assets**	**Total**
For year ended 31 December 2020							
Opening net book amount	81,279	40,567	12,645	613	9,826	2,257	147,187
Additions	-	3,685	-	7	16,376	488	20,556
Transfers	22,059	-	2,052	1,180	(23,815)	(1,476)	-
Depreciation and impairment for the year	(9,715)	(1,558)	(3,738)	(328)	-	(74)	(15,413)
Closing net book amount	**93,623**	**42,694**	**10,959**	**1,472**	**2,387**	**1,195**	**152,330**
At 31 December 2020							
Purchase value	169,209	45,346	22,346	3,544	2,387	1,401	**244,233**
Accumulated depreciation and impairment	(75,586)	(2,652)	(11,387)	(2,072)	-	(206)	(91,903)
Net book amount	**93,623**	**42,694**	**10,959**	**1,472**	**2,387**	**1,195**	**152,330**
For year ended 31 December 2021							
Opening net book amount	**93,623**	**42,694**	**10,959**	**1,472**	**2,387**	**1,195**	**152,330**
Additions	-	207	-	-	13,015	6,712	19,934
Transfers	1,714	-	2,854	243	(4,811)	-	-
Decrease	(37)	-	(37)	-	-	-	(74)
Depreciation and impairment for the year	(9,525)	(2,237)	(3,811)	(350)	-	(98)	(16,021)
Closing net book amount	**85,775**	**40,664**	**9,965**	**1,365**	**10,591**	**7,809**	**156,169**
At 31 December 2021							
Purchase value	169,649	45,553	24,777	3,767	10,591	8,112	262,449
Accumulated depreciation and impairment	(84,874)	(4,889)	(14,812)	(2,402)	-	(303)	(106,280)
Net book amount	**85,775**	**40,664**	**9,965**	**1,365**	**10,591**	**7,809**	**156,169**

NOTE 15 – PROPERTY, PLANT AND EQUIPMENT (continued)

As at 31 December 2021 the cost of the fully written off property, plant and equipment amounted to HRK 85,075 thousand in the Group and HR 83,874 thousand in the Company (31 December 2020.: in the Group: HRK 75,697 thousand and HRK 75,585 thousand in the Company).

The Group's and the Company's property and equipment in preparation as at 31 December 2021 mainly refers to the refurbishment and landscaping of campsites on the territory of the Municipality of Bale.

NOTE 16 – INTANGIBLE ASSETS

Mon Perin Group

(in thousands of HRK)	**Software**	**Other intangible assets**	**Total**
For year ended 31 December 2020			
Opening net book amount	61	143	204
Additions	-	-	-
Transfers	-	(64)	(64)
Depreciation for the year	(45)	-	(45)
Closing net book amount	**16**	**79**	**95**
At 31 December 2020			
Purchase value	598	79	677
Accumulated amortisation depreciation	(582)	-	(582)
Net book amount value	**16**	**79**	**95**
For year ended 31 December 2021			
Opening net book amount	**16**	**79**	**95**
Transfers	-	(1)	(1)
Depreciation for the year	(14)	-	(14)
Closing net book amount	**2**	**78**	**80**
At 31 December 2021			
Purchase value	598	78	676
Accumulated depreciation	(596)	-	(596)
Net book amount	**2**	**78**	**80**

Other intangible assets relate to other rights and intangible assets under construction.

NOTE 16 – INTANGIBLE ASSETS (continued)

Mon Perin d.d.

(in thousands of HRK)	**Software**	**Other intangible assets**	**Total**
For year ended 31 December 2020			
Opening net book amount	61	143	204
Transfers	-	(64)	(64)
Depreciation for the year	(45)	-	(45)
Closing net book amount	**16**	**79**	**95**
At 31 December 2020			
Purchase value	598	79	677
Accumulated depreciation	(582)	-	(582)
Net book amount	**16**	**79**	**95**
For year ended 31 December 2021			
Opening net book amount	**16**	**79**	**95**
Transfers	-	(1)	(1)
Depreciation for the year	(14)	-	(14)
Closing net book amount	**2**	**78**	**80**
At 31 December 2021			
Purchase value	598	78	676
Accumulated depreciation	(596)	-	(596)
Net book amount	**2**	**78**	**80**

Other intangible assets relate to intangible assets under construction.

