

FINANCIAL STATEMENTS FOR THE PERIOD 01/01-30/06/2025

Biograd na Moru, July 2025



TABLE OF CONTENTS

Overview of key performance indicators for the period 01/01-30/06/2025	4	4 KEY PHYSICAL PERFORMANCE INDICATORS OF THE COMPANY	54
Key information for the period 01/01-30/06/2025	6	4.1 Hotel sector	56
1 ABOUT ILIRIJA d.d.	9	4.2 Nautical sector - Marina Kornati	64
1.1 Basic information	9	4.3 Camping sector - Campsite "Park Soline"	74
1.2 Chronological overview of the Company's development	10	4.4 City Galleria Business and Shopping Centre	80
1.3 Company's bodies	15	4.5 Ilirija Travel	82
1.4 Subsidiaries	16	5 FINANCIAL-OPERATING RESULTS AT COMPANY LEVEL	84
1.5 Affiliated companies	16	5.1 Financial results of the Company	84
1.6 Ownership structure of the Company and overview of trading in Company's shares at Zagreb Stock Exchange	17	5.2 Financial position of the Company	89
1.7 Company business model	21	6 ADDITIONAL INFORMATION ON THE STATUS AND BUSINESS OPERATIONS OF THE COMPANY	95
1.8 Brands of the Company	22	6.1 Significant events	95
2 CORPORATE STRATEGY AND GOVERNANCE	23	6.2 Legal matters	97
2.1 Vision, mission and fundamental values	23	6.3 Investments in 2025	100
2.2 Organisational structure	24	6.4 Non-operating assets	101
2.3 Risks and risk management	25	6.5 Other	102
3 BUSINESS CAPACITIES OF THE COMPANY AND ADDITIONAL FACILITIES	36	7 BUSINESS EXPECTATIONS IN 2025	104
3.1 Hotel sector	38	8 NOTES	106
3.2 Nautical sector	41	Financial statements for the period 01/01-30/06/2025	107
3.3 Camping sector	44	Notes to the financial statements	121
3.4 Ilirija Travel	46	Representation letter by persons responsible for the preparation of financial statements	124
3.5 Hospitality	48		
3.6 Additional facilities	50		
3.7 City Galleria Business and Shopping Centre	53		



OVERVIEW OF KEY PERFORMANCE INDICATORS FOR THE PERIOD 01/01-30/06/2025

(in EUR)	I-VI 2025	I-VI 2024	INDEX 2025/2024
Financial indicators			
Total revenues	13.545.446,49	12.668.628,92	106,92
Operating revenues	13.367.346,34	12.506.765,55	106,88
Revenues from sales	13.290.153,36	12.355.215,25	107,57
Operating profit	3.591.747,06	3.258.021,34	110,24
EBITDA	3.769.847,21	3.419.884,71	110,23
Adjusted EBITDA	4.029.384,47	3.429.733,05	117,48
EBIT	2.157.643,01	1.800.242,01	119,85
Profit	1.943.398,10	1.557.517,44	124,78
Value of assets	74.691.013,49	72.724.414,13	102,70
Capital	54.796.389,20	52.985.872,57	103,42
Total liabilities	19.894.624,29	19.738.541,56	100,79
Net debt	258.377,08	2.706.853,59	9,55



KEY INFORMATION FOR THE PERIOD 01/01– 30/06/2025

1 The first half of the business year was marked by an increased volume of business activities reflected in the increase in operating revenue primarily in the key tourism sectors of the Company, i.e. the hotel, camping and nautical sectors and the real-estate sector, while the destination management company, as a result of a strategic decision to turn to organising events of higher added value, realised lower physical turnover and lower revenue. The reporting period was also marked by strong growth of all key profitability indicators as a result of an active policy for managing operating expenses, which grew at a rate lower than that of revenue growth, combined with a growth in business activities. Furthermore, the Company continued to reduce its net debt, recording the lowest net debt achieved to date for a first half of a business year, while at the same time improving business stability while strengthening the balance sheet and capital position. Thus, the Company achieved the best operating results to date in the first half of the business year.

Total revenue in the reporting period was generated in the amount of EUR 13,545,446.49, constituting an increase of 6.92% compared to the same period of the previous year, when it amounted to EUR 12,668,628.92, which was achieved due to an increase in operating and financial revenue. Operating revenue was generat-

ed in the amount of EUR 13,367,346.34, an increase of 6.88% compared to the same period in 2024, when it amounted to EUR 12,506,765.55, as a result of increased revenue primarily in the Company's tourism sectors, recording robust growth in business activities, especially in the second quarter of the business year. The increase in operating revenue was mainly generated by a strong increase in revenue of the hotel sector at a rate of 14% and the camping sector at a rate of 10%, combined also by an increase in revenue in the nautical sector by 6% and the real-estate sector by 5%. It should be pointed out that the three core business sectors of the Company recorded a cumulative increase in operating revenue of EUR 986,243.38, constituting an increase of 9% compared to the same period of the previous year, which is something we consider extremely significant.

2 Total expenses amounted to EUR 11,602,048.39, recording an increase of 4.42% compared to the same period in 2024, when they amounted to EUR 11,111,111.48, due to an increase in operating expenses.

Operating expenses amounted to EUR 9,775,599.28, which is a 5.70% increase compared to the same period in 2024, when they amounted to EUR 9,248,744.21, as a result of a robust growth in business activities, leading to timely employment and increase in the number

of seasonal employees, which resulted in an increase in operating expenses due to an increase in the salary cost by 12%, followed by other costs by 11% and the cost of raw materials, materials and energy by 6%.

3 In the first half of the year, growth across all key operating profitability indicators (operating profit, profit, EBITDA and EBIT) was generated through increased business activities, especially at the level of all key tourism sectors, increase in total and operating revenue while maintaining increase in expenses at a lower rate than the increase in revenue, with certain profitability indicators recording the best results to date for a first half of a business year.

Operating profit was generated in the amount of EUR 3,591,747.06, a 10.24% increase compared to the same period of the previous business year, when it amounted to EUR 3,258,021.34, while profit amounted to EUR 1,943,398.10 and is 24.78% higher compared to the same period in 2024, when it amounted to EUR 1,557,517.44.

Also, EBITDA amounted to EUR 3,769,847.21 and was 10.23% higher compared to the same period in the previous year when it amounted to EUR 3,419,884.71. Moreover, the adjusted EBITDA, i.e. EBITDA plus one-

time expenses for employee rewards for previously achieved results and plus subsequently determined expenses from previous years, amounted to EUR 4,029,384.47, constituting a 17.48% increase compared to the adjusted EBITDA realised in the first half of 2024, which amounted to EUR 3,429,733.05.

EBIT was generated in the amount of EUR 2,157,643.01, higher by 19.85%, i.e. EUR 357,401.00, compared to the same period of the previous year, when it amounted to EUR 1,800,242.01.

4 In the reporting period, capital amounted to EUR 54,796,389.20, representing a 3.42%, or EUR 1,810,516.63 increase compared to the same period of the previous year, when it amounted to EUR 52,985,872.57, due to the increase in profit from previous years and profit from the current year.

5 The value of the Company assets amounted to EUR 74,691,013.49, a 2.70%, or EUR 1,966,599.36 increase compared to the first half of 2024, when it amounted to EUR 72,724,414.13, due to an increase in current assets.

6 Net debt, which includes both current and non-current liabilities towards banks, minus cash at bank and in hand, and deposits, amounted to EUR 258,377.08 in the first

half of 2025, representing a decrease by 90.45%, or EUR 2,448,476.51, recording the lowest net debt of the Company achieved to date in the first half of a business year.

7 In the reporting period, increase in the turnover of the Company share was recorded on the capital market, i.e. turnover in the amount of EUR 80,924.40 was generated, compared to the same period in the previous year, when turnover amounted to EUR 20,087.60. The final share price amounted to EUR 26.80 per share, which is a 3.88% increase compared to the same period in the previous year, when it amounted to EUR 25.80. This also meant an increase in market capitalisation, expressed as the product of the final price achieved and the number of shares, by 3.88% or EUR 2,413,488.00, amounting to EUR 64,681,478.40. The average share price also increased, reaching EUR 28.64 and recording an increase of 11.05% compared to the price of EUR 25.79 achieved in the same period of the previous year.

8 At its session held on 26 February 2025, the Company Management Board adopted the Q4 2024 financial statements (unaudited, unconsolidated), the Annual Report and the 2024 Annual Financial Statements (audited, unconsolidated). Moreover, at the session of the Supervisory Board held on the same day, the Company's Annual Report, 2024 Annual Financial Statements (audited, unconsolidated) were adopted and draft de-

cisions were established, which were sent to the General Assembly for adoption.

9 The General Assembly, held on 23 April 2025, took note of the Company's Annual Report for 2024 together with the Audit Report for 2024, Report of the Supervisory Board on the Performed Supervision of the Company's Operations for 2024, and the Management Board's Report on the Acquisition of Own Shares in 2024. The General Assembly adopted the Decision on the Approval of the 2024 Report on the Remuneration of Management Board and Supervisory Board Members, the Decision on Granting Discharge to the Company's Management Board for the financial year 2024, Decision on Granting Discharge to the Members of the Supervisory Board for the financial year 2024, and the Decision on the Appointment of the authorised auditing company "UHY RUDAN d.o.o.", Ilica 213, Zagreb, PIN (OIB): 717995390000 as the Company's Auditor for 2025 and 2026.

Also, the Decision on the Use of Company Profit for the 2024 Financial Year was adopted at the General Assembly, according to which the achieved net profit in the 2024 financial year (after tax) in the amount of EUR 3,576,074.33, is distributed as follows:

- EUR 1,655,334.33 into the retained profit, and

- EUR 1,920,740.00 for dividend distribution. The dividend per share amounts to EUR 0.80.

10 At its meeting held on 10 June 2025, the Supervisory Board adopted the decision to reappoint Mr Goran Ražnjević as the only member of the Management Board of ILIRIJA d.d. for a 5-year term, namely from 18 June 2025 to 18 June 2030.

11 Investments in the first half of the business year amounted to EUR 2,631,724.16, and referred mostly to the hotel, camping and catering sector with the aim of raising the standards and quality of accommodation facilities and completely renovating the beach catering facility in Biograd na Moru and its market repositioning as well as shifting the concept into a modern beach club.

In the hotel sector, significant investments were made in the expansion of external elevators, i.e. the panoramic elevator on the north-east side of the Ilirija**** hotel, and the external elevator on the north side of the Adriatic*** hotel, where investments also included renovation of the hotel lobby and reception. Moreover, in the hotel sector, investments were made in further digitalisation by introducing an IP telephony system that enables the implementation of technologically advanced solutions in the field of business telecommunications

and better Wi-Fi network coverage at the hotel. With regard to the beach facility in Biograd na Moru, investments focused on the renovation and modernisation of the entire facility, including the outdoor pool and the surrounding beach area, in order to create a modern beach bar with dining and relaxation areas, a recognisable design, the ability to effectively adapt to weather conditions, and flexibility in equipment placement. Furthermore, at Sv. Filip i Jakov, investments were made in the first phase of the reconstruction of the beach facility to structurally strengthen the building and reconstruct the entire roof, install the façade and exterior joinery. In the camping sector, investments were made into further infrastructural development of the campsite, i.e. the development of internal roads at the campsite, the modernisation of the children's playground with new facilities, and further horticultural development of the campsite. The Company also purchased land with a surface area of 3,728 m² in Biograd na Moru, within the area of the industrial zone, with the intention to build a modern central laundry room, a storage and distribution and service centre, as well as new storage spaces which are currently dispersed across several facilities within the hotel resort.

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 **68 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 Beach facility Beach Club Ilirija 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 9.445,32m² net rented floor area.

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

1.2 CHRONOLOGICAL OVERVIEW OF THE COMPANY'S DEVELOPMENT

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

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

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

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

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

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

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

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

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

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

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

Year 2000 - 2025 | During this period, i.e. as at 30/06/2025, the Company invested EUR 95,394,159.47 in construction, reconstruction, extension, upgrading, renovation and adaptation of accommodation facilities and establishments of the Company in order to enhance the quality, improve the overall service and standards in all sectors of the Company, develop new products, improve and increase the categorization of the accommodation facilities and nautical capacities, expand hospitality facilities with an aim to create a high-quality, recognizable and competitive tourism product and enhance the quality of the offer of the destination itself together with the purchase of the City Galleria Business and Shopping Centre, which resulted in a growth in total revenue and newly created value in the mentioned period in the amount of EUR 191,118,975.70.

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 hospital-

ity 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

Iirija 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.
(not active)

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 of Zadar, CRN: 060014554; the share capital is HRK 21,027,500.00, which corresponds to EUR 2,790,828.85, using the fixed conversion rate (7,53450).

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 Iirija d.d. accounting for 3.97% of its share capital.

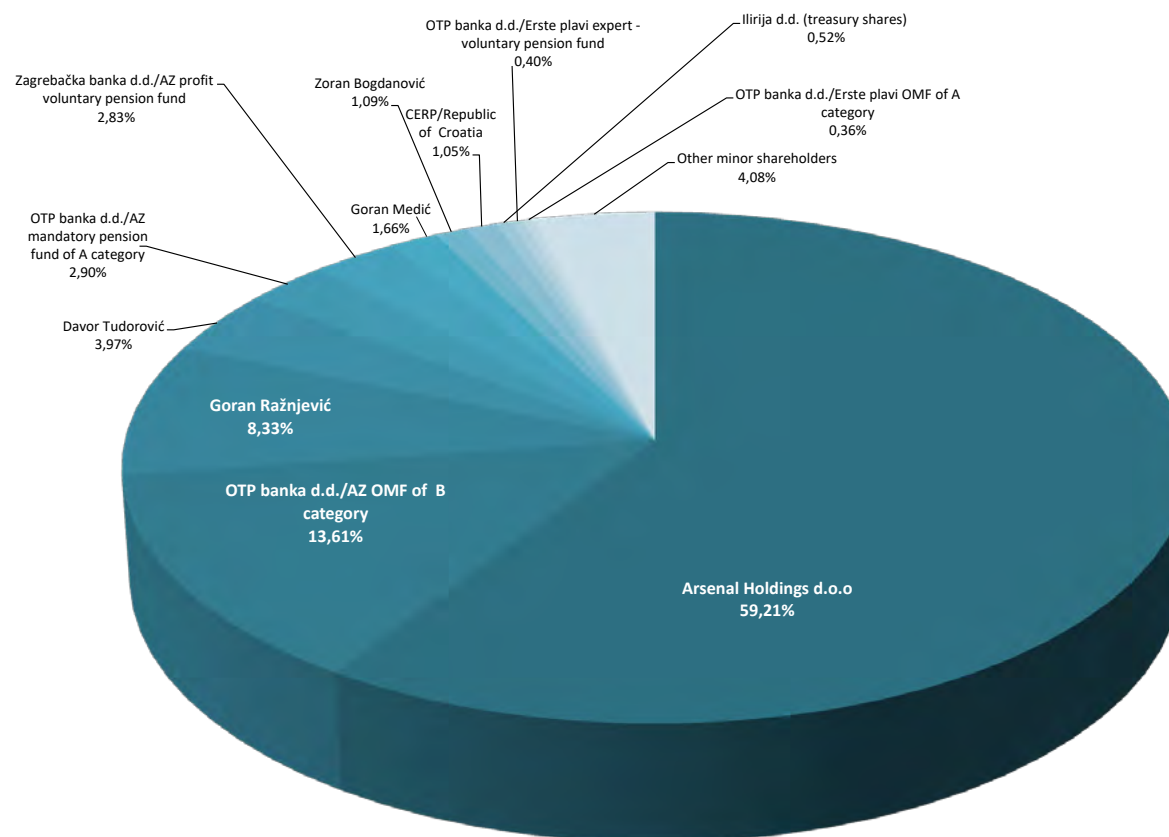
1.6 OWNERSHIP STRUCTURE OF THE COMPANY AND TRADING IN THE COMPANY'S SHARES AT THE ZAGREB STOCK EXCHANGE

The share capital of the Company amounted to EUR 30,420,000.00, and it is divided into 2,413,488 no-par-value ordinary shares.

