



FINANCIAL STATEMENTS FOR THE PERIOD 01/01 – 30/09/2021

Biograd na Moru, October 2021

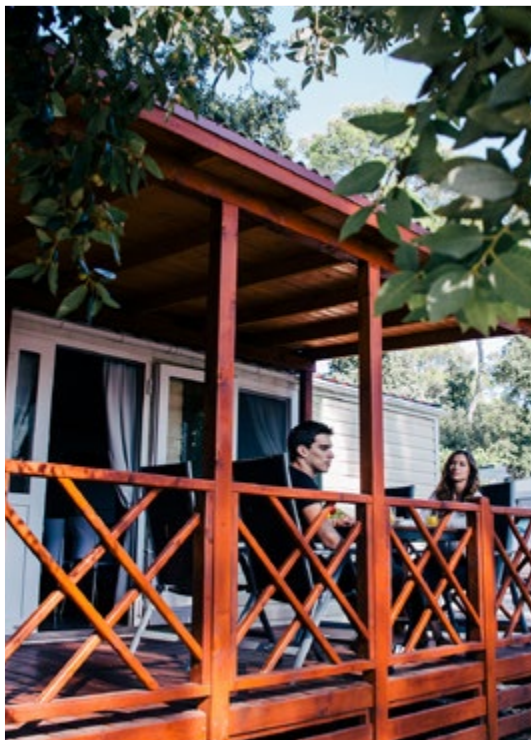


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OVERVIEW OF KEY PERFORMANCE INDICATORS FOR THE PERIOD FROM 01/01-30/09/2021

in HRK	I-IX 2021	I-IX 2020	I-IX 2019	INDEX 2021/2020	INDEX 2021/2019
Financial indicators					
Total revenues	121.847.829,71	92.069.417,21	149.899.928,49	132,34	81,29
Operating income	121.831.184,80	91.977.594,60	149.848.902,06	132,46	81,30
<i>Hospitality</i>	27.509.592,52	13.330.776,03	53.319.674,24	206,36	51,59
<i>Nautics</i>	44.272.639,56	40.443.526,53	44.576.303,32	109,47	99,32
<i>Camping</i>	33.050.821,32	21.652.269,43	34.446.659,53	152,64	95,95
<i>Other revenues</i>	16.998.131,40	16.551.022,61	17.506.264,97	102,70	97,10
Revenues from sales	116.353.006,22	86.244.178,43	148.849.796,71	134,91	78,17
EBITDA	59.294.501,14	35.409.573,57	63.018.543,97	167,45	94,09
EBITDA margin	48,67%	38,50%	42,05%	126,42	115,74
EBIT	47.616.352,65	24.744.944,22	53.420.871,97	192,43	89,13
Profit	45.152.280,88	22.122.038,81	50.320.923,09	204,11	89,73

in HRK	I-IX 2021	I-IX 2020	I-IX 2019	INDEX 2021/2020	INDEX 2021/2019
Balance sheet indicators					
Net debt	57.290.302,70	78.724.666,85	99.995.060,79	72,77	57,29
Interest coverage	18,32	8,43	16,24	217,32	112,81
Capital investments	4.528.907,83	11.053.423,24	14.476.918,41	40,97	31,28
ROE	11,48%	6,00%	11,27%	191,33	101,86
ROA	8,79%	4,42%	8,52%	198,87	103,17
Adjusted ROCE	10,47%	5,86%	15,37%	178,67	68,12

in HRK	I-IX 2021	I-IX 2020	I-IX 2019	INDEX 2021/2020	INDEX 2021/2019
Indicators of the financial position					
Value of assets	513.840.781,24	500.691.610,44	484.072.792,03	102,63	106,15
Capital	393.224.798,40	368.865.413,10	366.048.215,17	106,60	107,42
Total liabilities	120.615.982,24	131.826.197,25	118.024.576,86	91,50	102,20

in HRK	I-IX 2021	I-IX 2020	I-IX 2019	INDEX 2021/2020	INDEX 2021/2019
Achievements on the capital market					
Market capitalization	393.398.544,00	313.753.440,00	443.164.666,56	125,38	88,77
EV	438.818.667,98	389.512.986,34	599.323.652,52	112,66	73,22
EV / EBITDA	7,40	11,00	9,51	67,28	77,82
P / E	10,63	17,29	11,93	61,48	89,10
EPS	15,34	7,5	17,1	203,99	89,71
DPS	0,00	0,00	3,50	#DIV/0!	0,00

Fisical indicators	I-IX 2021	I-IX 2020	I-IX 2019	INDEX 2021/2020	INDEX 2021/2019
Hotel sector					
Number of accommodation units	443	443	443	100,00	100,00
Overnight stays of tourists	66.044	29.073	128.067	227,17	51,57
Occupancy days	66	31	140	212,90	47,14
Annual occupancy	18,21%	8,36%	38,49%	217,82	47,31
Nautical sector					
Number of berths	805	805	805	100,00	100,00
Contracted vessels	707	709	729	99,72	96,98
Transith berth, overnight stays of vessels	9.012	8.823	10.223	102,14	88,15
Transith berth, inbound sail of vessels	2.435	1.504	3.230	161,90	75,39
Port service - number of operations	2.982	2.377	3.144	125,45	94,85
Days of work	365	365	365	100,00	100,00
Camping sector					
Number of accommodation units	1.208	1.208	1.220	100,00	99,02
Days of work	183	214	214	85,51	85,51
Occupany days	92,76	93,63	123,40	99,07	75,17
Mobile homes	77,14	40,63	92,92	189,86	83,02
Individuals	31,27	12,88	44,23	242,78	70,70
Fixed lease	183,00	214,00	214,00	85,51	85,51
Lump sum	183,00	214,00	214,00	85,51	85,51
Occupancy	50,69%	43,75%	57,66%	115,86	87,91
Mobile homes	42,15%	18,98%	43,42%	222,08	97,08
Individuals	17,09%	6,02%	20,67%	283,89	82,68
Fixed lease	100,00%	100,00%	100,00%	100,00	100,00
Lump sum	100,00%	100,00%	100,00%	100,00	100,00
Overnight stays of tourists	234.556	137.096	286.209	171,09	81,95

Fisical indicators	I-IX 2021	I-IX 2020	I-IX 2019	INDEX 2021/2020	INDEX 2021/2019
Ilirija Travel					
Number of events	144	98	509	146,94	28,29
Broj of persons (events)	9.445	9.239	37.019	102,23	25,51
Real-estate					
Number of leesses	37	37	37	100,00	100,00
Common expenses	36	36	36	100,00	100,00
Common areas	26	21	21	123,81	123,81
Adverising space	8	8	8	100,00	100,00
Garage - number of parking spaces	410	410	410	100,00	100,00
Rented area (m ²)	9.924,60	9.897,60	9.897,60	100,27	100,27
Number of vehicle	483.191	439.219	560.819	110,01	86,16



KEY INFORMATION FOR THE PERIOD 01/01 - 30/09/2021

1 In the first three quarters, the business year was still strongly influenced by the global pandemic, especially in the first six months, which affected the Company's business activities in most of its sectors in the first half of the year, with an exception of the nautical and real estate sectors. Despite the absence of a pre-season and the reduced demand in the Company's tourist sectors, delayed booking, unfavourable epidemiological situation and adopted epidemiological measures, the Company's business activity in other sectors (hotel, camping, destination management company) only intensified in the third quarter of the business year, i.e. in the second half of July. Thanks to excellent results in the hotel and camping sectors followed by the realization of the destination management company Ilirija Travel, as well as continued outstanding year-round results of the nautical sector and a stable business activity of the real estate sector, the Company achieved highly successful operating results in a very short period, from mid-July until the end of September.

Although the operating results achieved, both financial and physical, as well as the profitability indicators realized, recorded a strong increase in comparison to the achievements from the same period in 2020, they are, as expected, lower in terms of revenue than those from the first three quarters of the business year 2019 in most of the Company's tourism sectors. In terms of the operating profitability realized, the results came close to the pre-pandemic period. The results achieved also had a major impact

on other stability and liquidity indicators of the Company, such as its cash flow, which was the best it has generated so far, enabling the Company to achieve operational stability without taking on additional loan liabilities.

With the results it achieved, the Company displayed high resilience, flexibility and ability to obtain results that ensure its operational stability, job retention, fulfilment of obligations, preservation of assets, preservation of its business activity and operations in a very short period and in challenging business circumstances.

2 Total revenue in the first three quarters amounted to HRK 121,847,829.71, constituting an increase of 32.34% compared to the same period of the previous year, when it amounted to HRK 92,069,417.21, as a result of an increased operating revenue.

Total revenue for the first three quarters of 2021 were reduced by 18.71% compared to the same period of 2019, when they amounted to HRK 149,899,928.49, or the Company realised 81.29% of total revenue compared to the same period in 2019.

The operating revenue realized amounted to HRK 121,831,184.80, which is a 32.46% growth rate, or HRK 29,853,590.20 more compared to the same period of the previous year when it amounted to HRK 91,977,594.60 due to a 73% decline in revenue from sales on the forei-

gn market and a 29% decline in revenue from sales on the domestic market. An increase in operating revenues was recorded at the level of all sectors, with a strong increase in the Company's tourism sectors – the hotel and camping sectors and the destination management company. Increased tourist demand, especially from the foreign market, contributed to the increase of revenue at Company level and allowed it to come closer to the revenue from the period before the pandemic.

Operating revenue in the first three quarters of 2021 was reduced by 18.70% compared to the same period of 2019, when it amounted to HRK 149,848,902.06.

The nautical sector generated its revenue in the amount of HRK 44,272,639.56 with a growth rate of 9%, whereas the most significant revenue by far was generated by the vessel segment, i.e. Marina Kornati accounting for 91.4% of revenue of the nautical sector, in the amount of HRK 40,466,140.15, with a growth rate of 6% compared to the same period of the previous year. The revenue generated by the nautical sector is just slightly lower, i.e. 0.68% lower in comparison to the revenue generated in the same period of 2019, while the revenue of Marina Kornati increased by 1.38% in comparison to the record-breaking year thus far. Likewise, other profit centres within the nautical sector also generated growth, i.e. the "Marina Kornati" restaurant profit centre achieved an increase in operating revenue of 72%, while the revenue of the nautical fair grew by 65%. Nautical sector revenue in the first three quarters of 2021

showed a slight decrease of 0.68% compared to the same period of 2019, when it amounted to HRK 44,576,243.32.

The Company's camping sector generated revenue in the amount of HRK 33,050,821.32, constituting an increase of 53% compared to the same period of the previous year, when it amounted to HRK 21,652,269.43. The growth in revenue was driven by both of its profit centres, i.e. the "Park Soline" campsite in terms of accommodation, with an increase in revenue of 61.90%, and the "Park Soline" restaurant, with an increase in revenue of 101.54%, meaning that the revenue generated by the camping sector reached 95.95% of the revenue achieved in the first three quarters of 2019. The revenue of the most important profit centre of the camping sector, the "Park Soline" campsite, amounted to HRK 29,868,510.07 with a growth of 49%, reaching 95.55% of the revenue from the same period of the pre-pandemic 2019, while the revenue generated by the "Park Soline" restaurant amounted to HRK 3,182,311.25 and reached the level of that period. Camping sector revenue in the first three quarters of 2021 showed a slight decrease of 4.05% compared to the same period of 2019, when it amounted to HRK 34,446,659.53.

A revenue of HRK 27,509,592.52 was generated in the hotel sector, constituting a growth of 106% in comparison with the same period of the previous year, i.e. 51.59% of the revenue achieved in the same period of 2019. Considering the absence of a pre-season, the fact that a more significant demand for hotel capacities was delayed, with the late opening of capacities as a consequence, as well as the

fact that the hotel sector was, due to its nature, strongly influenced by the pandemic, the Company considers the revenue generated satisfactory. Hotel sector revenue in the first three quarters of 2021 decreased by 48.41% compared to the same period of 2019, when it amounted to HRK 53,319,674.24.

The revenue generated by the destination management company Ilirija Travel that amounted to HRK 2,140,353.93 in the reporting period is 34% higher in comparison to the same period of 2020, and it reached 73.77% of the level achieved in the same period of 2019. Revenue of the destination management company realised in the first three quarters of 2021 decreased by 26.55% compared to the same period of 2019, when it amounted to HRK 2,914,090.47.

The real estate sector generated a revenue of HRK 9,704,009.68, i.e. it is 1% higher than the revenue from the same period of the previous business year. The operation of the real estate sector was also limited in 2021 due to the decisions reached by competent authorities and the adopted epidemiological measures that greatly influenced the scope of the Centre tenants' business operations, which, in turn, affected the generated revenue. Real estate sector revenue in the first three quarters of 2021 decreased by 9.15% compared to the same period of 2019, when it amounted to HRK 10,681,426.60.

3 All key operating profitability indicators achieved growth due to a considerable increase in business activities in the

third quarter of the business year, while managing the operating costs, the growth of which was disproportional to the growth in revenue. Also, it should be emphasised that, apart from the growth of operating profitability indicators, all sectors achieved positive profitability indicators, except for the destination management company. The nautical sector realized growth of the profitability indicators in comparison to the same period of 2019, which was the nautical sector's best year to date, while the camping sector achieved growth in comparison to the same period of 2019 (operating profit). In terms of revenue, it reached 96% of the revenue achieved in the period before the pandemic, i.e. 2019. The hotel sector achieved an increase in profitability compared to the same period of the previous year, while the profitability indicators of the real estate sector were lower, but nevertheless still positive.

Therefore, operating profit was generated in the amount of HRK 59,277,856.23, constituting an increase of 67.84%, whereas profit amounted to HRK 45,152,280.88, constituting an increase of 104.11%. EBITDA was realized in the amount of HRK 59,294,501.14, i.e. it was 67.45% higher than in the same period of 2020, when it amounted to HRK 35,409,573.57, while EBIT was realized in the amount of HRK 47,616,352.65, constituting an increase of 92.43%.

Operating profit for the first three quarters of 2021 was 5.86% lower compared to the same period of 2019, when it amounted to HRK 62,967,517.54, profit was

10.27% lower compared to the same period of 2019, when it amounted to HRK 50,320,923.09, EBITDA was 5.91% lower compared to the same period of 2019, when it amounted to HRK 63,018,543.97, while EBIT was 10.87% lower compared to the same period of 2019, when it amounted to HRK 53,420,871.97.

4 The net debt, which includes both long- and short-term liabilities of the Company towards banks, minus cash in hand and deposits for the reporting period, amounted to HRK 57,290,302.70, which is a decrease of 27.23% or HRK 21,434,364.15 compared to the same period in 2020, proving that the Company retained its liquidity and stability of cash flow in challenging circumstances. The net debt in the first three quarters of 2021 decreased by 42.71% compared to the same period of 2019, when it amounted to HRK 99,995,060.79.

5 At the end of the third quarter of the business year, the Company achieved a positive cash flow, which amounted to HRK 62,306,150.53 for the reporting period, constituting an increase of 75.66% when compared to the same period of the previous year, when the cash flow amounted to HRK 35,470,588.26. Furthermore, the Company achieved an increase in cash flow in the amount of HRK 45,015,133.25 when compared to the same period of 2019, when the cash flow amounted to HRK 15,291,017.28. In accordance with the above, in the nine months of 2021 the Company achieved its best cash flow so far, which contributed to the

resilience of its operations, additionally reinforced by the increase of cash and cash equivalents, which were, as the cash flow, the best to date.

6 Company equity amounted to HRK 393,224,798.40, with a growth of 6.60% or HRK 24,359,385.21 compared to HRK 368,865,413.19 in the same period of 2020, whereas the growth was mostly generated by a profit increase.

7 The Company asset value equals HRK 513,840,781.24, which represents an increase by HRK 13,149,170.80 or 2.63% compared to HRK 500,691,610.44 for the same period in the previous business year.

The value of current assets amounted to HRK 72,088,037.75 and was 48.66% higher (HRK 23,597,043.39) compared to the same period of the previous business year, when it amounted to HRK 48,490,994.36. We would like to highlight the increase in current assets in terms of cash by 75.66% or HRK 26,835,562.27, i.e. from the amount of HRK 35,470,588.26 in the same period in 2020 to the amount of HRK 62,306,150.53, which improved the Company's current liquidity.

8 The Company's total liabilities in the first nine months of the business year amount to HRK 120,615,982.84, representing a decrease by 8.50% or HRK 11,210,214.41 in comparison to HRK 131,826,197.25 for the same period in the previous year, which is the result of a reduction in short-term loan

interest liabilities, interest liabilities and trade payables as well as long-term liabilities pertaining to loans and long-term financial leasing. Considering the circumstances of the first six months of the business year and the very low business activity in the majority of the tourism sectors, this fact is emphasised as highly significant and favourable for the Company.

9 Total expenses amounted to HRK 76,695,548.83, which constitutes an increase of 9.65% compared to the same period in 2020, as a result of the increase in operating expenses, which amounted to HRK 62,553,328.57 in the reporting period, constituting a decrease of 10.40%, or HRK 5,893,484.93.

10 The Company is a beneficiary of the package of business measures adopted by the Government of the Republic of Croatia aimed at job retention in business conditions affected by the COVID-19 pandemic for the period of January, February, March, April and May 2021, which amounted to a total of HRK 4,963,771.11, i.e. HRK 2,500.00 per month and per employee for the said period.

11 Turnover of the Company shares designated as ILRA on the capital market was generated in the amount of HRK 1,060,522.00, representing an increase of 123.49% compared to the same period of the previous year, when it amounted to HRK 474,529.00, which is a result of increased liquidity of Company shares. The increased liquidity of the Company shares was, in part, a result of the increase of the number of

Company shareholders due to a decision of the Centre for Restructuring and Sale (CERP) regarding the award of free ILRA shares to Croatian veterans of the War of Independence and family members of fallen and missing Croatian veterans of said war, as well as the Decision on placing ILRA shares on the list of shares to be transferred to previous owners of seized assets. Therefore, as at 30 September 2021, the Company had a total of 293 shareholders in its ownership structure, unlike the same period of the previous year when it had 186 shareholders.

12 The last share price was achieved in the amount of HRK 163.00 in comparison to HRK 130.00, which was the last share price in the same period of the previous year, constituting an increase of 25.38%. The market capitalization calculated by applying the methodology of multiplying the last achieved share price and the number of shares grew in proportion to the last share price, from HRK 313,753,440.00 to HRK 393,398,544.00.

13 At its meeting on 30 April 2021, the General Assembly adopted the Decision to Appoint a Member of the Supervisory Board, with which Mr Goran Medić from Zadar, Ive Senjanina 12c, PIN: 54770742757 The term of the Supervisory Board member began on 21 June 2021, with the possibility of re-election. Moreover, at its meeting held on 24 June 2021, the Supervisory Board appointed one of its members as the Chairman of the Supervisory Board. Mr Goran Medić from Zadar, Ive Senjanina 12c, PIN: 54770742757, who held the

subject function in the previous mandate, was appointed as Chairman.

14 At the General Assembly held on 24 September 2021, the following decisions were adopted:

- New members of the Supervisory Board, i.e. the four existing members of the Supervisory Board, were elected for a new term (Davor Tudorović, David Anthony Tudorović, Prof. Darko Prebežac, PhD and Prof. Siniša Petrović, PhD), whose term starts on 18 December 2021.
- The Decision on the remuneration of Supervisory Board members was adopted.
- The certified auditing company UHY Rudan d.o.o. from Zagreb was awarded the audit work for 2021.

15 The Company, i.e. all tourism and hospitality facilities in its portfolio are holders of the national safety label Safe Stay in Croatia, awarded by the Ministry of Tourism and Sports, which confirms the implementation of health and safety measures and recommendations aligned with the World Health Organization's recommendations.

16 In April, the Ministry of Tourism and Sports conducted a regular process of recategorising the Park Soline camp, during which it was established that the Park Soline camp fully meets the requirements as prescribed by the Ordinance for the Four-Star Camp Category, thus all facilities of the Company, except for the Hotel Adriatic, have been categorised under the high-quality accommodation category.

BUSINESS (REORGANIZATION) OF BUSINESS ACTIVITIES, PROCESSES AND OPERATIONS, AND IMPLEMENTATION OF MEASURES AND ACTIVITIES OF THE GLOBAL COVID-19 PANDEMIC

The travel, tourism and hospitality sectors are among the sectors most affected by the COVID-19 pandemic globally, as they are labour-intensive sectors which generate a great amount of business and other economic activities due to their direct and indirect impact on the national and global economy. Due to the very nature of the activities of these sectors, they will be among the last to recover after the end of the pandemic. On 12 March 2020, from the date of declaring the pandemic, i.e. as of 12 March 2020, the Company began adjusting its business processes to the new circumstances caused by the COVID-19 pandemic and implementing the new Organizational structure. In other words, the business reorganization and adjustment processes (organizational, staffing and operational-technical processes) were initiated in order to manage the crisis and mitigate its consequences, which remain priorities in 2021 as well:

- I. protection and preservation of health and life of the Company's employees and guests
- II. preservation of the Company's assets, i.e. facilities
- III. Job retention of the Company's existing employees and of their financial situation
- IV. securing funds for regular salary payments to the Company's employees
- V. fulfilment of obligations towards Company's creditors, i.e. suppliers, payment of tax liabilities and contributions, as well as liabilities towards the bank
- VI. continuation of business operations and activities in

the Company's sectors and capacities, where possible. In the period since the declaration of the pandemic, the Company has undertaken a number of activities and measures in order to adjust business operations to the new circumstances and, at the same time, mitigate the consequences of the COVID-19 pandemic on the Company:

I Protection and preservation of health and life of employees and guests

Even before the pandemic started, the Company established the Service for Occupational Safety and Health, Health Care and Environmental Protection and, thereby formed a professional and operational team headed by three educated and qualified persons (master of sanitary engineering, health and safety engineer, master and engineer of food engineering) from the domain of health control and safety, occupational safety and hygiene and health standards and procedures in operational processes, with special emphasis on the food and beverage and the household departments. Among others, the expert and operational team consists of leaders from different Company's departments (Communications, Operational Business and Business Processes, Legal Sources and Human Resources) with the aim of quick and efficient implementation and coordination of Company's and competent authorities' measures and decisions in view of the COVID-19 pandemic. The Company's managers of health control and protection,

occupational safety and the control of quality and standards of the food and beverage and the household departments are implementing and undertaking all necessary measures to protect the health and life of the guests and employees through implementation, as well as to control the implementation of recommendations issued by competent authorities. The already high standards of hygiene and cleanliness we have been applying so far have been further improved. In addition, we have taken the necessary measures to further improve all measures and procedures aimed at protecting the health and safety of our employees and guests.

II Preservation of the Company's assets, i.e. facilities and the four-star standard we have already achieved for future business activity, i.e. the retention and preservation of all key facilities within the sector, i.e. our diversified tourism portfolio, which ensures the stability of Company's business system, market competitiveness and more flexible response to market demands in the new circumstances. We would especially like to note that despite the global pandemic, in October 2020, the Company considerably improved the quality and standard of the nautical sector when the Ministry of Tourism and Sport raised Marina Kornati's category from a two- to a four-anchor (star) rating. Additionally, it should be noted that in April 2021 the Ministry of Tourism and Sports conducted a regular process of recategorising the "Park Soline" camp, during which it was established that the "Park Soline" camp fully meets the

requirements as prescribed by the Ordinance for the four-star camp category. In this way, almost all tourism facilities of the Company in the hotel, camping and nautical sectors (except the Adriatic Hotel) were awarded a high four-star rating, thereby achieving one of the strategic and long-term goals of the Company.

III Business operations and activities in the Company's sectors and facilities, where possible

We have fully implemented the epidemiological measures in all facilities, our offer is fully in compliance with them and we have taken all necessary measures to protect the health and safety of our employees and guests. The company is closely monitoring the current situation and adjusting its business processes to measures and guidelines issued by the Croatian Institute of Public Health.

Therefore, the Company started initiating business activities according to the following phases:

1) The hotel sector, with no significant business operations in the first half of 2021; opening of the Company's largest hotel, the Ilirija****, and, in the second half of June, the Adriatic*** hotel. In the pre-season, there was an absence of more significant business activities due to the deterioration of the health situation and implementation of strict epidemiological measures in the key outbound markets of the Company's hotel sector.

2) Facilities within the destination management company (DMC) Ilirija Travel - no major business activity in the first half of 2021, given that these are facilities intended mainly for the event organization, MICE and incentive industry, which, in organizational terms, implies gatherings of a larger number of people.

3) Restaurant facilities in the nautical sector and restaurant facilities on the hotel sector were operating in accordance with measures and recommendations set by the competent authorities. Other sectors of the Company in the observed period performed activities with an adjusted business volume:

4) Marina Kornati, continues its regular business activities with an adjusted scope of business operation, which contributed to significant business security and stability of the entire Company as regards its year-round business.

5) City Galleria Business and Shopping Centre, continues its business activities with an adjusted business volume, in accordance with the measures and recommendations of competent authorities.

6) The camping sector of the Company, i.e. the Park Soline camp, was opened on 1 April 2021, with the Company initiating more intense business operations in the beginning of June 2021, a common starting period in the Croatian camping tourism, not including fixed-lease pitches /

mobile homes.

IV Job retention of existing employees and preservation of their financial situation, i.e. the retention of the Company's highly-qualified and professional employees who able to work at all levels for future business activity of the Company, after the pandemic ends. At the time of the declaration of the pandemic, on 12 March 2020, the Company had a total of 262 employees, of which 246 were actively working, while the rest were on maternity leave etc. The Company retained full employment, with 311 employees (including seasonal employees) as at 30 September 2021, of which 296 are active and have an assigned job position.

V Using aid for preservation of employment in 2021

The Company is a beneficiary of the package of business measures adopted by the Government of the Republic of Croatia aimed at job retention in business conditions affected by the COVID-19 pandemic for the first half of 2021 (January, February, March, April and May), which amounted to a total of HRK 4,963,771.11 for the said period. Despite the fact that the Company's business activities were still strongly affected by the pandemic during the first half of 2021, i.e. were performed under aggravated circumstances and in a limited scope, the Company retained its employees and regularly paid their salary.

VI Deferral of payments of all liabilities due in respect of the principal of the long-term loans until 30 April 2021

In June 2020 the Company and Erste & Steiermärkische Bank d.d. signed an Annex to the Loan Agreement deferring payments of all liabilities due in respect of the principal of the long-term loans with a one-year deferral period, i.e. for the period from 1 April 2020 to 30 April 2021 in order to preserve current liquidity and financial stability of the Company.

In line with the above, the deferral of payments of all due principals of long-term loans expired on 30 April 2021 and the Company is required to pay all annuities, as well as interest that the Company was regularly paying the entire time.

VII The conversion of an existing short-term loan in the amount of EUR 600,000.00 with repayment maturity in the summer of 2020 into a medium-term loan of the same amount with a three-year repayment period and a one-year grace period, with repayment to be started from 1 July 2021

The Company was the beneficiary of a short-term loan in the amount of EUR 600,000.00, which it repaid in advance in full in agreement with Erste & Steiermärkische Bank d.d. from its own current funds in June 2020, two months ahead of schedule. At the same time, the Compa-

ny requested a loan from Erste & Steiermärkische Bank d.d. for permanent working capital in the same amount, EUR 600,000.00, with a three-year repayment period and a one-year grace period. By concluding a loan agreement on 3 June 2020 between the Company, as the borrower, and Erste & Steiermärkische Bank d.d., as the lender, a new loan sub-account in the amount of EUR 600,000.00 was fully realized.

With such a credit arrangement, the Company, in agreement with Erste & Steiermärkische Bank d.d., essentially converted the loan from a short-term to a medium-term loan, which is much more favourable in terms of preserving the current liquidity of the Company. In addition, such a credit transaction did not increase the Company's credit liabilities, as they remained the same.

In accordance with the above, liabilities in respect of the medium-term loan will become due on 1 July 2021, while the Company was regularly paying interest the entire time.

VIII Deferral of payment of all liabilities due in respect of the lease until 31 March 2021

Deferral of payment of all liabilities due in respect of the principal of the financial lease by the Company's commercial bank Erste & Steiermarkische Bank d.d. for the period from 1 April 2020 to 31/03/2021. Request for refinancing of

all liabilities deferred in respect of the principal of the financial lease in the period from 1 April 2020 to 31 March 2021 and transferring to regular increased repayment scheme by lease instalments until the end of the Repayment Plan.

In accordance with the above, the deferral of payment of several individual financial lease subaccounts expired on 31 March 2021. Starting with 1 April 2021, the Company pays all financial lease principals, as well as interest that the Company was regularly paying the entire time.

IX Short-term limit with the commercial bank in order to retain the current liquidity of the Company

In June 2021, the Company concluded a Shot-Term Limit Agreement with the commercial bank Erste&Steiermarkische Bank d.d. for the amount of EUR 2,000,000.00, which will secure a short-term credit limit for the duration of the year for the purpose of maintaining current liquidity.

Moreover, in May 2021, the Company concluded a Permanent Working Capital Agreement with the commercial bank Erste&Steiermarkische Bank d.d. for the amount of HRK 15,000,000.00 to be used by 30 June 2022 with a one-year grace period and a five-year repayment plan starting from 1 July 2023, for the purpose of reinforcing current liquidity if necessary. As at 30 September 2021, the Company has not used any funds provided by the loan.

X Maximum reduction, i.e. optimization of all operating costs to only necessary and indispensable costs

Adjustment, i.e. maximum and appropriate reduction, i.e. optimization of all operating costs that are not necessary and indispensable for current operations, given the Company's significantly reduced business activity, which is expected also in 2021.

XI Cooperation with suppliers

The Company will proceed with its continuous and integrated mutually successful business cooperation with all significant suppliers of goods and services in 2021, as it did during the entire period of operation in 2020 under significantly aggravated circumstances.

XII Monitoring and management of trade receivables

By implementing active collection of both future trade receivables from customers and trade receivables existing at the moment the pandemic was declared, the Company will seek to collect them in the most appropriate manner, taking into account the aggravated circumstances of collection and implementation of the measures of payment in instalments where possible, and also undertaking compulsory collection measures if needed.

XIII Investments for the business year 2021

The Company considers that, so far, no conditions for significant investments have been created, especially considering the current business scope, results achieved in 2020 and the expected business results in 2021, due to uncertainty of doing business in circumstances surrounding the COVID-19 pandemic.

Exceptionally, the Company will invest certain funds in the Park Soline camp, in accordance with the current investment plan, as well as the City Galleria Business and Shopping Centre, for the purpose of maintaining the existing content and service quality.

XIV Principles of corporate social responsibility (CSR) and the application of the principle of diversity in operation of public limited companies

Preserving the CSR system and principles in the circumstances which disrupted the Company's business operations as much as possible and acceptable. Considering the extraordinary circumstances and the business environment in 2021 that especially endangered the economic goals of the Company, these goals are considered the priority by the Company in order to ensure its long-term financial stability and business viability.

In addition to the financial statements, the Company also draws up a separate non-financial report, i.e. Annual Report on Corporate Social Responsibility in Croatian and English, in which it provides key information, data and indicators (both qualitative and quantitative) as well as a description of economic, social and environmental aspects of the Company's activities. In its financial and non-financial reports, the Company provides a complete overview of the Company's achievements related to its operating results, its effects and impacts on its stakeholders, as well as of its activities related to social and environmental aspects, i.e. a transparent and complete overview of its actions.

The Company is a signatory of the Croatian Diversity Charter, which forms part of a broader regional project implemented by the Croatian Business Council for Sustainable Development (HR BCSD) for the Republic of Croatia with the support of the European Commission. The President of the Company's Management Board is one of the five promoters of the Croatian Diversity Charter in Croatia. The aim of the Croatian Diversity Charter is to promote and encourage diversity, non-discrimination, inclusiveness and equal opportunities in the workplace. Also, in 2020 the Company joined the Alliance for Gender Equality, which aims to: (i) achieve an equal level of representation, i.e. gender balance at all levels and positions; (ii) promote equal opportunities (employment, training and promotion) for both women and men; and (iii) enable provision of equal pay for jobs of equal value. The values the Company cherishes most are

equal opportunities in the workplace for all Company employees, both permanent and seasonal, as well as diversity of knowledge and experience and preservation of the personal and business integrity and dignity in the workplace, and the Company channels them towards the creation of a community, that is, of a motivating and stimulating business system that cares about its employees. One of the permanent goals is to create a working environment that encourages and ensures professional development of employees, while taking care of their social needs by respecting their personal and professional diversities. Knowledge, experience, education and competencies are the principles on which long-term and sustainable development of the Company as a responsible business system is based, with full respect for the personality and dignity of employees.

XV Digitalization of the Company and virtual business

Following the first day of reorganization of business activities and business processes due to COVID-19 pandemic, the Company ensured rapid digital transformation of most of the business processes. In other words, the Company established virtual business operations at the level of all sectors, especially the sales and marketing departments and corporate services department, with the aim of enabling uninterrupted operation of the Company's key business processes during the global pandemic.

The digitalisation of business processes involves techno-

logical and marketing solutions, as well as novelties in practical solutions. Technological solutions include improvements in business monitoring and digitalisation of a major part of business processes, digital payment solutions, online booking platforms, cross and contactless payment in all accommodation and accompanying hospitality, health or sport facilities of the Company.

Some marketing solutions introduced in all accommodation segments of the Company's tourism activities include flexible booking terms, self-check-in, digitalisation of information for guests, online orders and communication with staff, food delivery to accommodation units, etc. The Company's health protection service places even greater emphasis on the cleanliness, privacy and safety of guests by applying its health and safety protocols.

