

**Annex 1.**

Reporting period

01.01.

do

31.03.2018.

**Quarterly financial report TFI-POD**

Tax number (MB): 03311953

Company registration number  
(MBS): 060032302Personal identification  
number (OIB): 05951496767

Issuing company: ILIRIJA d.d.

Postal code and place: 23210

BIOGRAD NA MORU

Street and house number: TINA UJEVIĆA 7

E-mail address: [ilirija@zd.t-com.hr](mailto:ilirija@zd.t-com.hr)Internet address: [www.ilirijabiograd.com](http://www.ilirijabiograd.com)

Municipality/city code and name: 22 BIOGRAD NA MORU

County code and name: 13 ZADARSKA

Number of employees: 240

(period end)

Consolidated report: NO

NKD code: 5510

Companies of the consolidation subject (according to IFRS):

Seat:

MB:

Bookkeeping service:

Contact person: STRPIĆ ZORKA

(only surname and name)

Telephone: 023/383178

Telefaks: 023/384564

E-mail address: [zorkas@ilirijabiograd.com](mailto:zorkas@ilirijabiograd.com)

Family name and name: RAŽNJEVIĆ GORAN

(person authorized to represent the company)

**Documents disclosed:**

1. Financial statements (Balance Sheet, Income Statement, Cash Flow Statement, Statement of Changes in Equity and notes to financial statements);
2. Management Interim Report;
3. Declaration of the persons responsible for preparing the issuer's statements;

L.S.

(signature of the person authorized to represent the company)

**Balance Sheet**  
as of 31/03/2018

Company: ILIRIJA d.d. BIOGRAD NA MORU			
Position	AOP	Previous period	Current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL</b>	<b>001</b>		
<b>B) NON-CURRENT ASSETS (003+010+020+029+033)</b>	<b>002</b>	407.395.772	424.385.649
I. INTANGIBLE ASSETS (004 to 009)	<b>003</b>	336.452	299.528
1. Expenditure for development	<b>004</b>		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	<b>005</b>		
3. Goodwill	<b>006</b>		
4. Advances for purchase of intangible assets	<b>007</b>		
5. Intangible assets in progress	<b>008</b>		
6. Other intangible assets	<b>009</b>	336.452	299.528
II. PROPERTY, PLANT AND EQUIPMENT (011 to 019)	<b>010</b>	407.019.320	424.047.427
1. Land	<b>011</b>	42.340.227	43.295.283
2. Buildings	<b>012</b>	232.347.442	241.132.567
3. Plant and equipment	<b>013</b>	42.304.303	51.453.578
4. Tools, working inventory and transportation assets	<b>014</b>		
5. Biological assets	<b>015</b>		
6. Advances for purchase of tangible assets	<b>016</b>	1.239.522	2.573.552
7. Tangible assets in progress	<b>017</b>	9.110.601	7.128.906
8. Other tangible assets	<b>018</b>		
9. Investment in real-estate	<b>019</b>	79.677.225	78.463.541
III. NON-CURRENT FINANCIAL ASSETS (021 to 028)	<b>020</b>	40.000	38.694
1. Share in related parties	<b>021</b>	40.000	38.694
2. Loans to related parties	<b>022</b>		
3. Participating interests (shares)	<b>023</b>		
4. Loans to companies with participating interest	<b>024</b>		
5. Investments in securities	<b>025</b>		
6. Loans, deposits, etc.	<b>026</b>		
7. Other non-current financial assets	<b>027</b>		
8. Equity-accounted investments	<b>028</b>		
IV. RECEIVABLES (030 to 032)	<b>029</b>	0	0
1. Receivables from related parties	<b>030</b>		
2. Receivables arising from sales on credit	<b>031</b>		
3. Other receivables	<b>032</b>		
V. DEFERRED TAX ASSET	<b>033</b>		
<b>C) CURRENT ASSETS (035+043+050+058)</b>	<b>034</b>	12.412.507	12.011.819
I. INVENTORIES (036 to 042)	<b>035</b>	2.358.997	2.213.961
1. Raw materials and supplies	<b>036</b>	2.358.997	2.213.961
2. Production in progress	<b>037</b>		
3. Finished products	<b>038</b>		
4. Merchandise	<b>039</b>		
5. Advances for inventories	<b>040</b>		
6. Long term assets held for sale	<b>041</b>		
7. Biological assets	<b>042</b>		
II. RECEIVABLES (044 to 049)	<b>043</b>	6.543.758	7.860.784
1. Receivables from related parties	<b>044</b>		
2. Receivables from end-customers	<b>045</b>	5.292.150	6.579.632
3. Receivables from participating parties	<b>046</b>		
4. Receivables from employees and members of the company	<b>047</b>	826.678	837.469
5. Receivables from government and other institutions	<b>048</b>	330.912	379.374
6. Other receivables	<b>049</b>	94.018	64.309
III. CURRENT FINANCIAL ASSETS (051 to 057)	<b>050</b>	2.434.811	1.717.081
1. Share in related parties	<b>051</b>		
2. Loans to related parties	<b>052</b>		
3. Participating interests (shares)	<b>053</b>		
4. Loans to companies with participating interest	<b>054</b>		
5. Investments in securities	<b>055</b>		
6. Loans, deposits, etc.	<b>056</b>	2.434.811	2.055.765
7. Other financial assets	<b>057</b>		
IV. CASH AND CASH EQUIVALENTS	<b>058</b>	1.074.941	219.993
<b>D) PREPAYMENTS AND ACCRUED INCOME</b>	<b>059</b>		
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	419.808.279	436.397.468
<b>F) OFF BALANCE SHEET ITEMS</b>	<b>061</b>		