NOTE 17 – FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the items below:

	Mon Perin Group		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Assets				
Trade and other receivables	1,749	780	1,782	747
Investment in associated companies	1,264	-	5,003	3,740
Long-term loans granted	325	394	325	394
Deposits	12,610	5,854	12,610	5,854
Cash and cash equivalents	31,541	19,441	31,135	18,829
Total financial assets at amortised cost	47,489	26,469	50,855	29,564
Financial assets at fair value held for sale	99,965	77,495	99,965	77,495
	147,454	**103,964**	**150,820**	**107,059**

	Mon Perin Group		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Other financial assets				
Borrowings	47,452	48,804	47,452	48,804
Trade and other payables /i/	4,821	4,024	5,871	3,920
Total financial liabilities at amortised cost	**52,273**	**52,828**	**53,323**	**52,724**

/i/ Trade and other payables do not include payables to employees, taxes and contributions, and advances payables.

NOTE 18 – INVESTMENT IN SUBSIDIARIES

	Mon Perin Group		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Investment in subsidiary /i/	1,264	-	5,003	3,740
	1,264	**-**	**5,003**	**3,740**

/i/ As of 31 December 2021 investment in companies Dandoli d.o.o., Maian d.o.o. and Mon Perin Castrum d.o.o. accounts for a share of 100% (31 December 2020: 100%) in the said company and is recognised at cost of acquisition in the non-consolidated financial statements. As of 31 December 2021 the investment in Terra Vallis d.o.o. accounts for a share of 25% in the said company and is recognised at cost of acquisition in consolidated and non-consolidated financial statements.

NOTE 19 – INVENTORIES

	Grupa Mon Perin		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Raw materials and supplies	2	14	2	1
Trade goods	225	99	223	106
	227	**113**	**225**	**107**

BILJEŠKA 20 – TRADE AND OTHER RECEIVABLES

	Mon Perin Group		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Financial assets at amortised cost				
Trade receivables	263	198	257	173
Receivables from associates (Note 28)	-	23	38	23
Credit loss reserve	(2)	(33)	-	(33)
Trade receivables – net	**261**	**188**	**295**	**163**
Loan to associate receivables (Note 28) /i/	325	394	325	394
Receivables for loan given – net	**325**	**394**	**325**	**394**
	586	**582**	**620**	**557**
Other non-financial receivables				
Government receivables	1,406	581	1,403	569
Deposits given /ii/	12,610	5,854	12,610	5,854
Prepaid expenses	9	11	9	11
Other receivables	63	57	75	-
	14,674	**7,085**	**14,717**	**6,991**
Less non-current portion	(325)	(394)	(325)	(394)
Current portion	**14,349**	**6,691**	**14,392**	**6,597**

/i/ Loan given as at 31 December 2021 relates to a borrowing granted to members of the Management Board falling due in November 2030. Loans are agreed in HRK at an annual interest rate of 3.00%.

/ii/ Deposits given as at 31 December 2021, of the total amount of given deposits, the amount of HRK 12,610 thousands (31 December 2020: HRK 5,854 thousands) relates to deposits deposited with Kentbank d.d. and BKS d.d., and contractually classified as non-earmarked.

NOTE 20 – TRADE AND OTHER RECEIVABLES (continued)

The book value of the Group's and the Company's trade and other receivables per currency is as follows:

(in thousands of HRK)	**Mon Perin Group** 2021	2020	**Mon Perin d.d.** 2021	2020
EUR	52	34	52	34
HRK	1,624	746	1,655	709
	1,676	**780**	**1,707**	**743**

The said receivables do not include receivables from employees, government receivables, prepayments to suppliers and prepaid expenses.

The maximum exposure to credit risk at the reporting date is the sum of the book value of each class of receivable mentioned above and the present value of funds and sight deposits. The Company holds collaterals as security.

The fair value of trade and other receivables does not differ significantly from their book amount.

In accordance with IFRS 9 the Group and the Company apply a simplified approach for measuring expected credit losses, which uses a provision for expected losses throughout their lifetime for all trade receivables.

On these grounds, the provision for losses as at 31 December 2021 (after IFRS 9 adoption) related to trade receivables is as follows:

Group

31 December 2021	**Not past due**	**Past due up to 90 days**	**Past due 91 – 120**	**Past due 121 - 180**	**Past due 181 do 365**	**Past due up to 365**	**TOTAL**
Expected loss rate	0%	0%	0%	0%	0%	0%	0%
Gross book amount - trade receivables	238	1	20	2	-	-	261
Loss provisions	**-**	**-**	**-**	**2**	**-**	**-**	**2**