As at 30 June 2025, there were no significant changes in the ownership structure, while an overview of the major shareholders of the Company as at 30 June 2025 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	328.506	13,61
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
Zoran Bogdanović	26.216	1,09
CERP/Republic of Croatia	25.342	1,05
Ilirija d.d. (treasury shares)	12.563	0,52
OTP banka d.d./Erste plavi expert - voluntary pension fund	9.726	0,40
OTP banka d.d./Erste plavi OMF of A category	8.631	0,36
Other minor shareholders	98.510	4,08
TOTAL	2.413.488	100,00

OWNERSHIP STRUCTURE OF THE COMPANY AS AT 30/06/2025



TRADING IN COMPANY'S SHARES ON THE CROATIAN CAPITAL MARKET IN THE FIRST HALF OF 2025

(amounts in EUR)	I-VI 2025	I-VI 2024	% of change
Total turnover	80.924,40	20.087,60	302,86%
Average share price	28,64	25,79	11,05%
Average turnover per transaction	3.112,48	1.545,20	101,43%
Average daily turnover	4.495,80	3.347,93	34,29%
Last share price	26,80	25,80	3,88%
Market capitalization*	64.681.478,40	62.267.990,40	3,88%
Market capitalization**	69.122.296,32	62.243.855,52	11,05%
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 reporting period, the Company's shares designated as ILRA generated a considerably larger volume of trading compared to the same period in 2024. A total of 2,826 shares were traded, resulting in a turnover of EUR 80,924.40, which is 302.86% more than in the same period in 2024. The final share price at the end of the first half of 2025 amounted to EUR 26.80, which is 3.88% higher than the final share price achieved in the same period of the previous year, which amounted to EUR 25.80. The average share price amounted to EUR 28.64, constituting an increase by 11.05% compared to the first half of 2024, when it amounted to EUR 25.79.

In proportion to the increase in the final and average share price recorded in the first half of 2025, market capitalisation of the Company also increased to an amount of EUR 64,681,478.40, calculated by multiplying the amount of issued shares and the final share price, i.e. to an amount of EUR 69,122,296.32, calculated by multiplying the amount of issued shares and the average share price.

The movement of the ILRA share with the shown volume of trading and a comparison with CROBEX and CROBEXTURIST indices movements is shown in the following graph



1.7 COMPANY BUSINESS MODEL

The Company has been present on the domestic and international tourism markets for over six decades and in 2016, with the acquisition of the City Galleria Business and Shopping Centre, it became a company with a wide range of activities, the portfolio of which is composed of 5 sectors:

- **Hotel sector** – 4 hotels, 435 rooms, 910 beds
- **Nautics** – 805 berths, 2,000 persons
- **Camping** – 1,130 pitches, 3,390 persons
- **Destination management company/DMC Ilirija Travel** – through which 295 special events for 40,424 persons were organised in 2024
- **Real-estate segment** – City Galleria Business and Shopping Centre in Zadar, one of the two largest shopping centres in the wider Zadar region

ILIRIJA d.d. is one of few tourism companies in the Republic of Croatia with such a diverse offer that includes all the segments of the Adriatic or Mediterranean tourism offer in its portfolio (hotel, nautical and camping sectors), additionally strengthened by the destination management company Ilirija Travel and the real-estate sector. With regards to such a diverse portfolio, it 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 new ones, which is also the foundation of the Company's business and development policy. The presence on the market spanning more than six decades as well as knowledge and experience gained, enable the Company to maximize its economic, financial, market and human resources potential. **By developing a complementary and integrated product through the destination management company, the Company strives for achieving one of its strategic goals – year-round business operations of its tourism sectors**, with an emphasis on the hotel and camping sectors, through high-standard extension of the high season to pre-season and post-season and creating added value for both the Company and the destination, or the wider community. Through the destination management company, the Company also contributes to the development and recognizability of the destination by organizing events and by offering contents and programs it organises in its own facilities.

1.8 BRANDS OF THE COMPANY



BIOGRAD
BOAT SHOW

Donat
BEACH BAR

ARSENAL
ZADAR

City Galleria

2 CORPORATE STRATEGY AND GOVERNANCE

2.1 VISION, MISSION AND FUNDAMENTAL VALUES

Vision - is to permanently secure position among the 3 leading tourism companies in the region of the North Dalmatia and among the 20 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:

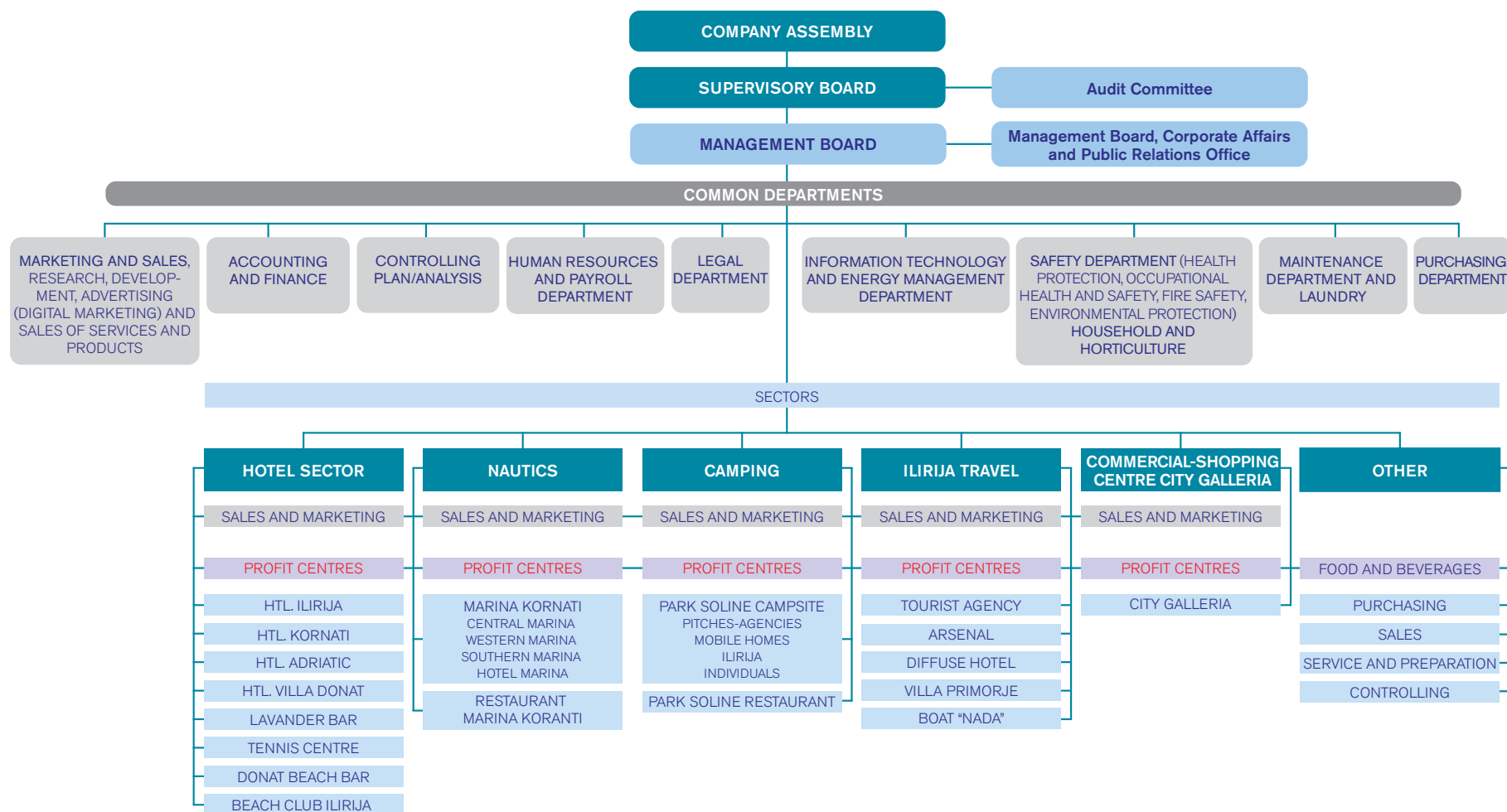
Respect and integrity – equality of treatment and attitude towards all our stakeholders constitute the basic values of our Company.

Quality – top quality product, professional service and individual approach to clients constitute the basis of the relationship towards our guests, at the heart of the Company's service.

Sustainability and responsibility – in business, investment, relationships with our employees, business partners, clients (guests), the local and regional community, with shareholders and in day-to-day business, through the integration of economic, social and environmental aspects into the Company's decision-making processes and corporate strategy as well as by creating added value for all stakeholder groups through the achieved business results. Balancing the said aspects is the basis of the Company's success and sustainable development.

Transparency – in business and communication with all stakeholders of the company, while adhering to the principles of timely and true information as a prerequisite for the strengthening of the market position of the company and its further growth.

2.2 ORGANIZATIONAL STRUCTURE



2.3 RISKS AND RISK MANAGEMENT

The Company assesses risks at all levels of significance to the Company, i.e. at the macro and micro levels and according to the criterion of likelihood of their occurrence. The Company assesses the risks for each of the business sectors according to the criterion of likelihood of risk occurrence and consequences or impact of each individual risk on the Ilirija d.d. business processes and system as a whole.

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

- Identification of potential risks;
- Assessment of the likelihood of occurrence of the 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 recognizes the following types of risks

in its operations:

- 1) Economic and financial risks
- 2) Regulatory risks
- 3) Tourism activity risks
- 4) Global risks and risks of the macroeconomic environment

1 Economic and financial risks

In terms of credit risk, i.e. the obligation to repay loans used by the Company, taken out with a currency clause, which were dependent on the movement of the Croatian kuna exchange rate against the euro, the introduction of the euro as the official currency eliminates the said risk. Indebtedness of the Company with the commercial bank is for the most part subject to fixed interest rates. Taking this into consideration, the Company is not exposed to interest rate risk on that basis. For the purpose of reducing credit risk, the Company strives to reduce its overall credit liabilities to an adequate, i.e. a higher level in order for them to be lower than its own sources of funds. In its operations, as one of the foundations of its business and financial security, the Company strives to have as little net debt as possible, thus significantly reducing the existing credit risk. Financial assets that may po-

tentially 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 macroeconomic situation, and applying measures of collection in instalments; and, if necessary, eventually undertaking 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 challenging business environment caused by unfavourable macroeconomic environment is to maintain its current liquidity. The Company is, therefore,

undertaking activities to diversify its existing and secure new financing sources if necessary, it is trying to minimise and optimise all of its operating costs, and is willing to and capable of actively cooperating with all significant creditors by settling the liabilities they had at the time when challenging business conditions materialised.

The continuous growth of strong inflationary pressures primarily caused by increases in the prices of primary energy products (oil, gas, electricity), which subsequently spread to consumer goods and services (especially food and beverages), along with the current geopolitical instability essentially generated strong inflation impacts not only on business entities of European Union countries, but also on their society in general. If they remain strong, inflationary pressures could affect purchasing power and new demand generation, and slow down economic activities in the euro area. In the Republic of Croatia, the prices of goods and services for personal consumption, measured by the consumer price index, were on average 3.7% higher in June 2025 than in June 2024. As for the energy costs, primarily electricity as the primary energy source, the Company managed to protect itself from significant increases in electricity prices in time,

namely with a multi-year contract, which mitigated the impact of the increase in electricity prices on total operating costs. The very intense increase in food and beverage costs constitutes a strong generator of inflation growth and at the same time accounts for a significant share of the operating expenses and significantly affects the prices of services in the hospitality and tourism industry. Therefore, by actively monitoring food and beverage prices and cooperating with key suppliers, the Company strives to minimise such prices as much as possible, i.e. ensure stability and security of the supply along with the highest possible procurement cost control. On the other hand, through dynamic daily management of accommodation unit prices, it aims to achieve the maximum level of competitiveness possible, as well as intense and systematic demand monitoring, and a quick and strong response to market trends, while at the same time striving for a timely response to potentially negative challenges and impacts such as inflation.

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

2 Regulatory risks:

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

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

Tourism land – unresolved issue

Pursuant to the Act on Tourism and Other Construction Land Not Evaluated in the Conversion and Privatisation Process (hereinafter: the Act), adopted in July 2010, the Company submitted to the Republic of Croatia, within the legally prescribed deadline, i.e. in January 2011, an application for a concession on tourism land for the "Park Soline" campsite in Biograd na Moru for a period of 50 years. Due to unclear provisions of the Act, no decision has been rendered during its validity regarding the Company's application. In the meantime, in May 2020 a new act on non-evaluated construction land was adopted, and thus the Act on Tourism and Other Construction Land Not Evaluated in the Conversion and Privatisation process ceased to have effect. The new Act provides for the right of tourism companies to submit an application for leasing construction tourism land for a period of 50 years. In March 2021 the Company submitted the appropriate application for leasing construction land in the campsite for a period of 50 years to the competent authority of the Republic of Croatia, that is, to the Ministry of Physical Planning, Construction and State Assets. Under the provisions of the Act on Non-Evaluated Construction land, a company shall become the

owner of buildings, land under buildings and land in the campsite that were evaluated and entered into the value of social capital in the conversion and privatisation process, while the Republic of Croatia shall become the owner of buildings and land in the campsite that were not evaluated and entered into the value of social capital in the conversion and privatisation process (so called Parts of the campsite owned by the Republic of Croatia). In the meantime, on 1 April 2022 the Company, in accordance with Article 18) of the Act on Non-Evaluated Construction Land, obtained from the Centre for Restructuring and Sales the Certificate of Conformity of the Geodetic Survey Report, which confirms the conformity of the Park Soline Campsite Geodetic Survey Report with the decision of the Croatian Privatisation Fund of 12 July 1996, by which the real property concerned was evaluated in the process of conversion of the socially-owned enterprise "Ilirija" Biograd na Moru.

Furthermore, the legislator also adopted the Ordinance on the Arrangement of Leases on Parts of the Campsites Owned by the Republic of Croatia (OG 16/24) (hereinafter: Ordinance on the Arrangement of Leases) which, as a by-law, has been in force since 9 February 2024, and which determines the methods

and conditions of payment of fees for the lease of unvalued parts of the campsite. The Republic of Croatia, through the departmental Ministry of Physical Planning, Construction and State Assets, in a letter dated 22 April 2024, **invited ILIRIJA d.d. to pay the lease fee based on the aforementioned Ordinance, and Ilirija d.d. was calculated lease fee for the period from the date of entry into force of the Act on Unvalued Construction Land until 31 December 2023. (05/2020 – 12/2023) in the total amount of EUR 538,912.31.** The amount determined in this way, in accordance with the Ordinance on the Arrangement of Leases, represents 50% of the lease fee for the “Park Soline” campsite, while the remaining 50% of the lease fee shall be calculated according to the decision from Article 17.1 of the Act on Unvalued Construction Land, i.e. the conclusion of a 50-year lease agreement in accordance with the Act. For the next period starting from 2024, the competent Ministry **determined the annual lease fee for the “Park Soline” campsite in the amount of EUR 171,624.15, payable in 12 equal monthly instalments, and has issued the lease fee invoices to ILIRIJA d.d. ILIRIJA d.d. duly pays the aforementioned annual lease fee, which amount in accordance with the Ordinance on the Arrangement of Leases, represents 50% of the lease fee.**

Also, the Company published on its website and on the website of the Zagreb Stock Exchange the “Study of the uniqueness and sustainability of the “Park Soline” campsite in Biograd na Moru as an economic and functional-technological unit within the business system of Ilirija d.d.”, which addresses all relevant issues concerning the “Park Soline” campsite in the context of the application submitted by Ilirija d.d., in accordance with the Act on Non-Evaluated Construction Land, for exercising the right to a long-term lease of the “Park Soline” campsite for a period of 50 years. The purpose of the aforementioned Study is to enable all stakeholders, entities and public bodies that are directly or indirectly involved, within their respective spheres of competence, in resolving the issue of campsite land that was not evaluated in the process of conversion and privatisation of socially-owned enterprises, an integral and comprehensive overview of all aspects of the existing “Park Soline” campsite in Biograd, from complex relations regarding property rights, issues of spatial planning and the need to respect the campsite as an integrated business and functional unit of tourist land and buildings. The Company maintains that, in accordance with the Act on Non-Evaluated Construction Land, it meets the requirements stipulated by the Act for exercising the right to lease construction land

in the Campsite for a period of 50 years.