In conclusion:

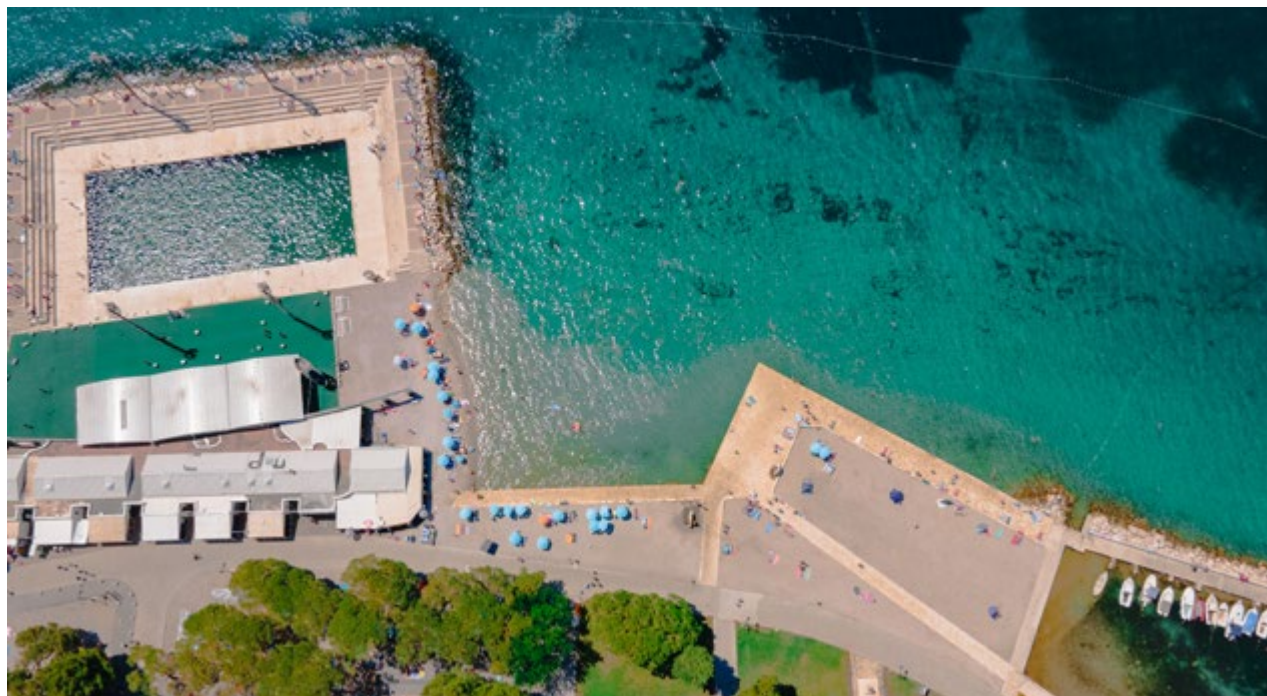
By implementing the above mentioned measures and activities, pertaining to the period from the moment the pandemic was declared (12 March 2020) and to whole business year 2020 and the current business year 2021, the Company has adjusted its business processes and activities to the new circumstances in order to: (I) maintain the long-term business stability of the Company, (II) ensure smooth operation of business processes in the sectors and profit centres in compliance with all health, epidemiological and sanitary measures and recommendations of the competent authorities, (III) preserve the Company's cur-

rent liquidity, (IV) preserve the Company's assets and facilities, and (V) retain full employment and preserve the social and material rights of employees. The Company based the resilience of its business system for the purpose of maintaining its main business goals on three key areas:

1. commercial resilience – based on the Company's ability to quickly and efficiently adapt to extraordinary market circumstances of doing business by adjusting its marketing and sales activities in all Company sectors.

2. operational resilience – based on the ability to adjust operational business processes to extraordinary circumstances whilst maintaining maximum service and amenity quality and minimising possible negative effects of the COVID-19 pandemic on operational processes.

3. financial resilience – based on the Company's ability to maintain financial stability of the business system by maintaining liquidity, assets and business activity through realisation of revenue ensuring the Company's business stability until the end of the pandemic. The Company achieved this by using exclusively its own funds - both its business and current funds from its own cash flow - without any additional foreign or loan funds, except for funds which were allocated to it by the Government of the Republic of Croatia in form of job retention grants, which are offered as assistance to the Croatian economy in the context of the COVID-19 pandemic. In addition, we want



to express our great satisfaction with our commercial bank Erste & Steiermärkische Bank d.d., which has been very understanding of the difficulties we are facing, and which helped the Company by approving all of our requests related to a one-year deferral of repayment of all principals of loans and financial leases. We believe that the Company as a whole, by undertaking a series of above-mentioned actions and procedures at the level of all sectors and business segments relating to the organization of business activities and the activities of the Company, in a very successful way

eliminated, i.e. neutralized all negative and unplanned risks to the Company, which emerged as a result of the unpredictable, extraordinary and unfavourable circumstances brought on by the COVID-19 pandemic, which caused an unprecedented economic crisis in the world, Europe and the Croatian economy, especially in tourism and hospitality sectors, which are the main activities of our Company.

1 ABOUT ILIRIJA D.D.

1.1 BASIC INFORMATION

ILIRIJA d.d. is a public joint stock company registered for hospitality and tourism with registered office in Biograd na Moru, Tina Ujevića 7, that has been active in the Croatian tourist market for over **64** years. The business operations of ILIRIJA d.d. is based on the principles of corporate social responsibility as an integral part its corporate values.

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

AD 1307, event boat “Nada”), **sports-recreational and entertainment center** (Tennis center Ilirija with 20 tennis courts and Aquatic center with hospitality facilities), and since the month of December 2016, the Company’s portfolio includes the **Commercial-Shopping Center City Galleria** in Zadar with more than 28.500m² gross area in total six floors and total 9.924,60m² net rented floor area.

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

1.2 CHRONOLOGICAL OVERVIEW OF THE COMPANY'S DEVELOPMENT

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

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

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

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

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

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

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

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

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

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

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

Years 2000 – 2021 | During this period, that is, by 30/09/2021, the Company invested HRK 635,516,389.82 in construction, reconstruction, extension, upgrading, renovation and adaptation of accommodation facilities and establishments of the Company in order to enhance the quality, improve the overall service and standards in all sectors of the Company, develop new products, improve and increase the categorization of the accommodation facilities and nautical capacities, expand hospitality facilities with an aim to create a high-quality, recognizable and competitive tourism product and enhance the quality of the offer of the destination itself, which resulted in a growth in total revenues and newly created value in the mentioned period in the amount of HRK 1,035,740,025.06.

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

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

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

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

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

Year 2014 | As a part of the Company's business system, the first Croatian diffuse hotel Ražnjevića dvori AD 1307 was opened. **Year 2015** | Renovated Villa Primorje****, built in the second half of the 19th century, luxuriously decorated and equipped in line with the latest standards for facilities of its kind and category, has its own restaurant that offers the possibility of organizing a number of events.

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

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

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

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

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

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

1.3 COMPANY'S BODIES

1.3.1 COMPANY MANAGEMENT BOARD

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

1.3.2 SUPERVISORY BOARD

Goran Medić, President of the Supervisory Board

David Anthony Tudorović, Deputy President of the Supervisory Board

Davor Tudorović, Member of the Supervisory Board

Siniša Petrović, Member of the Supervisory Board

Darko Prebežac, Member of the Supervisory Board

1.3.3 SHAREHOLDERS' ASSEMBLY



1.4 SUBSIDIARIES

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

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

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

1.5 AFFILIATED COMPANIES

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

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

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

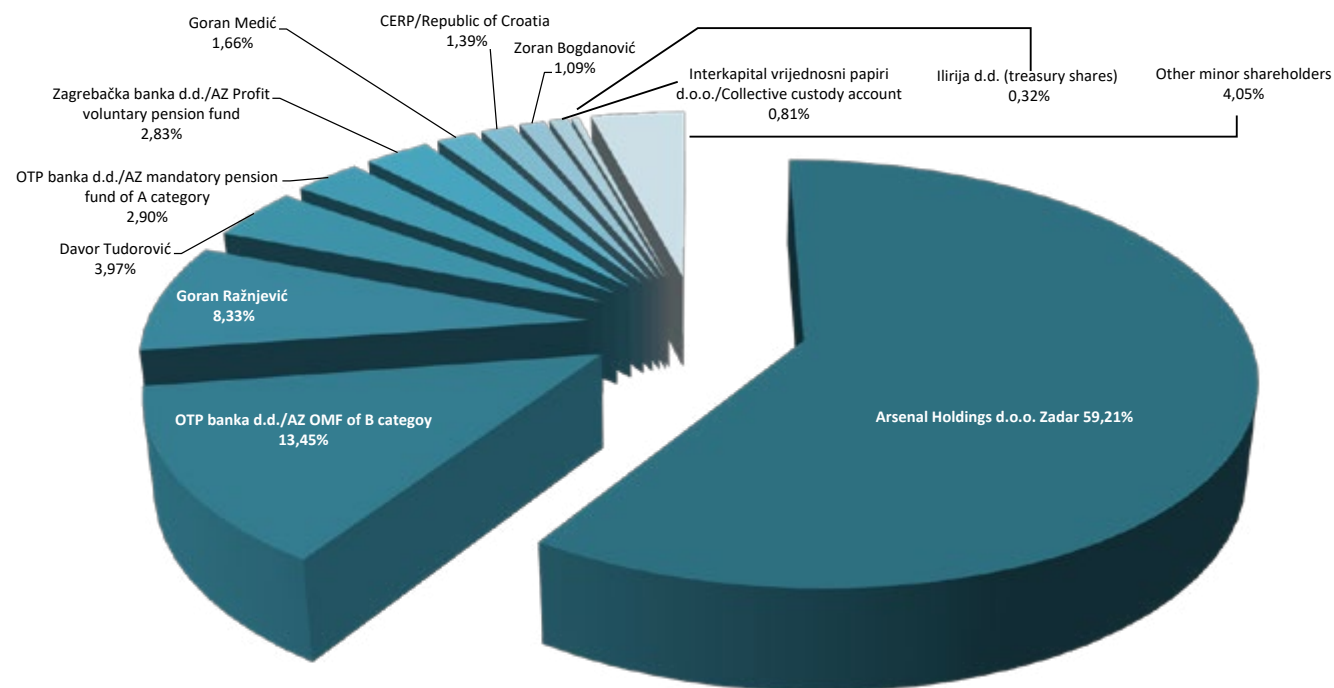
1.6 OWNERSHIP STRUCTURE OF THE COMPANY AND TRADING IN THE COMPANY'S SHARES AT THE ZAGREB STOCK EXCHANGE

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

As at 30/09/2021, there were no significant changes in the ownership structure, while an overview of the major shareholders of the Company as at 30/09/2021 is provided below.

Owners - shareholders	Number of shares	Share in %
Arsenal Holdings d.o.o. Zadar	1.429.032	59,21
OTP banka d.d./AZ OMF of B category	324.605	13,45
Goran Ražnjević	201.120	8,33
Davor Tudorović	95.744	3,97
OTP banka d.d./AZ mandatory pension fund of A category	69.898	2,90
Zagrebačka banka d.d./AZ Profit voluntary pension fund	68.200	2,83
Goran Medić	40.000	1,66
CERP/Republic of Croatia	33.601	1,39
Zoran Bogdanović	26.216	1,09
Interkapital vrijednosni papiri d.o.o./Collective custody account	19.609	0,81
Ilirija d.d. (treasury shares)	7.833	0,32
Other minor shareholders	97.630	4,04
TOTAL	2.413.488	100,00

OWNERSHIP STRUCTURE OF THE COMPANY AS AT 30/09/2021



TRADING IN COMPANY'S SHARES ON THE CROATIAN CAPITAL MARKET IN THE PERIOD 01/01-30/09/2021

(amounts in HRK)	I-IX 2021	I-IX 2020	% change
Total turnover	1.060.522,00	474.529,00	123,49%
Average share price	161,66	174,97	-7,61%
Average turnover per transaction	6.275,28	13.131,36	-52,21%
Average daily turnover	15.369,88	26.362,72	-41,70%
Last share price	163,00	130,00	25,38%
Market capitalization*	393.398.544,00	313.753.440,00	25,38%
Market capitalization**	390.164.470,08	422.287.995,36	-7,61%
Number of shares:	2.413.488	2.413.488	

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

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

In the first three quarters of 2021, the share designated as IRLA generated a considerably larger volume of trading, number of transactions and total turnover in comparison to the same period of 2020. A total of 3,560 shares were traded, which constitutes a growth of 141.89% in comparison to the 2,712 shares from the same period in 2020 traded in 169 transactions. The total turnover amounted to HRK 1,060,522.00, which is a 123.49% increase compared to the same period of 2020. The Republic of Croatia as the shareholder, whose shares are managed by the Centre for Restructuring and Sale (CERP), reduced the amount of IRLA shares in the portfolio of the Republic of Croatia in the observed period by transferring them to physical persons free of charge, i.e. to Croatian veterans of the War of Independence and family members of fallen and missing Croatian veterans of the said war, and with the Decision on placing IRLA shares on the list of shares to be transferred to previous owners of seized assets, which are the main reasons for the said increase in the turnover of the ILRA share on the capital market.

In the same period, the ILRA share price increased by 25.38%, i.e. from HRK 130.00, at the beginning of the year, to HRK 163.00 per share as at 30 September 2021). The market capitalization of the Company that amounts to HRK 393,398,544.00 was proportionally increased.

The movement of the share price designated as ILRA and comparison with CROBEX and CROBEXTURIST indices

In the nine months of 2021, the turnover of shares in the order book of bids was realised in the amount of HRK 1,269,205.161 on the Zagreb Stock Exchange, which was 33.11% lower than in the same period in 2020 when it amounted to HRK 1,897,517,253. A lower turnover was also realised in the bond segment with a reduction of 30.45%, while the block trading of shares was increased by 9.47%. The turnover of ETFs, which was absent in the same period in 2020, was achieved in the amount of HRK 37,998,754. The total turnover of securities on the Zagreb Stock Exchange in the first three quarters of 2021 amounted to HRK 1,793,108,045, which is 25.37% less than in the same period of 2020, when it amounted to HRK 2,402,551,696. The CROBEX index achieved an increase of 14.97% in the observed period, while the CROBEXTurist sector index saw an increase of 1.43%.



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



1.7 COMPANY BUSINESS MODEL

The Company has been present on the domestic and international tourism market for over six decades and since 2016 when it acquired the Commercial-Shopping Center City Galleria, it became the Company with a wide range of activities, the portfolio of which is composed of 5 sectors:

- **Hotel sector** – 4 hotels, 443 rooms, 922 beds
- **Nautics** – 805 berths, 2,000 persons
- **Camping** – 1,208 pitches, 3,624 persons
- **Destination management company/DMC Ilirija Travel** – through which in 2020 were organized 106 special events for 9.658 persons
- **Real-estate segment** – Commercial-shopping center City Galleria in Zadar, one of the two largest shopping centers in the Zadar region

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

processes (management and operations) within the sector or facility.

Diverse tourism and real estate portfolios are based on the resources of the region and on a continuous investment in the improvement of the existing contents and products as well as the development of the new ones, which is also the foundation of the Company's business and development policy. The presence on the market for more than 6 decades and the related knowledge and experience, enable the Company to maximize its economic, financial, market and human resources potential **through the development of a complementary and integrated product through the destination management company. The Company strives for one of its strategic goals – year-round business operations of its sectors**, with an emphasis on the hotel sector and camping, through a good extension of the high season to the shoulder season and creating added value for both the Company and the destination, or the wider community. Through the destination management company, the Company contributes to the development and recognizability of the destination by organizing the events and by offering contents and programs in their own organization and their own facilities and capacities.

1.8 BRANDS OF THE COMPANY

ILIRIJA RESORT
HOTELS & VILLAS ■■■■



marina Kornati

**** *camping park soline*

ILIRIJA Travel
DMC&PCO • WWW.ILIRIJA-TRAVEL.COM

City Galleria

ARSENAL
ZADAR

EVENT SHIP
Nada



LAVENDER BAR



Donat
BEACH BAR

1.9 STANDARDS AND CERTIFICATES

By implementing health and safety measures in line with the World Health Organisation recommendations, the Company has assumed responsibility over the health and safety of its guests, employees and the environment, as further demonstrated by the Safe Stay in Croatia national label of safety introduced in all of the Company's facilities at the level of all its tourism sectors (hotel sector, camping, nautics and the hospitality facilities we do business in).

Green Key is a certification program for accommodation units designed to raise awareness among owners, staff and clients regarding the need for environmental protection and the need to promote sustainable development. It is awarded to accommodation facilities, which decrease adverse impacts on the environment through the optimisation of the use of energy sources, waste management, educating the guests and staff on the most significant aspects of sustainable development and environmental protection. "Park Soline" camp was awarded this international certificate in 2013, when it was one of only two camps in Croatia that had met all the criteria for this eco-label, and nine years later, i.e. in 2021, the commitment of the "Park Soline" camp to sustainable development was confirmed with its recertification.

The international certification company SGS Adriatica d.o.o. carried out the recertification according to the HACCP Codex Alimentarius system, whereby it was verified that all of the Company sectors meet the HACCP standards with respect to the provision of food and beverage-related services; that is, that the Company exercises a high level of control in the process of production and distribution of food products which enables identification and assessment of any potential risks, their prevention and control and ensures effective implementation of the standard measures.





2 CORPORATE STRATEGY AND GOVERNANCE

2.1 VISION, MISSION AND FUNDAMENTAL VALUES

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

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

Fundamental values:

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

Quality – a top-quality product, professional service and individual approach to clients are the basis of the relation to the guest which is at the heart of the company's service.

Innovation – to be the initiator and creator of new products and services, contributing to the future development of Company, destination and Croatian tourism.

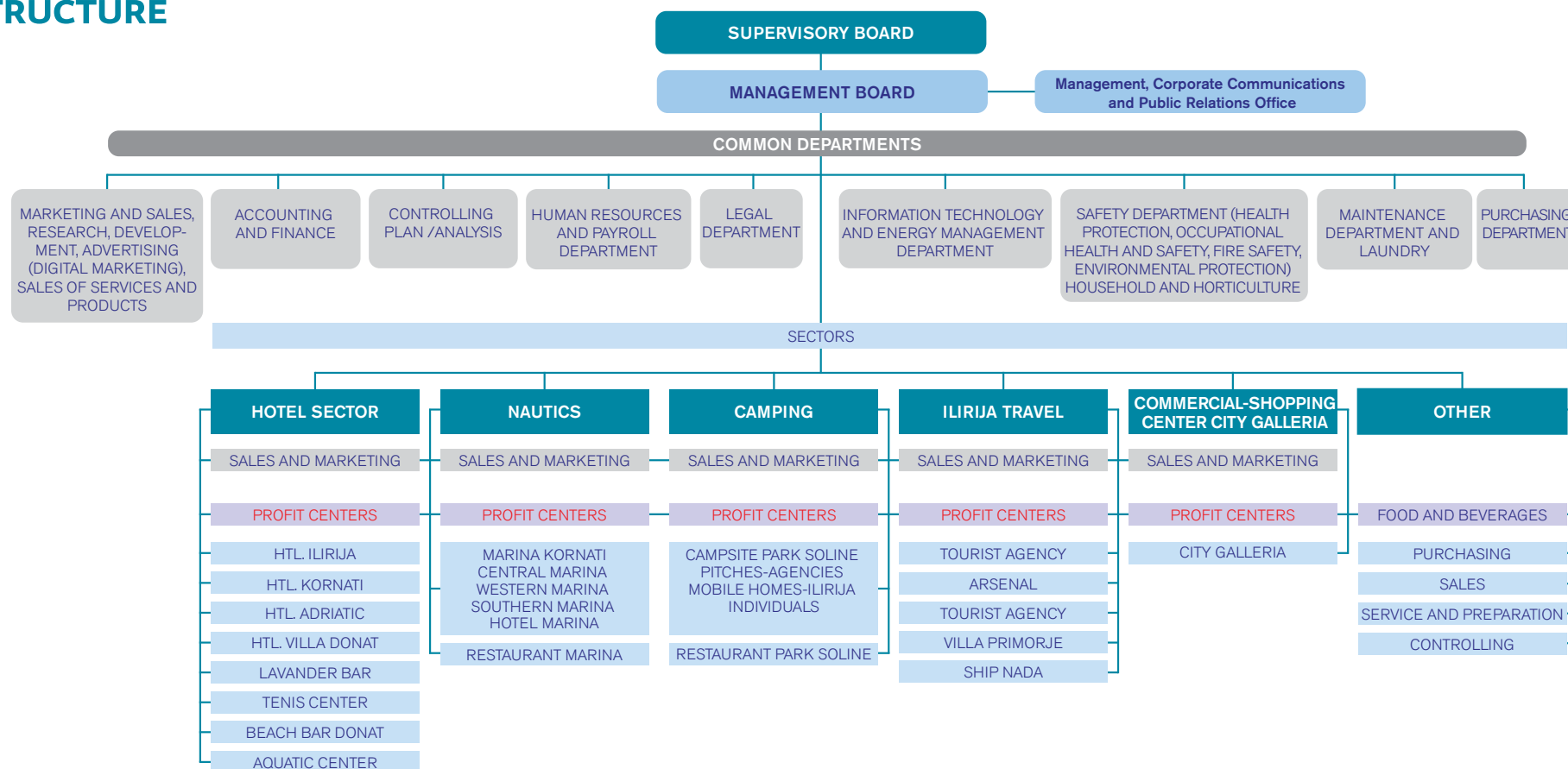
Sustainability and responsibility – in business, investment, relationship with its employees, business partners, clients (guests), local, regional and regional community, shareholders and day-to-day operations by integrating the economic, social aspects and environmental protection aspects into decision-making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

Transparency – in business and communication with all stakeholders of the company while complying with the principles of timely and accurate information provision as a prerequisite for further strengthening the Company's market position and its further growth.

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



2.2 ORGANIZATIONAL STRUCTURE



2.3 RISKS AND RISK MANAGEMENT

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

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

- Identification of potential risks;
- Assessment of the likelihood of occurrence of the Company's risk;
- Assigning responsibilities and taking actions in order to eliminate and/or reduce risks;
- Monitoring and reassessment of risks in order to avoid their negative impacts;
- Exchange of information on the activities undertaken and the results of actions between the business process managers and the Company's Management Board through the lines of communication established by the prescribed procedures.

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

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

Even though most of its revenues are realised in the domestic market, the Company is exposed to currency risk. The prices of accommodation services are linked to foreign currencies, predominantly to the euro, the value fluctuations of which may significantly affect business results. Exposure to the currency risk is also the result of borrowing based on loans, the agreed amounts of which are denominated in euros.

The repayment obligation regarding loans taken out with a currency clause, which the Company uses in proportion to its business load, depends on the movements of the exchange rate of the kuna against the euro. Negative aspects of exchange rate fluctuations with respect to loans are compensated by the fact that a significant portion of the Company's revenues are realised in the same currency (EUR).

Indebtedness of the Company with the commercial bank is mainly subject to fixed interest rates, so taking this into consideration, the Company is not exposed to interest rates based on that, but only due to exceptional circumstances

and disturbance in the operations which are not attributable to the Company. For the purpose of reducing credit risk, the Company strives to reduce its credit liabilities to an adequate, i.e. optimum level in order for them to be lower than its own source of funds. Financial assets that may potentially expose the Company to credit risk are cash and trade receivables. Trade receivables pertaining to certain customers may entail credit risk, depending on the level of turnover realised with certain customers and the general state of liquidity in the country. Trade receivables are reported with reference to real values. The Company actively monitors and manages trade receivables, at the same time taking especially into account the difficult collection-related circumstances caused by the COVID-19 pandemic; where possible, it applies the measures of collection in instalments; and, if necessary, eventually undertakes measures of enforced collection, including by activating security instruments for the purpose of collection of its claims. An adjustment of the value of trade receivables is indicated when there is objective evidence that the Company will not be able to collect all of its claims in accordance with the agreed terms. Apart from the aforementioned, the Company has no exposure to any other significant credit risk.

Liquidity management implies maintaining a sufficient amount of money in order to settle the Company's liabilities. One of the primary Company goals in the significantly changed business environment and in the absence of the hospitality and tourism industry activities caused by the global COVID-19 pandemic is to maintain its current liquidity for the duration of the global pandemic. The

Company is, therefore, undertaking activities to diversify its existing and secure new financing sources to overcome this period, it is trying to minimize and optimize all of its operating costs, and is actively cooperating with all significant creditors by settling the liabilities they had at the moment of the declaration of the global pandemic.

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

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

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

Pursuant to the Act on Tourism and Other Construction Land Not Evaluated in the Transformation and Privatiza-

tion Process (hereinafter: the Act), the Company submitted to the Republic of Croatia a request for a concession on tourism land for the "Park Soline" Camp in Biograd na Moru for a period of 50 years. Due to unclear provisions of the Act, no decision has been rendered to date regarding the Company's request. According to the information available to the Company, no concession contract for tourism land plots in campsites has been concluded in the Republic of Croatia since the Act has come into force (01/01/2011). Until the issue of concession for tourism land in campsites is resolved, the Company timely pays its debts arising from using the said land in the campsite.

In the meantime, in May 2020 the new Act on non-evaluated construction land was adopted, and thus the Act on tourist and other construction land not evaluated in the transformation and privatization process ceased to have effect. The new Act provides for the right of tourism companies to submit an application for leasing construction tourist land for a period of 50 years. In March 2021 the Company submitted the appropriate application for leasing construction land of the camp site for a period of 50 years to the competent authority of the Republic of Croatia, that is, to the Ministry of Physical Planning, Construction and State Assets. Under the provisions of the Act on non-evaluated construction land, a company shall become the owner of buildings, land under buildings and land in camp-sites that were evaluated and entered into the value of social capital in the transformation and privatization process, while the Republic of Croatia shall become the owner of buildings and land in camp-sites that were not evaluated and entered into the value of social

capital in the transformation and privatization process (so called Parts of camp-sites owned by the Republic of Croatia).

The Company is a concessionaire of the Kornati nautical tourism port in Biograd na Moru (hereinafter: Marina Kornati) for a period of 32 years, counting from 13 January 1999 and in accordance with Article 22 of the Act on Maritime Domain and Seaports (hereinafter: ZPDML) on 17 October 2017 the Company submitted to the Government of the Republic of Croatia, through the competent Ministry of the Sea, Transport and Infrastructure of the Republic of Croatia, a request for modification and amendment of the Decision on Concession and the Concession Agreement, that is, for extending the term of the concession by a period of 50 years, i.e. until the year 2049 (extension of the concession term if new investments are economically feasible for it), primarily considering the same or similar cases from the recent Croatian practice where, according to the request for extension of the concession term submitted by other companies engaging in nautical tourism and which compete with Ilirija d.d., the concession term was extended to them in marinas by a period of 50 years. The mentioned request is yet to be decided on.

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

Company duly settles the concession fee in the agreed amount.

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

Other business risks, such as large-scale fires, epidemics of infectious and easily transmitted infectious diseases, accidental pollution of the coastal and marine aquarium, which are beyond the Company's control, but may potentially jeopardize the Company's business safety, are the circumstances which the Company attends to insofar as it can actively contribute to as low impact on the Company's long-term business viability as possible, being aware of the fact that the Company's impact here is reduced to measures which cannot be of key importance to the elimination of all the risks posed to the Company. From the business year 2020, the world faces an unpredictable, serious and extremely dynamic risk related to the epidemiological situation, i.e. the global COVID-19 pandemic, which has had an extremely negative impact on business entities in almost all industries, albeit the

most severely affected ones are certainly the travel industry, tourism and hospitality, all of which form an integral part of the Company's core business. COVID-19 risk is also the biggest and most serious risk that the Company has faced so far, which it has successfully mitigated by implementing a series of measures and activities described in the chapter Reorganisation of Business Activities, Processes and Operations and Implementation of Measures and Activities as a Response to the Global Covid-19 Pandemic.

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

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

- (I) the unresolved issue of ownership since the moment of conversion, that is, property-legal, physical planning-urban and economic use and utilization of the construction tourism land in campsites and around hotels,
- (II) inadequately resolved or unresolved issue of conversion on the maritime domain, i.e. of acquired rights, legitimate investments and legitimate expectations in the maritime domain, having in mind, in particular, the

contracted permanent right to utilization of the maritime domain, while companies which completed the conversion process, as is the case with our Company, carry out economic activity on the maritime domain, contrary to the provisions of Article 49 of the Constitution

(III) The VAT rate on services in tourism and hotel industry is much higher than in competitive countries, which consequently makes Croatian tourism less competitive, hinders and slows down further investments both in the construction of new accommodation facilities and in improvement of the existing services and standards, affects new employment and salaries in tourism and hospitality, (IV) insurmountable obstacles regarding existing bureaucracy, administrative barriers, frequent changes to regulations,

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

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

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

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



3 BUSINESS CAPACITIES OF THE COMPANY AND ADDITIONAL FACILITIES

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





3.1 HOTEL SECTOR

Hotel sector capacity consists of 443 accommodation units (hotel rooms and apartments) with a total of 922 beds located in Biograd na Moru (Ilirija****, Kornati****, Adriatic***) and Sv. Filip i Jakov (hotel Villa Donat***/****), mainly classified as four star hotels.

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

As part of Ilirija Resort there is a conference center that consists of 8 halls with a total capacity

to accommodate 30 to 250 persons, and there is also a magnificent garden with terraces ideal for banquets, receptions and entertainment, outdoor swimming pools, beach and from May 2018, an indoor swimming pool.

ILIRIJA RESORT – HOTEL & VILLAS

Hotel Ilirija the largest hotel in Ilirija Resort classified as a four-star hotel, with a capacity of 165 rooms and 338 beds, and includes a restaurant with 200 seats, a terrace with 70 and aperitif bar with 50 seats. It is located along the coast, close to the old town, surrounded by magnificent nature, sea and pinewood, as well as many amenities.

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

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

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





3.2 NAUTICAL SECTOR

Nautical sector the Company began to develop in 1976 when it concluded the Contract on purchase of 40 ELAN vessels from Slovenia or 1977 when the Company began with the construction of the first nautical marina in Croatia (Hotel port Kornati) with 100 berths and organization of the first own charter fleet in the Adriatic sea with more than 40 vessels for the needs of sailors. Therefore Ilirija d.d. deserves to be considered to be a pioneer of nautical tourism at the Adriatic sea. Today, the nautical sector of the Company consists of Marina Kornati and Hotel port Kornati, in which the Company has 805 berths on sea and land, which in one day can accept up to 2000 sailors, and by the number of berths, modern technical equipment, quality of service, cleanliness and neatness (Blue Flag) the Marina Kornati is one of the three leading Croatian marinas which annually attracts over 60,000 sailors.

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

Marina Kornati is the winner of numerous awards, where we wish to emphasize the Special Award in the "XVI Tourism Flower - Quality for Croatia 2012" action, organized by the Croatian Chamber of Commerce and the Croatian Radio and Television, which is an award for the best marina in the cate-

gory of over 450 berths. In 2013, in the "XVII Tourism Flower - Quality for Croatia 2013" action, it received an award in the competition of the largest marinas, while in the same action in 2014 and 2015 it ranked second in the "Best big marina" category and in 2016 it ranked third in the same category. In 2017, it received an award for the third place in the category of Large marina in the addition to "XXI Tourism Flower - Quality for Croatia".

In 2018, Marina Kornati was awarded with two prizes: (I) a special prize from The Nautical Patrol of the Jutarnji List for the greatest progress in the tourism season 2018 and for an exceptional contribution to the development of Croatian nautical tourism and (II) in the "XXII Tourism Flower - Quality for Croatia" action, it was ranked third in the Large marina category.

In 2019, the Company was awarded the recognition "XXIII. Tourist Flower - Quality for Croatia", organized by the Croatian Chamber of Commerce and the Croatian Radio and Television for the 2nd place in the category Large Marina and Nautical patrol of the Jutarnji List awarded special recognition and gratitude to Marina Kornati for its outstanding contribution to the organization and success of the nautical patrol.

Ilirija d.d. is the organizer of the leading boat show in Croatia „BIOGRAD BOAT SHOW“ which has been continuously held in Marina Kornati for 23 years in a row.



3.3 CAMPING SECTOR

The four-star "Park Soline" Campsite is located in Biograd na Moru within the boundaries of the populated area, but as a separate town-planning and urban and economic entity in the southeastern part of the town of Biograd na Moru, right by the main beach in the coastal length of approx. 1.5 km where the beach of 450 meters is positioned right in front of the campsite itself.

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

In addition to the enriched restaurant offer, the newly built promenade that stretches along the entire campsite and the beach leading to the Biograd city center, the "Park Soline" Campsite is the right choice for a family vacation. In addition to entertainment for children and evening entertainment, active holiday with attractive sports, you can relax walking along

the long walking trails and recreational routes in a healthy environment, and the campsite is an excellent choice for all nature lovers.

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

The value of investments made so far in the campsite "Park Soline" from the year 2000 till the end of 2020 amounted to approximately HRK 209,000,000.00 and owing to these investments, the number of overnight stays rose from 4,556 in 1996 to 290,487 overnight stays in 2019 that is to 139,052 overnight stays in the extraordinary business circumstances in 2020.