31 December 2021	**Not past due**	**Past due up to 90 days**	**Past due 91 – 120**	**Past due 121 - 180**	**Past due 181 - 365**	**Past due up to 365**	**TOTAL**
Expected loss rate	0%	0%	0%	0%	0%	0%	0%
Gross book amount – trade receivables	37	31	109	-	2	9	188
Loss provisions	**-**	**-**	**28**	**-**	**1**	**4**	**33**

NOTE 20 – TRADE AND OTHER RECEIVABLES (continued)

Company

31 December 2021	Not past due	Past due up to 90 days	Past due 91 – 120	Past due 121 - 180	Past due 181 - 365	Past due up to 365	TOTAL
Expected loss rate	0%	0%	0%	0%	0%	0%	0%
Gross book amount - trade receivables	244	1	20	30	-	-	295
Loss provisions	**-**	**-**	**-**	**-**	**-**	**-**	**-**

31 December 2020	Not past due	Past due up to 90 days	Past due 91 – 120	Past due 121 - 180	Past due 181 - 365	Past due up to 365	TOTAL
Expected loss rate	0%	0%	0%	0%	0%	0%	0%
Gross book amount – trade receivables	37	19	102	-	1	4	163
Loss provisions	**-**	**-**	**28**	**-**	**1**	**4**	**33**

Based on the above calculation, final loss provision on trade receivables are adjusted to the initial loss provision as follows:

	Mon Perin Group		Mon Perin d.d.	
	2021	**2020**	**2021**	**2020**
Loss provisions as at 1 January	33	33	33	33
Changes in estimates and assumptions	2	-	-	-
Derecognition during the period	(33)	-	(33)	-
Foreign exchange differences	-	-	-	-
Balance as at 31 December	**2**	**33**	**-**	**33**

NOTE 21 – CASH AND CASH EQUIVALENTS

	Mon Perin Group		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Cash at bank	31,535	19,434	31,133	18,826
Cash in hand	6	7	2	3
	31,541	**19,441**	**31,135**	**18,829**

Cash and cash equivalents are denominated in the following currencies:

	Mon Perin Group		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
HRK	19,112	12,442	18,799	11,923
EUR	12,429	6,999	12,336	6,906

	31,541	**19,441**	**31,135**	**18,829**

The Group and the Company mainly deposit their money with local banks that are members of the banking groups that, according to the agency Standard & Poor's, have the following credit ratings:

	Mon Perin Group		**Mon Perin d.d.**	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Cash at bank and deposits				
No rating	31,541	19,434	31,135	18,826
	31,541	**19,434**	**31,135**	**18,826**

NOTE 22 – CAPITAL AND RESERVES

As at 31 December 2021 the share capital of the Company amounted to HRK 106,730 thousand comprising 10,673,027 ordinary shares with a nominal value of HRK 10.00 per share (2020: HRK 10).

The ownership structure of the Company is as follows:

	31 December 2021		**31 December 2020**	
	Number of shares	**%**	**Number of shares**	**%**
Plinio d.o.o.	3,702,400	34.69	3,702,400	38.6
Small shareholders	6,970,627	65.31	5,898,700	61.4
	10,673,027	**100.00**	**9,601,100**	**100.00**

NOTE 23 – LONG-TERM BORROWINGS

	Mon Perin Group		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Long-term borrowings				
Bank loans /i/	38,952	39,054	38,952	39,054
Long-term borrowings from related parties (Note 28) /ii/	8,500	9,750	8,500	9,750
	47,452	**48,804**	**47,452**	**48,804**
Current portion of long-term borrowings	(2,948)	(750)	(2,948)	(750)
Non-current portion	**44,504**	**48,054**	**44,504**	**48,054**

/i/ As at 31 December 2021 bank payables relate to funds used under the Long-term club loan agreement concluded with Privredna banka d.d. Zagreb and the Croatian Bank for Reconstruction and Development (HBOR), Zagreb, to make investments in accommodation and camping capacities.

The used portion of the funds received under the loan agreement amounting to HRK 19,527,008 bears interest at a rate equal to a three-month EURIBOR plus a margin of 2.3%, whereas the used portion of the HBOR loan funds of the same amount bears interest at a rate of 0%.

The loan principle is repaid on a quarterly basis, in 40 equal instalments. The first instalment is due on 30 September 2022 and the last instalment is due on 30 June 2032.

/ii/ Long-term borrowings from related parties relates to loans from Plinio d.o.o. The loan of the parent company has been agreed in Croatian kunas and is due on 30 June 2030 with the possibility of earlier repayment. The loan's interest rate adjusts on an annual basis to the interest rate of loans between related entities as set by the Ministry of Finance every year, which is why it is considered to be variable and in 2021 amounted to 3.00% (2020: 3.42%).