Maritime domain

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 (Official Gazette Nos 153/2003, 100/04, 141/06, 38/09, 123/11 and 56/16, hereinafter referred to as: ZPDML 2003) 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, upon an application for the extension of the concession term submitted by other companies engaging in nautical tourism and competing with Ilirija d.d., the concession term for marinas was extended to them by a period of 50 years.

As no meritorious decision was made on the said request, on 11 July 2018, Ilirija d.d. delivered to the Ministry of Maritime Affairs, Transport and Infrastructure a letter informing them of having procured an amendment to the construction permit for the reconstruction of the marina, as part of the new investment included in the application for an extension of the concession licence validity. Moreover, on 6 October 2021, the Company delivered a letter to the Ministry of Maritime Affairs, Transport and Infrastructure and the Ministry of Finance of the Republic of Croatia, so as to initiate the adoption of the decision regarding an extension of the concession licence validity.

In the meantime, on 2 November 2021, the Company received a statement from the Ministry of Finance of the Republic of Croatia, as a body which, along with the competent Ministry of the Sea, Transport and Infrastructure of the Republic of Croatia, is involved in the procedures for extending the terms of concessions, in which they essentially point out that in order to conduct the procedure for extending the concession agreement, the competent Ministry of the Sea, Transport and Infrastructure, while looking at the problems of the nautical tourism system, needs to establish whether the decision on the

concession or the agreement related to it may be changed without conducting a new procedure for granting the concession, in order not to violate the principle of market competition with other concessionaires in the Republic of Croatia.

Considering the observations of the competent authorities and the expressed views, in order to successfully complete the procedure for extending the concession licence for Marina Kornati, Ilirija d.d. sent a supplement of the existing request for extension of the concession licence validity for Marina Kornati to the Ministry of the Sea, Transport and Infrastructure on 28 December 2023, in which it essentially offered: a new increased amount of investment in the maritime domain (superstructures and substructures), new increased investments in the green transition, including the decarbonisation and digital transformation in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, Official Journal of the European Union, L 198/13, in the total amount of new investments of: EUR 5,705,066.00, for which

the Company has mostly obtained valid building permits and which ensure orderly and legal performance of marina activities with regard to existing technical, technological and environmental requirements for operation in the period until the expiry of the concession. Also, the Company proposed new amounts of concession fees with reference to previous revalued investments in Marina Kornati, which, in the period from 2000 until the end of 2023, amounted in total: EUR 16,013,277.44, all in order to show the actual absolute value of the investments to date. Furthermore, on 15 July 2025, in response to the opinion of the Ministry of Finance dated 29 May 2025, the Company submitted to the competent ministry a revised Economic Feasibility Study for Marina Kornati, including a valuation of the existing concession and an amended request for extending the concession until 2047, and elaborated on the legal basis for the extension in accordance with the Maritime Domain Act, the Concessions Act and Directive 2014/23/EU. No decision has been rendered yet on the mentioned amended request for an extension of the concession licence validity for Marina Kornati.

As regards the Ilirija-Kornati Hotel Port in Biograd na Moru, the Company delivered to the Republic of Croatia (Zadar County) on 19 January 2011 a request with detailed explanations for an extension of the concession licence validity for a period of 20 years, but the competent authority of the regional self-government unit has not reached a decision on this Request by Ilirija d.d. Furthermore, and with regard to the above, in February 2015, the Company once again, pursuant to Article 22 of the Maritime Domain and Seaports Act (new investment), submitted a request to the Zadar County regarding an extension of the concession licence validity for the Ilirija-Kornati Hotel Port, for a period of 30 years in total, but a decision has not been made regarding this request by Ilirija d.d. As regards a beach facility with an outdoor swimming pool in Biograd na Moru, the Company submitted to the concession licence grantor, Zadar County, a request for an extension of the concession licence validity for a total of 30 years (until 2028) with all the necessary documentation, back on 20 October 2008 (before the expiry of the concession licence validity). The competent authority still has not decided on this request. The company has been paying the concession fee in the agreed amount for all of the aforementioned facilities this whole time.

On 18 June 2025, the Company submitted to the Zadar County a request for obtaining a concession upon request for a period of 5 years, for commercial use of the beach in front of the Ilirija, Kornati and Adriatic hotels, the beach facility and the outdoor swimming pool Ilirija in Biograd na Moru, performed by Ilirija d.d. hotels, with a four-star rating, built outside of the maritime domain, and connected infrastructurally with the beach with facilities, built and developed beach facility and the outdoor swimming pool, and investments were made in the construction, development and infrastructure by Ilirija d.d., i.e. the hotels, in accordance with Article 63, paragraph 1, point 2 of the Maritime Domain and Seaports Act. The competent authority has still not decided on the submitted request.

Also, on 24 June 2022, the Company published on its website and on the website of the Zagreb Stock Exchange the research paper of Assoc. Prof. Iva Tuhtan Grgić, PhD, from the Faculty of Law in Rijeka "Acquired rights and legitimate expectations of former holders of the right of use of the maritime domain for an indefinite period as well as for a limited period for as long as economic activity is being carried out", which precisely on the example of Ilirija d.d. addressed the issues of legal capital investments on the maritime domain,

conversion of socially-owned enterprises that had part of their assets on the maritime domain, issues of acquired rights and legitimate expectations of former holders of the right of use of the maritime domain, and conversion of the right of use into a time-limited concession. In particular, as it is stated in the aforementioned research paper, the companies that had the permanent right of use of the maritime domain, acquired on the basis of final administrative decisions of municipal assemblies, had indisputably acquired rights and legitimate expectations that they would be able to use these rights in the future under the same conditions under which they were acquired. However, by decisions adopted on the basis of the legislation in force at the time, the aforementioned right of permanent use of the maritime domain was subsequently converted into the right of economic exploitation of the maritime domain based on a time-limited concession. This violated the interests of companies, shareholders and acquirers of shares in these companies, by grossly encroaching on the acquired rights and legitimate expectations that they will be able to use the acquired rights within the same scope as when they acquired them, and those same rights are protected by the provisions of the Constitution of the Republic of Croatia (Articles 48(1) and 49(2) and (4)) and Article 1

of Protocol No. 1 to the Convention for the Protection of Human Rights and Fundamental Freedoms.

On 14 July 2023, the Croatian Parliament adopted a new Maritime Domain and Seaport Act, which entered into force on 29 July 2023. It is evident that the new Act has a series of new provisions, and a certain amount of time will need to pass before we are able to fully assess its effect on complex matters in the area of legal investments in the maritime domain before and after the conversion, evaluation and entering in the share capital of former social enterprises, as well as on acquired legal and legitimate expectations of companies who perform legal activities in maritime domains.

3 Tourism activity risks

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

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

(I) the unresolved issue of ownership since the moment of conversion, that is, property-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. issues regarding acquired rights, legitimate investments and legitimate expectations in the maritime domain, having in mind, in particular, the contracted permanent right of use of the maritime domain, while companies which took part in the conversion process, as is the case with our Company, carry out economic activity on the maritime domain, contrary to the provisions of Article 49 and Article 50 of the Constitution,

(III) VAT rate on services in tourism and hotel industry is much higher than in competitive countries, which consequently makes Croatian tourism less competitive, hinders and slows down further investments

both in the construction of new accommodation facilities and in 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 of regulations,

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

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

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

(VIII) fiscal and para-fiscal charges unsuitable to seasonal business activities with frequent changes in fiscal regulations.

(IX) skilled labour shortages were significantly pronounced in 2025 in the Republic of Croatia, namely

at the level of most economic activities, and with a special emphasis on hospitality and tourism taking into account the seasonal nature of Croatian tourism, as well as the fact that it is an extremely labour-intensive industry; therefore, skilled labour shortages (with a special emphasis on occupations in high demand) could affect the success of the peak season, and thus ultimately of the entire business year.

Bearing in mind all of the above, the Company has recognized risks pertaining to the said skilled labour shortages, and it undertakes a series of activities to retain working-age, highly qualified and professional employees at all levels for business operations, namely with the aim of retaining full employment, raising the level and quality of services, and achieving smooth operation of business processes through activities aimed at improving the financial standing of employees, investing in their education, and further developing human resources by hiring young, highly educated persons from different professions.

4 Global risks and the macroeconomic environment

Considering the global nature of the hospitality and tourism industry, different events and activities at the global level can significantly affect the operations of

tourism companies. As such, the said industry is influenced by geopolitical risks with strong implications for security and stability at the global level, the security, political and economic instability of the region, i.e. of the countries in the immediate vicinity of the Republic of Croatia, the global economic crisis, global health threats such as pandemics and epidemics, as well as the climate impact risk.

In today's globalised world, the said risks affect the free movement of people, goods and capital, i.e. national economies and operations of economic entities. In addition to the aforementioned risks referred to in points 1 – 3, the most significant global risks for the Company's operations are: the health risk, the geopolitical risk, the climate impact risk, and the macroeconomic environment.

In addition to the aforementioned risks referred to in points 1 – 3, the most significant global risks for the Company's operations are: the health risk, the geopolitical risk, the climate impact risk, the macroeconomic environment, and information system security.

Health risk

Since 2020, the world faced an unpredictable, serious and extremely dynamic risk related to the epidemiological situation, i.e. the COVID-19 illness, which has had an extremely negative impact on business entities in almost all industries, albeit the most severely affected ones are certainly the travel industry, tourism and hospitality, all of which form an integral part of the Company's core business. The COVID-19 risk is also the biggest and most serious risk that the Company has faced so far, to which the Company responded with a number of measures and activities by reorganising its business processes and operations in order to safeguard the health and well-being of guests and employees, maintain financial stability and current liquidity for the duration of the COVID-19 pandemic, preserve assets and capital as well as business operations and activities, and retain full employment. The Company has successfully achieved all of its goals. The Company continues to implement different preventive activities within its business processes and operations in order to reduce and always be able to control health risks, just like it did during the COVID-19 pandemic. However, the Company is also aware of the related limitations and the unpredictability of easily

transmissible infectious diseases and the threatening consequences of their spread.

Geopolitical risk

Due to the war in Ukraine, geopolitical risk with strong implications for European and global security and the macroeconomic environment has been present since February 2022. Therefore, the Company also reports on such risks and their consequences on its operations. The Company does not have any kind of an ownership relationship with entities from Russia and Ukraine. Moreover, it does not have any assets in Russia and/or Ukraine, and it has not made any investments in entities from Russia and Ukraine or entities materially related to entities from Russia and Ukraine. Thus, the Company is neither exposed nor are there any potential consequences in this respect. Moreover, the Company has no exposure to entities from Russia or Ukraine since it does not do business with legal entities from Russia or Ukraine. The Company does business as a company specialised for hospitality and tourism has a business relationship with natural persons from Russia and Ukraine using the Company's services such as accommodation in its facilities (hotel, camping and nautical sectors). The share of guests

from Russia and Ukraine in the Company's total turnover is insignificant, and losing it does not represent a risk to the Company. Should the crisis, that is, the war, spread from Ukraine to other European countries or lead to destabilisation of the countries in the Balkans, this would surely have a negative effect on Croatian tourism as a whole, and thus also on the Company. Croatian tourism generates most of its turnover from the European outbound market, which could be significantly reduced in case the Russian-Ukrainian crisis, that is, the war, spreads across Ukrainian borders and causes major geopolitical instability in the wider European region. The Company will counteract any potential negative effects of the Russian-Ukrainian crisis by adjusting its business processes and activities to the new circumstances, with the aim of strengthening the resilience of its business system.

Climate impact risk

The Company bases its business policy on management in line with the principles of sustainable and responsible development, with particular focus on environmental protection, as the environment is the fundamental resource of the tourism industry. Environmental protection represents a significant

segment of the Company's integrated management systems and is a part of its strategic decisions and business processes.

The consequences of climate change are becoming increasingly influential when it comes to almost all activities. In the tourism sector and within the Company, they have been recognised as climate impact risks requiring an interdisciplinary approach and management. The Company continuously monitors its impact on the climate, i.e. its greenhouse gas emissions and other environmental impacts, namely in accordance with all applicable legal regulations and prescribed limit values. The Company has previously recognised its impact on the environment and decided on a systematic approach with a series of activities it carries out. They mainly pertain to the preservation of natural resources (water, air, soil, and coast), biodiversity, energy management, and waste management, which ultimately confirms the Company's focus on sustainable development and growth. The identified risks included the dangers brought on by climate change both at the global level and at the level of the Company's operations. We also noticed that extreme weather conditions can affect tourist demand and cause direct material damage to the Company's assets.

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. Temperature variability, i.e. dangerous heat waves, reduce the attractiveness of our offer in holiday capacities. This directly affects arrivals and quality of stay. Rising sea levels put the infrastructure in the immediate vicinity of the coast at risk. The same also applies to the marina, arranged beaches, and beach facilities. Unpredictable windstorms or hurricane-force winds can cause direct damage to almost all our capacities. 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 organisational elimination of sudden and accidental risks of any nature to the highest degree possible. Other business risks, such as large-scale fires, accidental pollution of the coastal and marine aquarium, which are all beyond the Company's control but may potentially jeopardise the Company's business safety, are the circumstanc-

es which the Company attends to insofar as it can actively contribute to lowering their impact on the Company's long-term business viability as much as possible, being aware of the fact that the Company's impact here is reduced to measures which cannot be of key importance for the elimination of all the risks posed to the Company.