3.4 ILIRIJA TRAVEL

Ilirija Travel – destination management company:

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

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

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

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

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

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

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



3.5 HOSPITALITY

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

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

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

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



3.6 ADDITIONAL FACILITIES

Event: Biograd Boat Show, the largest international autumn boat show in the Republic of Croatia and the largest boat show in South East Europe among the shows, which takes place on the water and brings together all the key representatives of the nautical industry and tourism. At the beginning, that is, in the year 1999 the boat show was organized as Spring Open Days, mainly intended for companies that operate in the marina, as the first such event in North Dalmatia. Wishing for Biograd na Moru, to win the top nautical event considering its status of the city as a cradle of nautical tourism, at which all sectors of the nautical and charter business will be presented, the Open Days grew into Biograd Boat Show. Since 2004, the event has been organized as an autumn boat show which has contributed to an improved boat offer and extension of the tourism season. Biograd Boat Show was admitted to the International Federation of Boat Show Organisers-IFBSO at the 50th meeting of the Federation that took place in Istanbul, Turkey, in June 2014, and in 2015 it became its gold member. The shows of former members of the Federation were mainly organized in the major world centers, and the fact that the Biograd Boat Show is organized in the city of only 5,000 residents makes this success even greater, which is a great recognition not only to the Company as the boat show organizer, but also the Croatian nautical industry and tourism.

Today the leading international autumn nautical show has grown into the major Croatian nautical event and in the last three years it has grown into the nautical industry congress in the Republic of Croatia. From its early beginnings the boat show brings together all representatives of the nautical industry and tourism, government institutions, major organizations in tourism and nautics as well as professional associations. Owing to this partnership with all relevant subjects, and now longterm exhibitors and partners, we have been developing Biograd Boat Show by listening to their needs, keeping up with trends in the nautical and trade fair industry while implementing our own vision of its development creating a high quality, distinctive, and above all, sustainable economic and tourism product, which since its beginnings further enriches the Croatian tourism supply, especially its post-season.

The 2020 Show marking its 22nd anniversary gathered more than 240 exhibitors, as well as about 60 owners, operators, and charter agents which hold over 1600 charter vessels, as well as all interested in making business contacts, with over 300 of them held through the B2B platform.

Sports facilities:

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





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3.7 CITY GALLERIA BUSINESS AND SHOPPING CENTER

Business and shopping center City Galleria is located near the old centre of the city of Zadar and is one of the two largest shopping centres in town and the wider Zadar region, completed and opened to the public in October 2008, with a total gross surface area of more than 28,500 m² spread over a total of six floors (two garage and four retail floors). The gross surface area of the centre consists of the associated underground garage with a total surface area of 10,863 m², 9.924,60 m² of net rentable area, as well as ancillary rooms and corridors. The occupancy of the centre was 99.77% of total capacities as at 30th September 2021.

The centre features the following facilities: an underground car garage with more than 400 parking spaces on two floors, an outdoor and indoor market, a supermarket, specialized food and beverage shops, clothing, footwear and sportswear boutiques, children's shops, cafes, and 6 multiplex movie theatres. The offer is conceptually divided into floors, the ground floor of the centre is designed as a space with a mixed offer of food and services; the first floor operates as a fashion floor with the supply of footwear, clothing and fashion accessories stores and a perfumery/cosmetics store; the second floor

of the centre is designed as a floor for fun and recreation with the offer of cafes, entertainment, cosmetics and sports facilities; while the third floor is intended for the lease of office space.

The unique features of the City Galleria business and shopping centre have been recognized at the international level when in 2010 at the award ceremony of the International Property Award, the most prestigious international competition in the real estate business, the City Galleria business and shopping centre Zadar received the prestigious five-star award in the category Best Retail Development. The unique features of the Commercial-shopping Centre City Galleria, which distinguish it from the rest of the market offer can be summarized in a few features, such as: a very attractive location within the city's pedestrian zone that provides great visibility of the building, accommodation of the town marketplace with accompanying food facilities in the Centre and the offer of the first and only multiplex cinema in the city of Zadar.

4 KEY PHYSICAL OPERATING RESULTS OF THE COMPANY

Considering the fact that the most part of the business year was affected by the pandemic, which impacted all sectors, as well as the fact that considerable business activity in most tourist sectors (the hotel, camping and destination management sectors) only commenced in the second half of July, the Company finds the achieved physical operating results to be highly successful. The Company placed special emphasis on its satisfaction with the results achieved by the nautical and camping sectors in the area of vessel and guest accommodation, i.e. Marina Kornati and the “Park Soline” campsite profit centres. Marina Kornati achieved exceptional performance results, especially in terms of its financial results, since it realised growth both in comparison to the same period of the previous year and in comparison to the same period of the pre-pandemic 2019, the nautical sector’s best year thus far. As the most important profit centre of the nautical sector, Marina Kornati achieved its best performance result at the end of the third quarter of the business year 2021. The Company achieved highly successful physical and financial operating results in the “Park Soline” campsite that are even more significant considering the fact that there was no pre-season at all due to the pandemic and that the achieved results were mostly realised in the third quarter of the business year, i.e. from mid-July. The Company’s hotel and destination management sectors, the business activity of which, as with the camping sector, commenced only in the third quarter of the business year and that are the Company’s most susceptible sectors in terms of the impact of the pandemic on the business activity, achieved results

with considerable growth rates in comparison to the previous year, which the Company finds satisfactory. Likewise, the Company deems a success the results of the real-estate sector, the City Galleria Business and Shopping Centre, which achieved an increase in revenue in comparison to the same period of the previous year.

The key profit centre of the Marina Kornati nautical sector, generating 91% of the entire sector’s total revenue, increased its revenue at the end of the third quarter of the business year compared to the same period of the previous business year. This makes the success even greater, considering that the Marina’s key market segment, vessels on berth contract, that also generate the largest portion of the revenue, is slightly lower than in the same period of the previous year, while other physical indicators of Marina Kornati recorded growth. Ultimately, this resulted not only in an increase in Marina Kornati’s revenue, but also in meeting the pre-pandemic level of revenue from 2019, the best business year of the nautical sector so far, and finally in the increase in revenue of the entire nautical sector that, apart from Marina Kornati, also consists of the “Marina Kornati” restaurant and the nautical fair. 707 vessels were contracted in the reporting period, whereby the number of individual vessels increased by 2% compared to the same period of the previous year (with 404 contracted individual vessels). Despite a decrease in the number of contracted charter vessels, the total number of vessels on contracted berths is at the level of the previous year, while there is a 3% decrease compared to the

same period of 2019. The revenue from contracted berths as the most significant market segment of Marina Kornati saw a 3% increase not only in comparison to the same period of the previous year, but also in comparison to 2019. Also, there was an increase in physical performance indicators in the area of transit in terms of the number of vessels in transit arrivals that increased by 62%, while the vessel overnight stays grew by 2%, also resulting in the port services operations growing by 25%. The growth of key operating indicators of Marina Kornati, except for the nautical fair and manifestations, resulted in a revenue of HRK 40,466,140.32 with a growth rate of 5.94% or the best revenue that Marina Kornati achieved in three quarters of the business year, including the pre-pandemic period.

In the nine months of the business year, the camping sector achieved a strong growth of key physical operating results, i.e. there were 34,124 arrivals, with a growth of 74,82%, and 234,556 overnight stays, which is a 71.09% increase compared to the same period of the previous year. The arrivals are at 83,96%, while the overnight stays are at 81,95% compared to the same period in 2019. This means that, thanks to the considerable growth achieved mostly in the third quarter of the business year, the camping sector optimally reached the results achieved in 2019 in an exceptionally short period of business activity in the area of physical operating results. All four segments of the camp's business operations (lump sum, allotments, individuals and mobile homes) recorded an increase in arrivals and overnight stays, which also improved the camp's financial results. With a generated revenue

of HRK 29,868,510.07, this is a 49% increase compared to the same period of the previous year, followed by a strong increase in revenue from mobile homes by 70%, the lump sum guests with an increase of contracted revenue by 30% and individuals with a growth rate of 152% compared to the same period of the previous year. Apart from strong growth, these achievements also marked a strong recovery of the camp's revenue, considering that they are at 96% of the total achieved in 2019.

The hotel sector recorded an increase in physical performance indicators, arrivals and overnight stays, and, as a consequence, an increase in the operating revenue. Taking into account the business environment or the lack of a pre-season, the complete uncertainty during the first six months of the business year, a delayed opening of a part of the capacity and the fact that intensified business activity commenced only in the third quarter of the business year makes the results of the hotel sector even more significant. In the reporting period, there were 13,858 arrivals with a 117% growth rate and 66,044 overnight stays with a rate of 127% compared to the same period of the previous year, which means that the hotel sector reached 50% of the overnight stays from the same period of the record-breaking 2019. The increase in physical performance indicators was followed by an increase in revenue that amounted to HRK 27,509,592.52 and a growth rate of 106% in the reporting period. The pandemic had a major influence on the change in the sales channels that in 2021 also came down to allotment and individual guests with a stronger comeback of groups.

Through the destination management company Ilirija Travel, whose business activity is based on the services of complementary forms of tourism and special-interest tourism for the purpose of extending the peak season, once the epidemiological measures were relaxed and the gathering of larger numbers of people were allowed in the nine months of 2021, 144 events and 9,445 visitors were recorded. A moderate recovery started in the second quarter, only to be continued through the entire peak season and post-season, which generated a revenue of HRK 3,273,831.11, of which part of the revenue was realized and in other profit centers of the Company, i.e. a 69.4% growth compared to the same period of the previous year when HRK 1,931,175.28 were generated and the recovery and growth of business activities extended into the post-season.

In the real-estate sector – the City Galleria Business and Shopping Centre – the total revenue in the first three quarters of 2021 amounted to HRK 9,704,009.68, while last year they totalled 9,627,612.32, constituting a 0.8% increase. Realising a growth in revenue while maintaining high occupancy of the centre (99.77% of all capacities), followed by retaining the number of leased spaces at the previous year's level and increasing the revenue (or retaining it at the level of the same period of the previous business year) as well as seeing a considerably larger number of visits to the centre, resulted in a moderate recovery of the real estate sector's revenue.

4.1. HOTEL SECTOR

Within the first nine months of 2021, the hotel sector experienced two periods with pronouncedly different effects on business operations: The first six months saw a partial liberalisation of measures, but also a continuation of negative consequences of the COVID-19 pandemic, as well as a series of restrictions in outbound markets. Within the third quarter, the hotel sector operations experienced a revival with the introduction of COVID certificates, establishment of a network of PCR testing sites, easing of the travel restrictions and a significant rise of vaccination rates in our outbound markets. Operating in completely different conditions under the threat of a fourth pandemic wave required intensified efforts and a swift adjustment of sales and marketing activities. The hotels and all ancillary facilities were adapted to the measures and included in all national and regional projects, as well as in continuous and intensive staff training.

With the Ilirija Hotel remaining permanently open, and the Adriatic Hotel opening during the second half of June, the opening of the Kornati Hotel at the beginning of July marked the final stage in the opening of all hotels in Biograd na Moru.

The operating and financial performance results

within the reporting period significantly improved in comparison with the same period of last year, with the hotel sector arrivals amounting to 13 858, signifying a 117-percent growth, and overnight stays being at 66 044, which represents a 127-percent growth. Generally speaking, in terms of operating performance results, arrivals and overnight stays, the hotel sector achieved 50% of overnight stays in relation to the same period of 2019, the best performance year to date. Thanks to a significant revival of business activities in the third quarter, hotel sector revenue grew by 110%, amounting to HRK 24,699,737.80 in relation to the first nine months of 2020.

Lifting travel bans resulted in changes within the sales channels, which were almost entirely reduced to individual guests and allotments in the previous year, accompanied by a lack of fixed lease and a significantly reduced share of groups. By experiencing a growth of 143.4%, allotments came in the lead this year, with a share of 44.8%; however, individual sales channels remained strong with a share of 40.9% and a growth rate of 109.8%, making them higher than the 2019 shares. The group market segment maintained a share of 14.3%, with a growth rate of 133.8%. This segment is undergoing

a recuperation of sorts thanks to the post-season; however, the significance of the pre-season share of groups fell short due to the lack of business travel, congresses and conferences, whereas fixed lease remained completely non-existent.

In such conditions, just as in the previous year, domestic guests represented the most significant share in the hotel sector with 34%; however, this is a significant decrease from a share of 49.61% in the same period of the previous year. Nonetheless, overnight stays for that group saw a growth of 56%. The Slovenian market saw a growth of 102%, thus remaining the second most significant market, just as last year, with a share of 15.4%, whereas German guests had a substantial comeback, showing an increase of 197%, as the third most significant market in terms of the share of overnight stays. The Slovakian market is next, with a growth of 386%, rising to a share of 8.27%, followed by Austria as the fifth most significant market, with a growth of 142% and a current share of overnight stays of 6%. The Company's hotel sector experienced an extremely encouraging growth and saw a trend of strengthening in various foreign markets.

In proportion to the schedule of open facilities and

capacities, the Ilirija Hotel holds the dominant share of 51% of overnight stays, while the Adriatic Hotel holds 28% and the Kornati Hotel 21%. This sets the hotel utilisation rate at 26% in relation to potential performance due to the lack of significant pre-season activities, whereas the utilisation rate based on the days of availability is 63%. The same rate in the case of the Kornati and Adriatic hotels is 70% and 85% respectively, which is a testament to the validity of operating decisions regarding the opening periods of facilities. The monthly average occupancy for all three hotels, amounting to 95% in August. i.e. exceeding 60% in July demonstrates an upward trend for this season which experienced a significant increase from the second week in July onwards and maintained very good results throughout August. The occupancy rate in September, due to a partial reinstatement of business travel, congresses and conferences, amounting to 73% at the Ilirija Hotel and nearly 70% at the Adriatic Hotel is encouraging, with the same rate for the Kornati Hotel being somewhat lower.

The average stay was 4.77 days, with the Kornati and Adriatic hotels (opened later in the year) recording an average stay of 5.19 and 5.36 days respectively, whereas Ilirija saw an average stay of 4.36

days due to the hotel remaining open throughout the reporting period and experiencing shorter stays during the pre-season.

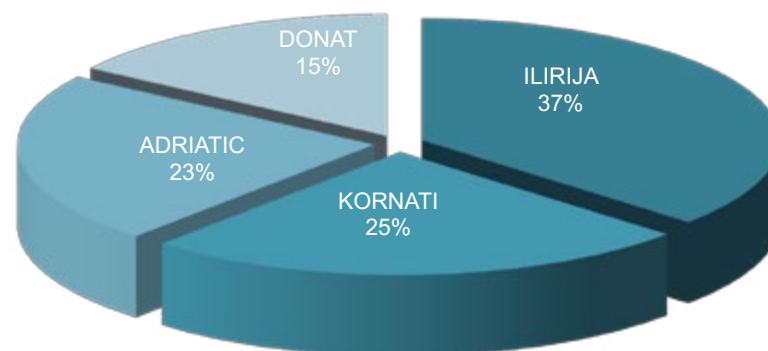
The average price of HRK 373.99, or EUR 49.89 was lower than the one achieved in the same period of the previous year due to a partial adjustment, considering that the Company had not performed any drastic price reductions in the previous year, and to the fact that, during the previous year, hotels operated almost exclusively at peak season, whereas this year saw turnover in other months as well. At the same time, revenue per room decreased from EUR 121.83 to EUR 111.43.

In contrast to the significant decrease of physical and financial operations of the hotel sector in the previous year in relation to the national average, as of the third quarter, the Company's hotel sector experienced a growth of overnight stays of 127%, which is higher than the average national growth of 111%. Should there be no new measures limiting movement and gatherings or hospitality activities, the Company expects the business activity growth trend to continue or improve in relation to figures from 2020 in the upcoming period, i.e. the last quarter of the business year.

Hotel sector capacities

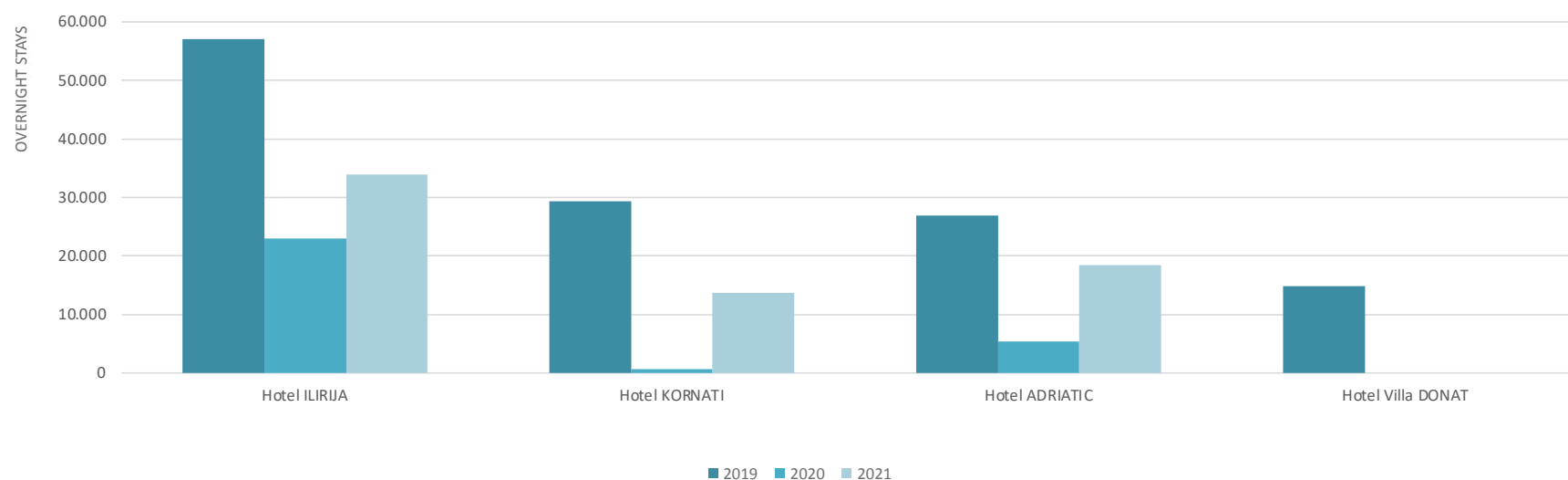
ILIRIJA D.D.	NUMBER OF ROOMS				NUMBER OF BEDS			
	2019	2020	2021	Index 2021/2020	2019	2020	2021	Index 2021/2020
ILIRIJA	165	165	165	1,00	338	338	338	1,00
KORNATI	106	106	106	1,00	230	230	230	1,00
ADRIATIC	100	100	100	1,00	210	210	210	1,00
DONAT	72	72	72	1,00	144	144	144	1,00
TOTAL	443	443	443	1,00	922	922	922	1,00

% Share of individual hotel (number of beds)

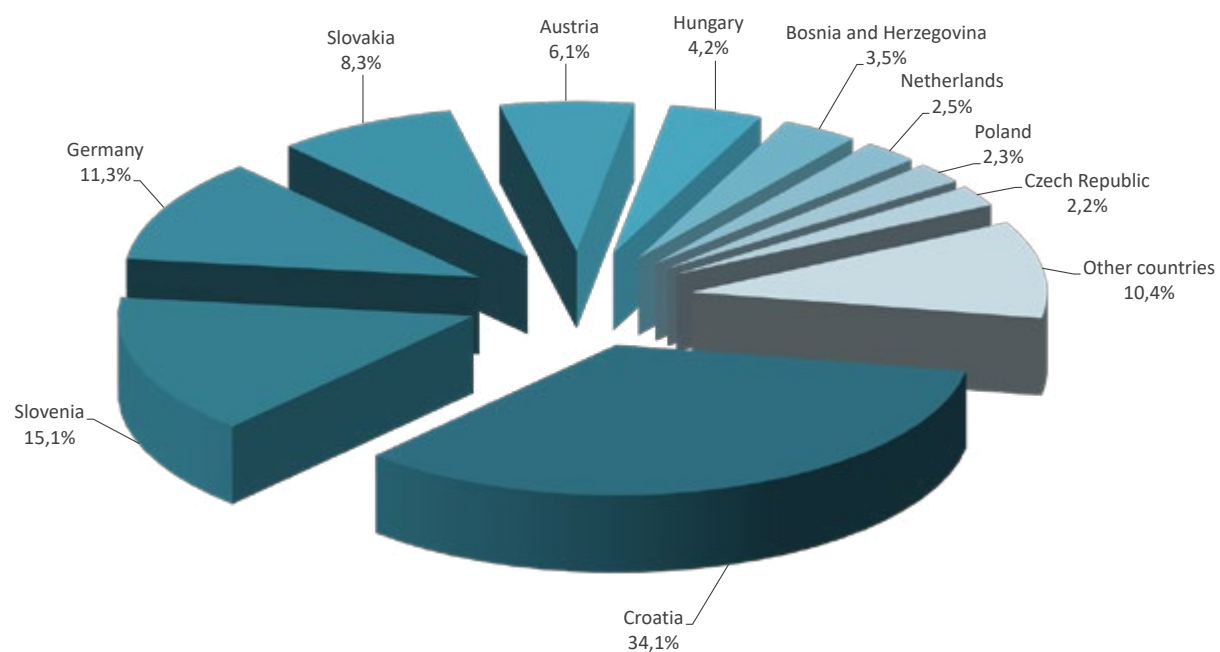


Overview and comparison of arrivals and overnight stays for the period 01/01 - 30/09/2021 with the same period in 2020 and 2019

HOTEL INDUSTRY										
PROFIT CENTER	ARRIVALS			INDEX	INDEX	OVERNIGHTS STAYS			INDEX	INDEX
	2019	2020	2021	2021/2019	2021/2020	2019	2020	2021	2021/2019	2021/2020
Hotel ILIRIJA	19.452	5.041	7.766	40	154	57.061	23.016	33.835	59	147
Hotel KORNATI	8.787	365	2.641	30	724	29.290	657	13.713	47	2.087
Hotel ADRIATIC	5.977	989	3.451	58	349	26.925	5.400	18.496	69	343
Hotel Villa DONAT	2.842	0	0	0	#DIV/0!	14.791	0	0	0	#DIV/0!
TOTAL	37.058	6.395	13.858	37	217	128.067	29.073	66.044	52	227



Graph of the realized overnight stays by source markets for the period from 01/01/ to 30/09/2021



Capacity occupancy for the period from 01/01 – 30/09/2021 and comparison with the same period in 2020 and 2019

Percentage

MONTH	HOTEL SECTOR TOTAL						
	Room total	2019	%	2020	%	2021	%
JANUARY (I)	13.733	1.371	9,98%	843	6,14%	0	0,00%
FEBRUARY (II)	12.404	473	3,81%	831	6,70%	0	0,00%
MARCH (III)	13.733	1.716	12,50%	278	2,02%	23	0,17%
APRIL (IV)	13.290	4.463	33,58%	0	0,00%	294	2,21%
MAY (V)	13.733	7.749	56,43%	12	0,09%	559	4,07%
JUNE (VI)	13.290	10.426	78,45%	1.187	8,93%	2.689	20,23%
JULY (VII)	13.733	12.187	88,74%	3.120	22,72%	7.599	55,33%
AUGUST (VIII)	13.733	12.929	94,15%	5.729	41,72%	11.010	80,17%
SEPTEMBER (IX)	13.290	10.921	82,17%	1.518	11,42%	7.269	54,70%
OCTOBER (X)	13.733	0	0,00%	0	0,00%	0	0,00%
NOVEMBER (XI)	13.290	0	0,00%	0	0,00%	0	0,00%
DECEMBER (XII)	13.733	0	0,00%	0	0,00%	0	0,00%
TOTAL	161.695	62.235	38,49%	13.518	8,36%	29.443	18,21%

Occupancy days

MONTH	HOTEL SECTOR TOTAL						
	Room total	2019	%	2020	%	2021	%
JANUARY (I)	13.733	1.371	3	843	2	0	0
FEBRUARY (II)	12.404	473	1	831	2	0	0
MARCH (III)	13.733	1.716	4	278	1	23	0
APRIL (IV)	13.290	4.463	10	0	0	294	1
MAY (V)	13.733	7.749	17	12	0	559	1
JUNE (VI)	13.290	10.426	24	1.187	3	2.689	6
JULY (VII)	13.733	12.187	28	3.120	7	7.599	17
AUGUST (VIII)	13.733	12.929	29	5.729	13	11.010	25
SEPTEMBER (IX)	13.290	10.921	25	1.518	3	7.269	16
OCTOBER (X)	13.733	0	0	0	0	0	0
NOVEMBER (XI)	13.290	0	0	0	0	0	0
DECEMBER (XII)	13.733	0	0	0	0	0	0
TOTAL	161.695	62.235	140	13.518	31	29.443	66

Monthly comparison of generated revenues/realized overnights stays in the period from 01/01 - 30/09/2021 and the comparison with the same period in 2019 and 2020

MONTH	GENERATED REVENUES					OVERNIGHTS STAYS					AVERAGE PRICE IN HRK			AVERAGE PRICE IN €				
	2019	2020	2021	INDEX 2021/2019	INDEX 2021/2020	2019	2020	2021	INDEX 2021/2019	INDEX 2021/2020	2019	2020	2021	2019	2020	2021	INDEX 2021/2019	INDEX 2021/2020
JANUARY	1.406.055,11	777.544,20	4.318,06	0,00	0,01	2.322	1.437	0	0,00	0,00	605,54	541,09	#DIV/0!	81,58	72,73	#DIV/0!	#DIV/0!	#DIV/0!
FEBRUARY	351.380,76	388.042,39	29.483,29	0,08	0,08	869	1.484	0	0,00	0,00	404,35	261,48	#DIV/0!	54,45	35,11	#DIV/0!	#DIV/0!	#DIV/0!
MARCH	963.108,71	199.027,83	19.403,36	0,02	0,10	3.084	503	50	0,02	0,10	312,29	395,68	388,07	42,06	52,42	51,23	1,22	0,98
APRIL	2.216.611,41	0,00	195.256,90	0,09	#DIV/0!	8.369	0	656	0,08	#DIV/0!	264,86	#DIV/0!	297,65	35,73	#DIV/0!	39,34	1,10	#DIV/0!
MAY	4.619.475,38	41.829,77	329.714,27	0,07	7,88	13.173	21	1.038	0,08	49,43	350,68	1991,89	317,64	47,27	263,20	42,23	0,89	0,16
JUNE	7.728.383,78	806.424,91	1.554.939,29	0,20	1,93	20.192	2.377	5.320	0,26	2,24	382,74	339,26	292,28	51,77	44,84	39,00	0,75	0,87
JULY	11.236.894,24	3.078.461,88	7.201.132,28	0,64	2,34	29.848	7.609	19.101	0,64	2,51	376,47	404,58	377,00	51,06	53,71	50,29	0,98	0,94
AUGUST	13.389.920,46	5.722.058,28	10.352.861,55	0,77	1,81	31.415	14.124	27.161	0,86	1,92	426,23	405,13	381,17	57,63	54,03	50,89	0,88	0,94
SEPTEMBER	7.560.643,74	763.847,92	5.012.628,80	0,66	6,56	18.795	1.518	12.718	0,68	8,38	402,27	503,19	394,14	54,34	67,10	52,65	0,97	0,78
OCTOBER	3.914.412,58	593.383,93	0,00		0,00	12.200	1.679	0	0,00	0,00	320,85	353,42	0,00	43,05	46,70	0,00	0,00	0,00
NOVEMBER	866.306,41	-796.387,07	0,00		0,00	3.358	798	0	0,00	0,00	257,98	-997,98	0,00	34,69	-132,02	0,00	0,00	0,00
DECEMBER	1.569.782,92	71.517,87	0,00		0,00	3.190	332	0	0,00	0,00	492,09	215,42	0,00	66,15	28,58	0,00	0,00	0,00
TOTAL	55.822.975,50	11.645.751,91	24.699.737,80	0,21	2,12	146.815	31.882	66.044	0,45	2,07	380,23	365,28	373,99	51,27	48,51	49,68	0,97	1,02
30.09.	49.472.473,59	11.777.237,18	24.699.737,80	0,50	2,10	128.067	29.073	66.044	0,52	2,27	386,30	405,09	373,99	52,15	53,78	49,89	0,96	0,93

At hotel level

Revenues per sold room 30/09/21	838,90 kn	111,43 €
Revenues per sold room 30/09/20	871,23 kn	115,70 €
Revenues per sold room 30/09/19	794,93 kn	107,31 €

Selected profit centers within the hotel sector

Lavender	2019	2020			
31.12.	1.049.685,47	434.563,31	2021	INDEX 2021/2019	INDEX 2021/2020
30.09.	1.019.818,15	424.965,47	859.922,64	0,84	2,02

Aquatic center	2019	2020			
31.12.	2.397.917,11	823.522,69	2021	INDEX 2021/2019	INDEX 2021/2020
30.09.	2.385.872,61	821.807,81	1.544.732,32	0,65	1,88

Tennis center	2019	2020			
31.12.	514.179,54	365.097,94	2021	INDEX 2021/2019	INDEX 2021/2020
30.09.	441.509,89	306.765,57	363.649,76	0,82	1,19

Beach bar	2019	2020			
31.12.	107.430,44	48.350,25	2021	INDEX 2021/2019	INDEX 2021/2020
30.09.	95.390,17	41.616,76	41.550,00	0,44	1,00

At hotel sector level

Revenues per sold room - 2021	934,33 kn	124,11 €
Revenues per sold room - 2020	989,23 kn	131,37 €
Revenues per sold room - 20219	858,28 kn	112,50 €

Hotel sector

TOTAL	2019	2020			
31.12.	59.892.188,06	13.317.286,10	2021	INDEX 2021/2019	INDEX 2021/2020
30.09.	53.415.064,41	13.372.392,79	27.509.592,52	0,52	2,06

REVENUE BY ACTIVITIES

Hotel service revenue amounted to HRK 24,699,737.80, representing a 110% increase as compared to the previous year.

Other hotel sector revenue amounted to HRK 2,809,854.72, as compared to HRK 1,595,155.76 in the same period in 2020, representing a growth rate of 75%.

In total, the hotel sector revenue amounted to HRK 27,509,592.52, or a 106% increase compared to the first nine months of the previous business year.



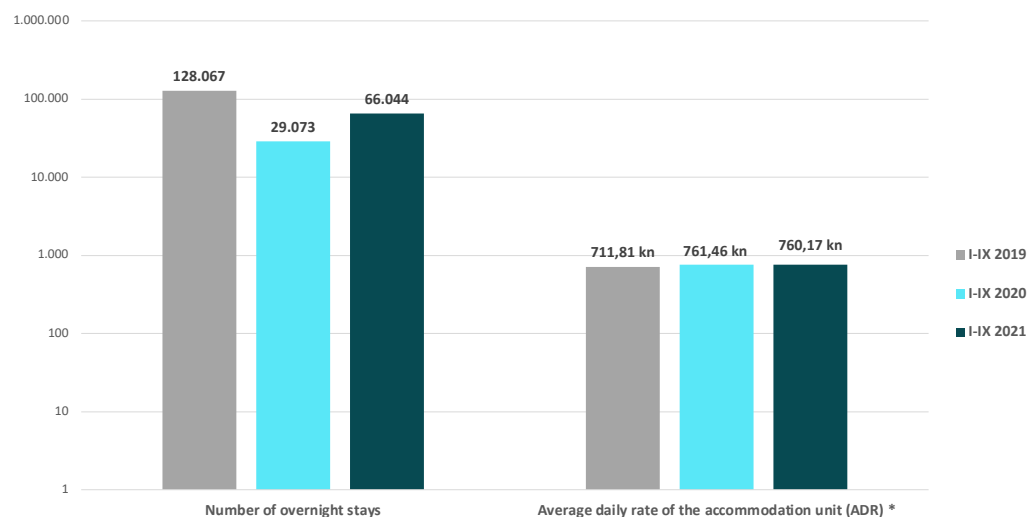
Summary of key market indicators of the Ilirija d.d. hotel sector

Hotel sector performance results for hotels in Biograd na Moru and the hotel in Sv. Filip i Jakov are usually presented separately due to differences in market profiles; however, the hotel in Sv. Filip i Jakov did not open this year as a result of reduced business operations caused by the global pandemic, and therefore the data refers only to the hotels in Biograd na Moru.

During the first nine months of 2021, the Company's hotel sector, after experiencing a significant decline in 2020 due to the pandemic and a global travel industry downturn, which had an especially severe impact on the hotel sector, came out somewhat convalesced, with travel rates partially recovering, especially in the peak season, i.e. July and August.

Compared to the previous year, we experienced an increase in the number of guests of 117% and overnight stays of 127%, signifying a higher occupancy rate of accommodation units of 129%. The average price decreased by 7%, which is only partially a result of price reductions, and more of the fact that last year's season was reduced to its peak, i.e. the period with the highest prices, whereas the business activities of this year spread to a part of the pre-season and post-season, especially September, when the average prices are lower.