<b>EQUITY AND LIABILITIES</b>			
<b>A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	278.359.544	299.275.231
I. SUBSCRIBED SHARE CAPITAL	<b>063</b>	174.977.880	229.146.480
II. CAPITAL RESERVES	<b>064</b>	26.723.874	2.723.874
III. RESERVES FROM PROFIT (066+067-068+069+070)	<b>065</b>	23.435.964	22.758.389
1. Legal reserves	<b>066</b>	9.477.986	9.477.986
2. Reserve for own shares	<b>067</b>	6.975.716	6.975.716
3. Treasury shares and shares (deductible items)	<b>068</b>	540.417	1.217.992
4. Statutory reserves	<b>069</b>		
5. Other reserves	<b>070</b>	7.522.679	7.522.679
IV. REVALUATION RESERVES	<b>071</b>		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	<b>072</b>	50.546.190	41.326.486
1. Retained earnings	<b>073</b>	50.546.190	41.326.486
2. Loss carried forward	<b>074</b>		
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	<b>075</b>	2.675.636	3.320.002
1. Net profit for the period	<b>076</b>	2.675.636	3.320.002
2. Net loss for the period	<b>077</b>		
VII. MINORITY INTEREST	<b>078</b>		
<b>B) PROVISIONS (080 to 082)</b>	<b>079</b>	0	0
1. Provisions for pensions, severance pay and similar liabilities	<b>080</b>		
2. Provisions for tax liabilities	<b>081</b>		
3. Other provisions	<b>082</b>		
<b>C) NON-CURRENT LIABILITIES (084 to 092)</b>	<b>083</b>	109.846.075	110.288.785
1. Liabilities to related parties	<b>084</b>		
2. Liabilities for loans, deposits, etc.	<b>085</b>		
3. Liabilities to banks and other financial institutions	<b>086</b>	109.846.075	110.288.785
4. Liabilities for advances	<b>087</b>		
5. Trade payables	<b>088</b>		
6. Commitments on securities	<b>089</b>		
7. Liabilities to companies with participating interest	<b>090</b>		
8. Other non-current liabilities	<b>091</b>		
9. Deferred tax liabilities	<b>092</b>		
<b>D) CURRENT LIABILITIES (094 to 105)</b>	<b>093</b>	26.132.786	22.398.973
1. Liabilities to related parties	<b>094</b>		
2. Liabilities for loans, deposits, etc.	<b>095</b>		
3. Liabilities to banks and other financial institutions	<b>096</b>	11.982.449	8.035.244
4. Liabilities for advances	<b>097</b>		
5. Trade payables	<b>098</b>	9.038.461	7.922.632
6. Commitments on securities	<b>099</b>	1.500.000	
7. Liabilities to companies with participating interest	<b>100</b>		
8. Liabilities to employees	<b>101</b>	1.256.163	1.379.031
9. Taxes, contributions and similar liabilities	<b>102</b>	1.361.294	3.750.775
10. Liabilities arising from share in the result	<b>103</b>		
11. Liabilities arising from non-current assets held for sale	<b>104</b>		
12. Other current liabilities	<b>105</b>	994.419	1.311.291
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>106</b>	5.469.874	4.434.479
<b>F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	419.808.279	436.397.468
<b>G) OFF BALANCE SHEET ITEMS</b>	<b>108</b>		
<b>ADDITION TO BALANCE SHEET (only for consolidated financial statements)</b>			
<b>ISSUED CAPITAL AND RESERVES</b>			
1. Attributable to majority owners	<b>109</b>		
2. Attributable to minority interest	<b>110</b>		