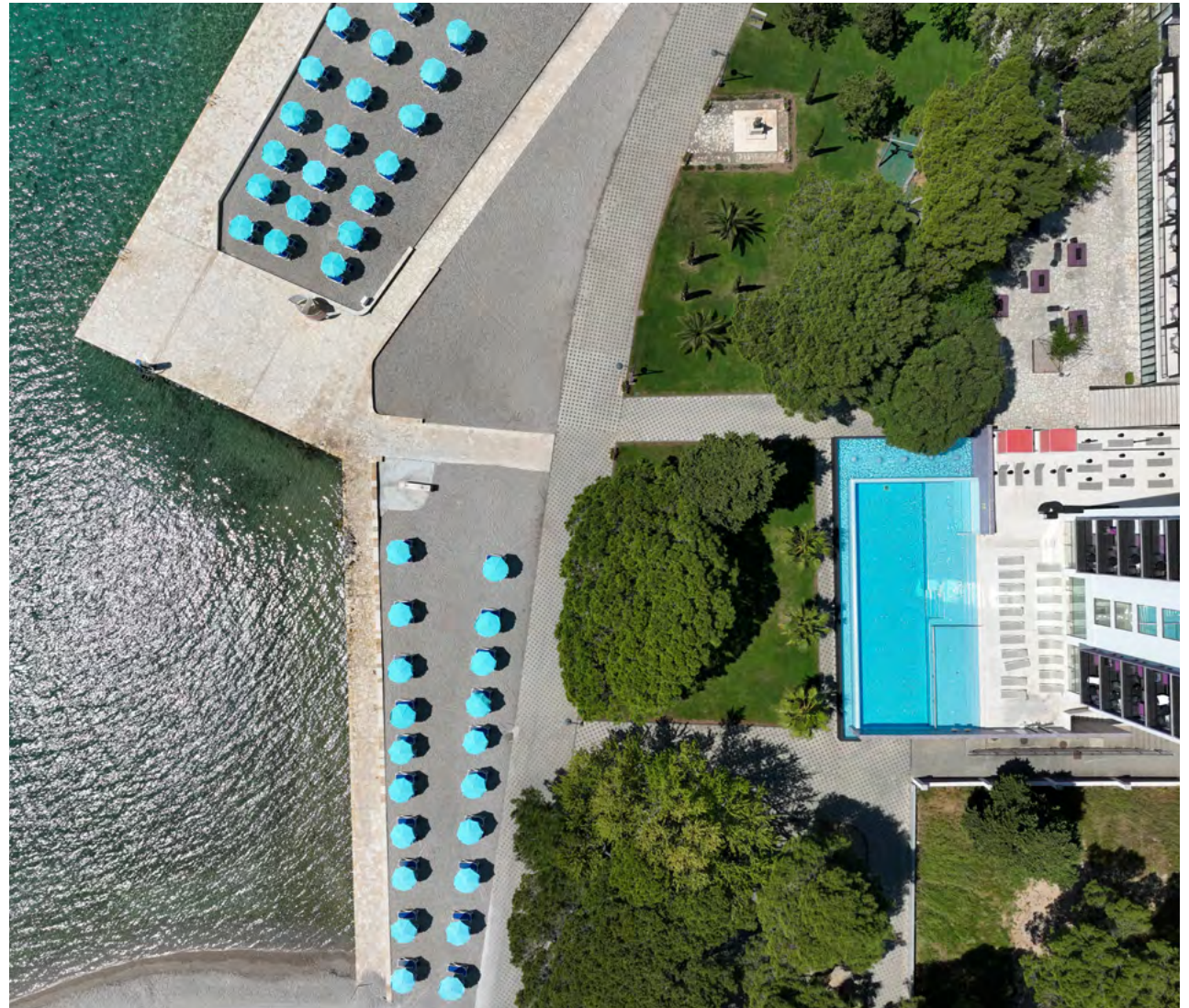
Macroeconomic environment

The unfavourable macroeconomic environment, i.e. significant economic uncertainties resulting partially from the global pandemic that affected supply chains, and partially from the Russian-Ukrainian war, led to disruptions in the supply of basic energy products in the euro area and resulted in a significant increase in the prices of all energy products (oil, gas, electricity), and ultimately strong inflationary pressures. An uncertain macroeconomic environment can affect the Company's business activities by reducing the demand for its services as it significantly contributes to the deterioration of the business climate in the key outbound markets for Croatian tourism. This could also result in a slowdown in economic activities and a decrease in purchasing power and standards, as well as, ultimately,

in a decrease in travel demand, which would definitely affect the achievements of Croatian tourism companies, including our Company. The company is aware of the challenges and risks arising from the unfavourable macroeconomic environment, and it undertakes a number of activities aimed at preserving its core business objectives (economic viability and security, financial stability, preservation of the Company's fixed assets and capital, and preservation of the Company's business operations and activities), as it did in previous years, namely based on: (I) commercial resilience – based on the Company's ability to quickly and efficiently adapt to the current market circumstances of doing business by adjusting its marketing and sales activities in all Company sectors, (II) operational resilience – based on the ability to adjust operational business processes to the current circumstances whilst maintaining maximum service and amenity quality and minimising possible negative effects, and (III) financial resilience – based on the Company's ability to maintain financial stability of the business system by maintaining liquidity, assets and business activity through the realisation of revenue ensuring the Company's business stability until key global and macroeconomic uncertainty factors end.

Information system security with a particular focus on cybersecurity

The increase in threats to the information security of business systems on a global level together with the increasing and more complex digitalisation of business processes make the information systems of companies more exposed to various forms of security threats. As a result, the Company, in order to raise the level of information security and resilience with a particular focus on cybersecurity, maintain the stability and continuity of operations and preserve information and data, actively works to protect the security of the information system by the strengthening and adapting information system security standards and practices, training employees, performing regular system updates, controlling supply chains of digital services and implementing new security technologies.



3 BUSINESS CAPACITIES OF THE COMPANY AND ADDITIONAL FACILITIES

The portfolio of ILIRIJA d.d. consists of four hotels and a villa, Marina Kornati with the Ilirija-Kornati Hotel Port, the "Park Soline" Camp, destination management company Ilirija Travel with its own capacities (Arsenal in Zadar, the "Nada" event boat, agritourism and Villa Primorje), City Galleria Business and Shopping Centre, Tennis Centre, Beach facility Beach Club Ilirija and hospitality facilities.





3.1 HOTEL SECTOR

The hotel sector capacities consist of 435 accommodation units (hotel rooms and apartments), with a total of 910 beds located in Biograd na Moru (Ilirija****, Kornati****, Adriatic***) and Sv. Filip i Jakov. Filip i Jakov (hotel Villa Donat***/****), mainly classified as four-star hotels.

Hotel accommodation is located in Hotels and Villas Ilirija Resort in Biograd and Sv. Filip i Jakov. The hotels are located on the coast, not far from the town centre and beach that has been awarded the Blue Flag, and are, owing to their ideal location and infrastructure, intended for holiday and congress tourism. In addition to modern and technically equipped conference halls and meeting rooms intended for conferences, seminars, presentations, workshops and meetings, there are numerous supporting amenities such as the Wellness & Beauty Centre Salvia, an outdoor Olympic swimming pool, fitness center, à la carte restaurants and coffee bars.

Within the Ilirija Resort there is a conference centre consisting of 8 halls, with a total capacity for 30 to 250 people, and there is also a luxurious garden with terraces ideal for banquets, receptions and entertainment, as well as outdoor swimming pools, a beach,

and as of May 2018, an indoor pool.

ILIRIJA RESORT – HOTEL & VILLAS

The Ilirija Hotel is the largest four-star hotel of the Ilirija Resort, with a capacity of 157 rooms and 326 beds, equipped with a 200-seat restaurant, a terrace with 70 seats and an aperitif bar with 50 seats. It is located by the seashore, right next to the old town centre, and it is surrounded by beautiful nature, the sea and a pine forest, as well as numerous facilities offering various amenities.

The design and atmosphere of the four-star **Kornati Hotel**, with a capacity of 106 rooms and 230 beds, also featuring a restaurant having a capacity for 220 people, a terrace for 50 and a bar for 40 people, is linked to and evokes the images of the most beautiful Croatian national park The Kornati Hotel is unique thanks to its connection with the nautical tourism port, the Ilirija-Kornati Hotel Port, which is located in the very centre of Biograd, and right next to the hotel there is also a beach.

The three-star **Adriatic Hotel** has a capacity of 100 rooms and 210 beds, a restaurant with a capacity of

230 people, a terrace with a capacity of 300 people and a bar with a capacity of 110 people. It is located in a pine forest, almost on the beach, and right next to it there is the Aquatic Centre, ideal for family fun and for a number attractive summer sea activities.

The **Villa Donat Hotel** is located in the town of Sv. Filip i Jakov, and it consists of a villa with 16 superbly and modernly furnished rooms. It is a four-star hotel, and it has a three-star annexe. Its total capacity includes 72 rooms and 144 beds, a restaurant with 120 seats, a terrace for 50 and an aperitif bar for 20 persons, as well as an outdoor pool. The hotel is located near the main beach and the town centre, and it is reminiscent of the rich history of the area.





3.2 NAUTICAL SECTOR

The Company began developing its nautical sector in 1976 when it concluded a contract on the purchase of 40 ELAN vessels from Slovenia, that is, in 1977 with the construction of the first nautical marina in Croatia (Kornati Hotel Port) with 100 berths and the organisation of the first private charter fleet on the Adriatic with more than 40 vessels for the needs of boaters. Therefore, ILIRIJA d.d. is rightly considered to be a pioneer of nautical tourism on the Adriatic. The Company's current nautical sector consists of Marina Kornati and the Kornati Hotel Port, with a total of 805 berths at sea and on land, which can accommodate up to 2000 boaters in one day, and its number of berths, modern technical equipment, quality of service and cleanliness (blue Flag) make Marina Kornati one of the three leading Croatian marinas, visited by over 60,000 boaters a year.

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

Marina Kornati has received numerous awards, notably the Special Award as part of "XVI Tourism Flower – Quality for Croatia 2012", organised by the Croatian Chamber of Commerce and Croatian Radiotelevision, for the best marina in the category of marinas with over 450 berths. In 2013, in "XVII Tourism Flower – Quality for Croatia 2013", it received an award in the category of the largest marinas, while in 2014 and 2015, as part of the same project, it ranked second in the "Best Large Marina" category. In 2017, in "XXI Tourism Flower – Quality for Croatia" it ranked third in the category "Large Marina". In 2018, Marina Kornati was granted two acknowledgements: (I) a special acknowledgement from the Jutarnji list Nautical Patrol for the greatest progress achieved in the tourism season 2018 and for outstanding contribution to the development of Croatian nautical tourism and (II) in the "XXII Tourism Flower – Quality for Croatia" it ranked third in the category "Large Marina".

In 2019, it was awarded recognition as part of the "XXIII Tourism Flower – Quality for Croatia" competition, by the Croatian Chamber of Commerce and Croatian Radiotelevision, it ranked 2nd in the category of large marinas. The Jutarnji list Nautical Patrol awarded Marina Kornati a special recognition for its outstanding

contribution to the organization and success of the nautical patrol, while in 2021 it recognised the marina for its outstanding contribution to the development of nautical tourism during the COVID-19 pandemic. In 2023, the Company won the Zadar County Tourist Board annual award “For its contribution to nautical tourism and for having been organising the Biograd Boat Show for 25 years”.

Ilirija d.d. is also the organiser of the leading nautical fair in Croatia, “BIOGRAD BOAT SHOW”, which has been continuously held in Marina Kornati for 26 years in a row.





3.3 CAMPING SECTOR

The four-star "Park Soline" campsite is located in Biograd na Moru within the borders of the populated area, but as a separate physical planning-urban and economic entity in the south-east part of the town of Biograd na Moru, right by the main beach in the coastal length of approx. 1.5 km, with a 450-meter beach positioned right in front of the campsite.

The campsite covers an area of 20.00 ha and includes 1,130 accommodation units with a total capacity for up to 3,390 persons. It is situated in an outstanding natural environment of a predominantly high pine forest which provides shade to 90% of the campsite. By adhering to the principles of sustainability and environmental protection and considering the natural features of the area by using indigenous plant species, the horticultural landscaping of the campsite has been completed to the level of an arboretum, which is a remarkable and rare example in Croatia of creating added value for a tourism camping product.

With its enriched offer of restaurants, a newly built promenade along the entire campsite and a beach leading to the centre of Biograd, the "Park Soline" camp is the right choice for a family holiday. In addition to entertainment activities for children and

evening entertainment, as well as an attractive sports offer guaranteeing active holidays, you can relax on long promenades and recreational trails in a healthy environment, which makes the camp a great choice for all nature lovers.

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

The value of investments made in the "Park Soline" campsite from 2000 until the end of business year 2024 amounted to approximately EUR 32.3 million and owing to these investments the number of overnight stays increased from 4,556 in 1996 to 321,016 in 2024. The value of own works for the said period accounts for over 30% of the investments, meaning that the total value of investments in the "Park Soline" campsite for the said period amounted to approximately EUR 41.99 million.



3.4 ILIRIJA TRAVEL

Ilirija Travel – destination management company: by developing new services and amenities, a high-quality, integrated and complementary tourism product has been created in response to the contemporary tourist demand, and driven by technological, social and market factors and trends of an increasingly demanding market. Among the most important cornerstones when it comes to the offer and implementation of these special programmes and products are business operations conducted in our own additional facilities such as the following:

Event ship „Nada“ a 36-metre multifunctional yacht with a capacity for 140 persons, with a restaurant, kitchen and bar provides guests with excellent services pertaining to food and beverages during navigation. Congresses, seminars, special events, unique business meetings, gala receptions and banquets, unique weddings, exclusive day and night cruises and incentive events are only some of the exciting amenities that the “Nada” event boat offers, while adapting to the individual requirements of clients.

Arsenal is a zero-category monument and multimedia centre located in Zadar, built in the 17th century and revitalized in 2005 as an indoor city square, or as

the centre of public, cultural and entertainment life of the region, where over 100 public and private events are organized every year.

Diffuse Hotel Ražnjevića dvori AD 1307 a diffuse multipurpose functional facility located in Polača, in the municipality bearing the same name, in the heart of Ravni kotari and halfway between Biograd na Moru and Benkovac, is the first facility of its category in the Republic of Croatia. This set-up, based on the traditional farm facility, is a great example of an innovative tourism product conceived as a combination of the traditional and the contemporary.

Villa Primorje, built in the second half of the 19th century, is a typical traditional Dalmatian stone manor house with an outbuilding. Newly renovated, luxuriously decorated and equipped according to the latest standards for facilities of this type and category, it has its own restaurant offering the opportunity to organize a number of events, a Mediterranean garden with a promenade, while since the 2017 tourist season the offer also includes an outdoor swimming pool. Offers of trips, special offers according to the requirements of clients, sports programs, MICE etc.



3.5 HOSPITALITY

The Marina Kornati restaurant located in the Marina Kornati, with a capacity for over 350 persons, which along with the Captain's Club having a capacity for 70 persons can receive up to 420 persons, meets the needs of boaters when it comes to hosting various and numerous events in the Marina Kornati. In addition to restaurant services, the Captain's Club also provides services for numerous presentations of nautical products and serves as an ideal place for organization of smaller conferences and events.

The restaurant Park Soline is located in the Park Soline camp****, right by the sea, about a ten minute walk away from the centre of the town of Biograd na Moru, and its food offer is based on Mediterranean cuisine. This restaurant, with a capacity for 280 persons, offers the possibility of organizing various events – family festivities, banquets and soirées, as well as meetings. Within the restaurant, there is also a Dalmatian tavern with a fireplace, a coffee shop and a wine bar arranged as a wine cellar, which provides you with the opportunity to buy and taste the highest quality red and white wine made from indigenous Croatian grape varieties.

The Donat beach bar is located in the building-magazine within the protected cultural and historical unit of the town of Sv. Filip i Jakov, which is also entered in the Register of Cultural Goods of the Republic of Croatia. To-

day, it is categorized as a beach bar/cocktail bar with a capacity for 140 persons.

The Lavender lounge bar located within the Adriatic Hotel located right by the beach, known for its Mediterranean design, fully adapted for relaxation, with a beautiful view of the Pašman Canal, is a place offering the possibility of organizing numerous events of different nature (MICE, weddings, banquets, cocktail bar, nightclub, etc.).

The beach facility Beach Club Ilirija, with an outdoor saltwater swimming pool, a beach / sunbathing area surrounding the outdoor pool, and a catering facility, is located directly in front of the Company's hotel complex in Biograd na Moru, forming with it an indivisible, connected and integrated infrastructural, functional and economic unit. This year's extensive renovation and modernisation of the entire facility, aimed at significantly improving the quality of amenities and services as well as bringing them in line with current trends in the tourism and hospitality industry, made the facility an even more attractive destination to enjoy on the beach. In addition to the new range of catering services, the facility also offers various sports activities (swimming, water polo and other sports facilities), and it can be used as a venue for larger events (with a capacity of up to 1000 guests).