Number of overnight stays and average daily rate of the accommodation unit (ADR) in the hotels of Ilirija d.d. in the period I-IX 2021, 2020 and 2019



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

Key market indicators of the hotel sector

	I-IX 2021	I-IX 2020	I-IX 2019	2021/ 2019	2021/ 2020
HOTELS IN BIOGRAD					
Accommodation capacities:					
Number of hotels	3	3	3	0,00%	0,00%
Number of accommodation units	371	371	371	0,00%	0,00%
Number of beds	778	778	778	0,00%	0,00%
Physical turnover					
Number of overnight stays	66.044	29.073	113.276	-41,70%	127,17%
Number of accommodation units sold	29.443	13.518	55.153	-46,62%	117,81%
The occupancy of accommodation units based on a total number of days in a period (%)	29,07%	13,30%	54,45%	-46,62%	118,60%
Occupancy rate of the accommodation units on an open days basis (%)	58,38%	45,17%	77,86%	-25,01%	29,26%
Financial results:					
Average daily rate of the accommodation unit (ADR) *	760,17 kn	761,46 kn	724,92 kn	4,86%	-0,17%
Revenue per accommodation unit (RevPAR) on a total number of days basis in period **	220,98 kn	101,26 kn	394,75 kn	-44,02%	118,23%
Revenue per accommodation unit (RevPAR) on an open days basis **	443,82 kn	343,94 kn	564,46 kn	-21,37%	29,04%
HOTEL IN SV. FILIP I JAKOV					
Accommodation capacities:					
Number of hotels	1	1	1	0,00%	0,00%
Number of accommodation units	72	72	72	0,00%	0,00%
Number of beds	144	144	144	0,00%	0,00%
Physical turnover					
Number of overnight stays	0	0	14.791	-100,00%	#DIV/0!
Number of accommodation units sold	0	0	7.082	-100,00%	#DIV/0!
The occupancy of accommodation units based on a total number of days in a period (%)	0,00%	0,00%	36,03%	-100,00%	#DIV/0!
Occupancy rate of the accommodation units on an open days basis (%)	#DIV/0!	#DIV/0!	82,66%	#DIV/0!	#DIV/0!
Financial results:					
Average daily rate of the accommodation unit (ADR) *	#DIV/0!	#DIV/0!	609,68 kn	#DIV/0!	#DIV/0!
Revenue per accommodation unit (RevPAR) on a total number of days basis in period **	#DIV/0!	#DIV/0!	219,66 kn	#DIV/0!	#DIV/0!
Revenue per accommodation unit (RevPAR) on an open days basis **	#DIV/0!	#DIV/0!	503,94 kn	#DIV/0!	#DIV/0!
HOTELS - TOTAL ILIRIJA d.d.					
Accommodation capacities:					
Number of hotels	4	4	4	0,00%	0,00%
Number of accommodation units	443	443	443	0,00%	0,00%
Number of beds	922	922	922	0,00%	0,00%
Physical turnover					
Number of overnight stays	66.044	29.073	128.067	-48,43%	127,17%
Number of accommodation units sold	29.443	13.518	62.235	-52,69%	117,81%
The occupancy of accommodation units based on a total number of days in a period (%)	24,35%	11,14%	51,46%	-52,69%	118,60%
Occupancy rate of the accommodation units on an open days basis (%)	58,38%	45,17%	78,38%	-25,51%	29,26%
Financial results:					
Average daily rate of the accommodation unit (ADR) *	760,17 kn	761,46 kn	711,81 kn	6,79%	-0,17%
Revenue per accommodation unit (RevPAR) on a total number of days basis in period **	185,07 kn	84,80 kn	366,29 kn	-49,48%	118,23%
Revenue per accommodation unit (RevPAR) on an open days basis **	443,82 kn	343,94 kn	557,92 kn	-20,45%	29,04%

Notes:

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

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

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

4.2. NAUTICS-MARINA KORNATI

Despite the difficult operating conditions in the tourism sector caused by the COVID-19 pandemic, the vessel segment of the Company's nautical sector, i.e. the Marina Kornati, has been achieving its best financial performance results so far. These results are a reflection of the nature of nautical services, which are the least affected by the negative effects of the pandemic, and of the organization of business activities and processes within the marina, which have primarily contributed to the maintenance and stabilisation of business activities and also their further development.

In the reporting period, Marina Kornati generated a revenue of HRK 40,465,977, i.e. achieved a growth of 6% in relation to the nine-month period in 2020, and a 1% growth in relation to 2019, when the generated revenue amounted to HRK 39,904,500. The revenue growth in the 2021 reporting period was present in all segments, whereas an increase in revenue compared to 2019 was generated in the segments of contractual berths, port service operations, business cooperation and other services.

Marina Kornati performed business activities in the following segments:

1. Contracted berths:

- Contracted berths – individual
- Contracted berths – charter

- 2. Transit berth – vessel arrival
- 3. Transit berth – vessel overnight stays
- 4. Port service – crane operations

Physical indicators in relation to the same period of 2020 experienced an increase in all segments, with the highest increase generated in the transit vessel arrival at a rate of 62%. Even though revenue indicators generated during the first nine months of 2021 are higher in relation to 2019, physical indicators have not matched the 2019 results.

In the segment pertaining to vessel accommodation or contractual berth, 707 berth use agreements were concluded, of which 404 for individual vessels and 303 for charter vessels. These figures are almost identical to the ones from 2020, when 709 berth use agreements were concluded, of which 398 for individual vessels and 311 for charter vessels, whereas, compared to 2019, when a total of 729 berth use agreements were concluded, the number of berth use agreements was 3% lower.

The revenues from contractual berths in the key market segment of Marina Kornati were generated in the amount of HRK 30,779,702, accounting for 74% of the total revenue of Marina Kornati, while in 2020, the revenue for the same period and the same number of contractual vessels was HRK 29,844,703, which represents a revenue increase of 3%. The reason behind the increased revenues

is, in part, a better organisation of the port, with the technical and operational sector aligns berths with the aim of their maximum utilisation, and an average increase in the price of individual vessels of about 1.5%.

Moreover, compared to the contractual berth revenue generated in the same period of 2019 in the amount of HRK 29,918,750, the same revenue saw an increase of 3% in the reporting period. The achieved financial performance results in the contractual berth segment are all the more significant in light of the fact that its physical turnover did not match the 2019 figures for the same period, when a total of 729 agreements were concluded, in comparison with 707 agreements concluded in 2021, which is a confirmation of very good financial performance results with the potential for improvement in the upcoming period.

During the last several years, due to spatial limitations, local waters and the terrestrial section of the marina, special attention is dedicated to berth optimisation and maximum utilisation, which is one of the factors that contributed to the aforementioned financial performance results. All new vessels arriving to the marina on a contractual berth basis or as subjects of berth use agreements are measured upon arrival. Upon establishing the actual vessel size, which is usually significantly greater than the documented size, the vessels are assigned berths matching the vessel type and dimensions.

The vessels staying at the marina for a shorter period of up to a few days are categorised in the marina as transit vessels. Those are mostly accommodated at currently available berths and are not measured, with the berth fee being calculated by the vessel length/width recorded in the relevant documents.

During the reporting period, 2,435 transit vessels arrived at the marina, which represents a share of 75% in relation to the same period in 2019, and a 62% increase in relation to 2020, when 1,504 vessels arrived. Transit vessels had 9,012 overnight stays, accounting for 88% of the total overnight stays in the first nine months of 2019, and representing a growth of 2% in comparison to the same period of the previous year, when 8,823 transit vessel stays were recorded.

The average number of vessel overnight stays was nearly 4 stays per arrival, whereas the first nine months of 2019 saw an average of 3 overnight stays per arrival, and nearly 6 in the same period of the previous year. The number of vessel overnight stays in 2020 is not a realistic representation of the situation due to the fact that a large number of vessels previously categorised as contractual vessels was recategorised as transit, owing to the impossibility of leaving the marina after the contractual period because of the pandemic, therefore, the vessels were recategorised as transit.

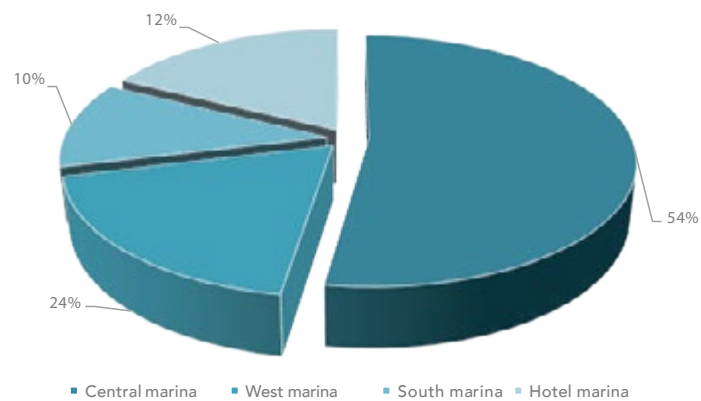
In the reporting period, 2982 port service operations were carried out (vessel lifting, lowering and washing), which represents a 25% increase compared to the same period in 2020, and a 95% share of the 2019 turnover, when 3,144 port service operations were carried out. However, even though the physical turnover of port service operations did not match the 2019 levels, revenue was increased by 1% in relation to the same period of 2019, or 9% in relation to the previous year.

The parking revenue increase was a result of increased guest arrival, especially charter guests, and the 2021 reporting period saw a revenue of HRK 1,992,844, which represents a 59% increase in relation to the same period of the previous year, or a 4% decrease in relation to 2019. The revenue generated by the nautical fair and events in this period was HRK 1,377,742, which represents a 65% increase in relation to the first nine months of the previous year. Even though the 2019 revenue, amounting to HRK 1,976,075, or 30% more than this year, was not matched, this was mostly due to the lack of regattas held.

Marina Kornati capacities

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

% Share of individual marina (number of berths)



Cumulative overview of physical turnover of the Marina Kornati for the period 01/01 – 30/09/2021 and comparison with the same period in 2020 and 2019

		2021 BY MONTH											
Name of position	Measurment unit	1	2	3	4	5	6	7	8	9	10	11	12
Contract-based berth-individual	Contracted vessel	77	248	294	345	366	387	396	403	404			
Contract-based berth-charter	Contracted vessel	0	4	22	285	299	300	302	302	303			
TOTAL Contract-based berth	Contracted vessel	77	252	316	630	665	687	698	705	707	0	0	0
Transit berth-sailing in port	Sailing in port	1	8	30	79	214	546	1.172	2.017	2.435			
Transit berth-overnight stay of vessels	Boat/day	282	568	954	1.461	2.147	3.281	5.391	7.938	9.012			
Transit berth-overnight stay of vessel crew	Overnight stay of a person						14	28	36	214			
Port service	Operation	139	322	629	961	1.421	1.851	2.271	2.727	2.982			

		2020 BY MONTH											
Name of position	Measurment unit	1	2	3	4	5	6	7	8	9	10	11	12
Contract-based berth-individual	Contracted vessel	101	274	303	343	351	379	393	396	398			
Contract-based berth-charter	Contracted vessel	0	10	21	271	290	309	309	310	311			
TOTAL Contract-based berth	Contracted vessel	101	284	324	614	641	688	702	706	709			
Transit berth-sailing in port	Sailing in port	5	17	31	52	80	268	733	1.318	1.504			
Transit berth-overnight stay of vessels	Boat/day	150	444	797	1.607	2.694	3.990	5.979	7.933	8.823			
Transit berth-overnight stay of vessel crew	Overnight stay of a person												
Port service	Operation	180	387	568	687	965	1.450	1.823	2.176	2.377			

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

Vessels on berth contract for the period 01/01 – 30/09/2021 and comparison with the same period in 2020 and 2019

Purpose	Type of berth	Position of berth	01/01-30/09 2021	% Total Vessels	01/01-30/09 2019	% Total Vessels	Index 2021/2019	01/01-30/09 2020	% Total Vessels	Index 2021/2020
Vessel of individual owners	Annual berth in the sea	Central aquatorium	291	41	283	39	103	294	41	99
		South aquatorium	42	6	45	6	93	42	6	100
		Western aquatorium	1	0	1	0	100	10	1	10
		Hotel port	28	4	32	4	88	36	5	78
	Annual berth on the land	Marina land	5	1	4	1	125	5	1	100
		Seasonal berth in the sea	Marina aquatorium	22	3	25	3	88	10	1
	Hotel port		15	2	12	2	125	1	0	1500
	Total individual vessels:		404	57	402	55	100	398	55	102
Charter vessels	Annual berth in the sea	Central aquatorium	112	16	103	14	109	118	17	95
		South aquatorium	1	0		0	#DIV/0!	0	0	#DIV/0!
		Western aquatorium	190	27	224	31	85	189	27	101
		Hotel port	0	0		0	#DIV/0!	4	1	0
	Total charter vessels:		303	43	327	45	93	311	45	97
	Total vessels:		707	100	729	100	97	709	100	100

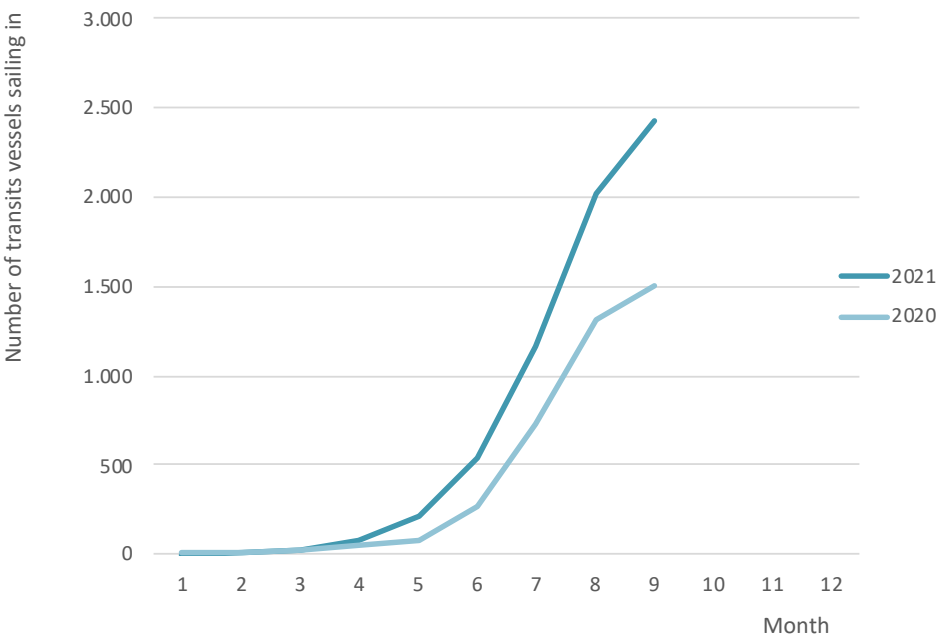
Vessels on berth contract for the period 01/01 – 30/09/2021



Transit berth – inbound vessels sailing into the port for the period 01/01 – 30/09/2021 and comparison with the same period in 2020 and 2019

Individually monthly						Cumulatively monthly				
2021	2021	2020	2019	INDEX	INDEX	2021	2020	2019	INDEX	INDEX
Month	2021/2019					2021/2019				
2021/2020										
1.	1	5	1	100	20	1	5	1	100	20
2.	7	12	8	88	58	8	17	9	89	47
3.	22	14	21	105	157	30	31	30	100	97
4.	49	21	113	43	233	79	52	143	55	152
5.	135	28	383	35	482	214	80	526	41	268
6.	332	188	532	62	177	546	268	1.058	52	204
7.	626	465	765	82	135	1.172	733	1.823	64	160
8.	845	585	886	95	144	2.017	1.318	2.709	74	153
9.	418	186	521	80	225	2.435	1.504	3.230	75	162
10.										
11.										
12.										
Total 2021	2.435									
Total 2020	1.504									
Total 2019	3.230									
Index 2021/2019	75									
Index 2021/2020	162									

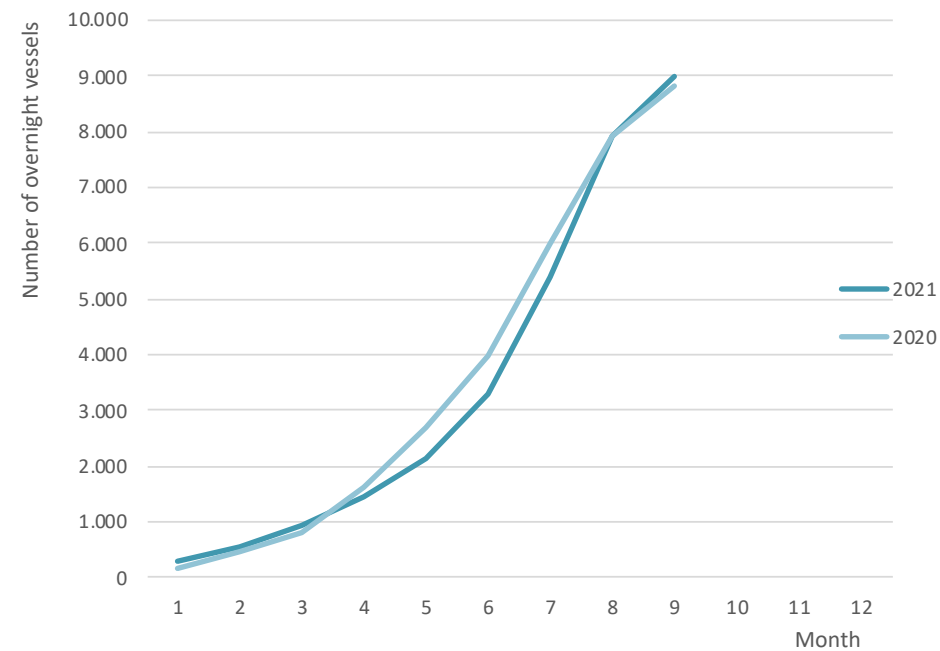
Graph: Transit berth-inbound vessels in the period from 01/01-30/09/2021 and comparison with the same period in 2020



Transit berth – vessel overnight stays for the period 01/01 – 30/09/2021 and comparison with the same period in 2020 and 2019

Individually monthly						Cumulatively monthly				
2021	2021	2020	2019	INDEX	INDEX	2021	2020	2019	INDEX	INDEX
Month	2021/2019				2021/2020	2021/2019				2021/2020
1.	282	150	132	214	188	282	150	132	188	188
2.	286	294	188	152	97	568	444	320	178	128
3.	386	353	243	159	109	954	797	563	169	120
4.	507	810	801	63	63	1.461	1.607	1.364	107	91
5.	686	1.087	937	73	63	2.147	2.694	2.301	93	80
6.	1.134	1.296	1.171	97	88	3.281	3.990	3.472	94	82
7.	2.110	1.989	2.303	92	106	5.391	5.979	5.775	93	90
8.	2.547	1.954	2.998	85	130	7.938	7.933	8.773	90	100
9.	1.074	890	1.450	74	121	9.012	8.823	10.223	88	102
10.										
11.										
12.										
Total 2021	9.012									
Total 2020	8.823									
Total 2019	10.223									
Index 2021/2019	88									
Index 2021/2020	102									

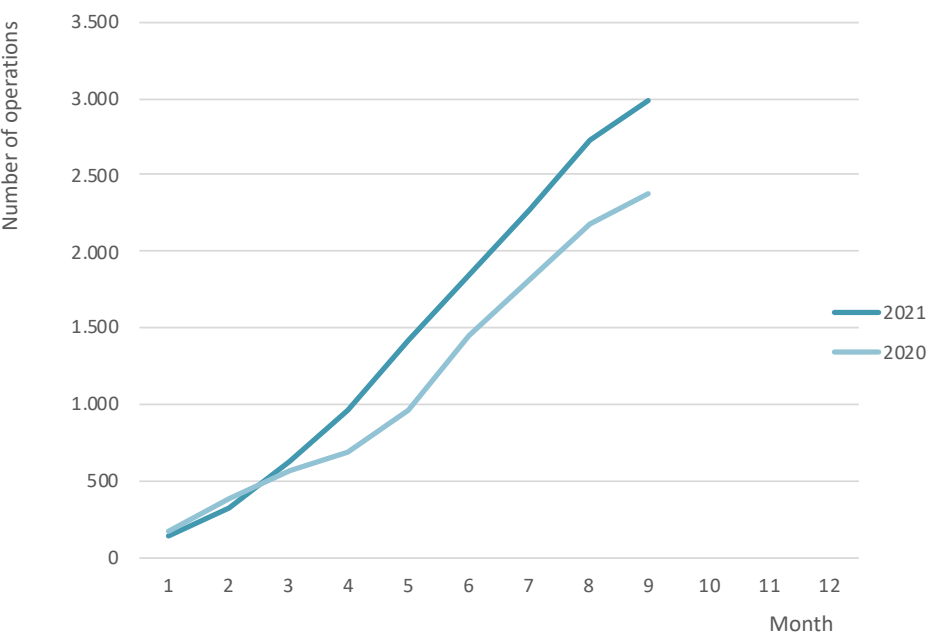
Graph: Transit berth – vessel overnight stays for the period 01/01 – 30/09/2021 and comparison with the same period in 2020



Activities of port services for the period 01/01 – 30/09/2021 and comparison with the same period in 2020 and 2019

Individually monthly						Cumulatively monthly				
2021	2021	2020	2019	INDEX	INDEX	2021	2020	2019	INDEX	INDEX
Month	2021/2019					2021/2019				
1.	139	180	118	118	77	139	180	118	118	77
2.	183	207	284	64	88	322	387	402	80	83
3.	307	181	271	113	170	629	568	673	93	111
4.	332	119	397	84	279	961	687	1.070	90	140
5.	460	278	415	111	165	1.421	965	1.485	96	147
6.	430	485	460	93	89	1.851	1.450	1.945	95	128
7.	420	373	413	102	113	2.271	1.823	2.358	96	125
8.	456	353	530	86	129	2.727	2.176	2.888	94	125
9.	255	201	256	100	127	2.982	2.377	3.144	95	125
10.										
11.										
12.										
Total 2021	2.982									
Total 2020	2.377									
Total 2019	3.144									
Index 2021/2019	95									
Index 2021/2020	125									

Graph: Activities of port services for the period 01/01 – 30/09/2021 and comparison with the same period in 2020



Revenue generated by the Marina Kornati for the period 01/01 – 30/09/2021 individually by months and comparison with the same period in 2020 and 2019

REVENUES OF MARINA KORNATI 2021 SEPARATE BY MONTHS																
Revenue positions		Months 2021												2021	2019	Index
		1	2	3	4	5	6	7	8	9	10	11	12	CUMULAT.	TOTAL	2021/2019
I	Daily berths	24.596	19.361	70.954	120.430	133.816	297.829	566.146	685.968	323.999				2.243.100	2.572.612	87
II	Contracted berth with accessories	3.033.918	7.590.522	1.574.717	8.813.647	775.786	585.373	8.026.637	226.923	152.180				30.779.702	29.918.751	103
III	Port service	126.180	183.749	339.050	375.232	474.186	360.285	305.113	265.168	112.902				2.541.865	2.509.396	101
IV	Vehicle parking		1.240	6.581	40.874	173.487	329.217	493.647	498.710	449.088				1.992.844	2.069.253	96
V	Other services	378	8.870	103.792	13.210	32.113	88.463	54.946	79.329	43.620				424.721	393.788	108
VI	Business cooperation				0	1.363.246	0	1.119.590	1.072					2.483.908	2.450.017	101
VII	Boat fair and events			3.600		11.988	18.490	167.897	157.615	1.018.152				1.377.742	1.976.075	70
TOTAL :		3.185.072	7.803.742	2.098.694	9.363.393	2.964.622	1.679.657	10.733.976	1.914.785	2.099.942	0	0	0	41.843.882	41.889.892	100

REVENUES OF MARINA KORNATI 2020 SEPARATE BY MONTHS																
Revenue positions		Months 2020												2020	2019	Index
		1	2	3	4	5	6	7	8	9	10	11	12	CUMULAT.	TOTAL	2020/2019
I	Daily berths	32.900	46.712	75.157	95.259	229.069	284.733	412.056	450.733	216.386				1.843.005	2.572.612	72
II	Contracted berth with accessories	4.052.194	6.716.752	1.213.953	6.446.857	1.743.239	1.527.498	8.108.963	-228.858	264.105				29.844.703	29.918.751	100
III	Port service	447.000	222.908	222.515	42.506	275.600	464.839	287.141	226.264	135.959				2.324.732	2.509.396	93
IV	Vehicle parking	1.029	6.456	3.136	192	10.108	200.751	380.301	439.966	214.347				1.256.286	2.069.253	61
V	Other services	10.772	47.371	4.058	788	10.878	105.502	138.624	98.728	40.775				457.496	393.788	116
VI	Business cooperation	0	0	0	0	1.102.707	72.216	1.245.809	46.856	0				2.467.588	2.450.017	101
VII	Boat fair and events	2.277	17.060	0	0	0	-1.336	179.123	21.242	615.258				833.624	1.976.075	42
TOTAL :		4.546.172	7.057.259	1.518.819	6.585.602	3.371.601	2.654.203	10.752.017	1.054.931	1.486.830	0	0	0	39.027.433	41.889.892	93

REVENUES OF MARINA KORNATI 2019 SEPARATE BY MONTHS																
Revenue positions		Months 2019												2019	2018	Index
		1	2	3	4	5	6	7	8	9	10	11	12	CUMULAT.	TOTAL	2019/2018
I	Daily berths	1.649,00	32.993,00	58.793,00	173.766,00	253.713,00	407.784,00	632.061,00	640.748,00	371.107,00				2.572.612	2.247.543	114
II	Contracted berth with accessories	3.601.219,00	5.969.253,00	3.932.524,00	6.304.731,00	1.352.030,00	642.848,00	7.828.376,00	204.248,00	83.521,00				29.918.751	28.552.431	105
III	Port service	117.641,00	280.502,00	328.496,00	376.837,00	451.647,00	360.644,00	215.958,00	271.114,00	106.556,00				2.509.396	2.417.212	104
IV	Vehicle parking	1.452,00	2.352,00	18.968,00	117.644,00	231.024,00	422.790,00	385.121,00	487.806,00	402.096,00				2.069.253	1.866.302	111
V	Other services	1.141,00	17.350,00	-22.713,00	26.029,00	34.922,00	153.011,00	35.155,00	74.525,00	74.369,00				393.788	523.392	75
VI	Business cooperation	0,00	7.410,00		1.198.675,00	23.800,00	3.713,00	1.188.874,00	27.545,00					2.450.017	2.309.657	106
VII	Boat fair and events	4.044,00		8.415,00		24.605,00	70.916,00	250.216,00	218.242,00	1.399.639,00				1.976.075	1.724.291	115
TOTAL :		3.727.146,00	6.309.860,00	4.324.483,00	8.197.682,00	2.371.741,00	2.061.706,00	10.535.761,00	1.924.228,00	2.437.288,00	0	0	0	41.889.892	39.640.827	106

Revenue generated by the Marina Kornati for the period 01/01 – 30/09/2021 cumulatively by months and comparison with the same period in 2020 and 2019

REVENUES OF MARINA KORNATI 2021 CUMULATIVE BY MONTHS														
Revenue positions		Months 2021												
		1	2	3	4	5	6	7	8	9	10	11	12	% of total revenues
I	Daily berths	24.596	43.957	114.911	235.341	369.157	666.986	1.233.132	1.919.101	2.243.100				5
II	Contracted berth with accessories	3.033.918	10.624.440	12.199.157	21.012.804	21.788.590	22.373.963	30.400.600	30.627.522	30.779.702				74
III	Port service	126.180	309.929	648.979	1.024.211	1.498.397	1.858.682	2.163.795	2.428.962	2.541.865				6
IV	Vehicle parking		1.240	7.821	48.695	222.182	551.399	1.045.046	1.543.756	1.992.844				5
V	Other services	378	9.248	113.040	126.250	158.363	246.826	301.772	381.101	424.721				1
VI	Business cooperation		0	0	0	1.363.246	1.363.246	2.482.836	2.483.908	2.483.908				6
VII	Boat fair and events		0	3.600	3.600	15.588	34.078	201.975	359.590	1.377.742				3
TOTAL :		3.185.072	10.988.814	13.087.508	22.450.901	25.415.523	27.095.180	37.829.156	39.743.940	41.843.882				100

REVENUES OF MARINA KORNATI 2020 CUMULATIVE BY MONTHS														
Revenue positions		Months 2020											% of total revenues	
		1	2	3	4	5	6	7	8	9	10	11		12
I	Daily berths	32.900	79.612	154.769	250.029	479.097	763.830	1.175.886	1.626.619	1.843.005				5
II	Contracted berth with accessories	4.052.194	10.768.946	11.982.898	18.429.755	20.172.995	21.700.493	29.809.456	29.580.598	29.844.703				76
III	Port service	447.000	674.908	897.423	939.929	1.215.528	1.680.368	1.962.509	2.188.773	2.324.732				6
IV	Vehicle parking	1.029	7.486	10.622	10.814	20.922	221.672	601.973	1.041.939	1.256.286				3
V	Other services	10.772	58.143	62.201	62.989	73.867	179.369	317.993	416.721	457.496				1
VI	Business cooperation	0	0	0	0	1.102.707	1.174.923	2.420.732	2.467.588	2.467.588				6
VII	Boat fair and events	2.277	19.337	19.337	19.337	19.337	18.001	197.124	218.366	833.624				2
TOTAL :		4.546.172	11.608.432	13.127.250	19.712.853	23.084.453	25.738.656	36.485.672	37.540.603	39.027.433				100

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

Summary of key market indicators of Marina Kornati performance

The Company considers both market and financial results of the vessel segment of the nautical sector, i.e. the Marina Kornati, during the reporting period, in light of the fact that this business year was also taking place in the midst of the COVID-19 pandemic, a remarkable success. We particularly point out that, despite the fact that key physical performance results regarding contractual berth vessels, comprising 76.1% of the revenue of Marina Kornati, were maintained at the previous year's level, i.e. 3.01% less than in 2019, the financial performance results, i.e. contractual berth revenue, generated in the amount of HRK 30,779,702.00, was increased by 3.13% in relation to the same period of the record-breaking 2019. Moreover, it is important to note that other market segments, including transit berth, repair service, parking services and business cooperation, have also seen a business revenue growth in relation to the same period of the previous year.