**Income statement period 01/01/2018 to 31/03/2018**

Company: ILIRIJA d.d. BIOGRAD NA MORU

Position	AOP	Previous period		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
<b>I. OPERATING INCOME (112 to 113)</b>	<b>111</b>	20.642.373	20.642.373	23.749.772	23.749.772
1. Sales revenues	112	20.565.717	20.565.717	23.448.076	23.448.076
2. Other operating revenues	113	76.656	76.656	301.696	301.696
<b>II. OPERATING COSTS (115+116+120+124+125+126+129+130)</b>	<b>114</b>	16.869.128	16.869.128	19.350.018	19.350.018
1. Change in inventories of work in progress	115				
2. Material expenses (117 to 119)	116	5.156.741	5.156.741	5.360.683	5.360.683
a) Costs of raw materials	117	2.072.545	2.072.545	2.498.181	2.498.181
b) Cost of goods sold	118				
c) Other material expenses	119	3.084.196	3.084.196	2.862.502	2.862.502
3. Employee benefits expenses (121 to 123)	120	6.131.313	6.131.313	6.821.463	6.821.463
a) Net salaries	121	3.689.787	3.689.787	4.068.966	4.068.966
b) Tax and contributions from salary expenses	122	1.541.701	1.541.701	1.751.395	1.751.395
c) Contributions on salary	123	899.825	899.825	1.001.102	1.001.102
4. Depreciation and amortisation	124	2.551.212	2.551.212	2.788.869	2.788.869
5. Other expenses	125	2.911.900	2.911.900	3.394.306	3.394.306
6. Write down of assets (127+128)	126	0	0	0	0
a) non-current assets (except financial assets)	127				
b) current assets (except financial assets)	128				
7. Provisions	129				
8. Other operating costs	130	117.962	117.962	984.697	984.697
<b>III. FINANCIAL INCOME (132 to 136)</b>	<b>131</b>	23.419	23.419	22.186	22.186
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	23.419	23.419	22.186	22.186
2. Interest, foreign exchange differences, dividends and similar income from third parties	133				
3. Income from investments in associates and joint ventures	134				
4. Unrealised gains (income) from financial assets	135				
5. Other financial income	136				
<b>IV. FINANCIAL EXPENSES (138 to 141)</b>	<b>137</b>	1.121.028	1.121.028	1.101.938	1.101.938
1. Interest, foreign exchange differences, dividends and similar income from related parties	138				
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	1.121.028	1.121.028	1.101.938	1.101.938
3. Unrealised losses (expenses) from financial assets	140				
4. Other financial expenses	141				
<b>V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES</b>	<b>142</b>				
<b>VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES</b>	<b>143</b>				
<b>VII. EXTRAORDINARY - OTHER INCOME</b>	<b>144</b>				
<b>VIII. EXTRAORDINARY - OTHER EXPENSES</b>	<b>145</b>				
<b>IX. TOTAL INCOME (111+131+142+144)</b>	<b>146</b>	20.665.792	20.665.792	23.771.958	23.771.958
<b>X. TOTAL EXPENSES (114+137+143+145)</b>	<b>147</b>	17.990.156	17.990.156	20.451.956	20.451.956
<b>XI. PROFIT OR LOSS BEFORE TAXES (146-147)</b>	<b>148</b>	2.675.636	2.675.636	3.320.002	3.320.002
1. Profit before taxes (146-147)	149	2.675.636	2.675.636	3.320.002	3.320.002
2. Loss before taxes (147-146)	150	0	0	0	0
<b>XII. TAXATION</b>	<b>151</b>				
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	2.675.636	2.675.636	3.320.002	3.320.002
1. Profit for the period (149-151)	153	2.675.636	2.675.636	3.320.002	3.320.002
2. Loss for the period (151-148)	154	0	0	0	0

ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)					
<b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>					
1. Attributable to majority owners	155				
2. Attributable to minority interest	156				
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)</b>					
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157				
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 to 165)	158	0	0	0	0
1. Exchange differences from international settlement	159				
2. Changes in revaluation reserves of long-term tangible and intangible assets	160				
3. Profit or loss from re-evaluation of financial assets held for sale	161				
4. Profit or loss from cash flow hedging	162				
5. Profit or loss from hedging of foreign investments	163				
6. Share of other comprehensive income/loss from associated companies	164				
7. Actuarial gains/losses from defined benefit plans	165				
III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD (158 - 166)	167	0	0	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	0	0	0	0
<b>ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)</b>					
<b>VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b>					
1. Attributable to majority owners	169				
2. Attributable to minority interest	170				