3.6 ADDITIONAL FACILITIES

Manifestation: Biograd Boat Show - the largest international autumn nautical fair in the Republic of Croatia and the largest nautical fair held on water in South East Europe, bringing together all key representatives of the nautical industry and tourism. The nautical fair was first organised in 1999 as spring Open Days, mainly intended for companies that operate in the marina, as the first such event in Northern Dalmatia.

Given its status as the cradle of nautical tourism, the aim was to organise a first-rate nautical event in Biograd na Moru at which all sectors of nautical and charter activities would be presented, whereby the Open Days grew into Biograd Boat Show. Since 2004, the event has been organised as an autumn nautical fair, which contributed to the improvement of the nautical offer and the extension of the tourist season. The Biograd Boat Show was admitted to the International Federation of Boat Show Organizers (IFBSO) at the 50th session of the Federation held in Istanbul, Türkiye, in June 2014, and in 2015 it became its gold member.

The fairs of former members of the Federation were mainly organized in major world centres, and the fact that the Biograd Boat Show is organized in a town of

only 5,000 residents makes this success even greater and represents a great acknowledgement not only to the Company as the organizer, but also to Croatian nautical industry and tourism. Today the leading international autumn nautical fair has established itself as the biggest Croatian nautical event and in the last three years it has grown into a nautical industry congress in the Republic of Croatia.

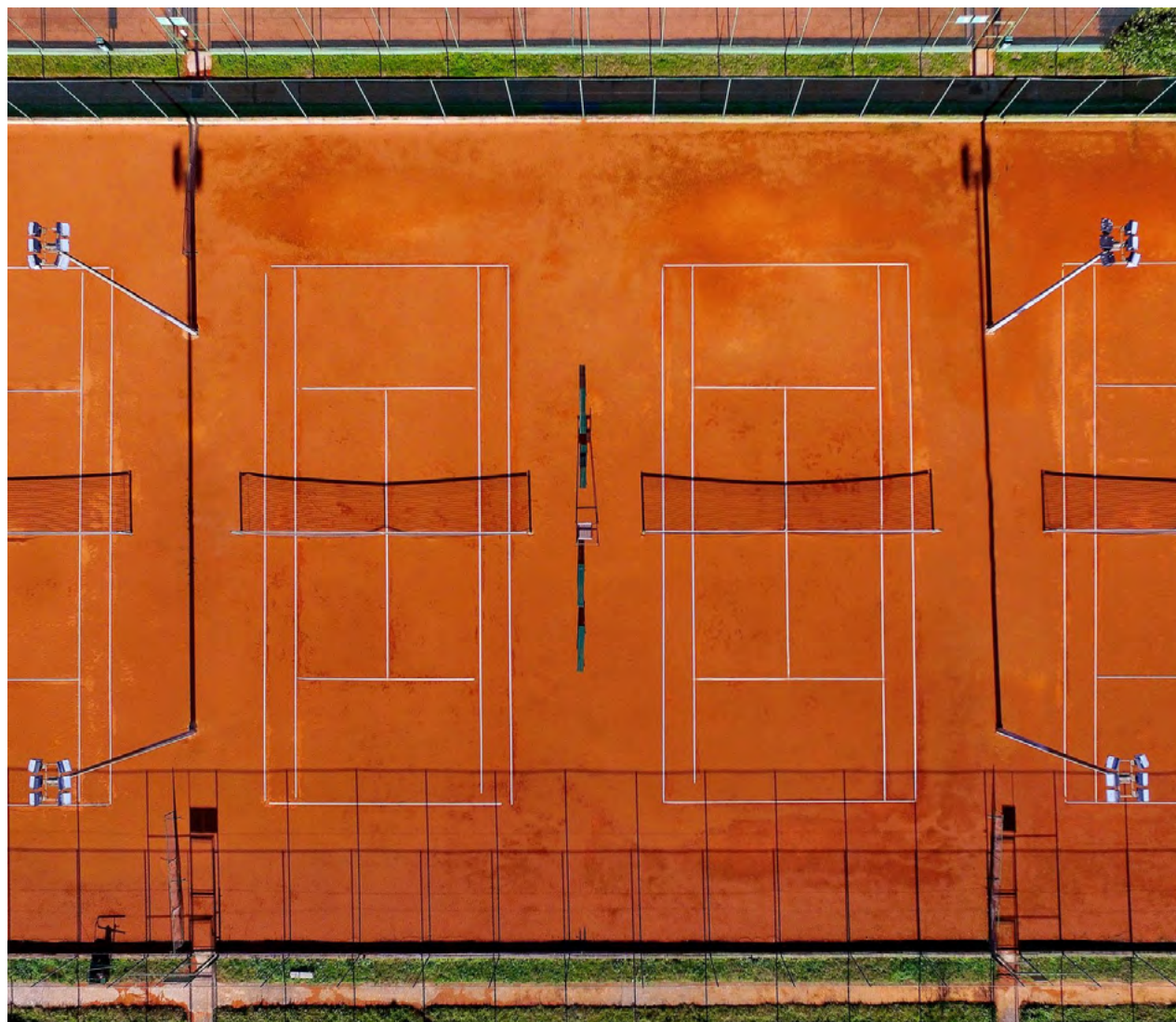
Thanks to its partnership with all the relevant entities, the Biograd Boat Show encompasses "5 fairs in one": the Biograd Boat Show exhibition fair, the Biograd B2B business fair, the Days of Croatian Nautics by the Croatian Chamber of Economy congress fair, the Croatia Charter Expo leading charter fair and, for the first time, the Croatia Luxury and Adventure Travel Show – a luxury and exclusive tourism fair, thereby connection in one place all the key segments of the nautical industry and tourism and continuing to contribute to their further development and affirmation.

Due to the great interest and requests from presenters, the 26th Biograd Boat Show held in 2024 was extended to include spaces outside the waters of Marina Kornati, namely a part of the newly renovated Biograd Town Port (a passenger port), therefore enabling the

participation of more than 450 presenters from Croatia and beyond, the presentation of more than 500 vessels and 25 premier vessels.

Sports facilities:

Located in the pine forest Soline near the old town centre, the **Ilirija Tennis Centre** covers a surface area of 48,000 m² and consists of 20 tennis courts and multi-purpose courts (14 ground and 6 artificial grass courts) with night lighting, a restaurant facility, locker rooms and associated facilities.





City Galleria Ilinija d.d.

CineStar
CINEMAS

telemach

GYM
YOU

SPAR

PERCO

3.7 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. It 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 10,863.50 m², 9,445.32 m² of net rentable area, as well as ancillary rooms and corridors. As at June 30th 2025, the occupancy of the centre amounted to 99.76% of total capacities.

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, speciality shops, clothing and sports stores, service amenities, cafes, office spaces and 6 multiplex cinema halls.

The unique features of the City Galleria Business and Shopping Centre were recognised on the international level during the 2010 International Property Award, a prestigious competition in the real estate business, on which occasion the City Galleria Business and

Shopping Centre Zadar received the prestigious five-star award in the Best Retail Development category.

The unique features of the City Galleria Business and Shopping Centre, which distinguish it from the rest of the market offer can be summarised in a few examples, such as: a very attractive location within the city's pedestrian zone that provides great visibility and easy accessibility of the building, situation of the main marketplace with accompanying gourmet food shops in the Centre and the first and only multiplex cinema in the city of Zadar.

4 KEY PHYSICAL PERFORMANCE INDICATORS OF THE COMPANY

All key tourism sectors of the Company (hotel, nautical and camping), with the exception of the destination management company Ilirija Travel, achieved their best business results in terms of generated revenue in the first half of the business year since the start of their business activity. The hotel and camping sectors recorded robust growth in business activities, i.e. physical performance indicators, generating a double-digit increase in revenue, which significantly contributed to the increase in revenue across the Company, further strengthened by the increase in revenue of the nautical and real-estate sectors.

The hotel sector was marked by robust growth in business activities in the reporting period, or the pre-season, recording 18,040 arrivals, up by 9%, and 43,312 overnight stays, up by 11%, compared to the same period of the previous year. Revenue of the hotel sector amounted to EUR 3,194,579.31, a 13.63% increase compared to the revenue generated in the first half of 2024, which amounted to EUR 2,811,372.17. The growth of key performance indicators, both physical and financial, also led to an increase in revenue per room. Revenue per room based on accommodation with board services, for

the reporting period, totalled EUR 134.60 compared to EUR 124.09 in the previous year, while the average revenue per room based on the revenue from other profit centres within the hotel sector totalled EUR 143.19 compared to EUR 134.13 in the previous year. Furthermore, in the hotel sector, 51 days of occupancy were realised with a utilisation rate of 28%, which continued the trend of increasing capacity occupancy compared to the same period in the previous year.

The nautical sector, i.e. Marina Kornati, maintained its continued business growth through the growth in financial indicators, i.e. revenue. Revenue for the reporting period amounted to EUR 5,010,589.00, which constitutes a 5% increase compared to revenue generated in the same period in 2024 in the amount of EUR 4,758,727.00, recording the best business results to date in terms of revenue. The increase in Marina Kornati's revenue in absolute amounts was generated through revenue growth from contracted berths, which increased by EUR 269,617.00 or 7%. In the part of key physical performance indicators, contracted berths and transit berths, they were lower compared to the same period in the previous year. In the contracted berth segment, a key physi-

cal indicator of Marina Kornati's activities, 721 berth use contracts were concluded, with 728 vessel arrivals and 2,302 overnight stays recorded in the transit berth segment.

The accommodation segment of the camping sector, i.e. the "Park Soline" campsite, recorded a growth in key physical performance indicators, with 16,288 arrivals, up by 13%, and 79,199 overnight stays, up by 7%. Furthermore, revenue of the "Park Soline" campsite amounted to EUR 3,021,988.18 compared to EUR 2,712,207.82 generated in the same period in 2024, marking a 11% increase. The achieved performance results are due to a growth in business activities across all market segments of the campsite (allotments, mobile homes, lump sum and individuals), combined by increased revenue from the lump sum segment by 13%, the mobile home segment by 30% and other services by 11%, which resulted in the best results of the campsite to date in terms of revenue for the first half of the business year.

In the first half of 2025, through the destination management company Ilirija Travel, a total of 100 special programmes and events were organised for 16,104 participants. In the previous year, a 15% decrease

was recorded in the number of events and a 19% decrease in the number of participants due to reduced business activities mainly in the Arsenal profit centre in accordance with internal measures of optimisation, improvement of operational efficiency and decision to organise events of higher added value. The total generated revenue in the amount of EUR 740,783.95, also generated through other profit centres of the Company, decreased by 18% compared to the same period in the previous year.

The real-estate sector, i.e. the City Galleria Business and Shopping Centre, generated revenue in the amount of EUR 1,080,390.81, which compared to the same period in the previous business year, represents a 5% growth generated in absolute amounts mostly by the increase of lease revenue, accompanied by parking garage revenue.



4.1. HOTEL SECTOR

The demand for hotel capacities continued to increase significantly during the first six months of 2025, which resulted in an increase in physical and financial performance results in the hotel sector.

During the reporting period, 18,040 arrivals and 43,312 overnight stays were recorded, compared to 16,591 arrivals and 38,938 overnight stays in the same period of 2024, representing an increase by 9% and 11%, respectively, and continuing on the increase in tourist traffic that was present in the previous year. Under these circumstances, the achieved physical performance results significantly impacted the increase in financial performance. Thus, the hotel sector recorded a revenue growth of 13.63%, generating total revenue in the amount of EUR 3,194,579.31 compared to the same period of the previous year, when it amounted to EUR 2,811,372.17.

The increase in total overnight stays in the first half of the business year was also the result of a significant return of domestic guests, with an increase in the share of overnight stays by 38% compared to the previous year, amounting to 21.2%, while the share of overnight stays by international guests increased by 6%, accounting for 78.8% of total overnight stays. The foreign market is characterised by greater dispersion than in previous years, and the total number of overnight stays is almost evenly distributed across traditional

markets, with minor changes in the shares of certain markets, and the emergence of new, non-traditional markets. The foreign market is dominated by the market of western Europe, with a 9% increase. Other significant markets include: (II) the Austrian market with a significant increase of 48%, accounting for 16.2% of total overnight stays, (III) the Slovenian market is in third place with a share of 7.1% in total overnight stays despite a decrease of 23%, followed by (IV) the Polish market with a share of 6.9% in total overnight stays and a substantial 70% increase, and (V) the German market which dropped from third to fifth place due to a decrease of 32%, accounting for 6.4% of total overnight stays in the hotel sector. As regards other markets, the South Korean, French and Belgian markets are the most prominent, while the countries of northern Europe account for 3.9% of overnight stays, and the countries of southern Europe follow closely at a share of 3.3% of overnight stays with an increase in the main markets such as those of: Bosnia and Herzegovina, the Netherlands, Hungary, Czechia, Slovakia, Ukraine, Switzerland and other countries.

The occupancy and facility utilisation days have improved in the first half of 2025 compared to the same period of the previous business year. Capacity occupancy is steadily growing and has now reached 28.34% after 26.47% recorded last year, i.e. 51 instead of last year's 48 days. Capacity occupancy in June alone increased

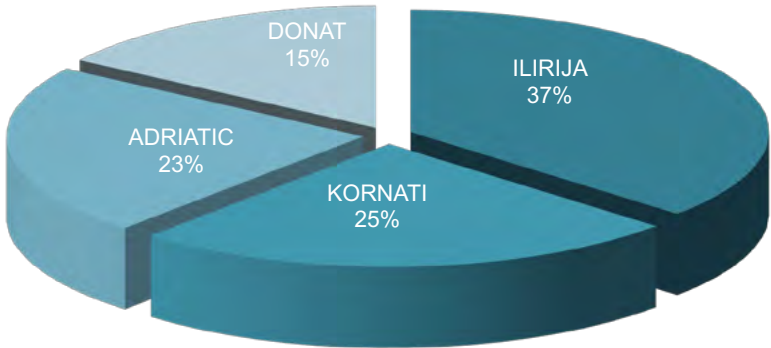
by 12%, reaching 64.42% after recording 57.64% in the previous year, while occupancy in May remained on the same level as in the previous year. March experienced a slight decrease, while February and April recorded an increase by 42%. The average length of stay in the same period of the previous year was 2.35 days, and has slightly increased in the reporting period to 2.4 days.