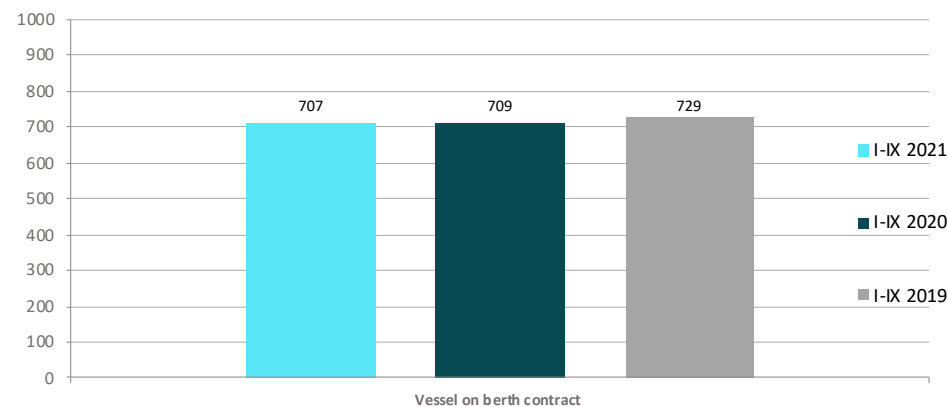
Key market indicators of Marina Kornati

	I-IX 2021	I-IX 2020	I-IX 2019	2021/ 2019	2021/2020
Capacity (number of berths): *					
Central marina	435	435	435	0,00%	0,00%
Western marina	190	190	190	0,00%	0,00%
Southern marina	80	80	80	0,00%	0,00%
Hotel marina	100	100	100	0,00%	0,00%
Total number of berths	805	805	805	0,00%	0,00%
Physical turnover:					
Vessels on berth contact	707	709	729	-3,02%	-0,28%
Number of overnight stays (vessels having transit berth)	9.012	8.823	10.223	-11,85%	2,14%
Number of service operations executed	2.982	2.377	3.144	-5,15%	25,45%
Number of parking places	500	500	500	0,00%	0,00%
Number of business cooperation agreements	49	49	51	-3,92%	0,00%
Financial results:					
Total operating revenue of the marina	40.466.140,00 kn	38.193.809,00 kn	39.913.877,00 kn	1,38%	5,95%
Berth contract:					
Revenue from berth contracts	30.779.702,00 kn	29.844.703,00 kn	29.918.751,00 kn	2,88%	3,13%
Aver. revenue per berth contract	43.535,65 kn	42.094,08 kn	41.040,81 kn	6,08%	3,42%
Share in the total operating revenue of the marina	76,1%	78,1%	75,0%	1,47%	-2,66%
Transit berth:					
Revenue from the transit berth	2.243.100,00 kn	1.843.005,00 kn	2.572.612,00 kn	-12,81%	21,71%
Aver. revenue per overnight stay (transit berth)	248,90 kn	208,89 kn	251,65 kn	-1,09%	19,16%
Share in the total operating revenue of the marina	5,5%	4,8%	6,4%	-14,00%	14,87%
Servicing:					
Revenue from servicing	2.541.865,00 kn	2.324.732,00 kn	2.509.396,00 kn	1,29%	9,34%
Aver. revenue per serv. operation	852,40 kn	978,01 kn	798,15 kn	6,80%	-12,84%
Share in the total operating revenue of the marina	6,3%	6,1%	6,3%	-0,09%	3,20%
Parking:					
Revenue from parking	1.994.296,00 kn	1.256.286,00 kn	2.069.253,00 kn	-3,62%	58,75%
Aver. revenue per parking space	3.988,59 kn	2.512,57 kn	4.138,51 kn	-3,62%	58,75%
Share in the total operating revenue of the marina	4,9%	3,3%	5,2%	-4,9%	49,83%
Business cooperation:					
Revenue from business cooperation	2.483.908,00 kn	2.467.588,00 kn	2.450.017,00 kn	1,38%	0,66%
Aver. revenue from business cooperation	50.692,00 kn	50.358,94 kn	48.039,55 kn	5,52%	0,66%
Share in the total operating revenue of the marina	6,1%	6,5%	6,1%	0,00%	-4,99%

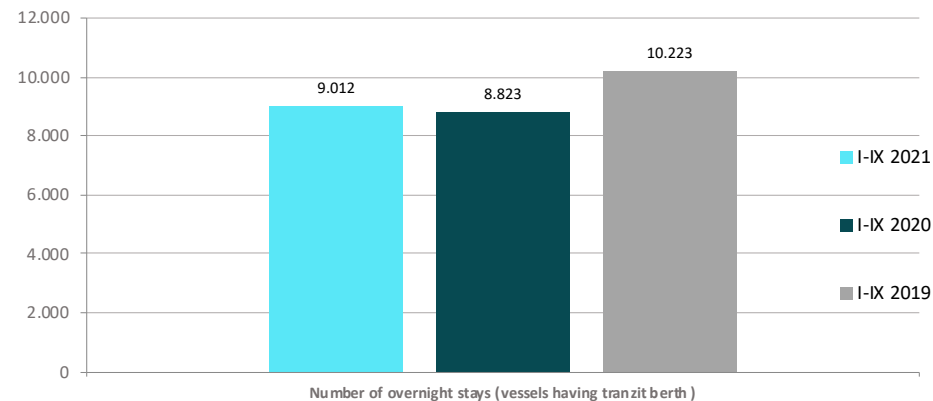
Notes:

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

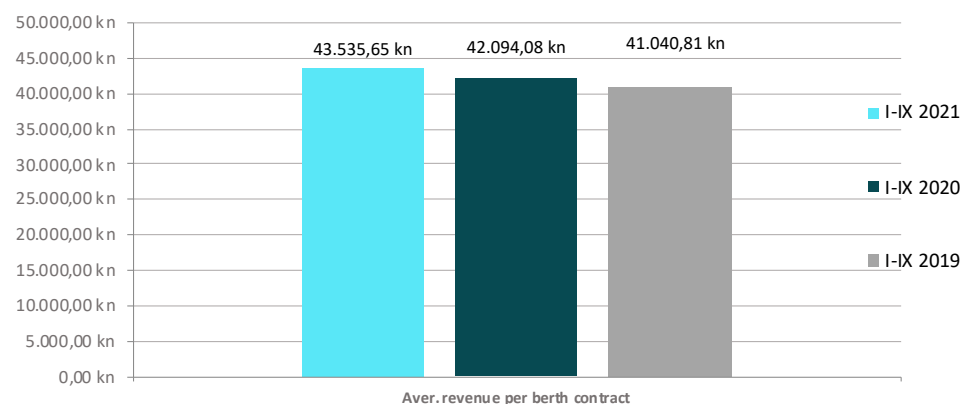
Number of contractual berth vessels at the Marina Kornati in the period I - IX of 2021, 2020 and 2019



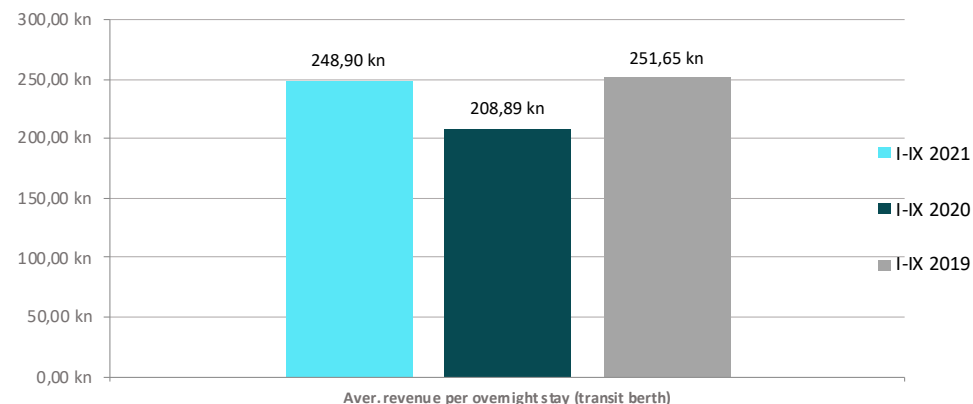
Number of transit vessel overnight stays at the Marina Kornati in the period I - IX of 2021, 2020 and 2019



Average revenue generated per contractual berth at Marina Kornati in the period I - IX of 2021, 2020 and 2019



Average revenue generated per transit vessel overnight stay at Marina Kornati in the period I - IX of 2021, 2020 and 2019





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4.3. CAMPING – “PARK SOLINE” CAMPSITE

During the first nine months of 2021, the camping sector recorded 34,124 arrivals, representing an increase of 74.82% in relation to last year, whereas this represents a share of 83.96% in relation to the same period of 2019, prior to the pandemic. The aforementioned increase is definitely due to the market affected by the COVID-19 pandemic opening earlier in 2021 than in the previous year, both in Croatia and in Europe, and due to excellent booking levels in the peak season and post-season.

In line with the above, an increased number of arrivals also resulted in an increase in the number of overnight stays. 234,556 overnight stays were recorded, which represents an increase of 71.09% relative to the same period of the previous year, and a share of 81.95% of the stays recorded in the same period of 2019. The more significant increase of arrivals versus overnight stays is a result of a lower average number of days of stay, which was 6.87 in the reporting period.

All four segments of camp operations (allotment, lump sum guests, individuals and mobile homes) recorded an increase in arrivals and overnight stays. The allotment market segment recorded an increase of 44.28% in overnight stays and 38.61% in arrivals, which resulted in an increase in the average number of days of stay of agency guests from 7.56 to 7.87 days. The lump sum market segment realized an increase of 54% in arrivals and 48.37% in overnight stays

as compared to the first nine months of 2020. The aforementioned increase is mostly a consequence of opening the market, an increase in the number of leased lump sum stays and a favourable distribution of bank holidays in June (the Slovenian and the Croatian market account for the largest share in lump sum guests). The market segment referring to individuals realized an increase of 159.21% in arrivals and of 151.46% in overnight stays. The mobile homes segment also experienced an increase of 79.17% in arrivals and 82.53% in overnight stays in the first nine months of this year in comparison to the relevant period of the previous year. Most of the increase was generated in June due to the Slovenian and the Croatian market, and during the peak season.

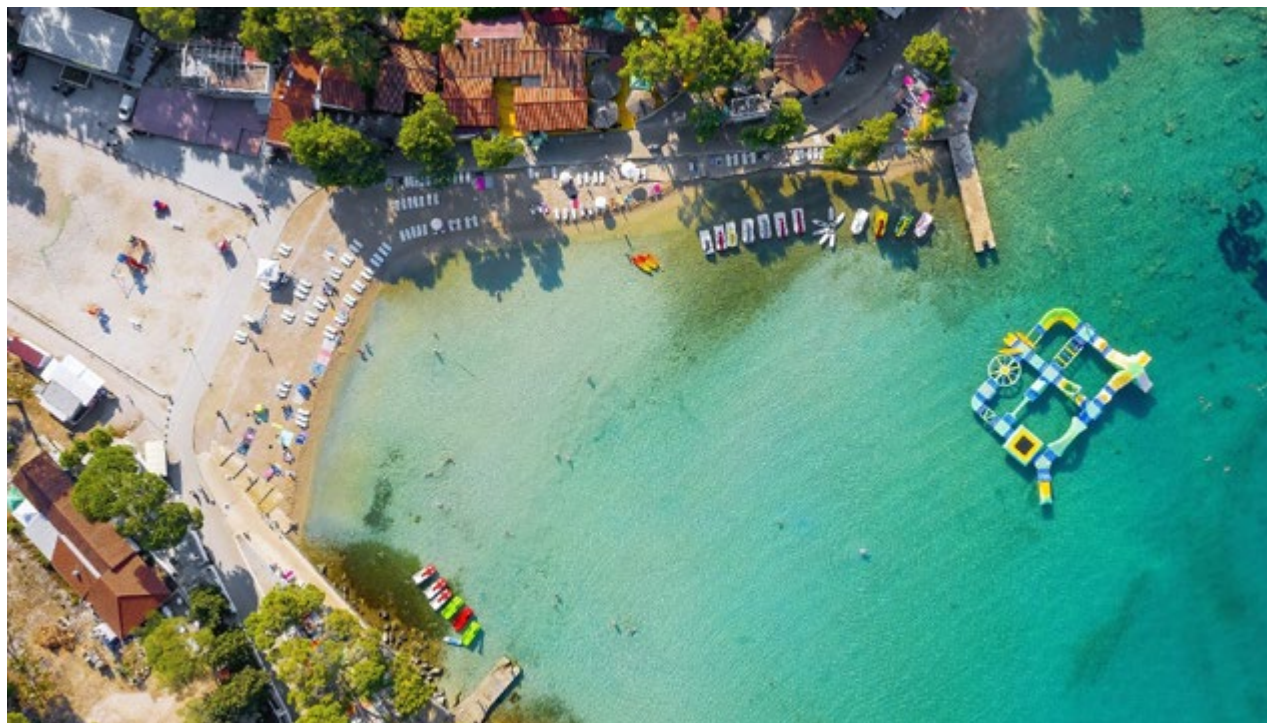
The ratio of overnight stays during the nine months of the reporting period relative to the same period in 2019 demonstrated an increase in overnight stays within the lump sum segment of 8.51%, with the market segment of individuals represented by a share of 78.01%, allotments by 53.60% and mobile homes by 93.43% relative to the same period in 2019.

The “Park Soline” campsite recorded an increase in both physical turnover and revenue, with revenue generated amounting to HRK 29,868,510.07, or 49% higher than the previous year. The most significant contribution to revenue growth was made by the

increase in mobile home revenue by 70%, lump sum guests with an increase of 30%, which, in this segment, is a result of a greater number of leased lump sum pitches relative to the previous year, with the larger part of the lump sum segment pertaining to mobile homes that generate more revenue. The revenue from individuals increased by 152% in comparison to last year. At the end of the third quarter, the revenue generated accounts for 96% of the revenue generated in the same period in 2019. In comparison with pre-pandemic revenue, it is important to note that the lump sum market segment saw an increase of 35%, whereas mobile home revenue matched the pre-pandemic levels. The recorded indicators are satisfactory, considering that the pre-season was lacking and that the market became active only at the end of June.

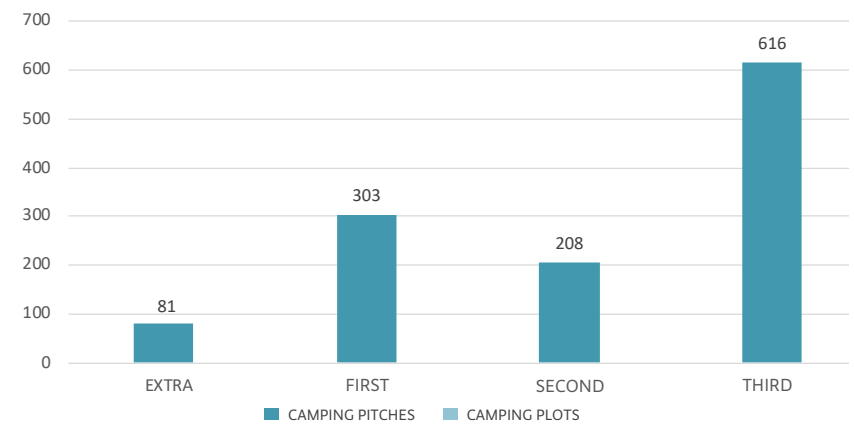
In the structure of recorded overnight stays, the five leading outbound markets are (I) the Slovenian market with a 29% share of overnight stays, (II) the Czech market with a 17% share, (III) the Croatian market with a 15% share, (IV) the German market with a 14% share, and (V) the Polish market with a 7% share. At the same time, when it comes to market segments, lump sum payments and guests in mobile homes prevail in the structure of overnight stays, with a share of 32% and 28% in overnight stays respectively.

The increase in overnight stays, arrivals and revenue in the first nine months of 2021 is the result of opening the market once the epidemiological situation became favourable, as well as of investments in the quality of camp facilities and services. Intensified marketing activities and strategically planned investments in key sales channels certainly contributed to the levels of overnight stays and financial performance nearing the 2019 results.



Capacities of the “Park Soline” campsite

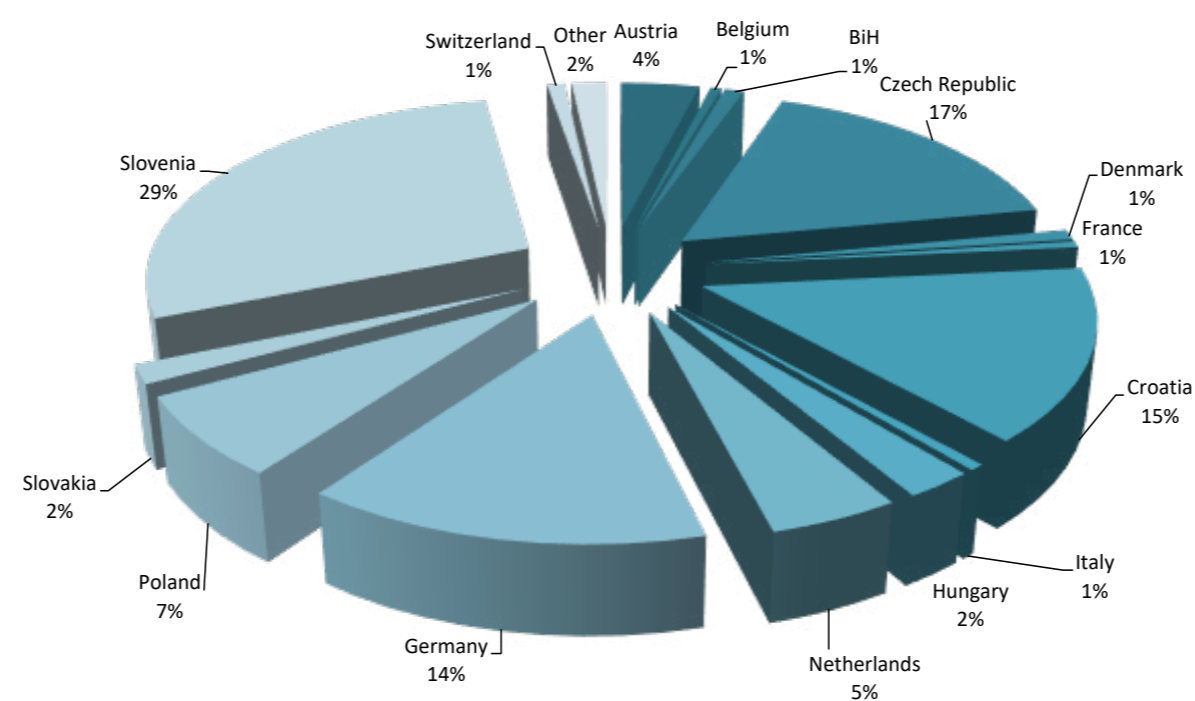
		2017	2018	2019	2020	2021
I	EXTRA ZONE					
	CAMPING PITCHES	81	81	81	81	81
	CAMPING PLOTS	0	0	0	0	0
	TOTAL	81	81	81	81	81
II	FIRST ZONE					
	CAMPING PITCHES	326	303	303	303	303
	CAMPING PLOTS	0	0	0	0	0
	TOTAL	326	303	303	303	303
III	SECOND ZONE					
	CAMPING PITCHES	182	198	208	208	208
	CAMPING PLOTS	0	0	0	0	0
	TOTAL	182	198	208	208	208
IV	THIRD ZONE					
	CAMPING PITCHES	347	638	628	616	616
	CAMPING PLOTS	194	194	0	0	0
	TOTAL	541	832	628	616	616
Σ	GRANDTOTAL					
	CAMPING PITCHES	936	1220	1220	1208	1208
	CAMPING PLOTS	194	193	0	0	0
	GRANDTOTAL	1130	1413	1220	1208	1208



Arrivals and overnight stays by outbound market and average days of stay for the period 01/01 – 30/09/2021 and a comparison with the same period in 2020 and 2019

	2021		2020		2019		INDEX 2021/2019		INDEX 2021/2020		AVERAGE STAY (DAYS)		
COUNTRY	Arrivals	Overnight stays	Arrivals	Overnight stays	Arrivals	Overnight stays	Arrivals	Overnight stays	Arrivals	Overnight stays	2021	2020	2019
Austria	1.448	9.198	403	2.525	1.959	12.186	73,92	75,48	359,31	364,28	6,35	6,27	6,22
Belgium	226	1.261	83	706	330	2.409	68,48	52,35	272,29	178,61	5,58	8,51	7,30
B&H	428	2.255	236	1.419	612	2.889	69,93	78,05	181,36	158,91	5,27	6,01	4,72
Czech Rep	5.188	38.808	3.660	27.494	7.234	55.739	71,72	69,62	141,75	141,15	7,48	7,51	7,71
Denmark	233	2.120	85	678	444	3.601	52,48	58,87	274,12	312,68	9,10	7,98	8,11
France	248	1.289	77	555	820	5.711	30,24	22,57	322,08	232,25	5,20	7,21	6,96
Croatia	5.988	35.192	4.212	26.857	4.183	27.880	143,15	126,23	142,17	131,03	5,88	6,38	6,67
Italy	218	1.258	64	496	1.166	7.298	18,70	17,24	340,63	253,63	5,77	7,75	6,26
Hungary	928	5.743	311	1.712	1.552	10.098	59,79	56,87	298,39	335,46	6,19	5,50	6,51
Netherlands	1.324	10.798	208	1.967	1.830	15.989	72,35	67,53	636,54	548,96	8,16	9,46	8,74
Germany	4.581	33.052	1.699	14.169	5.132	38.847	89,26	85,08	269,63	233,27	7,22	8,34	7,57
Poland	2.303	16.408	1.185	8.065	2.227	16.169	103,41	101,48	194,35	203,45	7,12	6,81	7,26
Slovakia	571	3.864	193	1.150	893	5.738	63,94	67,34	295,85	336,00	6,77	5,96	6,43
Slovenia	9.326	67.147	6.697	46.972	10.574	72.226	88,20	92,97	139,26	142,95	7,20	7,01	6,83
Switzerland	386	2.061	52	322	335	1.787	115,22	115,33	742,31	640,06	5,34	6,19	5,33
Other	728	4.102	354	2.009	1.352	7.642	53,85	53,68	205,65	204,18	5,63	5,68	5,65
TOTAL	34.124	234.556	19.519	137.096	40.643	286.209	83,96	81,95	174,82	171,09	6,87	7,02	7,04

Realised overnight stays by outbound markets for the period 01/01 – 30/09/2021.



Arrivals, overnight stays, and plot numbers by market segment until 30/09/2021, 2020 and 2019

MARKET SEGMENT	2021			2020			2019			INDEX 2021/2019			INDEX 2021/2020			AVERAGE STAY (DAYS)		
	Arrivals	Overnight stays	Pitch	Arrivals	Overnight stays	Pitch	Arrivals	Overnight stays	Pitch	Arrivals	Overnight stays	Pitch	Arrivals	Overnight stays	Pitch	2021	2020	2019
Allotment	5.733	45.114	170	4.136	31.268	234	10.677	84.167	270	53,69	53,60	62,96	138,61	144,28	72,65	7,87	7,56	7,88
Lump sum	10.689	74.438	253	6.941	50.171	220	9.723	68.601	242	109,94	108,51	104,55	154,00	148,37	115,00	6,96	7,23	7,06
Individuals	8.344	48.937	560	3.219	19.461	529	10.259	62.730	508	81,33	78,01	110,24	259,21	251,46	105,86	5,86	6,05	6,11
Mobile homes	9.358	66.067	225	5.223	36.196	225	9.984	70.711	200	93,73	93,43	112,50	179,17	182,53	100,00	7,06	6,93	7,08
TOTAL:	34.124	234.556	1.208	19.519	137.096	1.208	40.643	286.209	1.220	83,96	81,95	99,02	174,82	171,09	100,00	6,87	7,02	7,04

Illustration showing the cumulative results of daily and monthly occupancy of campsite accommodation units for the period 01/04 – 30/09/2021

MONTH	APRIL				MAY				JUNE				JULY			
SEGMENT	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY
MOBILE HOMES ILIRIJA	6.750	54	0,80%	0,24	6.975	221	3,17%	0,98	6.750	2.557	74,81%	23,19	6.975	5.218	74,81%	23,19
AGENCIES	5.100	5.100	100,00%	30,00	5.270	5.270	100,00%	31,00	5.100	5.100	100,00%	31,00	5.270	5.270	100,00%	31,00
LUMP SUM	7.530	7.530	100,00%	30,00	7.781	7.781	100,00%	31,00	7.530	7.530	100,00%	31,00	7.843	7.843	100,00%	31,00
INDIVIDUALS PITCHES STANDARD MARE - CAMPING PLACE STANDARD III ZONE	10.110	169	1,67%	0,50	10.447	370	3,54%	1,10	10.110	1.707	39,32%	12,19	10.447	4.108	39,32%	12,19
INDIVIDUALS CAMPING PLACE STANDARD IV ZONE	6.750	0	0,00%	0,00	6.975	0	0,00%	0,00	6.750	42	2,92%	0,91	6.913	204	2,95%	0,91
INDIVIDUALS TOTAL	16.860	169	1,00%	0,30	17.422	370	2,12%	0,66	16.860	1.749	24,75%	7,67	17.422	4.312	24,75%	7,67
TOTAL	36.240	12.853	35,47%	10,64	37.448	13.642	36,43%	11,29	36.240	16.936	60,30%	18,69	37.448	22.643	60,47%	18,74

MONTH	AUGUST				SEPTEMBER				TOTAL 2021					TOTAL 2020				
SEGMENT	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	NUMBER OF ACCOMODATING UNITS	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	NUMBER OF ACCOMODATING UNITS	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY
MOBILE HOMES ILIRIJA	6.975	6.381	91,48%	28,36	6.750	2.926	43,35%	13,00	225	41.175	17.357	42,15%	77,14	225	48.150	9.141	18,98%	40,63
AGENCIES	5.270	5.270	100,00%	31,00	5.100	5.100	100,00%	30,00	170	31.110	31.110	100,00%	183,00	234	50.076	50.076	100,00%	214,00
LUMP SUM	7.843	7.843	100,00%	31,00	7.590	7.590	100,00%	30,00	253	46.117	46.117	100,00%	183,00	220	47.080	47.080	100,00%	214,00
INDIVIDUALS PITCHES STANDARD MARE - CAMPING PLACE STANDARD III ZONE	10.447	5.984	57,28%	17,76	10.110	3.998	39,55%	11,86	337	61.671	16.336	26,49%	48,47	349	74.686	6.476	8,67%	18,56
INDIVIDUALS CAMPING PLACE STANDARD IV ZONE	6.913	883	12,77%	3,96	6.690	107	1,60%	0,48	223	40.991	1.236	3,02%	5,52	180	38.520	335	0,87%	1,86
INDIVIDUALS TOTAL	17.422	6.867	39,42%	12,22	16.860	4.105	24,35%	7,30	562	102.846	17.572	17,09%	31,27	529	113.206	6.811	6,02%	12,88
TOTAL	37.448	26.361	70,39%	21,82	36.240	19.721	54,42%	16,33	1208	221.248	112.156	50,69%	92,76	1208	258.512	113.108	43,75%	93,63

MONTH	TOTAL 2019					INDEX 2021/2019					INDEX 2021/2020				
SEGMENT	NUMBER OF ACCOMODATING UNITS	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	NUMBER OF ACCOMODATING UNITS	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	NUMBER OF ACCOMODATING UNITS	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY
MOBILE HOMES ILIRIJA	200	42.800	18.583	43,42%	92,92	112,5	96	93	97,08%	83,02	100	86	190	222,10%	189,87
AGENCIES	270	57.780	57.780	100,00%	214,00	62,96	54	54	100,00%	85,51	72,65	62	62	100,00%	85,51
LUMP SUM	242	51.696	51.696	100,00%	214,00	104,55	89	89	100,00%	85,51	115	98	98	100,00%	85,51
INDIVIDUALS PITCHES STANDARD MARE - CAMPING PLACE STANDARD III ZONE	354	75.756	20.754	27,40%	58,63	95,19	81	79	96,67%	82,68	96,56	83	252	305,52%	261,18
INDIVIDUALS CAMPING PLACE STANDARD IV ZONE	154	33.048	1.735	5,25%	11,23	144,81	124	71	57,43%	49,14	123,89	106	369	346,59%	296,67
INDIVIDUALS TOTAL	508	108.804	22.489	20,67%	44,23	110,63	95	78	82,66%	70,69	106,24	91	258	283,82%	242,76
TOTAL	1220	261.080	150.548	57,66%	123,40	99,02	85	74	87,92%	75,17	100	86	99	115,87%	99,07

Campsite revenue for the period 01/01 – 30/09/2021 and comparison with the same period in 2020 and 2019

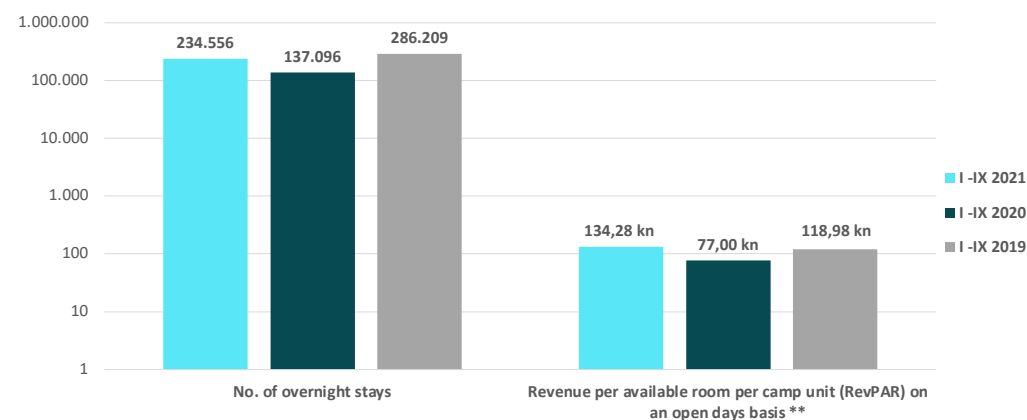
SEGMENT		2019					2020					2021			INDEX		INDEX	
		REALIZED 2019.			REALIZED TILL 30/09/2019		REALIZED 2020.			REALIZED TILL 30.09.2020.		REALIZED TILL 30/09/2021			2021/2019		2021/2020	
		NUMBER OF PITCHES	OVERNIGHT STAYS	REVENUES	REALIZED OVERNIGHT STAYS	REVENUES	NUMBER OF PITCHES	OVERNIGHT STAYS	REVENUES	REALIZED OVERNIGHT STAYS	REVENUES	NUMBER OF PITCHES	OVERNIGHT STAYS	REVENUES	OVERNIGHT STAYS	REVENUES	OVERNIGHT STAYS	REVENUES
1	MOBILE HOMES ILIRIJA	200	71.669	13.080.977,08 kn	70.711	12.982.741,50 kn	225	36.319	6.115.016,97 kn	36.196	7.606.212,34 kn	225	66.067	12.966.151,78 kn	93	100	183	170
2	AGENCIES	270	84.853	4.961.578,20 kn	84.167	4.961.578,20 kn	234	31.762	3.398.117,90 kn	31.268	4.076.199,26 kn	170	45.114	3.414.147,54 kn	54	69	144	84
3	INDIVIDUALS	508	63.976	6.409.705,47 kn	62.730	6.364.434,45 kn	529	19.733	1.893.510,85 kn	19.461	1.938.715,66 kn	560	48.937	4.881.208,01 kn	78	77	251	252
4	LUMP SUM	242	69.989	5.534.344,91 kn	68.601	5.468.888,09 kn	220	51.238	5.673.901,43 kn	50.171	5.648.919,66 kn	253	74.438	7.371.332,51 kn	109	135	148	130
5	OTHER SERVICES	-	-	2.049.767,64 kn	-	1.482.262,51 kn	-	-	920.607,31 kn	-	803.186,60 kn	0		1.235.670,23 kn	#DIV/0!	83	#DIV/0!	154
TOTAL:		1220	290.487	32.036.373,30 kn	286.209	31.259.904,75 kn	1208	139.052	18.001.154,46 kn	137.096	20.073.233,52 kn	1208	234.556	29.868.510,07 kn	82	96	171	149

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

In the first nine months of 2021, the Company camping sector, consisting of the “Park Soline” campsite and the “Park Soline” restaurant, recorded a significant increase compared to the previous year, both according to physical and financial indicators. A share of 82% of overnight stays was recorded with regard to the target value of the same relevant period in 2019, as well as a share of 96% in terms of financial targets. Compared to the same period in the previous year, the “Park Soline” campsite recorded a higher number of guest arrivals and overnight stays, which resulted in the 15.96% increase in capacity occupancy, a 50.40% increase in the average price, and a 74.39% increase in accommodation revenue per campsite unit, based on campsite unit occupancy based on days of availability. With regard to the same period in 2019, the following shares were recorded: an 88% share of campsite unit occupancy based on availability, an increase of 28.28% in the average achieved campsite price, and an increase of 12.87% in the accommodation price per campsite unit based on days of availability.

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

Number of overnight stays and accommodation revenue per campsite unit in the “Park Soline” campsite for the period from January to September 2021, 2020 and 2019



Notes:

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

Key market indicators of the campsite "Park Soline"

	I-IX 2021	I -IX 2020	I -IX 2019	2021/2019	2021/2020
Accommodation capacities:					
Number of camping units	1.208	1.208	1.220	-0,98%	0,00%
Number of guests	3.624	3.624	3.660	-0,98%	0,00%
Physical turnover:					
No. of overnight stays	234.556	137.096	286.209	-18,05%	71,09%
No. of sold camp units	112.156	113.108	150.548	-25,50%	-0,84%
Annual occupancy rate of the camp units (%)	25,44%	25,58%	33,81%	-24,76%	-0,57%
Occupancy rate of the units on an open days basis (%)	50,73%	43,75%	57,66%	-12,02%	15,96%
Financial results:					
Average daily rate of the camp unit (ADR)*	264,68 kn	175,99 kn	206,33 kn	28,28%	50,40%
Revenue per available room per camp unit (RevPAR) on a basis of 366/365 days **	67,33 kn	45,02 kn	69,76 kn	-3,48%	49,54%
Revenue per available room per camp unit (RevPAR) on an open days basis **	134,28 kn	77,00 kn	118,98 kn	12,87%	74,39%

Notes:

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

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

4.4. CITY GALLERIA BUSINESS AND SHOPPING CENTRE

City Galleria Business and Shopping Centre is located in a heavily residential area in the immediate centre of Zadar, just a ten-minute walk from the old town. Due to the favourable location of the building near the main bus station and the fact it is surrounded by some of the main city roads, City Galleria Business and Shopping Centre is exceptionally easy to spot and access by a large number of local residents and foreign visitors. Apart from the new housing, business, and commercial projects, as well as developmental and cultural projects of the local community, which have recently been completed, this entire urban area is expanding into a new central zone, with a number of new facilities concentrated in the area. Construction works on local roads are also underway, including the expansion of Ulica dr. F. Tuđmana, which is being adapted for public transport and bicycles through the implementation of an Intelligent Transport System, which will surely contribute to a more efficient traffic network and easier access to the old town.

The total gross area of the building is more than 28,500 m², spread over a total of six floors including two floors for an underground garage and four floors with commercial and retail space. The total gross area of the building consists of an underground garage with an area of 10,863.50 m², commercial premises with a total net rentable area of 9,924,60 m², as well as communications, technical and common areas. By

purchasing the commercial premises in the neighbouring Phase 1 of the Zadar Shopping Centre facility that was completed in December 2020, the Company secured an additional 142.13 m² of commercial premises intended for lease. In June 2021, the Company also purchased commercial premises with a surface area of 43,52 m², and again in September, with an area of 20,14 m² and 27,74 m², with the Company currently disposing of a total of 233,53 m² in Phase 1 of the facility.

The extraordinary circumstances, in which domestic and foreign markets unfortunately still continue to operate in 2021, combined with the unpredictability regarding their ultimate duration and all the pertaining consequences of the measures adopted so far to protect the health of the citizens, have significantly affected the operations of the City Galleria Centre. In such circumstances of life and business, caused by the measures prohibiting gatherings, imposing restrictions of movement, closing of borders, temporary suspensions or restrictions of operation for many business entities, industries and business activities are suffering significant disturbances. Despite said restrictions, especially with regard to performing certain economic activities and epidemiological measures, the City Galleria commercial premises maintained a high occupancy rate in the first nine months of 2021.

As of 30 September 2021, the occupancy of the centre amounted to 99.77% of all capacities, that is, 37 commercial lease agreements were active, with a surface area range from 9,80 m² to 1.836 m². The commercial premises occupancy rate in Phase 1 as of 30 September 2021 is 60.86%. Taking into account the total net area of the commercial premises in Phases 1 and 2 of the facility, amounting to 10,158.13 m², the current total occupancy rate is 98.88%.

Business revenue of the City Galleria Centre, generated in the first three quarters of 2021 through lease of commercial premises, common costs, use of common parts of the centre, lease of advertising space, garage revenues and lease of commercial premises in Phase 1 of the Centre, amounts to HRK 9,604,192.94. Other operating revenue relating to insurance claims amounted to HRK 99,816.74 in the relevant period in 2021, which brings the total generated revenue of the first three quarters of 2021 to HRK 9,704,009.68. In the same period in 2020, total business revenue amounted to HRK 9,627,612.32, which represents a growth of 0.8%. During the first three quarters of 2019, total business revenue amounted to HRK 10,681,426.60, representing a comparable decrease of 9.15% in 2021.