**Cash flow statement - indirect method**  
**period 01/01/2018 to 31/03/2018**

Company: ILIRIJA d.d. BIOGRAD NA MORU			
Position	AOP	Previous period	Current period
1	2	3	4
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	001	2.675.636	3.320.002
2. Depreciation and amortisation	002	2.551.212	2.788.869
3. Increase of current liabilities	003		
4. Decrease of current receivables	004		
5. Decrease of inventories	005		145.036
6. Other cash flow increases	006		
<b>I. Total increase of cash flow from operating activities</b>	<b>007</b>	5.226.848	6.253.907
1. Decrease of current liabilities	008	9.661.705	3.733.813
2. Increase of current receivables	009	337.537	1.317.026
3. Increase of inventories	010	251.258	
4. Other cash flow decreases	011		
<b>II. Total decrease of cash flow from operating activities</b>	<b>012</b>	10.250.500	5.050.839
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>013</b>	0	1.203.068
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>014</b>	5.023.652	0
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Proceeds from sale of non-current assets	015		
2. Proceeds from sale of non-current financial assets	016		
3. Interest received	017		
4. Dividend received	018		
5. Other proceeds from investing activities	019	2.599.175	5.278.932
<b>III. Total cash inflows from investing activities</b>	<b>020</b>	2.599.175	5.278.932
1. Purchase of non-current assets	021	3.933.168	3.651.158
2. Purchase of non-current financial assets	022		
3. Other cash outflows from investing activities	023		
<b>IV. Total cash outflows from investing activities</b>	<b>024</b>	3.766.832	3.651.158
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>025</b>	0	1.627.774
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>026</b>	1.167.657	0
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
1. Proceeds from issue of equity securities and debt securities	027		
2. Proceeds from loans and borrowings	028	8.278.442	
3. Other proceeds from financing activities	029		
<b>V. Total cash inflows from financing activities</b>	<b>030</b>	8.278.442	0
1. Repayment of loans and bonds	031	2.616.170	1.657.510
2. Dividends paid	032		
3. Repayment of finance lease	033	736.644	2.464.203
4. Purchase of treasury shares	034		
5. Other cash outflows from financing activities	035		
<b>VI. Total cash outflows from financing activities</b>	<b>036</b>	3.352.814	4.121.713
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>037</b>	4.925.628	0
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>038</b>	0	4.121.713
Total increases of cash flows (013-014+025-026+037-038)	039	0	0
Total decreases of cash flows (014-013+026-025+038-037)	040	1.265.681	1.290.871
Cash and cash equivalents at the beginning of period	041	2.340.622	1.510.864
Increase of cash and cash equivalents	042		
Decrease of cash and cash equivalents	043		
Cash and cash equivalents at the end of period	044	1.074.941	219.993

## STATEMENT OF CHANGES IN EQUITY

period            1.1.2018            to            31.3.2018

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	<b>001</b>	174.977.880	229.146.480
2. Capital reserves	<b>002</b>	26.723.874	2.723.874
3. Reserves from profit	<b>003</b>	23.435.964	22.758.389
4. Retained earnings or loss carried forward	<b>004</b>	50.546.190	41.326.486
5. Net profit or loss for the period	<b>005</b>	2.675.636	3.320.002
6. Revaluation of tangible assets	<b>006</b>		
7. Revaluation of intangible assets	<b>007</b>		
8. Revaluation of available for sale assets	<b>008</b>		
9. Other revaluation	<b>009</b>		
<b>10. Total equity and reserves (AOP 001 to 009)</b>	<b>010</b>	278.359.544	299.275.231
11. Foreign exchange differences from foreign investments	<b>011</b>		
12. Current and deferred taxes	<b>012</b>		
13. Cash flow hedge	<b>013</b>		
14. Change of accounting policies	<b>014</b>		
15. Correction of significant mistakes pf prior period	<b>015</b>		
16. Other changes	<b>016</b>		
<b>17.Total increase or decrease of equity (AOP 011 to 016)</b>	<b>017</b>	59.348.843	20.915.687
17 a. Attributable to majority owners	<b>018</b>		
17 b. Attributable to minority interest	<b>019</b>		