Hotel sector capacities

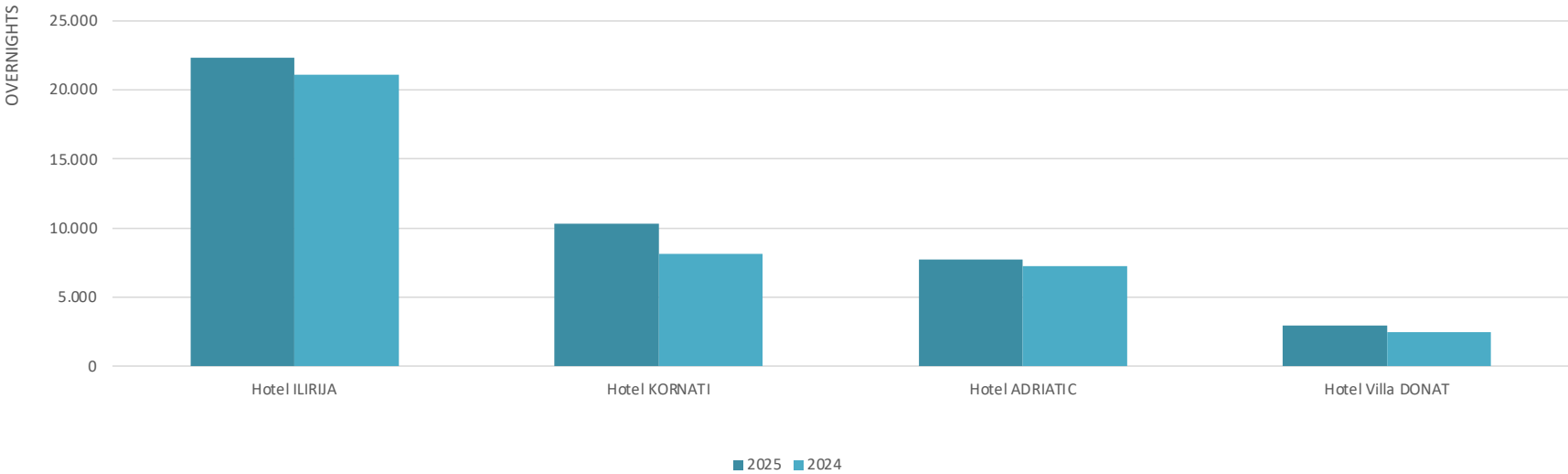
ILIRIJA D.D.	NUMBER OF ROOMS			NUMBER OF BEDS		
	2025	2024	INDEX 2025/2024	2025	2024	INDEX 2025/2024
ILIRIJA	157	157	1.00	326	326	1.00
KORNATI	106	106	1.00	230	230	1.00
ADRIATIC	100	100	1.00	210	210	1.00
DONAT	72	72	1.00	144	144	1.00
TOTAL	435	435	1.00	910	910	1.00

% Share of individual hotel (number of beds)

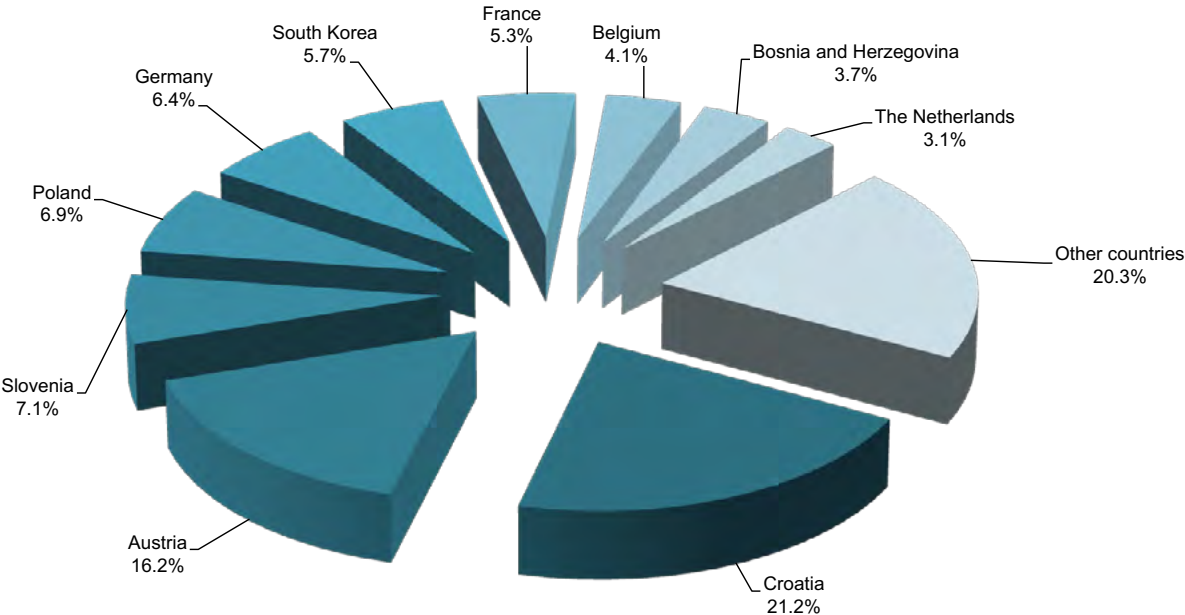


Overview and comparison of realised arrivals and overnight stays for the period 01/01-30/06/2025 with the same period in 2024

HOTEL SECTOR						
PROFIT CENTER	ARRIVALS		INDEX	OVERNIGHT STAYS		INDEX
	2025	2024	2025/2024	2025	2024	2025/2024
Hotel ILIRIJA	10.102	10.126	100	22.323	21.104	106
Hotel KORNATI	4.836	3.829	126	10.281	8.134	126
Hotel ADRIATIC	2.371	1.994	119	7.730	7.255	107
Hotel Villa DONAT	731	642	114	2.978	2.445	122
TOTAL	18.040	16.591	109	43.312	38.938	111



Realised overnight stays by outbound markets for the period from 01/01/2025 to 30/06/2025



Occupancy rate for the period from 01/01/2025 to 30/06/2025 and a comparison with the same period in 2024

Percentage share

MONTH	ILIRIJA						KORNATI						ADRIATIC						DONAT						GRAND TOTAL					
	Room total	2025	%	Room total	2024	%	Room total	2025	%	Room total	2024	%	Room total	2025	%	Room total	2024	%	Room total	2025	%	Room total	2024	%	Room total	2025	%	Room total	2024	%
JANUARY (I)	4.867	573	11,77%	4.867	537	11,03%	3.286	105	3,20%	3.286	61	1,86%	3.100	47	1,52%	3.100	86	2,77%	2.232	0	0,00%	2.232	0	0,00%	13.485	725	5,38%	13.485	684	5,07%
FEBRUARY (II)	4.396	849	19,31%	4.553	491	10,78%	2.968	0	0,00%	3.074	0	0,00%	2.800	0	0,00%	2.900	0	0,00%	2.016	0	0,00%	2.088	0	0,00%	12.180	849	6,97%	12.615	491	3,89%
MARCH (III)	4.867	1.072	22,03%	4.867	2.011	41,32%	3.286	0	0,00%	3.286	67	2,04%	3.100	0	0,00%	3.100	0	0,00%	2.232	0	0,00%	2.232	0	0,00%	13.485	1.072	7,95%	13.485	2.078	15,41%
APRIL (IV)	4.710	2.915	61,89%	4.710	2.396	50,87%	3.180	1.000	31,45%	3.180	488	15,35%	3.000	99	3,30%	3.000	53	1,77%	2.160	0	0,00%	2.160	0	0,00%	13.050	4.014	30,76%	13.050	2.937	22,51%
MAY (V)	4.867	3.348	68,79%	4.867	3.294	67,68%	3.286	2.205	67,10%	3.286	1.823	55,48%	3.100	1.562	50,39%	3.100	2.103	67,84%	2.232	128	5,73%	2.232	28	1,25%	13.485	7.243	53,71%	13.485	7.248	53,75%
JUNE (VI)	4.710	3.029	64,31%	4.710	2.828	60,04%	3.180	2.061	64,81%	3.180	1.872	58,87%	3.000	2.133	71,10%	3.000	1.770	59,00%	2.160	1.184	54,81%	2.160	1.052	48,70%	13.050	8.407	64,42%	13.050	7.522	57,64%
TOTAL	28.417	11.786	41,48%	28.574	11.557	40,45%	19.186	5.371	27,99%	19.292	4.311	22,35%	18.100	3.841	21,22%	18.200	4.012	22,04%	13.032	1.312	10,07%	13.104	1.080	8,24%	78.735	22.310	28,34%	79.170	20.960	26,47%

Occupancy days

MONTH	ILIRIJA						KORNATI						ADRIATIC						DONAT						GRAND TOTAL					
	Room total	2025	Days in 2025	Room total	2024	Days in 2024	Room total	2025	Days in 2025	Room total	2024	Days in 2024	Room total	2025	Days in 2025	Room total	2024	Days in 2024	Room total	2025	Days in 2025	Room total	2024	Days in 2024	Room total	2025	Days in 2025	Room total	2024	Days in 2024
JANUARY (I)	4.867	573	4	4.867	537	3	3.286	105	1	3.286	61	1	3.100	47	0	3.100	86	1	2.232	0	0	2.232	0	0	13.485	725	2	13.485	684	2
FEBRUARY (II)	4.396	849	5	4.553	491	3	2.968	0	0	3.074	0	0	2.800	0	0	2.900	0	0	2.016	0	0	2.088	0	0	12.180	849	2	12.615	491	1
MARCH (III)	4.867	1.072	7	4.867	2.011	13	3.286	0	0	3.286	67	1	3.100	0	0	3.100	0	0	2.232	0	0	2.232	0	0	13.485	1.072	2	13.485	2.078	5
APRIL (IV)	4.710	2.915	19	4.710	2.396	15	3.180	1.000	9	3.180	488	5	3.000	99	1	3.000	53	1	2.160	0	0	2.160	0	0	13.050	4.014	9	13.050	2.937	7
MAY (V)	4.867	3.348	21	4.867	3.294	21	3.286	2.205	21	3.286	1.823	17	3.100	1.562	16	3.100	2.103	21	2.232	128	2	2.232	28	0	13.485	7.243	17	13.485	7.248	17
JUNE (VI)	4.710	3.029	19	4.710	2.828	18	3.180	2.061	19	3.180	1.872	18	3.000	2.133	21	3.000	1.770	18	2.160	1.184	16	2.160	1.052	15	13.050	8.407	19	13.050	7.522	17
TOTAL	28.417	11.786	75	28.574	11.557	74	19.186	5.371	51	19.292	4.311	41	18.100	3.841	38	18.200	4.012	40	13.032	1.312	18	13.104	1.080	15	78.735	22.310	51	79.170	20.960	48

Monthly comparison of revenue/overnight stays of Ilirija Resort hotels for the period 01/01-30/06/2025 and a comparison with the same period in 2024

MONTH	GENERATED REVENUES			OVERNIGHT STAYS			AVERAGE PRICE (EUR)		
	2025	2024	INDEX 2025/2024	2025	2024	INDEX 2025/2024	2025	2024	INDEX 2025/2024
JANUARY	227.457,98	195.546,89	116,32	1.222	1.117	109,40	186,14	175,06	106,32
FEBRUARY	111.888,08	65.778,74	170,10	1.649	903	182,61	67,85	72,84	93,15
MARCH	147.977,47	229.186,99	64,57	1.916	3.929	48,77	77,23	58,33	132,40
APRIL	432.449,16	292.591,73	147,80	7.469	5.266	141,83	57,90	55,56	104,21
MAY	802.068,57	758.787,83	105,70	12.960	12.424	104,31	61,89	61,07	101,33
JUNE	1.280.997,27	1.059.039,26	120,96	18.096	15.299	118,28	70,79	69,22	102,26
JULY	0,00	1.924.043,80	0,00	0	27.160	0,00	#DIV/0!	70,84	#DIV/0!
AUGUST	0,00	2.477.253,59	0,00	0	29.601	0,00	#DIV/0!	83,69	#DIV/0!
SEPTEMBER	0,00	1.335.491,24	0,00	0	17.325	0,00	#DIV/0!	77,08	#DIV/0!
OCTOBER	0,00	623.269,43	0,00	0	9.218	0,00	#DIV/0!	67,61	#DIV/0!
NOVEMBER	0,00	94.244,01	0,00	0	1.560	0,00	#DIV/0!	60,41	#DIV/0!
DECEMBER	0,00	92.669,83	0,00	0	2.328	0,00	#DIV/0!	39,81	#DIV/0!
TOTAL	3.002.838,53	9.147.903,34	32,82	43.312	126.130	34,34	69,33	72,53	95,59
30/06	3.002.838,53	2.600.931,44	115,44	43.312	38.938	111,23	69,33	66,80	103,79

Revenue per sold room by 30/06/25	134,60 €
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Revenue per sold room by 30/06/24	124,09 €
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Revenue per sold room - 2025	143,19 €
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Revenue per sold room - 2024	134,13 €
------------------------------	----------

Selected profit centers within the hotel sector(EUR)

Lavender bar	2025	2024	
31/12		182.877,60	INDEX 2025/2024
30/06	39.893,65	41.303,70	96,59

Beach Club Ilirija	2025	2024	
31/12		373.079,14	INDEX 2025/2024
30/06	103.911,75	123.371,10	84,23

Tennis center	2025	2024	
31/12		81.529,99	INDEX 2025/2024
30/06	47.935,38	41.185,93	116,39

Beach bar "Donat"	2025	2024	
31/12		11.955,97	INDEX 2025/2024
30/06	0,00	4.580,00	0,00

Hotel sector total(EUR)

TOTAL	2025	2024	
31/12		9.797.346,04	INDEX 2025/2024
30/06	3.194.579,31	2.811.372,17	113,63

REVENUE BY ACTIVITIES

Revenue from hotel services amounted to EUR 3,002,838.53, compared to EUR 2,600,931.44 generated in the same period in 2024, marking a 15.44% increase.

Other revenue of the hotel sector including the revenue generated in selected profit centres, was generated in the amount of EUR 191,740.78 compared to EUR 210,440.73 in the same period in 2024. The decrease is the result of a later opening of certain hospitality facilities due to planned investments aimed at improving the quality of the Company's non-accommodation offerings.

In total, revenue of the hotel sector amounted to EUR 3,194,579.31 compared to EUR 2,811,372.17 generated in the same period in 2024, marking a 13.63% increase.



4.2 NAUTICAL SECTOR – MARINA KORNATI

In the first six months of 2025, the nautical sector in the segment of vessel accommodation, i.e. Marina Kornati, achieved the best financial performance results since the beginning of its business activities, despite a slight decrease in physical performance indicators.

Physical performance indicators are shown by service group:

1. Contracted berth:
 - Contracted berth – individual vessels
 - Contracted berth – charter vessels
2. Transit berth – vessel arrival
3. Transit berth – vessel overnight stays
4. Port service – crane operations

In the reporting period, a total of 721 berth use contracts were concluded, of which 369 for individual vessels and 352 for charter vessels. Compared to the same period in 2024, when 737 contracts were active, the number of vessels at contracted berth decreased by 2%, which did not affect the generated contracted berth revenue. The transit berth segment recorded 728 vessel arrivals and 2,302 overnight stays, which represents a decrease by 17% in arrivals and by 13% in overnight stays.

On the other hand, port service recorded a growth in activities in the reporting period with 2,037 operations, representing a 2% increase compared to the same period in 2024, when 1,995 activities were performed.

Marina Kornati generated a total revenue of EUR 5,010,589.00 in the reporting period, which represents a 5% increase compared to EUR 4,758,727.00 in revenue generated in the same period in 2024. The contracted berth revenue, as the most significant revenue item accounting for 82% of the total revenue of the marina, was generated in the amount of EUR 4,084,050.00, a 7% increase compared to the same period in the previous year as a result of increasing the contracted berth fee. Revenue from transit berths was generated in the amount of EUR 160,846.00, a 12% increase compared to EUR 143,544.00 generated in the same period in 2024 as a result of increasing the transit berth fee. The port service generated EUR 310,298.00 in revenue, which is a 4% increase compared to EUR 299,088.00 generated in the same period of the previous year due to a growth of activities. Business co-operation revenue increased by 8% and amounted to EUR 237,431.00, while revenue from other services decreased by 55% and amounted to EUR 68,432.00.

This decrease is primarily attributed to exceptional revenue generated in the first half of 2024, which was absent in the reporting period.