The decline in revenue was mostly caused by the absence of additional rent in January, calculated based

on the realised net turnover of tenants for 2020 due to the underperformance of individual tenants' businesses compared to 2019, and also less restrictive commercial terms of lease for commercial premises granted to tenants whose business operations were suspended or significantly restricted compared to their regular business circumstances. The pronounced difference in generated revenue was caused by a decrease in the number of visitors of the garage due to the establishment of restrictions to the permitted number of visitors in commercial facilities, as well as other epidemiological measures. The category of revenue from commercial premises lease in 2021 recorded a decrease of 3.71% relative to 2020, or a decrease of 14.74% relative to 2019. Revenue from common costs recorded an increase of 2.84% relative to 2020, or a decrease of 1.64% relative to 2019. The category of garage revenue recorded an increase of 28.85% relative to 2020; however, despite the positive results and an increase in the number of visitors, there was a decrease of 10.55% in relation to 2019 as the pre-crisis year. Revenue from the lease of advertising space and the use of common areas remained at the same level as in 2020, while there was an increase in revenue of 7.8% relative to 2019 in the category of common area use and 4.86% in the category of advertising space lease. Revenue from the lease of premises in the neighbouring Phase 1 of the Centre amounted to HRK 81,144.99 in 2021.



Despite the restrictions of the number of visitors in the first three quarters of 2021, the garage – under lesser restrictions on occupancy than in 2020 – was used by 483,191 vehicles, which represents a 10.01% increase in visits relative to the previous year. In relation to 2019 as the pre-crisis year, the number of vehicles decreased by 13.84%. Revenue generated by the garage of the City Galleria Business and Shopping Centre during the first three quarters of 2021 amounted to HRK 589,666.98, which is an increase of 28.85% relative to the same period in 2020, when it amounted to HRK 457,640.79.

Due to the significant and unpredictable disruptions in the operations of all global and domestic markets during the previous and current business years, in such circumstances the Company has responsibly approached the general situation and monitors, on a daily basis, the developments and announcements of any potential new measures published by the competent Croatian services at the local and national levels that might additionally limit business activities in the coming months. The technical, security and cleaning services duly perform their activities of maintaining and guarding the property, with stricter security and disinfection measures of common areas being applied.



Business revenue of the City Galleria Business and Shopping Centre in Zadar for the period 01/01 – 30/09/2021 and a comparison with the same period in 2020 and 2019

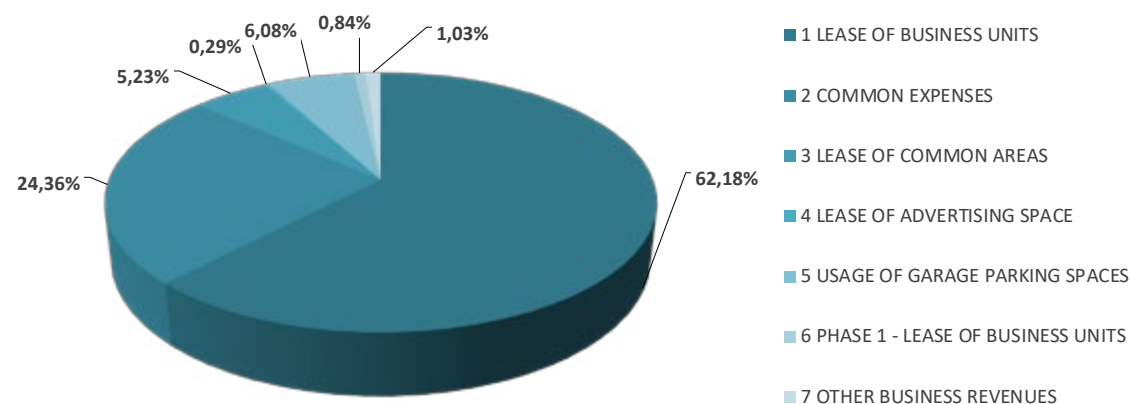
DESIGNATION	DESCRIPTION	NUMBER OF ACTIVE CONTRACTS	SURFACE AREA (m²)	REVENUES 01-09/2021	%	REVENUES 01-09/2020	%	INDEX 2021/2020	REVENUES 01-09/2019	%	INDEX 2021/2019
1.	LEASE OF BUSINESS UNITS	37	9.924,60	6.033.721,20	62,18%	6.266.210,24	65,09%	96	7.077.180,21	66,26%	85
2.	COMMON EXPENSES	36	7.178,18	2.363.533,40	24,36%	2.298.338,51	23,87%	103	2.403.009,69	22,50%	98
3.	LEASE OF COMMON AREAS	26	1.051,50	507.529,50	5,23%	505.388,82	5,25%	100	470.812,50	4,41%	108
4.	LEASE OF ADVERTISING SPACE	8	121,18	28.596,87	0,29%	28.596,86	0,30%	100	27.272,51	0,26%	105
5.	USAGE OF GARAGE PARKING SPACES	410***	10.863,50	589.666,98	6,08%	457.640,79	4,75%	129	659.193,62	6,17%	89
6.	PHASE 1 - LEASE OF BUSINESS UNITS	6	233,53	81.144,99	0,84%	0,00	0,00%	0	0,00	0,00%	0
REVENUES				9.604.192,94	98,97%	9.556.175,22	99,26%	101	10.637.468,53	99,59%	90
7.	OTHER BUSINESS REVENUES			99.816,74	1,03%	71.437,10	0,74%	140	43.958,07	0,41%	227
TOTAL REVENUES				9.704.009,68	100,00%	9.627.612,32	100,00%	101	10.681.426,60	100,00%	91

*totalnet leasable surface area

**total net leasable area for calculation of common expenses

***number of parking spaces in the garage

Operating revenues overview for 01/01-30/09/2021



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

In 2021, the Company continued to perform its business activities under difficult conditions, which required the adjustment of business activities to the economic effects of the pandemic and professional restrictions within the framework of epidemiological measures imposed by the competent services, which significantly affected the business results of the City Galleria Business and Shopping Centre.

The total rentable area of the facility is 9,924.60 m². By purchasing the commercial premises in the neighbouring Phase 1 of the Zadar Shopping Centre facility, ILIRIJA d.d. secured an additional 233.53 m² of commercial space for lease, which increased the total rentable area of all commercial spaces owned by ILIRIJA d.d. to 10,158.13 m². As at 30 September 2021, a total of 37 commercial lease agreements were active, i.e. the occupancy rate was 99.77% of the indicated net rentable area of the Centre, which, under the present circumstances, represents a significant achievement in the continuity of maintaining business cooperation with the tenants of the Centre. Most of the revenue of the City Galleria Business and Shopping Centre comes from commercial leasing. The average lease per square metre of active commercial premises during the reporting period was EUR 9.05/m², or HRK 67.70/m² per month. Other revenue was based

on calculating common costs (calculated for the area of 7,178.18 m²), leasing and commercial use of common areas of the Business and Shopping Centre (1,051.50 m² in total), collection of single parking fees and leasing of parking spaces in the underground garage of the Centre (total area of 10,863.50 m²), and, in the smallest share, leasing advertising space on the façade of the Centre (total area of 121.18 m²). Total revenue generated within the first nine months of 2021 increased by 0.79% relative to the same period in 2020.

The public underground garage of the Centre has a total of 410 parking spaces, and its occupancy during the reporting period of 2021 shows a 10.01% increase relative to the previous year, with 483,191 vehicles, while the occupancy during the first three quarters of 2020 was 439,219 vehicles. Long-term restrictions of the number of visitors in stores and shopping centres, along with ban on operation for hospitality and sports facilities, have all resulted in a significant decline in the number of visitors coming to the City Galleria Centre in 2020 and 2021. Therefore, the results achieved during the first nine months of 2021 relative to 2019 as the pre-crisis year represent a decrease in occupancy of 13.84%. Average garage revenue per parking space is HRK 1,438.21.



Key market indicators of the real estate sector - City Galleria

PERIOD	I-IX 2021	I-IX 2020	2021/2020	I-IX 2019	2021/2019
Commercial capacities:					
Premises - floor area (m ²)	9.924,60	9.897,60	0,27%	9.897,60	0,27%
Shared costs - floor area (m ²)	7.178,18	7.173,53	0,06%	7.173,53	0,06%
Common areas - floor area (m ²)	1.051,50	1.041,50	0,96%	1.018,80	3,21%
Advertising space - floor area (m ²)	129,18	129,18	0,00%	129,18	0,00%
Garage - floor area (m ²)	10.863,50	10.863,50	0,00%	10.863,50	0,00%
Commercial turnover:					
Premises - number of active contracts	37	37	0,00%	37	0,00%
Shared costs - number of active contracts	36	36	0,00%	36	0,00%
Common areas - number of active contracts	26	21	23,81%	21	23,81%
Advertising space - number of active contracts	8	8	0,00%	8	0,00%
Garage - number of parking spaces	410	410	0,00%	410	0,00%
Garage - turnover of vehicles	483.191	439.219	10,01%	560.819	-13,84%
Financial results:					
Average monthly rent earned per m ² of premises (AMR)*	67,70 kn	70,50 kn	-3,97%	79,62 kn	-14,97%
Average rent earned per m ² of premises for the period	609,30 kn	634,50 kn	-3,97%	716,61 kn	-14,97%
Average revenue from the garage per parking space for the period**	1.438,21 kn	1.116,20 kn	28,85%	1.607,79 kn	-10,55%

Notes:

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

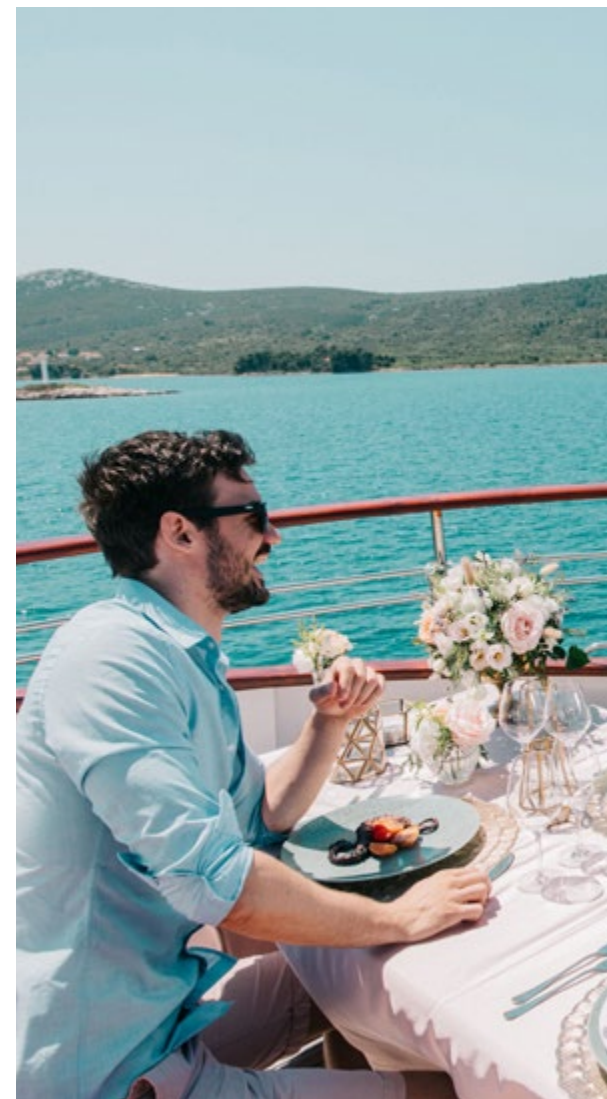
** The revenue from the garage per parking space is the revenue from the garage divided by the number of available parking spaces in a given period (period from 01/2021. to 09/2021.).

4.5 ILIRIJA TRAVEL

In the first nine months of 2021, through the system and organisation of DMC Ilirija Travel, along with other profit centres of the Company, 144 special programmes, concerts, incentives, events, conferences, congresses, weddings, excursions, regattas and concerts were held, with a total of 9,445 visitors.

The components of DMC Ilirija Travel agency, vehicle fleet, the multi-functional premises of Arsenal, the “Nada” event boat, agrotourism, the Villa Primorje, and the set of excursions and the organisation of the MICE offer, other events and the tailor-made offer – has traditionally composed the backbone of the Company’s extended season, as well as the reinforcement of the guests’ experiences and impressions, based on facilities within complementary forms of tourism and special-interest tourism. This complementary nature is especially significant in the pre-season and post-season, whereas the pre-season was virtually non-existent this year due to the pandemic and the counter-pandemic measures, both locally and in the key outbound markets, with the peak season and the beginning of post-season providing a partial recuperation of business activities in this segment.

In these conditions, a total of HRK 3,273,831.11 in revenue was generated, of which part of the revenue was realized and in other profit centers of the Company, it also represents a significant increase of 69.4% in relation to HRK 1,931,175.28 in revenue generated in the first nine months



of 2020. During the summer, after the travel conditions within the EU, and in part in other key outbound markets, were established, and as a result of a more pronounced desire to travel, 47% more events were held, although the increase in the number of visitors (participants) was smaller and amounted to 2.5% due to, among other, the restrictions of the number of participants in many of the events and a complete lack of large concerts and similar events. Despite the fact that we are seeing a positive trend and a revival of this business segment, the results are still very far from the ones achieved in the pre-pandemic period, i.e. the first nine months of 2019, when we generated a record revenue of HRK 8,222,065.65. Though mitigated, the COVID-19 pandemic still had negative effects on group events, business group arrivals, seminars, congresses and other events, which were, for the most part, either prohibited or extremely restricted. The situation also reflected in the decreased number of usual excursions, as well as the reduced time spent in areas with additional facilities for relaxation and entertainment. A large number of domestic, European, and international companies, which used to organise regional gatherings, events, presentations, regattas and prize trips for their customers or employees, have been completely absent in this pre-season, while making a slight comeback in the post-season.

These conditions have had an especially negative impact on well-established facilities and amenities, such as the Arsenal multimedia facility, which is the backbone of the

social scene in Zadar and the region, and this year practically had no events to speak of; therefore, the results were significantly poorer than 2020, when business was performed as usual up until the middle of March. The "Nada" event boat, despite recording an increase of 460% relative to 2020, is still not performing to its full potential due to the absence of previously common group tours from Istria to the Southern Adriatic, whereas this year it was limited to the Zadar and Biograd region. Similarly, the traditional excursion and special event agency, despite experiencing a growth of 373%, did not perform nearly as well as in the pre-pandemic year. However, the pandemic positively affected the business of the agrotourism complex and its heritage diffuse hotel in the hinterland due to the rise in popularity of accommodation in more isolated and spacious facilities, therefore, this segment generated a growth of 1,208%, despite a smaller number of special events, weddings, team building events and similar programmes. The regattas, which are held at the Biograd riviera – centred around Marina Kornati – more than at any other location in the country, were also partially absent, as well as congresses, which are nowadays normally accompanied by a copious use of such ancillary facilities.

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



5. FINANCIAL OPERATING RESULTS OF THE COMPANY

5.1 FINANCIAL PERFORMANCE OF THE COMPANY

5.1.1. HOTEL SECTOR

	I-IX 2021	I-IX 2020	I-IX 2019	2021/2019	2021/2020
HOTEL SECTOR - BIOGRAD					
Operating revenues	27.468.042,52 kn	13.327.430,79 kn	48.593.919,20 kn	-43,47%	106,10%
Revenues from board services	22.381.760,38 kn	10.293.402,94 kn	39.981.497,70 kn	-44,02%	117,44%
TRevPAR *	74.037,85 kn	35.922,99 kn	130.980,91 kn	-43,47%	106,10%
Operating costs **	17.370.139,39 kn	13.182.817,35 kn	28.588.740,85 kn	-39,24%	31,76%
Gross operating profit (GOP) ***	10.097.903,13 kn	144.613,44 kn	20.005.178,35 kn	-49,52%	6882,69%
GOP per accommodation unit	27.218,07 kn	389,79 kn	53.922,31 kn	-49,52%	6882,69%
GOP margin****	36,8%	1,1%	41,2%	-10,77%	3287,98%
Capital investments	644.620,67 kn	766.382,37 kn	3.620.838,69 kn	-82,20%	-15,89%
HOTEL SECTOR - SV. FILIP I JAKOV					
Operating revenues	41.550,00 kn	3.345,24 kn	4.725.755,04 kn	-99,12%	1142,06%
Revenues from board services	0,00 kn	0,00 kn	4.317.720,44 kn	-100,00%	#DIV/O!
TRevPAR *	577,08 kn	46,46 kn	65.635,49 kn	-99,12%	1142,06%
Operating costs **	488.220,70 kn	476.454,39 kn	3.174.316,22 kn	-84,62%	2,47%
Gross operating profit (GOP) ***	-446.670,70 kn	-473.109,15 kn	1.551.438,82 kn	-128,79%	-5,59%
GOP per accommodation unit	-6.203,76 kn	-6.570,96 kn	21.547,76 kn	-128,79%	-5,59%
GOP margin****	-1075,0%	-14142,8%	32,8%	-3377,50%	-92,40%
Capital investments	225.606,00 kn	225.878,48 kn	390.982,03 kn	-42,30%	-0,12%
HOTEL SECTOR - TOTAL ILIRIJA d.d.					
Operating revenues	27.509.592,52 kn	13.330.776,03 kn	53.319.674,24 kn	-48,41%	106,36%
Revenues from board services	22.381.760,38 kn	10.293.402,94 kn	44.299.218,14 kn	-49,48%	117,44%
TRevPAR *	62.098,40 kn	30.092,05 kn	120.360,44 kn	-48,41%	106,36%
Operating costs **	17.858.360,09 kn	13.659.271,74 kn	31.763.057,07 kn	-43,78%	30,74%
Gross operating profit (GOP) ***	9.651.232,43 kn	-328.495,71 kn	21.556.617,17 kn	-55,23%	-3038,01%
GOP per accommodation unit	21.786,08 kn	-741,53 kn	48.660,54 kn	-55,23%	-3038,01%
GOP margin****	35,1%	-2,5%	40,4%	-13,16%	-1523,72%
Capital investments	870.226,67 kn	992.260,85 kn	4.011.820,72 kn	-78,31%	-12,30%

In the first nine months of 2021, the hotel sector generated an operating revenue of HRK 27,509,592.52, which represents a 106.36% increase compared to the nine months of 2020, but represents a 48.41% decrease compared to the same period of the pre-pandemic 2019. At the same time, the hotel sector's operating costs increased by 30.74% in comparison to the previous year, but decreased by 43.78% in comparison to 2019.

The significant increase in the revenue compared to the same period of the previous year is due to the introduction of COVID certificates, which led to relaxed travel and movement restrictions across the European Union; vaccination of outbound market populations; as well as

to our maximum adherence to the strictest epidemiological measures; all of which resulted in the recovery of travel activities and a more significant boost of business operations of the Company's hotel sector.

With the increase in the revenue and simultaneous cost management, the hotel sector realised a gross operating profit (GOP) of HRK 9,651,232.43, which amounts to 44.77% of the GOP realized in 2019. In the observed period of the previous year, GOP could not be realised due to an extremely short peak season. The GOP per accommodation unit equals HRK 21,786.08, while the GOP margin increased significantly and amounts to 35.1%.

Notes:

The hotel sector in Biograd includes: Ilirija, Adriatic and Kornati hotels; Lavender bar and the sports and entertainment facility Aquatic Centre; while the hotel centre in Sv. Filip I Jakov is the Villa Donat hotel.

* TRevPAR (total annual revenue per accommodation unit) means the total operating revenue of the hotel sector divided by the number of physical accommodation units.

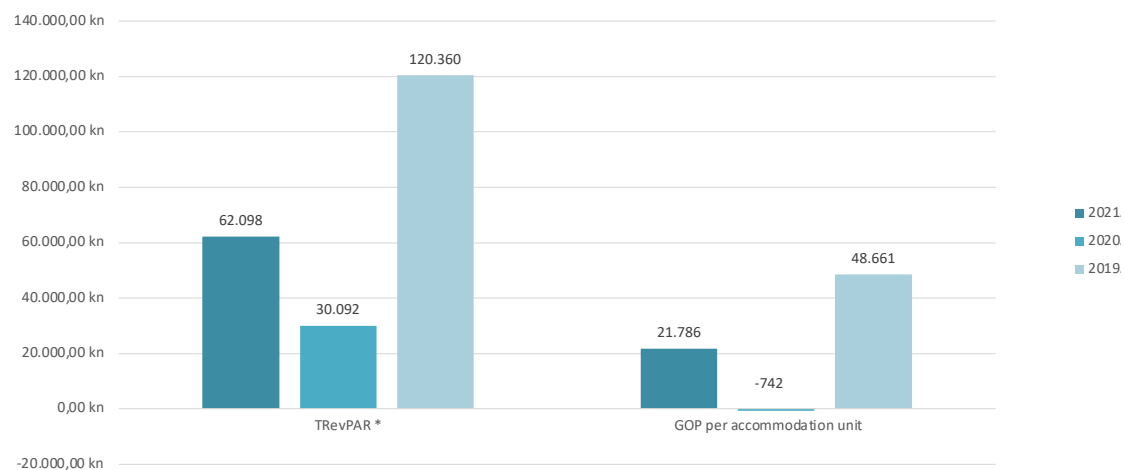
** The operating costs include the costs of raw materials and materials, costs of services, gross salaries and other operating costs, but they do not include depreciation, financial expenses and extraordinary expenses.

*** GOP indicates gross operating profit from camping / the campsite / the restaurant before the allocation of common service costs, and it is calculated as follows: operating revenue - operating expenses (before allocation, excluding depreciation and fixed costs).

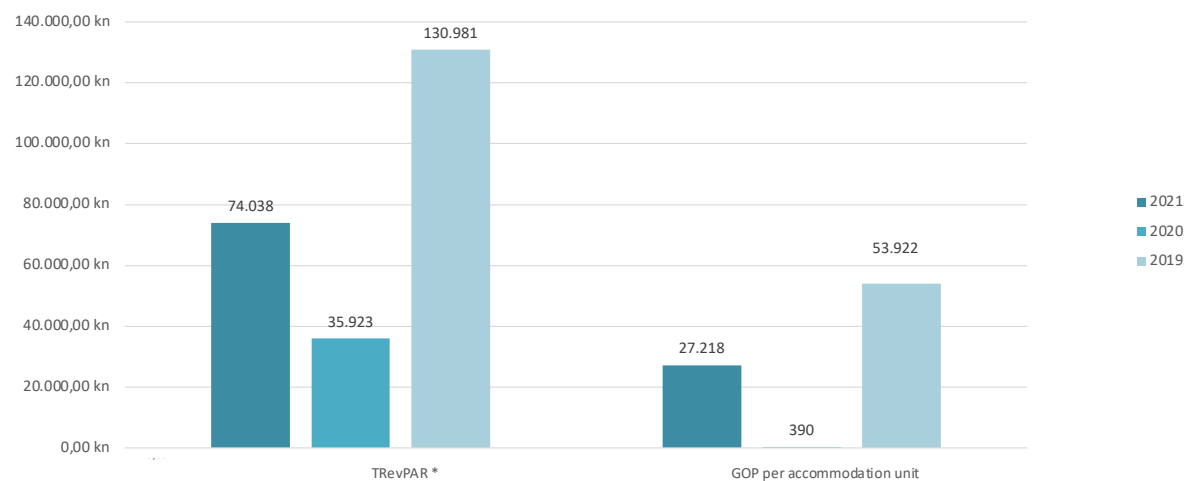
**** The GOP margin is calculated by relating the GOP amount before the allocation of common service costs and operating revenue



Total revenue per accommodation unit (TrevPAR) and the GOP per accommodation unit in Ilirija d.d. hotels in the period I -IX of 2021, 2020 and 2019



Total revenue per accommodation unit (TrevPAR) and the GOP per accommodation unit in hotels in Biograd na Moru in the period I -IX of 2021, 2020 and 2019.



Notes:

TRevPAR means the total operating revenue of the hotel sector divided by the number of physical accommodation units.

GOP indicates gross operating profit from camping / the campsite / the restaurant before the allocation of common service costs, and it is calculated as follows: operating revenue - operating expenses (before allocation, excluding depreciation and fixed costs).

5.1. FINANCIAL OPERATING RESULTS OF THE COMPANY

5.1.2. NAUTICAL SECTOR

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

Revenue of the nautical sector segments in the first three quarters of 2021:

- Marina Kornati – HRK 40,466,140.15
- "Marina Kornati" restaurant – HRK 2,428,757.59
- Nautical fair – HRK 1,377,741.82

Nautical sector total: HRK 44,272,639.56

The most significant contribution to revenue generation and the largest share in the revenue of the Company's entire nautical sector is the revenue of Marina Kornati; in the first nine months, it generated a revenue of HRK 40,466,140.15, which represents a 5.95% growth rate compared to the same period of 2020 and a 1.38% increase compared to the same period of 2019, the best year for the nautical sector thus far.

The increase in Marina Kornati's revenue is due to an increase in the revenue from contractual berths, which equalled HRK 30,779,702.00 in the reporting period, which is a 3.13% increase in comparison to the same period of 2020, when they amounted to HRK 29,844,703.00. Apart from contractual berths, all other items of the Marina Kornati revenue also increased: daily berths by 21.71%, port service by 9.34%, parking by 58.75% and business cooperation by 0.66%. Aside from Marina Kornati, the revenue of other segments of the nautical sector also grew; the nautical fair revenue increased by 65.27% and the catering revenue by 71.51%.

The substantial increase in operating revenue across all nautical sector segments was accompanied by an increase in the gross operating profit, which amounts to HRK 30,604,064.25 for the entire nautical sector and represents a 9.31% increase compared to the same period of the previous year; that is, a 2.37% increase compared to pre-pandemic 2019. The increase in the gross operating profit was accompanied by an increase in the GOP per berth, which equals HRK 38,017.47 in the reporting period, and an increase in the GOP margin, which equals 69.1% and thus represents a 3.07% increase in comparison to the same period of 2019.

Key financial indicators for the nautical sector

	I-IX 2021	I-IX 2019	I-IX 2020	2021/2019	2021/2020
NAUTICS TOTAL					
Operating revenues	44.272.639,56 kn	44.576.303,00 kn	40.443.527,00 kn	-0,68%	10,22%
Operating revenue per berth	54.997,07 kn	55.374,29 kn	50.240,41 kn	-0,68%	10,22%
Operating costs *	13.668.575,31 kn	14.679.948,00 kn	12.446.568,00 kn	-6,89%	17,94%
GOP **	30.604.064,25 kn	29.896.355,00 kn	27.996.959,00 kn	2,37%	6,78%
GOP per berth	38.017,47 kn	37.138,33 kn	34.778,83 kn	2,37%	6,78%
GOP margin ***	69,1%	67,1%	69,2%	3,07%	-3,12%
Capital investments	539.476,11	670.047,65	1.597.443,00 kn	-19,49%	-58,05%
MARINA KORNATI					
Operating revenues	40.466.140,15 kn	39.913.877,00 kn	38.193.809,00 kn	1,38%	5,95%
Operating revenue per berth	50.268,50 kn	49.582,46 kn	47.445,73 kn	1,38%	5,95%
Operating costs *	9.983.337,94 kn	10.208.513,00 kn	9.534.812,00 kn	-2,21%	4,70%
GOP **	30.482.802,21 kn	29.705.364,00 kn	28.658.997,00 kn	2,62%	6,36%
GOP per berth	37.866,84 kn	36.901,00 kn	35.601,24 kn	2,62%	6,36%
GOP margin ***	75,3%	74,4%	75,0%	1,22%	0,39%
RESTAURANT OF MARINA KORNATI					
Operating revenues	2.428.757,59 kn	2.686.351,00 kn	1.416.094,00 kn	-9,59%	71,51%
Operating costs *	2.672.094,20 kn	3.277.560,00 kn	2.099.148,00 kn	-18,47%	27,29%
GOP **	-243.336,61 kn	-591.209,00 kn	-683.054,00 kn	-58,84%	-64,38%
GOP margin ***	-10,0%	-22,0%	-48,2%	-54,48%	-79,23%
BOAT SHOW					
Operating revenues	1.377.741,82 kn	1.976.075,00 kn	833.624,00 kn	65,27%	65,27%
Operating costs *	1.013.143,17 kn	1.193.875,00 kn	812.608,00 kn	24,68%	24,68%
GOP **	364.598,65 kn	782.200,00 kn	21.016,00 kn	1634,86%	1634,86%
GOP margin ***	26,5%	39,6%	2,5%	949,71%	949,71%

Notes:

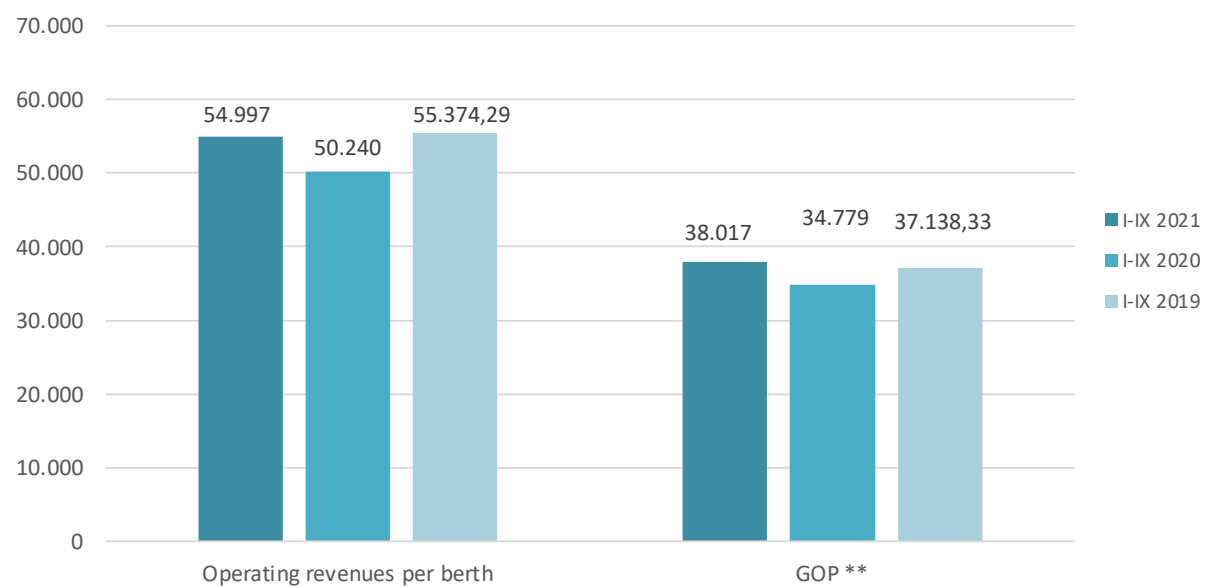
The nautical sector of Ilirija d.d. is comprised of three business units Marina Kornati, the nautical fair and restaurant.

* The operating costs include the costs of raw materials and materials, costs of services, gross salaries and other operating costs, but they do not include depreciation, financial expenses and extraordinary expenses.

** GOP (Gross Operating Profit) indicates gross operating profit from the nautical sector before the allocation of common service costs, and it is calculated as follows: operating revenue - operating expenses (before allocation, excluding depreciation and fixed costs).

*** The GOP margin is calculated by relating the GOP amount before the allocation of common service costs and operating revenue

Total operating revenue and gross operating profit (GOP) per berth in HRK in the period I - IX of 2021, 2020 and 2019



5.1. KEY FINANCIAL OPERATING RESULTS BY SECTORS:

5.1.3. CAMPING

	I - IX 2021	I - IX 2020	I - IX 2019	2021/2019	2021/2020
CAMPING TOTAL					
Operating revenue	33.050.821,32 kn	21.652.269,43 kn	34.446.659,53 kn	-4,05%	52,64%
TRevPAR *	27.359,95 kn	17.924,06 kn	28.234,97 kn	-3,10%	52,64%
Operating costs**	11.941.392,54 kn	10.845.307,58 kn	14.018.582,97 kn	-14,82%	10,11%
GOP ***	21.109.428,78 kn	10.806.961,85 kn	20.428.076,56 kn	3,34%	95,33%
GOP per accommodation unit	17.474,69 kn	8.946,16 kn	16.744,33 kn	4,36%	95,33%
GOP margin ****	63,9%	49,9%	59,3%	7,70%	27,97%
Capital investments	1.510.902,24 kn	8.007.381,84 kn	4.852.689,68 kn	-68,86%	-81,13%
CAMPSITE PARK SOLINE					
Operating revenue	29.868.510,07 kn	20.073.233,52 kn	31.259.904,75 kn	-4,45%	48,80%
TRevPAR *	24.725,59 kn	16.616,92 kn	25.622,87 kn	-3,50%	48,80%
Operating costs**	9.188.458,65 kn	9.033.631,07 kn	11.131.373,22 kn	-17,45%	1,71%
GOP ***	20.680.051,42 kn	11.039.602,45 kn	20.128.531,53 kn	2,74%	87,33%
GOP per accommodation unit	17.119,25 kn	9.138,74 kn	16.498,80 kn	3,76%	87,33%
GOP margin ****	69,2%	55,0%	64,4%	7,53%	25,89%
RESTAURANT OF THE PARK SOLINE CAMPSITE					
Operating income	3.182.311,25 kn	1.579.035,91 kn	3.186.754,78 kn	-0,14%	101,54%
Operating costs**	2.752.933,89 kn	1.811.676,51 kn	2.887.209,75 kn	-4,65%	51,96%
GOP ***	429.377,36 kn	-232.640,60 kn	299.545,03 kn	43,34%	-284,57%
GOP margin ****	13,5%	-14,7%	9,4%	43,54%	-191,58%

Notes:

The campsite includes the accommodation and restaurant in the Park Soline Campsite. * **TRevPAR** - Total revenue per camp unit denotes total operating revenue of the camping (or the campsite) divided by a number of physical camp units.