The effective interest rates at the balance sheet date were as follows:

	Mon Perin Group		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Borrowings in EURO	0.0% to 2.3%	0.0% to 2.3%	0.0% to 2.3%	0.0% to 2.3%
Borrowings in HRK	3.00%	3.42%	3.00%	3.42%

The Group's and the Company's exposure to interest rate changes:

	Mon Perin Group		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Total borrowings at variable interest rates	47,452	48,054	47,452	48,054

NOTE 23 – LONG-TERM BORROWINGS (continued)

Variable interest rates are considered to be any interest rates having a variable part which depends on market developments which apply automatically on the calculation of the interest (ex. EURIBOR, LIBOR and similar). The said category includes loans whose interest rate is tied to interest rate of loans between related entities as set by the Ministry of Finance every year. All other interest rates where possible changes to interest rates are defined by separate acts or supplementary agreements and where these changes are not automatically applied to the loan are considered fixed interest rates.

The maturity of long-term borrowings is as follows:

	Mon Perin Group		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Between 1 and 2 years	4,395	-	4,395	-
Between 2 and 5 years	9,790	18,669	9,790	18,669
More than 5 years	30,319	29,385	30,319	29,385
	44,504	**48,054**	**44,504**	**48,054**

Borrowings are denominated in the following currencies:

	Mon Perin Group		Mon Perin d.d.	
(in thousands)	**2021**	**2020**	**2021**	**2020**
HRK	8,500	9,750	8,500	9,750
EUR	38,952	39,054	38,952	39,054
	47.452	**48.804**	**47.452**	**48.804**

(in thousands of HRK)	**Borrowings - Group**	**Borrowings - Group**	**Lease liabilities – Group and Company**
Net debt as at 1 January 2020	**48,565**	**48,565**	**40,505**
Proceeds from borrowings	115	115	
Repayment of borrowings	(250)	(250)	(2,635)
Increases under new lease agreements	-	-	3,685
Expenses on lease liabilities	-	-	-
Interest cost	712	712	1,033
Other non-financial movements	(338)	(338)	15
Net debt as at 31 December 2020	**48,804**	**48,804**	**42,603**
Proceeds from borrowings	-	-	-
Repayment of borrowings	(1,250)	(1,250)	(2,102)
Increases under new lease agreements	-	-	207
Expenses on lease liabilities	-	-	(858)
Interest cost	682	682	1,049
Other non-financial movements	(784)	(784)	(2)
Net debt as at 31 December 2021	**47,452**	**47,452**	**40,897**

NOTE 24 – SHORT-TERM BORROWINGS KRATKOROČNE POSUDBE

	Mon Perin Group		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Current portion of long-term borrowings from banks	1,948	-	1,948	-
Current portion of long-term borrowings from related parties (Note 28)	1,000	750	1,000	750
	2,948	**750**	**2,948**	**750**

NOTE 25 – TRADE AND OTHER PAYABLES

	Mon Perin Group		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Financial liabilities				
Payables to suppliers	1,351	1,479	1,303	1,470
Payables to related companies (Note 28)	17	96	1,115	96
Lease liabilities	40,897	42,603	40,897	42,603
	42,265	**44,178**	**43,315**	**44,169**
Other non-financial liabilities				
Liabilities for net salaries, bonuses and termination benefits	230	157	215	142
Liabilities for contributions and fees	154	26	120	18
Liabilities for advances received	1,707	1,860	1,707	1,860
Other liabilities	4,595	1,106	4,415	1,104
Total trade and other payables	**48,951**	**47,327**	**49,772**	**47,293**
Non-current portion (lease liabilities)	(38,867)	(40,577)	(38,867)	(40,577)
Non-current portion (liabilities for salaries)	-	-	-	-
	10,084	**6,750**	**10,905**	**6,716**

The maturity of long-term lease liabilities:

	Mon Perin Group		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Between 2 and 5 years	5,439	2,029	5,439	2,029
More than 5 years	33,428	38,548	33,428	38,548
	38,867	**40,577**	**38,867**	**40,577**

Payables to suppliers are denominated in the following currencies:

	Mon Perin Group		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
EUR	118	4	118	4
HRK	1,250	1,571	2,300	1,562
	1,368	**1,575**	**2,418**	**1,566**

	Mon Perin Group		Mon Perin d.d.	
(in thousands of HRK)	**2021**	**2020**	**2021**	**2020**
Liabilities for advances received /i/	1,707	1,860	1,707	1,860
	1,707	**1,860**	**1,707**	**1,860**

/i/ Contractual liabilities as at 31 December 2021 and 31 December 2020 related to liabilities for advance payments received in connection with accommodation reservations relating to a future period.