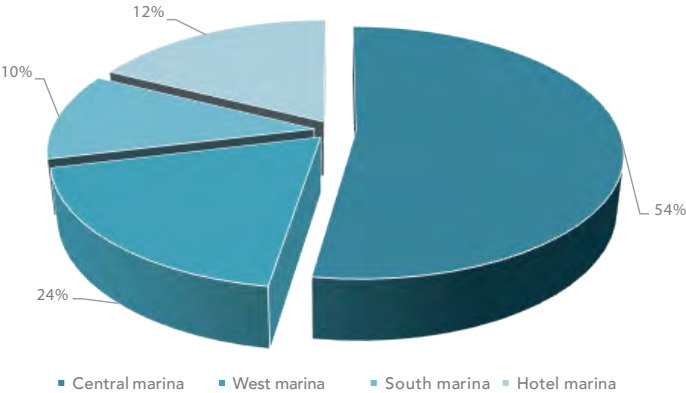
Business in the first half of 2025 progressed as expected, and considering the typical increase in business activities in the third quarter of each business year, the Company expects an increase in physical indicators and consequently further increase in revenue.



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 01/01-30/06/2025 and comparison with the same period in 2024

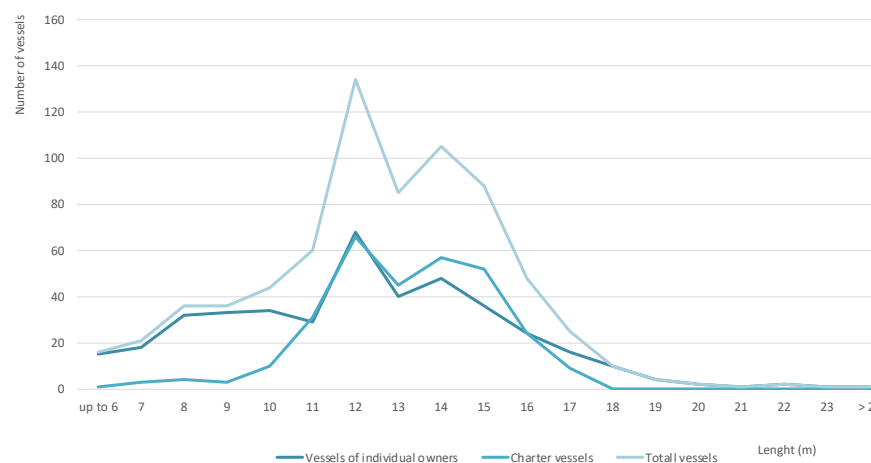
		2025 by month											
Name of position	Measurment unit	1	2	3	4	5	6	7	8	9	10	11	12
Contract-based berth-individual	Contracted vessel	111	241	275	320	355	369						
Contract-based berth-charter	Contracted vessel	3	6	14	337	348	352						
TOTAL Contract-based berth	Contracted vessel	114	247	289	657	703	721						
Transit berth-sailing in port	Sailing in port	2	10	32	109	356	728						
Transit berth-overnight stay of vessels	Boat/day	42	55	225	733	1.427	2.302						
Transit berth-overnight stay of vessel crew	Overnight stay of a person												
Port service	Operation	94	328	637	1.039	1.504	2.037						

		2024 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	85	232	270	328	363	379						
Contract-based berth-charter	Contracted vessel	0	3	26	330	348	358						
TOTAL Contract-based berth	Contracted vessel	85	235	296	658	711	737						
Transit berth-sailing in port	Sailing in port	3	13	31	201	451	875						
Transit berth-overnight stay of vessels	Boat/day	67	215	468	1.075	1.768	2.641						
Transit berth-overnight stay of vessel crew	Overnight stay of a person												
Port service	Operation	163	413	722	1.090	1.537	1.995						

Vessels on berth contract for the period 01/01-30/06/2025 and comparison with the same period in 2024

01/01-30/06	Type of berth	Position of berth	01/01-30/06	% Total	01/01-30/06	% Total	Index
			2025	Vessels	2024	Vessels	2025/2024
Vessel of individual owners	Annual berth in the sea	Central aquatorium	250	35	258	35	97
		South aquatorium	32	4	32	4	100
		Western aquatorium	2	0	2	0	100
		Hotel port	28	4	31	4	90
	Annual berth on the land	Marina land	2	0	3	0	67
	Seasonal berth in the sea	Marina aquatorium	13	2	18	2	72
		Hotel port	42	6	35	5	120
	Total individual vessels:		369	51	379	51	97
Charter vessels	Annual berth in the sea	Central aquatorium	128	18	133	18	96
		South aquatorium	1	0	0	0	#DIV/0!
		Western aquatorium	222	31	223	30	100
		Hotel port	1	0	2	0	50
	Total charter vessels:		352	49	358	49	98
	Total vessels		721	100	737	100	98

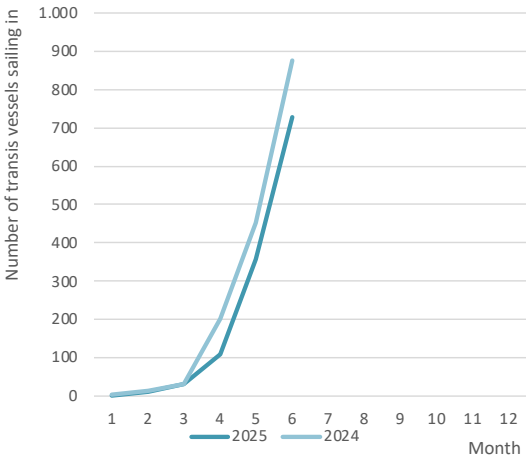
Vessels at contractual berth from 01/01 – 30/06/2025



Transit berth – inbound vessels sailing into the port in the period 01/01-30/06/2025 and comparison with the same period in 2024

Individually monthly				Cumulatively monthly		
2025	2025	2024	INDEX	2025	2024	INDEX
Month	2025/2024			2025/2024		
1	2	3	67	2	3	67
2	8	10	80	10	13	77
3	22	18	122	32	31	103
4	77	170	45	109	201	54
5	247	250	99	356	451	79
6	372	424	88	728	875	83
7	0	0		0	0	
8	0	0		0	0	
9	0	0		0	0	
10	0	0		0	0	
11	0	0		0	0	
12	0	0		0	0	
Total	2025	728				
Total	2024	875				
Index	2025/2024	83				

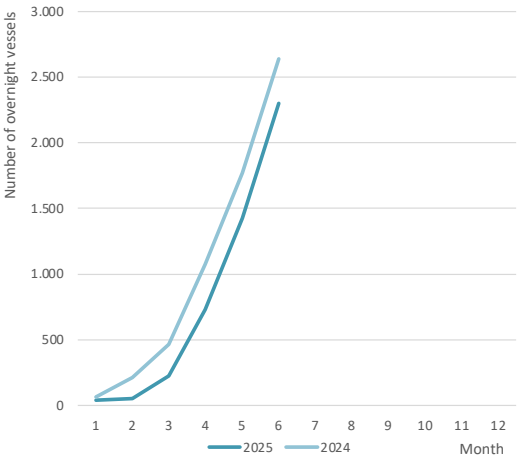
Sailing in of transit vessels by months (cumulatively)



Transit berth – vessel overnight stays in the period 01/01-30/06/2025 and comparison with the same period in 2024

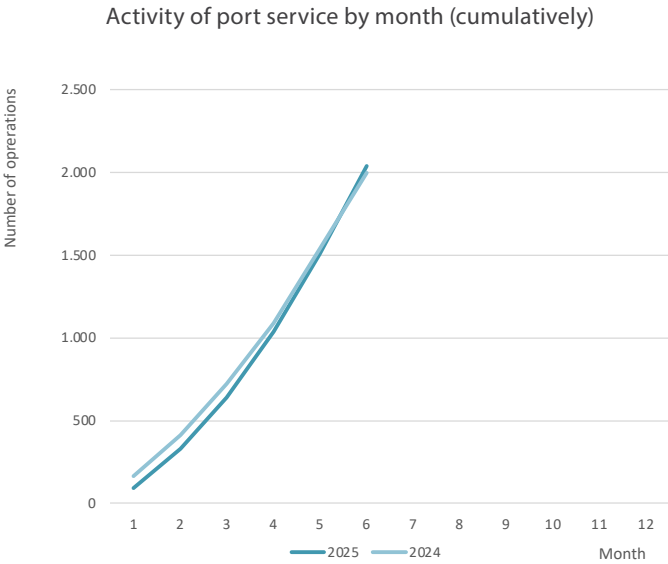
Individually monthly				Cumulatively monthly		
2025	2025	2024	INDEX	2025	2024	INDEX
Month	2025/2024			2025/2024		
1	42	67	63	42	67	63
2	13	148	9	55	215	26
3	170	253	67	225	468	48
4	508	607	84	733	1.075	68
5	694	693	100	1.427	1.768	81
6	875	873	100	2.302	2.641	87
7	0	0		0	0	
8	0	0		0	0	
9	0	0		0	0	
10	0	0		0	0	
11	0	0		0	0	
12	0	0		0	0	
Total	2025	2.302				
Total	2024	2.641				
Index	2025/2024	87				

Overnight stay of transit vessel by month (cumulatively)



Activity of port service in the period 01/01-30/06/2025 and comparison with the same period in 2024

Individually monthly				Cumulatively monthly		
2025	2025	2024	INDEX	2025	2024	INDEX
Month	2025/2024			2025/2024		
1	94	163	58	94	163	58
2	234	250	94	328	413	79
3	309	309	100	637	722	88
4	402	368	109	1.039	1.090	95
5	465	447	104	1.504	1.537	98
6	533	458	116	2.037	1.995	102
7	0	0		0	0	
8	0	0		0	0	
9	0	0		0	0	
10	0	0		0	0	
11	0	0		0	0	
12	0	0		0	0	
Total	2025	2.037				
Total	2024	1.995				
Index	2025/2024	102				



Revenue generated by the Marina Kornati for the period 01/01-30/06/2025 individually by months and comparison with the same period in 2024

REVENUES OF MARINA KORNATI 2025 INDIVIDUALLY BY MONTHS (in EUR)																
Revenue positions		Months 2025												2025	2024	Index
		1	2	3	4	5	6	7	8	9	10	11	12	CUMULAT.	Total	2025/2024
I	Daily berths	2.029	2.009	13.699	43.265	46.971	52.873							160.846	143.544	112
II	Contracted berth with accessories	815.130	955.387	181.998	1.878.578	157.212	95.745							4.084.050	3.814.433	107
III	Port service	14.200	37.882	46.786	70.942	74.873	65.615							310.298	299.088	104
IV	Vehicle parking	248	592	2.063	20.214	42.054	79.891							145.062	130.223	111
V	Other services	10.009	9.917	4.085	35.518	2.647	6.256							68.432	151.451	45
VI	Business cooperation				236.681	750								237.431	219.988	108
VII	Boat fair and events						4.470							4.470	0	#DIV/0!
TOTAL :		841.616	1.005.787	248.631	2.285.198	324.507	304.850							5.010.589	4.758.727	105

REVENUES OF MARINA KORNATI 2024 INDIVIDUALLY BY MONTHS (in EUR)																
Revenue positions		Months 2024												2024		
		1	2	3	4	5	6	7	8	9	10	11	12	Cummulat.		
I	Daily berths	2.078	7.392	10.294	30.969	43.039	49.772							143.544		
II	Contracted berth with accessories	544.623	1.053.373	245.530	1.693.381	166.318	111.208							3.814.433		
III	Port service	26.207	46.000	50.852	64.240	58.770	53.019							299.088		
IV	Vehicle parking	206	576	3.747	14.586	47.021	64.087							130.223		
V	Other services	1.895	7.471	117.291	18.351	2.157	4.286							151.451		
VI	Business cooperation				218.336	1.652								219.988		
VII	Boat fair and events													0		
TOTAL :		575.009	1.114.812	427.714	2.039.863	318.957	282.372							4.758.727		

Revenue generated by the Marina Kornati for the period 01/01-30/06/2025 cumulatively by months and comparison with the same period in 2024

REVENUES OF MARINA KORNATI 2025 CUMULATIVELY BY MONTHS (in EUR)														
Revenue positions		Months 2025												% of total
		1	2	3	4	5	6	7	8	9	10	11	12	revenues
I	Daily berths	2.029	4.038	17.737	61.002	107.973	160.846							3
II	Contracted berth with acces- sories	815.130	1.770.517	1.952.515	3.831.093	3.988.305	4.084.050							82
III	Port service	14.200	52.082	98.868	169.810	244.683	310.298							6
IV	Vehicle parking	248	840	2.903	23.117	65.171	145.062							3
V	Other services	10.009	19.926	24.011	59.529	62.176	68.432							1
VI	Business cooperation				236.681	237.431	237.431							5
VII	Boat fair and events						4.470							0
	TOTAL:	841.616	1.847.403	2.096.034	4.381.232	4.705.739	5.010.589							100

REVENUES OF MARINA KORNATI 2024 CUMULATIVELY BY MONTHS (in EUR)														
Revenue positions		Months 2024												% of total
		1	2	3	4	5	6	7	8	9	10	11	12	revenues
I	Daily berths	2.078	9.470	19.764	50.733	93.772	143.544							3
II	Contracted berth with acces-sories	544.623	1.597.996	1.843.526	3.536.907	3.703.225	3.814.433							80
III	Port service	26.207	72.207	123.059	187.299	246.069	299.088							6
IV	Vehicle parking	206	782	4.529	19.115	66.136	130.223							3
V	Other services	1.895	9.366	126.657	145.008	147.165	151.451							3
VI	Business cooperation				218.336	219.988	219.988							5
VII	Boat fair and events													0
	TOTAL:	575.009	1.689.821	2.117.535	4.157.398	4.476.355	4.758.727							100

4.3 CAMPING SECTOR – CAMPSITE “PARK SOLINE”

The camping sector, i.e. the “Park Soline” campsite, recorded 16,288 arrivals in the first six months of 2025, which represents a 13.39% increase compared to the same period in 2024. This increase in arrivals is due to increased booking of mobile homes and individual pitches, and an increase in arrivals of agency and lump-sum guests. At the same time, 79,199 overnight stays recorded, representing a 7.2% increase compared to the same period in 2024, while the average number of days of stay for the reporting period was recorded at 4.86 days. In the reporting period, an increase in physical performance indicators, i.e. arrivals and overnight stays, was recorded across all four market segments. The allotment market segment recorded an increase in arrivals by 27.24% and an increase in overnight stays by 12.80% compared to the same period in 2024, while the lump-sum segment achieved a 7.28% increase in arrivals and a 4.41% increase in overnight stays. The individual stay market segment recorded a 2.38% increase in arrivals and 1.37% in overnight stays, while mobile homes recorded an increase of 23% in arrivals and 11.33% in overnight stays compared to the same period in 2024.

The camping sector, i.e. the “Park Soline” campsite, recorded a growth in physical turnover, as well as in operating revenue, where generated revenue amounted to EUR 3,021,988.18, an 11% increase compared to the same period in the previous year, when it amounted to EUR 2,712,207.82. When analysing by market segment, the largest revenue increase in absolute amounts was generated in the lump-sum segment, which amounted to EUR 1,937,482.50, an increase by 13% or EUR 215,820.51. A significant increase in revenue was also achieved in the mobile homes segment, which amounted to EUR 552,260.62, an increase by 30% or EUR 128,713.49, while mobile home revenue in the same period in 2024 amounted to EUR 423,547.13. Allotment revenue amounted to EUR 304,406.20, a 7% decrease due to fewer leased pitches, while revenue from individual stays amounted to EUR 130,157.61, down by 14% compared to the same period in 2024.