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

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

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

The Company's camping sector, comprised of the "Park Soline" campsite and the "Park Soline" restaurant, generated a revenue of HRK 33,050,821.32 in the nine months of 2021, which is a 52.64% increase compared to the nine months of the previous year. There was primarily an increase in the revenue from individual guests of 152%, from lump sum guests with a growth rate of 30%, an increase in revenue from private mobile homes of 70%, while at the same time, restaurant revenue increased by 101.54%. Compared to the same period of 2019, camping achieved 96% of that year's result, while the "Park Soline" restaurant achieved 99.86% of that year's result.

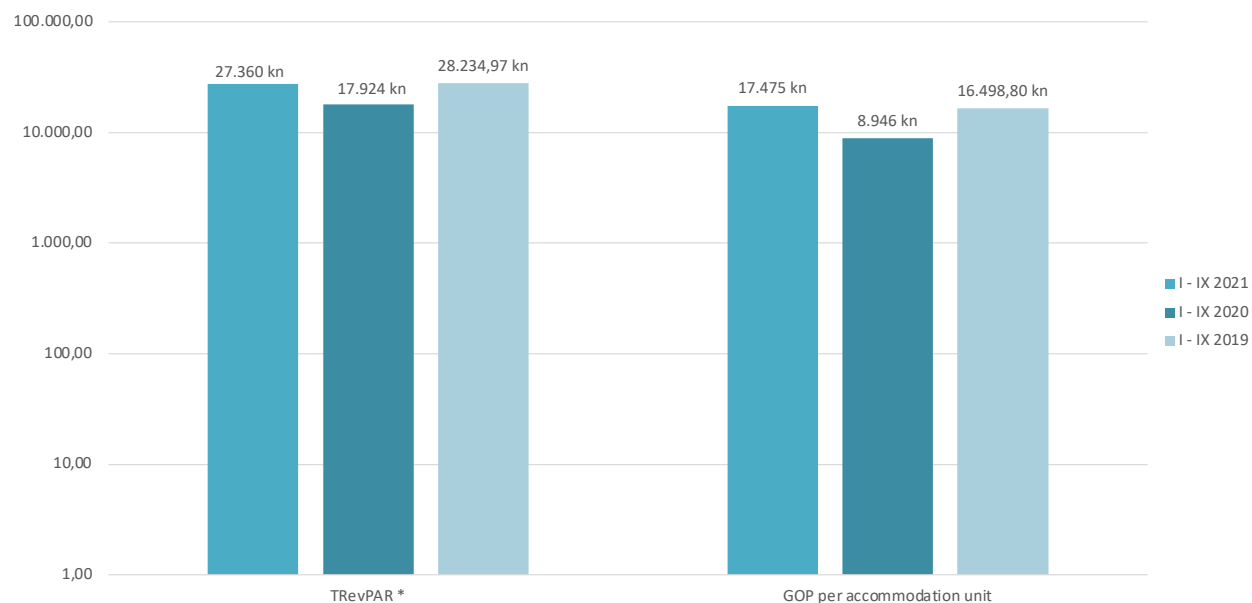
Revenue of the camping sector segments in the first three quarters of 2021:

- "Park Soline" campsite – HRK 29,868,510.07;
- "Park Soline" restaurant – HRK 3,182,311.25

Camping sector total: HRK 33,050,821.32

The operating costs of the entire campsite increased by 10.11% compared to 2020 due to an increase in the costs of raw materials, materials and energy by 78.50% incurred due to an increase in capacity occupancy. In the nine months of 2021, capital investments in the amount of HRK 1,510,902.24 were made into improving competitiveness and the quality of services.

TrevPAR and the GOP of the camping sector per campsite unit of the "Park Soline" campsite in the period I -IX of 2021, 2020 and 2019



Notes:

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

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

5.1. KEY FINANCIAL OPERATING RESULTS BY SECTORS:

5.1.4. CITY GALLERIA BUSINESS AND SHOPPING CENTRE

	I-IX 2021	I-IX 2020	2021/2020	I-IX 2019	2021/2019
Operating revenues	9.704.009,68 kn	9.627.612,32 kn	0,79%	10.681.426,60 kn	-9,15%
Operating costs*	4.248.168,08 kn	3.820.229,70 kn	11,20%	4.330.582,12 kn	-1,90%
GOP **	5.455.841,60 kn	5.807.382,62 kn	-6,05%	6.350.844,48 kn	-14,09%
GOP margin ***	56,2%	60,3%	-6,79%	59,5%	-5,44%
Capital investments	475.402,77 kn	456.337,52 kn	4,18%	379.954,71 kn	25,12%

The operating revenue of the City Galleria Business and Shopping Centre generated in the first nine months of 2021 through the lease of commercial premises, common costs, the use of common areas of the centre, the lease of advertising space and revenue from the garage amounted to HRK 9,604,192.94. When we include other operating revenue in the amount of HRK 99,816.74, total operating revenue of the Centre amounted to HRK 9,704,009.68. In comparison to the same period of 2020, the aforementioned revenue represents an increase of 0.79%. Considering the results achieved in 2019, the total operating revenue in 2021 recorded a 9.15% decrease due to disturbances in the operations caused by the global coronavirus pandemic, which significantly affected all tenants in the City Galleria Business and Shopping Centre.

The results operating costs of the City Galleria Business and Shopping Centre, which do not include depreciation, financial expenses and extraordinary costs, amounted to HRK 4,248,168.08 in 2021. The operating costs recorded an increase at a rate of 11.20% compared to the first nine months of 2020 due to the costs of raw materials, materials and energy and outsourcing costs, as well as a significant decrease of costs in the period from April to June 2020 caused by the ban on performing business activities that affected a large number of tenants and the restrictions of business activities and reduced working hours imposed on the rest of the tenants as part of the epidemiological measures adopted by the competent authorities. In comparison to the same period of 2019, when operating costs amounted to HRK 4,330,582.12, the current year saw a 1.90% decrease in costs.

The gross operating profit for the reporting period equalled HRK 5,455,841.60 before the allocation of common service costs, which represents a 56.2% margin.

Notes:

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

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

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

5 FINANCIAL OPERATING RESULTS OF THE COMPANY

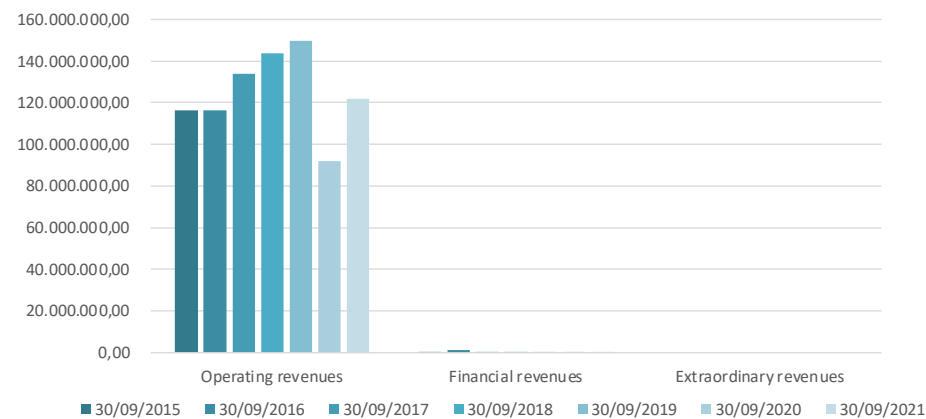
5.2 FINANCIAL OPERATING RESULTS AT COMPANY LEVEL

5.2.1 FINANCIAL PERFORMANCE OF THE COMPANY

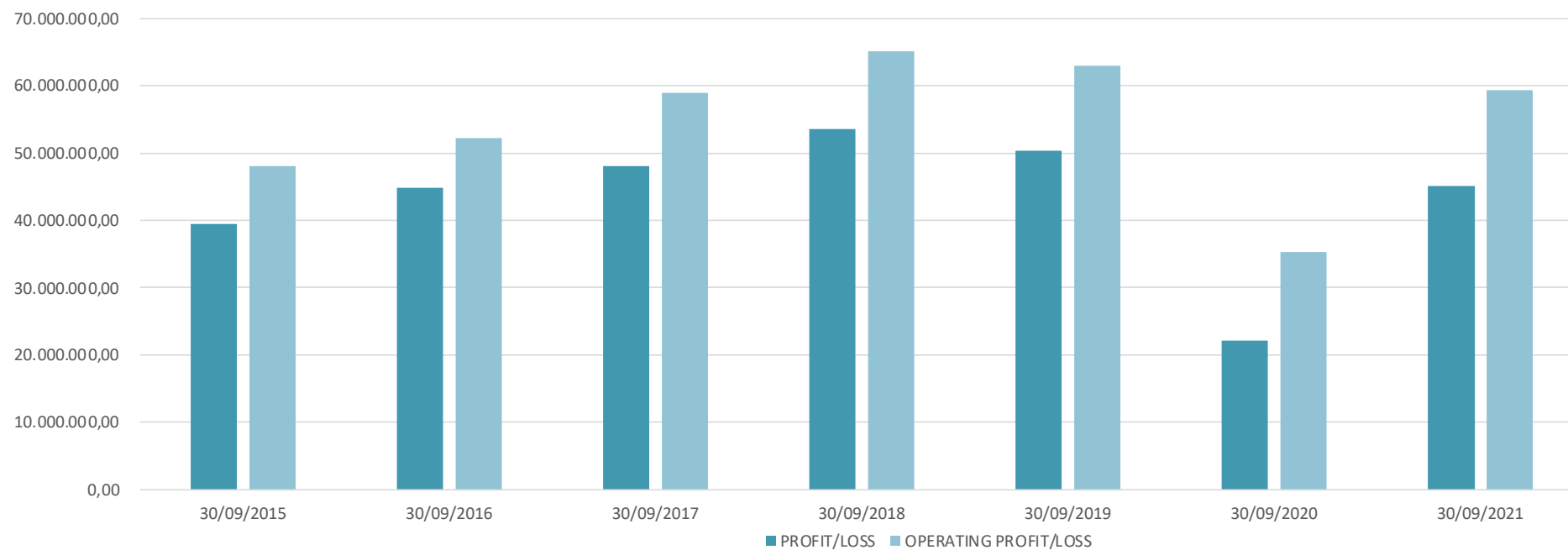
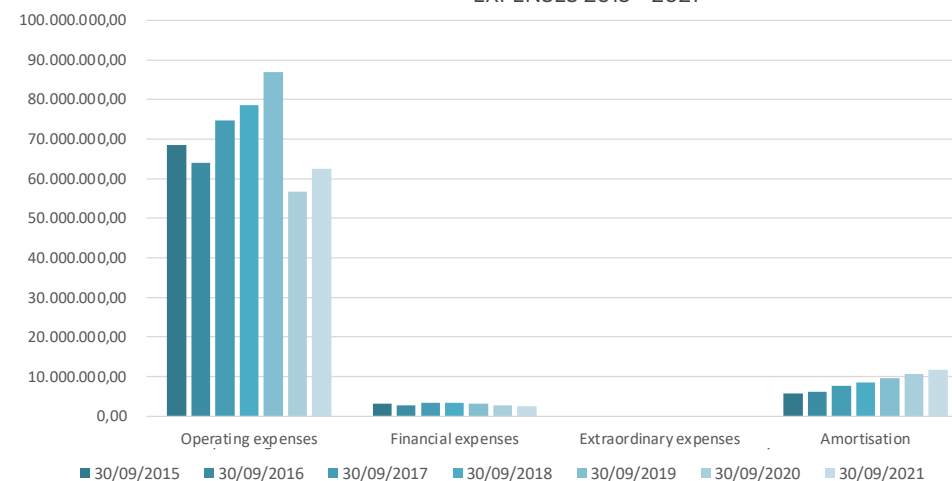
Overview of the financial operating results for 01/01-30/09/2021 and comparison with the period 2015 - 2020

DESCRIPTION	30/09/2015	30/09/2016	30/09/2017	30/09/2018	30/09/2019	30/09/2020	30/09/2021	Index 2021/2020
Operating revenues	116.438.694,86	116.341.032,15	133.683.991,24	143.746.360,96	149.848.902,06	91.977.594,60	121.831.184,80	132,46
Financial revenues	169.969,36	1.376.108,17	130.719,63	178.732,77	51.026,43	91.822,61	16.644,91	18,13
Extraordinary revenues	0,00	0,00	0,00	0,00	0,00	0,00	0,00	#DIV/0!
TOTAL REVENUES	116.608.664,22	117.717.140,32	133.814.710,87	143.925.093,73	149.899.928,49	92.069.417,21	121.847.829,71	132,34
Operating expenses	68.406.421,17	64.083.275,90	74.795.602,82	78.576.779,24	86.881.384,52	56.659.843,64	62.553.328,57	110,40
Financial expenses	3.131.122,26	2.675.230,13	3.356.649,98	3.402.730,68	3.099.948,88	2.622.905,41	2.464.071,77	93,94
Extraordinary expenses	0,00	0,00	0,00	0,00	0,00	0,00	0,00	#DIV/0!
Amortisation	5.602.665,15	6.169.485,96	7.650.121,51	8.366.607,36	9.597.672,00	10.664.629,35	11.678.148,49	109,50
TOTAL EXPENSES	77.140.208,58	72.927.991,99	85.802.374,31	90.346.117,28	99.579.005,40	69.947.378,40	76.695.548,83	109,65
PROFIT/LOSS	39.468.455,64	44.789.148,33	48.012.336,56	53.578.976,45	50.320.923,09	22.122.038,81	45.152.280,88	204,11
OPERATING PROFIT/LOSS	48.032.273,69	52.257.756,25	58.888.388,42	65.169.581,72	62.967.517,54	35.317.750,96	59.277.856,23	167,84
EBITDA	48.202.243,05	53.633.864,42	59.019.108,05	65.348.314,49	63.018.543,97	35.409.573,57	59.294.501,14	167,45

REVENUES 2015 - 2021



EXPENSES 2015 - 2021



1.

Total revenue for the first nine months of 2021 amounted to HRK 121,847,829.71, with a growth rate of 32.34% compared to the same period of 2020, as a result of an increase in operating revenue and sales revenue.

The operating revenue for the period observed amounted to HRK 121,831,184.80, which is a 32.46% increase in comparison to the same period of the previous business year due to the significant increase in the operating revenues in all tourism sectors of the Company; the hotel sector, nautical sector and camping sectors and DMC Ilirija Travel, accompanied by an increase in revenue in the real-estate sector.

Revenue from sales amounted to HRK 116,353,006.22, which is 34.91% higher compared to the same period of 2020, when it amounted to HRK 86,244,178.43 due to a 73% increase in revenue from sales on the foreign market and a 29% increase from sales on the domestic market. Revenue from sales represents 95.50% of operating revenue and 95.49% of total revenue.

2.

Total expenses amounted to HRK 76,695,548.83 and, compared to the same period of 2020, they show a 9.65% increase due to a 10.40% increase in operating expenses caused by a considerable increase in business operations and a 9.50% growth in depreciation.

Operating expenses in the period observed amounted to HRK 62,553,328.57 and mark a HRK 5,893,484.93 increase compared to the same period of the previous business year due to a 66% increase in the costs of raw materials, materials and energy, a 14% increase in outsourcing costs and a 8% increase in the wage cost.

3.

Operating profit was generated in the amount of HRK 59,277,856.23, constituting an increase of 67.84% or HRK 23,960,105.27 compared to the same period of 2020.

Profit for the reporting period amounted to HRK 45,152,280.88, which is an increase of 104.11% or HRK 23,030,242.07, as a result of considerable growth in total revenues and effective management of the expenditures. EBITDA, i.e. earnings before depreciation, interest and taxes, has been generated in the amount of HRK 59,294,501.14, and shows a 67.45% increase or HRK 23,884,927.57 compared to the same period of the previous business year.

EBIT, i.e. earnings before financing expenses, has been ge-

nerated in the amount of HRK 47,616,352.65, and shows a 92.43% increase, i.e. an increase of HRK 22,871,408.43.

In the reporting period, profitability indicators (operating profit, EBITDA, EBIT and profit) indicated an exceptional and considerable growth with double- and triple-digit growth rates compared to the same period of 2020, which is primarily due to the increase in the volume of business activities in all Company sectors, accompanied by efficient management of the expenditures.

It should be emphasised that although the generated total revenues for the first three quarters of 2021 constitute 81.29% of revenue from the same period of 2019, profitability indicators realised are far better than (closer to) the achievements from the pre-pandemic 2019. In accordance with the above, operating profit amounted to 94.14% of the same period of 2019, EBITDA amounted to 94.09%, the realised profit and EBIT amounted to 89.73%, i.e. 89.13% of the same target value realised in the first three quarters of 2019. The achieved profitability indicators of the Company are considered successful and satisfactory considering the overall business circumstances, which substantially affected the business activities, especially the hotel and camping sectors and DMC Ilirija Travel, which generated almost the majority of the revenue and recorded a more significant business activity only in the third quarter of the business year, which enabled the Company to, in a relatively short peak season period, achieve profitability that is very close to that of the pre-pandemic period.

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

REVENUES	2019	2020	INDEX 2020/2019	2021	INDEX 2021/2020
Revenue on the domestic market	111.313.214,03	75.133.551,54	67	96.957.689,58	129
Revenues on foreign market	37.897.282,89	11.256.723,53	30	19.420.316,64	173
Other operating revenues	638.405,14	5.587.319,53	875	5.453.178,58	98
OPERATING REVENUES	149.848.902,06	91.977.594,60	61	121.831.184,80	132
FINANCIAL REVENUES	51.026,43	91.822,61	180	16.644,91	18
EXTRAORDINARY REVENUES	0,00	0,00	#DIV/0!	0,00	#DIV/0!
TOTAL REVENUES	149.899.928,49	92.069.417,21	61	121.847.829,71	132
EXPENSES					
Raw material and material costs	19.400.740,50	8.260.505,53	43	13.682.033,92	166
Costs of services	14.573.722,48	11.277.283,19	77	12.819.047,24	114
Gross pays	32.040.522,00	23.099.997,20	72	25.039.998,47	108
Other expenses	20.866.399,54	14.022.057,72	67	11.012.248,94	79
TOTAL EXPENSES	86.881.384,52	56.659.843,64	65	62.553.328,57	110
AMORTISATION	9.597.672,00	10.664.629,35	111	11.678.148,49	110
FINANCIAL EXPENSES	3.099.948,88	2.622.905,41	85	2.464.071,77	94
EXTRAORDINARY EXPENSES	0,00	0,00	#DIV/0!	0,00	#DIV/0!
TOTAL EXPENSES	99.579.005,40	69.947.378,40	70	76.695.548,83	110
PROFIT/LOSS	50.320.923,09	22.122.038,81	44	45.152.280,88	204
OPERATING PROFIT/LOSS	62.967.517,54	35.317.750,96	56	59.277.856,23	168
EBITDA	63.018.543,97	35.409.573,57	56	59.294.501,14	167

REVENUE BY ACTIVITIES:

The revenue of the hotel sector amounted to HRK 27,509,592.52 and is 105.72% higher than in the same period of 2020 due to the increased demand for hotel accommodation, in particular from foreign markets, and the hotel facilities opening significantly earlier than last year, as well as due to the continuation of business activities in the post-season which were absent in the previous year.

The revenue of the nautical sector amounted to HRK 44,272,639.56 and is 9.47% or HRK 3,829,113.03 higher than in the same period of last year, as a result of increased revenue of the nautical sector's key profit centres; that is, of Marina Kornati by 5.95% or HRK 2,272,330.98 and of the "Marina Kornati" restaurant by 71.51% or HRK 1,012,663.71. Although the revenue for the first three quarters of this year from the entire nautical sector is 0.68% lower than in the same period of 2019, primarily due to the lack of revenue from the nautical fair, it is especially important to emphasise that the revenue of the profit centre Marina Kornati, the nautical sector's most important profit centre, saw a growth when compared to the revenue achieved in the pre-pandemic period, i.e. the same period of 2019, as its best business year up to that point.

The revenue from the camping sector amounted to HRK 33,050,821.32 constituting a 52.64% increase, as a result of a significant increase of the revenue at the level of the entire sector; that is, both from accommodation and hospitality services. In absolute amounts, the increase primarily occurred with respect to accommodation services, the revenue of which increased by HRK 9,795,276.55. The revenue from the provision of accommodation services is a result of the increase of revenues in the key market segments pertaining to accommodation, with the largest increase achieved in the lump-sum, mobile homes and individual guests segments.

Revenue from the real-estate sector, i.e. the City Galleria Business and Shopping Centre, amounted to HRK 9,704,009.68, constituting a 0.79% increase compared to the same period of 2020, the growth of which was achieved through the increase in parking revenue and revenue from the lease of new commercial premises.

Revenue from other activities, i.e. profit centres including Ilirija Travel and hospitality, has been realised in the amount of HRK 2,140,353.93, marking a 34% increase in comparison to the first two quarters in 2020 due to the recovery of the event industry

and other activities of the destination management company.

Moreover, on account of the job retention grant by the Government of the Republic of Croatia, the Company has, as at 30 September 2021, received a grant in the amount of HRK 4,963,771.11.

GRAND TOTAL: Operating revenue per activity amounted to HRK 121,831,184.80, and has increased by 32.46% compared to the same period of 2020.

5.2.2 FINANCIAL POSITION OF THE COMPANY



KEY FINANCIAL INDICATORS OF THE STATUS OF THE COMPANY AS AT 30 SEPTEMBER 2021

Since the table providing an overview of the Company's key indicators covers the period of 2021–2011 (eleven years), the realized described indicators are also listed in absolute amounts and growth rates.

1

The value of the Company assets as at 30 September 2021 amounted to HRK 513,840,781.24, recording an increase of HRK 13,149,170.80 compared to the same period of 2020, when it amounted to HRK 500,691,610.44.

In the same period of 2021, the value of the Company assets increased from HRK 289,590,971.79 in 2011 by HRK 224,249,810.05 or 77.44%, and amounted to HRK 513,840,781.24.

2

Total liabilities amounted to HRK 120,615,982.84, dropping by HRK 11,210,214.41 or 8.50% compared to HRK 131,826,197.25 for the same period of 2020, as a result of a reduction in current liabilities of the Company.

Total liabilities as at 30 September 2021 are lower by HRK 16,509,138.88 or 12.04% compared to total liabi-

lities of the Company as at 30 September 2011 when they amounted to HRK 137,125,121.72.

3

Equity and reserves as at 30 September 2021 amounted to HRK 393,224,798.40, recording an increase of HRK 24,359,385.21 or 6.60% compared to the same period of 2020 when they amounted to HRK 368,865,413.19.

Comparing equity and reserves of the Company as at 30 September 2021, they increased by HRK 240,758,948.83 or 157.91% compared to the same the same period of 2011, when they amounted to HRK 152,465,850.07.

4

Total revenue amounted to HRK 121,847,829.71, recording an increase of HRK 29,778,412.50 or 32.34% compared to the same period of 2020, when it amounted to HRK 92,069,417.21.

Total revenue of the Company, compared to the same period of 2011 when it amounted to HRK 94,065,679.13, increased by HRK 27,782,150.58 or 29.53%.

5

The Company realized an operating profit in the amount of HRK 59,277,856.23, which is HRK 23,960,105.27 or 67.48% more compared to the same period of 2020, when it amounted to HRK 35,317,750.96, as a result of the growth in operating revenue.

Comparing the operating profit generated in the first half of 2021 and the one from the same period of 2011, when it amounted to HRK 37,054,613.81, a 59.97% increase can be seen.

6

EBITDA was realized in the amount of HRK 59,294,501.14, recording an increase of 67.45% or HRK 23,884,927.57 compared to the same period of 2020 when it amounted to HRK 35,409,573.57.

The realised EBITDA in the reporting period has increased by HRK 23,459,920.57 or 65.47% compared to the same period of 2011, when it amounted to HRK 35,834,580.57.

7

The Company's profit in the reporting period amounted to HRK 45,152,280.88, increasing by HRK 23,030,242.07 or 104.11% compared to the same period of the previous business year, when it amounted to HRK 22,122,038.81.

Profit realised until 30 September 2021, compared to the profit generated in the same period of 2011, which amounted to HRK 26,858,778.57, has increased by HRK 18,293,502.31 or 68.11%.

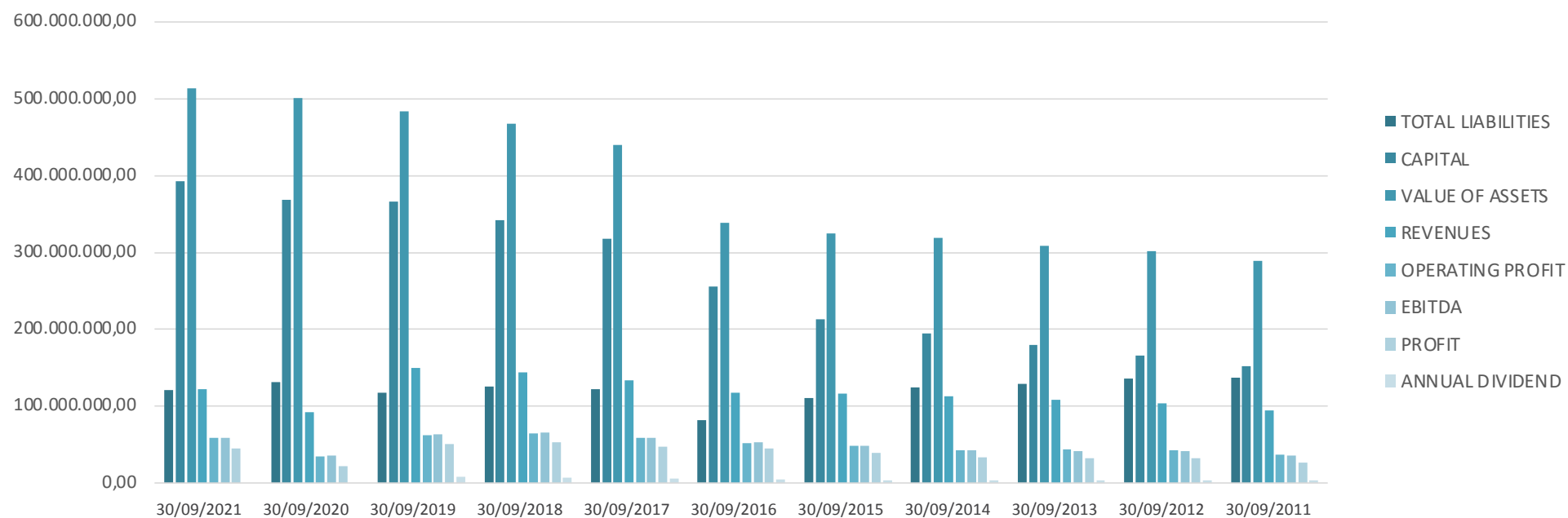


CUMULATIVE COMPARATIVE OVERVIEW

of fundamental operating results, as well as asset, capital and liability indicators
of the Company as at 30/09/2021, and for the same period of 2011-2021

YEAR	TOTAL LIABILITIES	CAPITAL	VALUE OF ASSETS	REVENUES	OPERATING PROFIT	EBITDA	PROFIT	ANNUAL DIVIDEND
1	2	3	4	5	6	7	8	9
30/09/2021	120.615.982,84	393.224.798,40	513.840.781,24	121.847.829,71	59.277.856,23	59.294.501,14	45.152.280,88	0,00
30/09/2020	131.826.197,25	368.865.413,19	500.691.610,44	92.069.417,21	35.317.750,96	35.409.573,57	22.122.038,81	0,00
30/09/2019	118.024.576,86	366.048.215,17	484.072.792,03	149.899.928,49	62.967.517,54	63.018.543,97	50.320.923,09	8.417.962,00
30/09/2018	125.447.257,27	342.411.182,35	467.858.439,62	143.925.093,73	65.169.581,72	65.348.314,49	53.578.976,45	7.221.240,00
30/09/2017	122.469.356,54	317.679.704,54	440.149.061,08	133.814.710,87	58.888.388,42	59.019.108,05	48.012.336,56	6.016.540,00
30/09/2016	82.305.840,84	256.102.674,48	338.408.515,62	117.717.140,32	52.257.756,25	53.633.864,42	44.789.148,33	4.937.148,00
30/09/2015	110.720.793,04	213.593.055,17	324.313.848,21	116.608.664,22	48.032.273,69	48.202.243,05	39.468.455,64	3.740.790,00
30/09/2014	125.000.091,75	194.440.141,31	319.440.233,06	112.532.734,42	42.524.469,69	42.325.631,96	33.146.401,04	3.740.790,00
30/09/2013	128.884.542,13	179.400.931,75	308.285.473,88	107.911.903,81	44.008.059,61	41.381.418,41	32.668.721,40	3.740.790,00
30/09/2012	135.863.714,92	165.701.164,63	301.564.879,55	103.634.805,37	43.204.867,92	41.328.375,57	32.060.877,35	3.740.790,00
30/09/2011	137.125.121,72	152.465.850,07	289.590.971,79	94.065.679,13	37.054.613,81	35.834.580,57	26.858.778,57	3.740.790,00

A graph of basic operating results, as well as asset, capital and liability indicators of the Company as at 30/09/2021, and for the same period of 2011 – 2021



STATEMENT OF THE COMPANY'S FINANCIAL POSITION
30 September 2021 and a comparison with the position as at 31 December 2020

ITEM	DESCRIPTION	30/09/2021	31/12/2020	INDEX
		UNAUDITED	REVISED	
A	FIXED ASSETS	441.752.743,49	448.901.984,15	98,41
B	CURRENT ASSETS	72.088.037,75	27.768.063,49	259,61
A+B	TOTAL ASSETS	513.840.781,24	476.670.047,64	107,80
C	SHORT-TERM LIABILITIES	14.394.717,82	22.748.721,19	63,28
D	LONG-TERM LIABILITIES	106.221.265,02	105.848.808,93	100,35
E	TOTAL LIABILITIES	120.615.982,84	128.597.530,12	93,79
F	TOTAL SHARE CAPITAL AND RESERVES	393.224.798,40	348.072.517,52	112,97
E+F	TOTAL CAPITAL AND LIABILITIES	513.840.781,24	476.670.047,64	107,80

OPERATING COSTS

Operating costs for the reporting period amounted to HRK 76,695,548.83, representing an increase of 9.65% compared to the same period of the previous financial year. The growth of costs is a result of the increase of all operating costs by 10.40% caused by an increase of the Company's business activities at the level of all of its sectors and a 9.50% growth in depreciation.

FINANCIAL EXPENSES

Financial expenses for the first three quarters of 2021 amounted to HRK 2,464,071.77 and are 6.06% lower in comparison to the same period of the previous year.

LIQUIDITY

One of the Company's main goals, in considerably altered business conditions and due to the absence of hospitality and tourism industry activities caused the global COVID-19 pandemic, is to retain the current liquidity for the duration of the global pandemic, where the Company undertakes activities to diversify its existing and to secure new financing sources to overcome this period, then undertakes activities to optimise all of its operating costs and minimise them to essential and

indispensable costs, and actively cooperates with all significant creditors to settle the current liabilities at the moment of the breakout of the global pandemic.

In addition, in 2020, the Company signed with Erste & Steiermarkische Bank d.d. the Annex to the loan agreement deferring the payment of all liabilities due and liabilities that will become due in the period from 1 April 2020 to 30 April 2021, pertaining to the principal amounts of long-term and short-term loans for a period of one year. Deferral of payment of all liabilities due in respect of the principal of the long-term loans expired in April 2021.

The Company signed with Erste & Steiermarkische Bank d.d. a one-year Agreement on deferral of payment of all liabilities due pertaining to the principal amount of the financial leasing for the period from 1 April 2020 to 31 March 2021, which expired on 1 April 2021.

In June, the Company concluded a Loan Agreement for Permanent Working Capital and a Short-term Limit Agreement with Erste&Steiermärkische Bank d.d. to increase its current liquidity, which was not activated in the reporting period.

SHARE DISTRIBUTION

There was no share distribution in the reporting period.

COLLECTION OF FUTURE REVENUE

There is only a partial difficulty in the collection of outstanding receivables and those that are yet to mature. Therefore, the Company actively monitors and manages both future trade receivables and trade receivables existing at the moment the COVID-19 pandemic was declared. The Company seeks to collect the receivables in the most appropriate manner, taking into account aggravated circumstances and applying measures of payment in instalments where possible, but it also undertakes compulsory collection measures, including the activation of collaterals to collect its claims.

6 ADDITIONAL INFORMATION

6.1 INVESTMENTS IN 2021

Despite the fact that the business year 2021 continues to proceed under significantly strained conditions due to the global pandemic COVID-19, with extremely adverse effects and consequences on the hospitality and tourism sector, the Company will invest certain funds in the Park Soline camp and the City Galleria Business and Shopping Centre in the second half of the business year, in accordance with the current investment plan.

The purpose of the planned investments in the camping sector is to increase accommodation capacity and quality of the facilities by setting up a new area containing high-quality glamping deluxe mobile homes with the associated infrastructure, landscaping and other related facilities. In the real estate sector, i.e. the City Galleria Business and Shopping Centre, investments will focus on maintaining the existing service and content quality, that is, a partial roof reconstruction – replacing the existing polycarbonate roofing above the centre's external plaza.