NOTE 26 – CONTINGENT LIABILITIES

The Group and the Company recorded provisions for contingent liabilities emerging from legal disputes for compensation from the previous period amounting to HRK 1,300 thousands (2020: HRK 101 thousands).

As at 31 December 2021 the Group and the Company have a contingent liability under issued promissory notes amounting to HRK 30 thousand (2020.: HRK 30)

NOTE 27 – CASH GENERATED FROM OPERATIONS

		Mon Perin Group		Mon Perin d.d.	
(all amounts in thousands of HRK)	**Note**	**2021**	**2020**	**2021**	**2020**
(Loss)/profit before tax		**15,147**	**(4,272)**	**15,554**	**(3,795)**
Adjustments for:					
Depreciation	15,16	16,145	15,628	16,035	15,458
Impairment/Write-off of property, plant and equipment – net		-	-	-	-
Financial expenses - net	11	1,049	1,033	1,049	1,033
Interest and dividend income	11	(2,226)	(67)	(2,226)	(67)
Fair value of investments in assets held for sale		(28,711)	21,345	(28,711)	21,345
Gains on sale of property, plant and equipment	10	140	(2)	70	(2)
Decrease/(increase) of provisions	9	1,242	(35)	1,242	(40)
Other items that do not affect cash flow		24,286	(22,189)	25,246	(22,188)
Movements in working capital:					
- trade and other receivables		969	431	1,039	330
- inventories		114	102	117	80
- Payables to suppliers		203	1,067	(856)	1,165
- Other payables		-	-		-
Cash generated from operations		**28,283**	**13,041**	**28,489**	**13,319**

NOTE 28 – TRANSACTIONS WITH RELATED PARTIES

For the purpose of these financial statements, parties are considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Income and expenses resulting from transactions with related parties are as follows:

		Mon Perin Group		Mon Perin d.d.	
(all amounts in thousands of HRK)	**Note**	**2021**	**2020**	**2021**	**2020**
Operating income	**5,6**				
PLINIO d.o.o.		172	53	-	53
MAIAN d.o.o.		-	-	45	25
DANDOLI d.o.o.		-	-	-	-
		172	**53**	**45**	**78**
Operating expenses	**7**				
PLINIO d.o.o.		1,667	856	-	856
MAIAN d,o.o.		-	-	297	168
FORT FORNO d.o.o.		-	20	-	20
DANDOLI d.o.o.		-	-	19	1
		1,667	**876**	**316**	**1,045**
Financial expenses	**11**				
PLINIO d.o.o.		228	279	-	279
		228	**279**	**-**	**279**

NOTE 28 – TRANSACTIONS WITH RELATED PARTIES (continued)

Balance sheet positions resulting from transactions with related parties are as follows:

(all amounts in thousands of HRK)	Note	Mon Perin Group 2021	Mon Perin Group 2020	Mon Perin d.d. 2021	Mon Perin d.d. 2020
Non-current assets					
MAIAN d.o.o.	**15,16**	-	-	740	-
DANDOLI d.o.o.		-	-	86	-
		-	-	826	-
Non-current financial assets	**17,18**				
TERRA VALLIS d.o.o.		1,263	-	-	-
MAIAN d.o.o.		-	-	3,700	3,700
DANDOLI d.o.o.		-	-	20	20
MON PERIN CASTRUM d.o.o.		-	-	20	20
FORT FORNO d.o.o.		4	4	4	4
		1,267	**4**	**3,744**	**3,744**
Trade receivables	**20**				
PLINIO d.o.o.		-	22	-	22
MAIAN d.o.o.		-	-	38	-
		-	**22**	**38**	**22**
Lease liabilities	**23,24**				
PLINIO d.o.o.		8,500	9,750	-	9,750
		8,500	**9,750**	-	**9,750**
Trade payables	**25**				
PLINIO d.o.o.		17	72	-	72
MAIAN d.o.o.		-	-	966	-
DANDOLI d.o.o.		-	-	132	
		17	**72**	**1,098**	**72**

Key management compensation

In 2021, gross emoluments to the Company's key personnel amounted to HRK 1,297 thousand (2020: HRK 542 thousand). The Company's key personnel comprise of 4 employees (2020: 3 employees).