6.2 NON-OPERATING ASSETS

An additional impact on the value of Company shares comes from non-performing assets, which are owned by the Company, but they are neither used for core activities of the Company, nor do they provide economic benefits to the Company.

The most important non-performing assets owned by the Company are unused land plots (10–12 acres in total) at highly attractive locations:

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

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

Land plot, 'Ilirija' Tennis Center: The Company owns approximately 4.9 acres of land in Biograd na Moru within the borders of the Soline Park, where only a smaller portion is used (Ilirija Tennis Center at approximately 25% of the total surface area), which does not generate any income for the Company. Apart from completing the planning documentation for the plot, there is a possibility of building a modern multifunctional medical and tourist hotel recreation center.

Land plot, Polača: The Company owns a building site of approximately 2.5 acres in Polača, located along the state road, which connects Biograd with the local motorway (regional importance). The site is equipped with basic communal infrastructure and Ilirija d.d. plans to use it to build a dry marina, which would be functionally connected with the existing nautical capacities owned by Ilirija d.d.

6.3 SIGNIFICANT EVENTS

The Supervisory Board, at its session held on 26 February 2021, adopted the Annual Report and the Annual Financial Statements of the Company for 2020, as well as the proposal of the decision on the use of profit, the report of the Supervisory Board on the performed supervision of the Company's operations for the business year 2020, the report of the Management Board on the acquisition of treasury shares in 2020 and the report on the receipts of the members of the Supervisory Board and the Management Board in the previous year. In addition, the Supervisory Board agrees with the proposal of the Management Board that the profit realised in 2020 in the total amount of HRK 1,021,879.54 is allocated to retained earnings, adopted the proposal of a decision to elect a member of the Supervisory Board due to the expiration of his term proposing to re-elect the current President of the Supervisory Board, Mr Goran Medić from Zadar, Ive Senjanina 12C, PIN: 54770742757 as a member of the Supervisory Board for a term of four years commencing on 21 June 2021 and set up the Invitation to the General Assembly.

The Regular General Assembly of the Company was held on 30 April 2021, during which all decisions were adopted with the same contents as proposals contained in the Invitation to the General Assembly, while the agenda was as follows:

- The General Assembly took note of the Annual Report for 2020, comprised of Annual Financial Statements, for 2020 (non-consolidated); that is, of the statement of financial position (balance sheet), income statement, statement of comprehensive income, cash flow statement, statement of changes in equity and notes to the financial statements. The General Assembly took note of the Statement on the Application of Corporate Governance Code, Company Management Report / Management Board Annual Report on the Company's Situation, Statements by the Company Representation, Company's Auditor Report for 2020, Report of the Supervisory Board on the Performed Supervision of the Company's Operations for 2020, and Management Board's Report on the Acquisition of Own Shares for 2020,
- Decision on the Allocation of Profit of Ilirija d.d. for the business year 2020, based on which the profit realized in the financial year 2020, amounting to HRK 1,021,879.54 after tax, shall be allocated as follows:
- Decision on Granting Discharge to the Company's Management Board,
- Decision on Granting Discharge to the Members of the Supervisory Board for the performed supervision of the Company's business,
- Decision to Elect a Member of the Supervisory Board with which Mr Goran Medić from Zadar, Ive Senjanina 12c, PIN: 54770742757 was re-elected as a member of the Company's Supervisory Board. The term of the Supervisory Board



member starts on 21 June 2021 and the member may be re-elected, and

- Decision on the endorsement of the receipts report

In April, the Ministry of Tourism and Sports conducted a regular process of recategorising the "Park Soline" camp, during which it was established that the "Park Soline" camp fully meets the requirements as prescribed by the Ordinance for the four-star camp category, thus all facilities of the Company, except for the Hotel Adriatic, have been categorised into the high-quality accommodation category.

At the meeting held on 27 May 2021, the Supervisory Board gave its consent to the Company Management Board for the conclusion of the Loan Agreement for Permanent Working Capital and the Short-term Limit Agreement with Erste&Steiermarkische Bank d.d. Moreover, at the meeting held on 24 June 2021, the Supervisory Board elected one of its members to be the Chairman of the Supervisory Board. Mr Goran Medić from Zadar, Ive Senjanina 12c, PIN 54770742757, who held this position in the previous term, was re-elected for it.

At the General Assembly held on 24 September 2021, the following decisions were adopted:

- New members of the Supervisory Board, i.e. the four existing members of the Supervisory Board, were elected for a new term (Davor Tudorović, David Anthony Tudorović, Prof. Darko Prebežac, PhD and Prof. Siniša Petrović, PhD), whose term starts on 18 December 2021.
- The Decision on the remuneration of Supervisory Board members was adopted.
- The certified auditing company UHY Rudan d.o.o. from Zagreb was awarded the audit work for 2021.

6.4 OTHER

LEGAL MATTERS

The sentence of the High Commercial Court of the Republic of Croatia from 2016 upheld the sentence of the Commercial Court in Zadar, identifying Ilirija d.d. as the owner of the entire real estate property on Cadastral Plot 3232, in the Cadastral Municipality of Biograd, with a surface area of 48,705 m², namely the "Ilirija Tennis Center" with the surrounding land. Thus, the dispute regarding the ownership right over the "Ilirija Tennis Center" was finally disposed of in favour of the Company.

By the Decision of the Constitutional Court of the Republic of Croatia No. U-III-4392/16 of 5 July 2017, the Constitutional Complaint of the Company was adopted, and the sentence of the Supreme Court of the Republic of Croatia was set aside. The sentence set aside rejected the review of Ilirija d.d. in the case pertaining to the compensation of damages against the town of Biograd na Moru, for the purpose of conversion of the real estate "Primorje" from a construction area into the so-called "Area with landscape features", and the case was referred back to the Supreme Court of the Republic of Croatia.

The sentence of the County Court in Zadar, No. 6 Gž-751/16-2 of 13 June 2017 reversed the sentence of the Municipal Court in Zadar, Permanent Service in Biograd

na Moru, of January 2016, and rejected the claim of the town of Biograd na Moru as unfounded. By said claim, the town of Biograd na Moru requested that the Forest Land Lease Agreement concluded between Ilirija d.d. and Hrvatske šume d.o.o. Zagreb, Forest Administration, Split Branch, be declared null and void. Thus, the dispute was finally disposed of in favour of Ilirija d.d., and given the fact that the land in question is tourist land not assessed in the process of conversion and privatization, Ilirija d.d. has already, within the legal deadline, submitted a request to the Government of the Republic of Croatia through the Ministry of Tourism of the Republic of Croatia, for a concession on the co-owned part of the Republic of Croatia, for the use of the "Park Soline" Campsite for 50 years. In the meantime, in May 2020 the new Act on non-evaluated construction land was adopted, and thus the Act on tourist and other construction land not evaluated in the transformation and privatization process ceased to have effect. The new Act provides for the right of tourism companies to submit an application for leasing construction tourist land of the camp site for a period of 50 years, and the Company has submitted within the prescribed deadline, i.e. in March 2021 the corresponding request with the competent authorities.

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

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

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

MERGERS AND ACQUISITIONS

There were no mergers and acquisitions.



7 BUSINESS EXPECTATIONS IN 2021

In 2021, the world continues to face with a global health crisis caused by the COVID-19 pandemic, which since its declaration by the World Health Organisation on 12 March 2020, has caused the most serious global health crisis in the last several decades, accompanied by a severe impact on economic activities.

Among the most severely affected sectors at the global level are certainly the travel industry, hospitality, tourism and related economic activities, all of which form an integral part of the Company's core business. All of the above affected the Company as well, given that it performs its core activity in the hotel sector, camping sector, nautical sector, a number of smaller hospitality facilities, the destination management sector and a shopping centre.

In light of the discovery and approval of the vaccine at the level of the European Union and key outbound markets of Croatian tourism, which started in the second half of December 2020, and the expected vaccination coverage of a significant portion of the European Union's population, the Company is expecting a slight recovery of tourist demand in 2021 compared to 2020 and more significant business activities in high season, in particular when it comes to traditional European tourism markets, in which the Republic of Croatia is a destination reachable by car. Despite the discovery of the vaccine and the vaccination procedures that have been initiated, the Company is

planning its business activities with due care and responsibility, considering that the recovery depends on a series of factors that the Company cannot control.

The aforementioned will significantly impact the realisation of tourism revenue at the global and national level, and consequently at the level of the Company. As a result, in the circumstances of the COVID-19 pandemic, the Company bases its business development and expectations in 2021 on the principles of corporate responsibility and sustainable business, its primary goal being to preserve and take care of the life and health of guests and employees, ensure long-term business and financial stability of the Company, its assets and capital, as well as to continually preserve business activities and core business performance, as the Company has been doing since the pandemic was declared on 12 March 2020.

In view of the aforementioned and provided that the circumstances will not change significantly in the future as compared to the current, the Company is expecting that the financial performance indicators and profitability indicators in the business year 2021 will be much better than in 2020.

However, the Company's achievements in 2021 still depend on its business operation conditions in 2021 in the light of the global COVID-19 pandemic, which

are uncertain and subject to rapid positive or negative changes that might be brought about very quickly:

I Hotel sector

The Company is expecting business operations in the hotel sector during the third and fourth quarters of 2021 to increase in relation to the realizations in 2020, especially during July and August, the main part of the tourist season.

II Camping sector

As for the camping sector, the Company is expecting more significant business activities in 2021 compared to 2020 at the level of all market segments of the camping sector (individuals, mobile homes, fixed lease and lump sums), starting from the second quarter of the business year.

III Nautical sector

In the nautical sector, the Company is expecting the regular nautical activity to continue with the same business scope as in 2020, i.e. continued provision of vessel accommodation services for approximately 720 vessels at contractual berth, including individual and charter vessels, which generate over three quarters of operating revenue of the nautical sector in the vessel accommoda-

tion service segment, i.e. the Marina Kornati. Moreover, the Company expects to continue other business operations within the nautical sector during the remaining business year, despite the epidemiological measures currently in force.

IV Real-estate sector – City Galleria Business and Shopping Center

In 2021 in terms of the real-estate sector, we are expecting our business activity to continue with an adjusted scope of business operation due to current epidemiological measures, which will consequently result in the same level of business achievements as in 2020.



NOTES

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

Goran Ražnjević,
President of the Management Board

ILIRIJA dioničko društvo
za ugostiteljstvo i turizam
Biograd na Moru



ISSUER'S GENERAL DATA

Quarter: 3

(name and surname)

BALANCE SHEET			
balance as at 30/09/2021 in HRK			in HRK
Submitter: ILIRIJA d.d. BIOGRAD NA MORU			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period.
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	452.200.616	441.752.743
I INTANGIBLE ASSETS (ADP 004 to 009)	003	330.536	85.468
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	0	0
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	0
6 Other intangible assets	009	330.536	85.468
II TANGIBLE ASSETS (ADP 011 to 019)	010	451.831.386	441.629.116
1 Land	011	43.295.283	43.295.284
2 Buildings	012	256.124.508	256.152.866
3 Plant and equipment	013	65.709.302	61.187.803
4 Tools, working inventory and transportation assets	014	0	0
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	1.197.980	1.148.192
7 Tangible assets in preparation	017	9.341.515	2.358.425
8 Other tangible assets	018	0	0
9 Investment property	019	76.162.798	77.486.546
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	38.694	38.159
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	38.694	38.159
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. given to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	0	0
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	0	0
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	0	0
V DEFERRED TAX ASSETS	036	0	0
C) CURRENT ASSETS (ADP 038+046+053+063)	037	48.490.994	72.088.038
I INVENTORIES (ADP 039 to 045)	038	1.206.315	1.317.681
1 Raw materials and consumables	039	1.206.315	1.317.681
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	0	0
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0

II RECEIVABLES (ADP 047 to 052)	046	10.782.027	7.497.176
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	9.307.779	6.972.432
4 Receivables from employees and members of the undertaking	050	899.721	68.675
5 Receivables from government and other institutions	051	387.152	240.854
6 Other receivables	052	187.375	215.215
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	1.032.064	967.030
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	1.032.064	967.030
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	35.470.588	62.306.151
D) PREPAID EXPENSES AND ACCRUED INCOME	064	0	0
E) TOTAL ASSETS (ADP 001+002+037+064)	065	500.691.610	513.840.781
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	368.865.413	393.224.798
I INITIAL (SUBSCRIBED) CAPITAL	068	229.146.480	229.146.480
II CAPITAL RESERVES	069	2.932.389	2.932.389
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	37.097.949	37.405.213
1 Legal reserves	071	24.077.986	24.077.986
2 Reserves for treasury shares	072	6.975.716	6.975.716
3 Treasury shares and holdings (deductible item)	073	-1.478.432	-1.171.168
4 Statutory reserves	074	0	0
5 Other reserves	075	7.522.679	7.522.679
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	083	77.566.556	78.588.435
1 Retained profit	084	77.566.556	78.588.435
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	086	22.122.039	45.152.281
1 Profit for the business year	087	22.122.039	45.152.281
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 089 to 094)	090	0	0
1 Provisions for pensions, termination benefits and similar obligations	091	0	0
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	0	0
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	0	0

C) LONG-TERM LIABILITIES (ADP 096 to 106)	097	112.461.526	106.221.265
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities to banks and other financial institutions	103	112.461.526	106.221.265
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	0	0
11 Deferred tax liability	108	0	0
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	109	17.857.124	13.633.578
1 Liabilities to undertakings within the group	110	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities to banks and other financial institutions	115	1.733.729	2.268.904
7 Liabilities for advance payments	116	0	262.911
8 Liabilities to suppliers	117	10.972.501	4.772.309
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	2.257.500	2.807.165
11 Taxes, contributions and similar liabilities	120	1.732.274	2.361.169
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	1.161.120	1.161.120
E) ACCRUALS AND DEFERRED INCOME	124	1.507.547	761.140
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	125	500.691.610	513.840.781
G) OFF-BALANCE SHEET ITEMS	126	0	0

STATEMENT OF PROFIT OR LOSS					
for the period 01/01/2021 to 30/09/2021					in HRK
Submitter: ILIRIJA d.d.					
Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	91.977.595	42.875.419	121.831.185	68.477.651
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	86.400.952	41.041.440	116.391.425	68.151.813
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	0	0	0	0
5 Other operating income (outside the group)	006	5.576.643	1.833.979	5.439.760	325.838
II OPERATING EXPENSES (ADP 008+009+013+017+018+019+022+029)	007	67.324.473	26.923.019	74.231.477	34.371.426
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	19.537.789	9.509.071	26.501.081	14.747.436
a) Costs of raw materials and consumables	010	8.260.506	4.582.044	13.682.034	8.711.888
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	11.277.283	4.927.027	12.819.047	6.035.548
3 Staff costs (ADP 014 to 016)	013	23.099.997	8.062.029	25.039.998	10.187.655
a) Net salaries and wages	014	14.090.344	4.830.964	15.481.040	6.271.629
b) Tax and contributions from salary costs	015	5.727.052	2.085.905	5.998.571	2.468.176
c) Contributions on salaries	016	3.282.601	1.145.160	3.560.387	1.447.850
4 Depreciation	017	10.664.629	1.184.959	11.678.148	3.857.343
5 Other costs	018	12.660.311	8.066.808	10.670.404	5.575.548
6 Value adjustments (ADP 020+021)	019	0	0	0	0
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	0	0	0	0
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	1.361.747	100.152	341.846	3.444
III FINANCIAL INCOME (ADP 031 to 040)	030	91.822	68.130	16.645	7.130
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	0	0
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	58.921	58.844	167	63
8 Exchange rate differences and other financial income	038	32.901	9.286	16.478	7.067
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	0	0
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	2.622.905	898.489	2.464.072	783.996
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0
3 Interest expenses and similar expenses	044	2.499.009	802.366	2.445.744	776.505

4 Exchange rate differences and other expenses	045	123.896	96.123	18.328	7.491
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	0	0	0	0
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	92.069.417	42.943.549	121.847.830	68.484.781
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	69.947.378	27.821.508	76.695.549	35.155.422
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	22.122.039	15.122.041	45.152.281	33.329.359
1 Pre-tax profit (ADP 053-054)	056	22.122.039	15.122.041	45.152.281	33.329.359
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	22.122.039	15.122.041	45.152.281	33.329.359
1 Profit for the period (ADP 055-059)	060	22.122.039	15.122.041	45.152.281	33.329.359
2 Loss for the period (ADP 059-055)	061	0	0	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066				
2 Discontinued operations loss for the period (ADP 065-062)	067				
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)	068				
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071				
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072				
1 Profit for the period (ADP 068-071)	073				
2 Loss for the period (ADP 071-068)	074				
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	075	0	0	0	0
1 Attributable to owners of the parent	076	0	0	0	0
2 Attributable to minority (non-controlling) interest	077	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	0	0	0	0
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	0	0	0	0
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	0	0	0	0
1 Exchange rate differences from translation of foreign operations	088	0	0	0	0

2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)	097	0	0	0	0
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	7.109.586	5.528.866	11.773.603	7.286.252
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	0	0	0	0
1 Attributable to owners of the parent	100	0	0	0	0
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method			
for the period 01/01/2021 to 30/09/2021			in HRK
Submitter: ILIRIJA d.d. BIOGRAD NA MORU			
Item	ADP code	Same period of the previous year	Current period.
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	22.122.039	45.152.281
2 Adjustments (ADP 003 to 010):	002	10.664.629	11.678.148
a) Depreciation	003	10.664.629	11.678.148
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	0
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	0	0
e) Interest expenses	007	0	0
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	0	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	0
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	32.786.668	56.830.429
3 Changes in the working capital (ADP 013 to 016)	012	2.110.410	-6.537.182
a) Increase or decrease in short-term liabilities	013	4.791.094	-4.223.546
b) Increase or decrease in short-term receivables	014	-8.014.823	-3.284.851
c) Increase or decrease in inventories	015	-141.149	111.366
d) Other increase or decrease in working capital	016	5.475.288	859.849
II Cash from operations (ADP 011+012)	017	34.897.078	50.293.247
4 Interest paid	018	0	0
5 Income tax paid	019	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	34.897.078	50.293.247
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	0
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	0	0
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	0	0
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-4.313.861	-4.053.505
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	-3.657.905	-475.403
IV Total cash payments from investment activities (ADP 028 to 032)	033	-7.971.766	-4.528.908
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-7.971.766	-4.528.908
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	2.613.547	0
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	2.613.547	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-7.372.339	-4.041.538
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	-1.893.459	-2.773.380
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	-42.770	0

5 Other cash payments from financing activities	044	0	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	-9.308.568	-6.814.918
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-6.695.021	-6.814.918
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	20.230.291	38.949.421
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	15.240.303	23.356.730
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)	050	35.470.594	62.306.151

STATEMENT OF CASH FLOWS - Direct method			
for the period 01/01/2021 to 30/09 /2021			in HRK
Submitter: ILIRIJA d.d. BIOGRAD NA MORU			
Item	ADP code	Same period of the previous year 2019	Current period 2020.
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	0	0
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	0	0
4 Cash receipts from tax refund	004	0	0
5 Other cash receipts from operating activities	005	0	0
I Total cash receipts from operating activities (ADP 001 to 005)	006	0	0
1 Cash payments to suppliers	007	0	0
2 Cash payments to employees	008	0	0
3 Cash payments for insurance premiums	009	0	0
4 Interest paid	010	0	0
5 Income tax paid	011	0	0
6 Other cash payments from operating activities	012	0	0
II Total cash payments from operating activities (ADP 007 to 012)	013	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 009 to 011)	014	0	0
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	0	0
2 Cash receipts from sales of financial instruments	016	0	0
3 Interest received	017	0	0
4 Dividends received	018	0	0
5 Cash receipts from repayment of loans and deposits	019	0	0
6 Other cash receipts from investment activities	020	0	0
II Total cash receipts from investment activities (ADP 013 to 018)	021	0	0
1 Cash payments for the purchase of fixed tangible and intangible assets	022	0	0
2 Cash payments for the acquisition of financial instruments	023	0	0
3 Cash payments for loans and deposits	024	0	0
4 Acquisition of a subsidiary, net of cash acquired	025	0	0
5 Other cash payments from investment activities	026	0	0
III Total cash payments from investment activities (ADP 020 to 024)	027	0	0
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 019 + 025)	028	0	0
Cash flow from financing activities			
Cash receipts from the increase of initial (subscribed) capital	029	0	0
2 Cash receipts from issue of equity financial instruments and debt financial instruments	030	0	0
3 Cash receipts from credit principals, loans and other borrowings	031	0	0
4 Other cash receipts from financing activities	032	0	0
IV Total cash receipts from financing activities (ADP 027 to 030)	033	0	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	0	0
2 Cash payments for dividends	035	0	0
3 Cash payments for finance lease	036	0	0
4 Cash payments for the redemption of treasury shares and decrease of initial (subscribed) capital	037	0	0
5 Other cash payments from financing activities	038	0	0
V Total cash payments from financing activities (ADP 032 to 036)	039	0	0
C) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 031 + 037)	040	0	0
1 Unrealised exchange rate differences in cash and cash equivalents	041	0	0
D) NET INCREASE OR DECREASE OF CASH FLOWS (ADP 012+026+038+039)	042	0	0
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	043	0	0
F) CASH AND CASH EQUIVALENTS AT THE END OF PERIOD(ADP 040+041)	044	0	0

STATEMENT OF CHANGES IN EQUITY																				
for the period from 01/01/2021 to 30/09/2021																			in HRK	
Item	ADP code	Attributable to owners of the parent																	"Minority (non-controlling) interest"	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)	
Previous period																				
1 Balance on the first day of the previous business year	01	229.146.480	2.932.389	14.677.986	6.975.716	1.438.432	0	7.522.679	0	0	0	0	0	0	86.966.556	0	346.783.374	0	346.783.374	
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	229.146.480	2.932.389	14.677.986	6.975.716	1.438.432	0	7.522.679	0	0	0	0	0	0	86.966.556	0	346.783.374	0	346.783.374	
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	22.122.039	22.122.039	0	22.122.039	
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0						0	0	0	0	0	0	0	
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18 Redemption of treasury shares/holdings	18	0	0	0	0	40.000	0	0	0	0	0	0	0	0	0	0	-40.000	0	-40.000	
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 Payment of share in profit/dividend	20	0	0	0	0	-307.264	0	0	0	0	0	0	0	0	-307.264	0	0	0	0	
21 Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22 Transfer to reserves according to the annual schedule	22	0	0	9.400.000	0	0	0	0	0	0	0	0	0	0	-9.400.000	0	0	0	0	
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	229.146.480	2.932.389	24.077.986	6.975.716	1.171.168	0	7.522.679	0	0	0	0	0	0	77.259.292	22.122.039	368.865.413	0	368.865.413	
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																				
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	22.122.039	22.122.039	0	22.122.039	
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	9.400.000	0	-267.264	0	0	0	0	0	0	0	0	-9.707.264	0	-40.000	0	-40.000	
Current period																				
1 Balance on the first day of the current business year	28	229.146.480	2.932.389	24.077.986	6.975.716	1.171.168	0	7.522.679	0	0	0	0	0	0	77.566.556	1.021.879	348.072.517	0	348.072.517	

2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the current business year (restated) (AOP 28 to 30)	31	229.146.480	2.932.389	24.077.986	6.975.716	1.171.168	0	7.522.679	0	0	0	0	0	0	77.566.556	1.021.879	348.072.517	0	348.072.517
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	45.152.281	45.152.281	0	45.152.281
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 Carryforward per annual plane	49	0	0	0	0	0	0	0	0	0	0	0	0	0	1.021.879	-1.021.879	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	51	229.146.480	2.932.389	24.077.986	6.975.716	1.171.168	0	7.522.679	0	0	0	0	0	0	78.588.435	45.152.281	393.224.798	0	393.224.798
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 do 52)	53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	45.152.281	45.152.281	0	45.152.281
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	0	0	0	0	0	0	0	0	0	0	0	1.021.879	-1.021.879	0	0	0

NOTES TO THE FINANCIAL STATEMENTS - QFS-ENT

(made for quarterly periods)

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

PIN: 0595149676

Reporting period: 01/01 – 30/09/2021**A. Notes on the Company's financial position:****Non-current assets**

The non-current asset value amounted to HRK 441,752,743.49, constituting a decrease of HRK 7,149,240.66, or 1.59% compared to the value as at 31 December 2020, when it amounted to HRK 448,901,984.15. An amount of HRK 4,528,907.83 was invested in all sectors of the Company during the reporting period. At the same time, the value of non-current assets has been adjusted, which is evident from the depreciation charge in the amount of HRK 11,678,148.49, which has affected the decrease in the value of non-current assets

Current assets

The current asset value amounted to HRK 72,088,037.75 and increased by HRK 44,319,974.26 or 159.16 %, as compared to the balance as at 31 December 2020, when it amounted to HRK 27,768,063.49. The largest part of the increase in current assets was realized by cash inflows from customers and cash collections, which was reflected in an increase in the cash flow.

Short-term liabilities

Short-term liabilities amounted to HRK 14,394,717.82, recording a decrease of HRK 8,354,003.37 or 63.28% compared to the balance as at 31 December 2020, when they amounted to HRK 22,748,721.19. Trade payables and liabilities to credit institutions have been decreased.

Non-current liabilities

Non-current liabilities amounted to HRK 106,221,265.02, constituting an increase of HRK 372,456.09, or 0.35% compared to the balance as at 31 December 2020, when they amounted to HRK 105,848,808.93, due to the purchase of new equipment on the basis of a financial lease.

Equity and reserves

Equity and reserves equalled HRK 393,224,798.40, which represents an increase of HRK 45,152,280.88 or 12.97% compared to the balance as at 31 December 2020, when they amounted to HRK 348,072,517.52.

The increase in the Company share capital and reserves is largely due to the realized profit in the amount of HRK 45,152,280.88.

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

Total revenue generated as at 30 September 2021 amounted to HRK 121,847,829.71, representing an increase of 24.67% of the total revenue as at 31 December 2020, when it amounted to HRK 97,737,763.82.

Total expenses

Total expenses generated as at 30 September 2021 amounted to HRK 76,695,548.83, accounting for 79.30% of the total expenses as at 31 December 2020, when they amounted to HRK 96,715,884.28.

Operating profit

Operating profit generated as at 30 September 2021 amounted to HRK 59,277,856.23, constituting an increase of HRK 38,080,160.49 or 179.64% of the operating profit as at 31 December 2020, when it amounted to HRK 21,197,695.74.

B. The last revised annual statements of the Company are available on the website of ILIRIJA d.d.

<https://ilirijabiograd.com/izvjesca-o-poslovanju>, Zagreb Stock Exchange (Zagrebačka burza d.d.) and the Croatian Financial Services Supervisory Agency within the framework of the central storage of regulated information.

C. Statement on the application of the same accounting policies during the preparation of the statement as at 30 September 2021 and the last revised annual statement as at 31 December 2020.

D. In the nine-month reporting period of 2021, operating revenue in the amount of HRK 121,831,184.80 was generated, which constitutes a 32.46 % increase, or HRK 29,853,590.20 more compared to the same period of the previous year, when it amounted to HRK 91,977,594.60. The Company's business activities are seasonal. The Company generates most of its revenue in summer. We would like to emphasize the major effect the epidemiological situation has had on revenue and overall business activities. The tourism sector is the branch most affected by the COVID 19 pandemic. Higher vaccination rates have resulted in a liberalization of movement constraints, which has been reflected in the tourist season and an increase in revenue compared to the same period of 2020. The Company generates revenue in the hotel, nautical, camping and real-estate sectors and the destination management company DMC Ilirija Travel. The hotel sector generates most of its revenue in summer.

In the reporting period of 2021, revenue of the hotel sector amounted to HRK 27,509,592.52, constituting an increase of HRK 14,137,199.73, or 105.72% compared to the same period of the previous business year.

The revenue of the nautical sector amounted to HRK 44,272,639.56 in the reporting period of 2021, representing an increase of HRK 3,829,113.03, or 9.47 % compared to the same period of 2020. The majority of the revenue was generated by annual berth fees.

In the subject period of 2021, revenue of the camping sector amounted to HRK 33,050,821.32, constituting an increase of HRK 11,398,551.89, or 52.64% compared to the same period of last year. Most of the increased revenue was generated by lump-sum guests, mobile homes and individual guests.

In the reporting period of 2021, revenue from the real estate sector, i.e. the City Galleria Business and Shopping Centre amounted to HRK 9,704,009.68, representing an increase of HRK 76,397.36 or 0.79% compared to the same period of the previous year.

On account of the job retention grant by the Government of the Republic of Croatia, the Company has received a grant in the amount of HRK 4,963,771.11 as at 30 September 2021. The Company recognised the total amount of the job retention grant as other revenue, in accordance with IAS 20, which also reflected on the profit of the reporting period.

As at 30 September, operating costs amounted to HRK 62,553,328.57, recording an increase of HRK 5,893,484.93 or 10.40% compared to the same period of 2020, when they amounted to HRK 56,659,843.64. In the reporting period of 2021, financial expenses amounted to HRK 2,464,071.77, which is a 6.06% decrease compared to the same period of the previous year, when they amounted to HRK 2,622,905.41. The depreciation charge for the reporting period of 2021 amounted to HRK 11,678,148.49, which is a 9.50% increase, or HRK 1,013,519.14 more compared to the same period of 2020, when it amounted to HRK 10,664,629.35.

Total expenses amounted to HRK 76,695,548.83, recording an increase of HRK 6,748,170.43 or 9.65% compared to the same period of the previous year, when they amounted to HRK 69,947,378.40. The operating profit generated by business operations for the reporting period of 2021 amounted to HRK 59,277,856.23, which constitutes an increase of HRK 23,960,105.27, or 67.84% compared to the same period of the previous year, when it amounted to HRK 35,317,750.96. EBITDA, i.e. earnings before depreciation, interest and taxes, amounted to HRK 59,294,501.14, representing an increase of HRK 23,884,927.57, or 67.45% compared to the same period of the previous year. EBIT, i.e. earnings before interest and taxes was realized in the amount of HRK 47,616,352.65, recording an increase of 92.43% or HRK 22,871,408.43 compared to the same period of 2020 when it amounted to HRK 24,744,944.22. Profit for the reporting period amounted to HRK

45,152,280.88, recording an increase of HRK 23,030,242.07 or 104.11% compared to the same period of the previous year, when it amounted to HRK 22,122,038.81.

Additional clarifications of individual items can be found in the Company comments, which comprise an integral part of the statement as at 30 September 2021.

E. There were no significant changes.

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

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

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

Point 4 The majority of the revenue was generated on the domestic market in the amount of HRK 96,932,689.58 and the foreign market in the amount of HRK 19,420,316.64. Operating revenue generated in the hotel sector amounted to HRK 27,509,592.52, whereas it amounted to HRK 44,272,639.56 in the nautical sector, HRK 33,050,821.32 in the camping sector, while the operating revenue of City Galleria amounted to HRK 9,704,009.68. Revenue from other activities or profit centres, including Ilirija Travel and hospitality were realized in the amount of HRK 2,140,353.93. On account of the job retention grant by the Government of the Republic of Croatia, the Company has received a grant in the amount of HRK 4,963,771.11, which was recognised as other revenue. Total expenses amounted to HRK 76,695,548.83. Business expenses amount to HRK 62,553,328.57. Most of them were incurred in connection to the cost of raw material, other materials and energy, accounting for HRK 13,682,033.92, outsourcing costs, accounting for HRK 12,847,847.23, other operating costs, accounting for HRK 11,012,252.14, and staff costs, accounting for HRK 25,039,998.47.

Point 5 Long-term loans which will become due in the period from 2026 to 2034 amount to HRK 56,815,912.30. Securing payment of mortgages on property.

Point 6 In the period from 1 January to 30 September 2021, the average number of employees was 286.

Point 7 The employee cost presented in the income statement amounted to HRK 25,039,998.47 (net salary being HRK 15,480,697.00, contributions from salaries being HRK 4,295,215.24, the salary tax being HRK 1,703,699, and the contributions to salaries being HRK 3,560,387.16). Due to the restrictions of the form, which does not include Other Employee Costs, e.g. travel expenses (HRK 510,792.22), severance pay (HRK 100,961.64), etc., this amount is supplemented by the subject costs of HRK 611,753,86, which brings the total employee cost to HRK 25,651,752.33. The Company does not capitalise the salary costs.

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

Point 10 The share capital of the Company as at 30 September 2021 amounted to HRK 229,146,480.00, and it is divided into 2,413,488 no-par-value ordinary shares.

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

REPRESENTATION LETTER

ILIRIJA d.d.

BIOGRAD NA MORU

Biograd na Moru, 22/10/2021

Statement made by the persons responsible for the preparation of the financial statements for the period from
01/01/2021–30/09/2021

According to Article 403-410 of the Capital Market Act, we declare that:

Financial statements of Ilirija d.d., Biograd na Moru, Tina Ujevića 7, Tax No. OIB: 05951496767, for the period January - September of 2021 have been prepared in accordance with International Financial Reporting Standards and Croatian Accounting Act.

The financial statements give a true and fair view of the financial position of the Company as at 30/09/2021, operating results and cash flows of the Company in accordance with International Financial Reporting Standards.

The Management's Report gives a true overview of operating results and position of the Company as at 30/09/2021.

The financial statements for the period from 01/01 to 30/09/2021 have not been audited.

Accounting Manager::
Zorka Strpić

Management Board:
Goran Ražnjević



ILIRIJA dioničko društvo
za ugostiteljstvo i turizam
Biograd na Moru





ILIRIJA D.D.

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