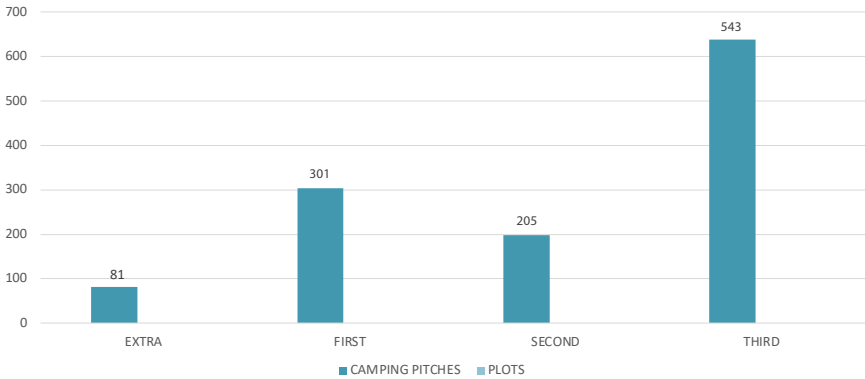
In the structure of recorded overnight stays, the five leading outbound markets are: (I) the Slovenian market with a 27.62% share of total overnight stays, (II) the Czech market with a 22.50% share, (III) the Croatian market with a 17.56% share, (IV) the German market with an 8.47% share, and (V) the Polish market with a 5.17% share. At the same time, when it comes to market segments, lump sum pay-

ments and guests in mobile homes prevail in the structure of overnight stays, with a share of 43% and 26% in overnight stays respectively.

The increase in overnight stays and revenue in the first six months of 2025 was the result of dynamic pricing of mobile homes and individual pitches, as well as regulating prices of leased lump-sum pitches for mobile homes. Intensified marketing activities and strategically planned investments in key sales channels certainly contributed to the increase in the number of overnight stays and delivery of higher financial performance results.

Capacities of the camp "Park Soline"

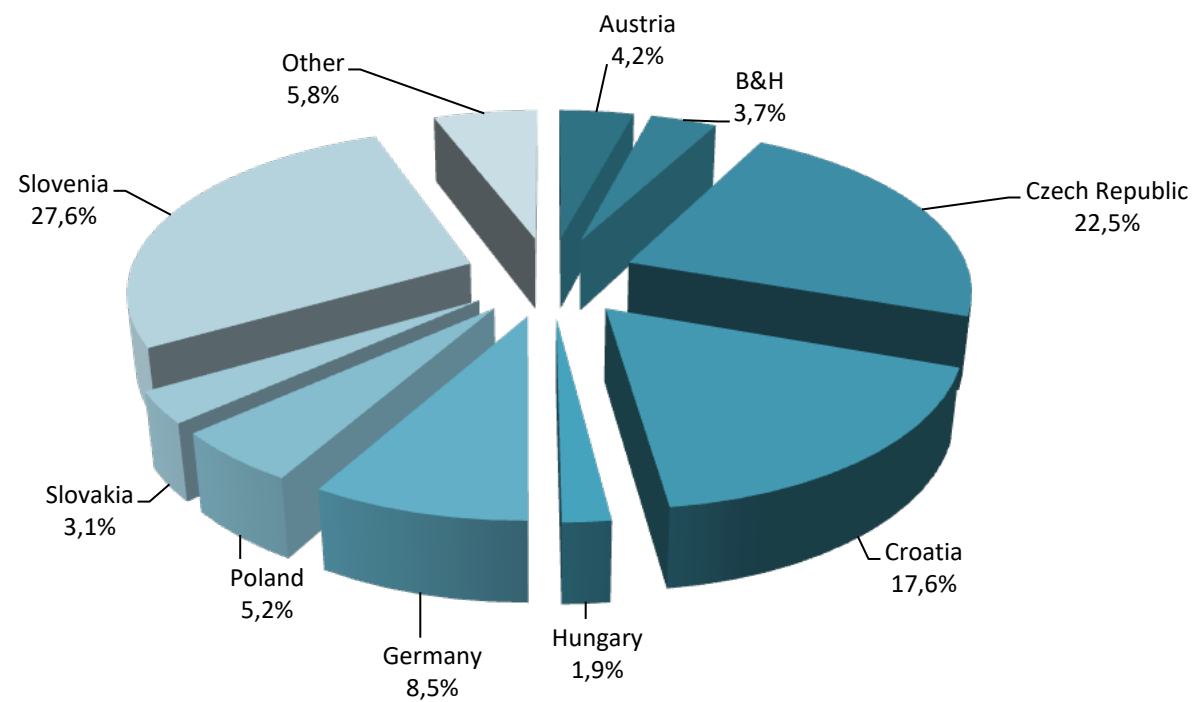
		2022	2023	2024	2025
I	EXTRA ZONE				
	CAMPING PITCHES	81	81	81	81
	CAMPING PLOTS	0	0	0	0
	TOTAL	81	81	81	81
II	FIRST ZONE				
	CAMPING PITCHES	303	303	301	301
	CAMPING PLOTS	0	0	0	0
	TOTAL	303	303	301	301
III	SECOND ZONE				
	CAMPING PITCHES	208	208	205	205
	CAMPING PLOTS	0	0	0	0
	TOTAL	208	208	205	205
IV	THIRD ZONE				
	CAMPING PITCHES	616	543	543	543
	CAMPING PLOTS	0	0	0	0
	TOTAL	616	543	543	543
Σ	GRANDTOTAL				
	CAMPING PITCHES	1208	1130	1130	1130
	CAMPING PLOTS	0	0	0	0
	TOTAL	1208	1130	1130	1130



Arrivals and overnight stays by outbound market and average days of stay for the period 01/01-30/06/2025 and a comparison with the same period in 2024

	2025		2024		INDEX 2025/2024		AVERAGE STAY (DAYS)	
COUNTRY	Arrivals	Overnight stays	Arrivals	Overnight stays	Arrivals	Overnight stays	2025	2024
Austria	717	3.295	588	2.760	121,94	119,38	4,60	4,69
B&H	719	2.946	337	1.521	213,35	193,69	4,10	4,51
Czech Republic	3.202	17.818	2.761	17.471	115,97	101,99	5,56	6,33
Croatia	3.387	13.908	2.603	10.250	130,12	135,69	4,11	3,94
Hungary	320	1.501	214	992	149,53	151,31	4,69	4,64
Germany	1.108	6.707	1.021	6.651	108,52	100,84	6,05	6,51
Poland	731	4.094	907	5.621	80,60	72,83	5,60	6,20
Slovakia	512	2.473	411	2.266	124,57	109,14	4,83	5,51
Slovenia	4.695	21.874	4.623	21.951	101,56	99,65	4,66	4,75
Other	897	4.583	899	4.390	99,78	104,40	5,11	4,88
TOTAL	16.288	79.199	14.364	73.873	113,39	107,21	4,86	5,14

Realised overnight stays by outbound markets for the period 01/01-30/06/2025



Cumulative overview of daily and monthly occupancy of campsite accommodation units for the period 01/04-30/06/2025

MONTH	APRIL				MAY				JUNE			
SEGMENT	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY
MOBILE HOMES ILIRIJA	8.100	172	2,12%	0,64	8.370	751	8,97%	2,78	8.100	4.393	54,23%	16,27
AGENCIES	2.970	2.970	100,00%	30,00	3.069	3.069	100,00%	31,00	2.970	2.970	100,00%	30,00
LUMP SUM	9.450	9.450	100,00%	30,00	9.765	9.765	100,00%	31,00	9.450	9.450	100,00%	30,00
INDIVIDUALS PITCHES STANDARD MARE, COMFORT AND STANDARD III ZONE	10.380	465	4,48%	1,34	10.726	915	8,53%	2,64	10.380	2.474	23,83%	7,15
INDIVIDUALS CAMPING STANDARD IV ZONE	3.000	26	0,87%	0,26	3.100	71	2,29%	0,71	3.000	134	4,47%	1,34
INDIVIDUALS TOTAL	13.380	491	3,67%	1,10	13.826	986	7,13%	2,21	13.380	2.608	19,49%	5,85
TOTAL	33.900	13.083	38,59%	11,58	35.030	14.571	41,60%	12,89	33.900	19.421	57,29%	17,19

MONTH	TOTAL.				
SEGMENT	NUMBER OF ACCOMMODATING UNITS	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY
MOBILE HOMES ILIRIJA	270	24.570	5.316	21,64%	19,69
AGENCIES	99	9.009	9.009	100,00%	91,00
LUMP SUM	315	28.665	28.665	100,00%	91,00
INDIVIDUALS PITCHES STANDARD MARE, COMFORT AND STANDARD III ZONE	346	31.486	3.854	12,24%	11,14
INDIVIDUALS CAMPING STANDARD IV ZONE	100	9.100	231	2,54%	2,31
INDIVIDUALS TOTAL	446	40.586	4.085	10,07%	9,16
TOTAL	1130	102.830	47.075	45,78%	41,66

Campsite revenue for the period 01/01-30/06/2025 and a comparison with the same period in 2024

SEGMENT		2024					2025			INDEX	
		GENERATED IN 2024			GENERATED PRIOR 30/06/2024		GENERATED PRIOR 30/06/2025			2025/2024	
		NO.OF PITCHES	OVERNIGHT STAYS	REVENUES	REALIZED OVERNIGHT STAYS	REVENUES	NO.OF PITCHES	REALIZED OVERNIGHT STAYS	REVENUES	OVERNIGHT STAYS	REVENUES
1	MOBILE HOMES ILIRIJA	270	93.249	3.407.481,06 €	18.645	423.547,13 €	270	20.757	552.260,62 €	111	130
2	AGENCIES	123	46.813	490.884,95 €	12.856	328.088,49 €	99	14.501	304.406,20 €	113	93
3	INDIVIDUALS	419	57.557	1.067.841,62 €	9.846	150.893,49 €	446	9.981	130.157,61 €	101	86
4	LUMP SUM	318	123.397	1.749.843,38 €	32.526	1.721.661,99 €	315	33.960	1.937.482,50 €	104	113
5	OTHER SERVICES	-	-	349.313,93 €		88.016,72 €	0		97.681,25 €	#DIV/0!	111
TOTAL:		1130	321.016	7.065.364,94 €	73.873	2.712.207,82 €	1130	79.199	3.021.988,18 €	107	111

4.4 CITY GALLERIA BUSINESS AND SHOPPING CENTRE

The City Galleria Business and Shopping Centre is located in a heavily populated residential area in the immediate centre of Zadar, just a ten-minute walk from the old town. Due to the good location of the building and the fact it is surrounded by some of the main city roads, the City Galleria Business and Shopping Centre is exceptionally easy to spot and allows easy access to a large number of local residents and foreign visitors. The business results achieved in the first half of 2025 show a stable and continuous growth of key market indicators in that period. Business revenue of the City Galleria Centre generated through lease of commercial premises, common costs, use of common parts of the centre, lease of advertising space, garage revenue and lease of Phase 1 commercial premises amounted to EUR 1,074,858.82. Other operating revenue relating to insurance claims amounted to EUR 5,531.99 in the relevant period, which brings the total generated revenue in the relevant period to EUR 1,080,390.81. Total operating revenue generated in the first half of 2024 amounted to EUR 1,031,032.64, which represents growth of 4.79% in the current reporting period.

In the category of revenue from the lease of commercial premises in the observed period in comparison to 2024, an increase of 5.02% was recorded, while

revenue from common costs recorded an increase of 1.05%. The category of revenue from the use of common areas of the Centre increased by 8.37% compared to the results achieved in the first half of 2024. Revenue from the lease of advertising space remained at the same level compared to the same period of the previous year, while the category of parking revenue recorded an increase of 12.93%. Operating revenue from the lease of business premises in the neighbouring Phase 1 of the Centre recorded an increase of 5.30% in the first half of 2025 compared to the same period in 2024.

In the first six months of 2025, the number of vehicles using the public underground garage of the Centre amounted to 365,192 vehicles, while in the same period in 2024, the number amounted to 357,941 vehicles, representing an increase in the reporting period of 2.03%. In addition to the shown increase in revenue followed by an increase in the number of visitors, there was also an increase in the length of parking time in the garage of the City Galleria Centre.

Business revenue of the City Galleria Business and Shopping Centre in Zadar for the period 01/01-30/06/2025 and a comparison with the same period in 2024

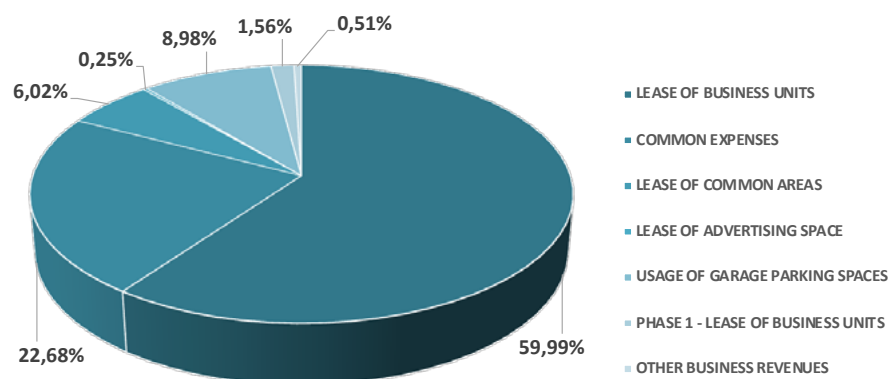
DESIGNATION	DESCRIPTION	NUMBER OF ACTIVE CONTRACTS	SURFACE AREA (m ²)	REVENUES 01-06/2025	%	REVENUES 01-06/2024	%	INDEX 2025/2024
1	LEASE OF BUSINESS UNITS	36	9.445,32	€ 648.173,16	59,99%	€ 617.185,11	59,86%	105
2	COMMON EXPENSES	34	6.648,73	€ 245.077,87	22,68%	€ 242.541,30	23,52%	101
3	LEASE OF COMMON AREAS	26	1.512,50	€ 65.017,84	6,02%	€ 59.995,27	5,82%	108
4	LEASE OF ADVERTISING SPACE	8	130,98	€ 2.682,90	0,25%	€ 2.682,91	0,26%	100
5	USAGE OF GARAGE PARKING SPACES	410***	10.863,50	€ 97.015,04	8,98%	€ 85.908,19	8,33%	113
6	PHASE 1- LEASE OF BUSINESS UNITS	6	289,96	€ 16.892,01	1,56%	€ 16.042,40	1,56%	105
REVENUE:				€ 1.074.858,82	99,49%	€ 1.024.355,18	99,35%	105
7	OTHER BUSINESS REVENUES			€ 5.531,99	0,51%	€ 6.677,46	0,65%	83
TOTAL REVENUE:				€ 1.080.390,81	100,00%	€ 1.031.032,64	100,00%	105

* Total net leasable surface area

** Total net leasable area for calculation of common expenses

*** Number of parking spaces in the garage

OPERATING REVENUES 01-06/2025



4.5. ILIRIJA TRAVEL

Ilirija Travel, as a destination management company, recorded reduced business activities in the first half of 2025. The Company continued the development of new services and offerings through its agency, creating an integrated and complementary tourism product while providing additional services. During the pre-season, this enabled strengthened sales for the core segments of business, hotel, camping and nautical sectors, and improved the offer of the destination in terms of business events, conferences, incentives, as well as private events, gala dinners, parties, etc. The total revenue in the amount of EUR 740,783.95, also generated through other profit centres of the Company, has decreased by 18,6% compared to EUR 909,525.10 realised in the same period of the previous year. After last year's 118 events with 19,514 participants, this year, 100 events were attended by 16,104 people. Reduced business activities in one segment of Ilirija Travel, which led to less revenue, were due to a strategic decision about no longer hosting events with low profitability in the long term, in order to optimise operational efficiency and focus on organising more profitable events.



Realised events in the period 01/01-30/06/2025 and comparison with the same period in 2024

	Number of events 2025	Number of events 2024	Number of guests 2025	Number of guests 2024	Total REVENUE 2025	Total REVENUE 2024
TOTAL	100	118	16.104	19.514	740.783,95 EUR	909.525,10 EUR

5 FINANCIAL-OPERATING RESULTS AT COMPANY LEVEL

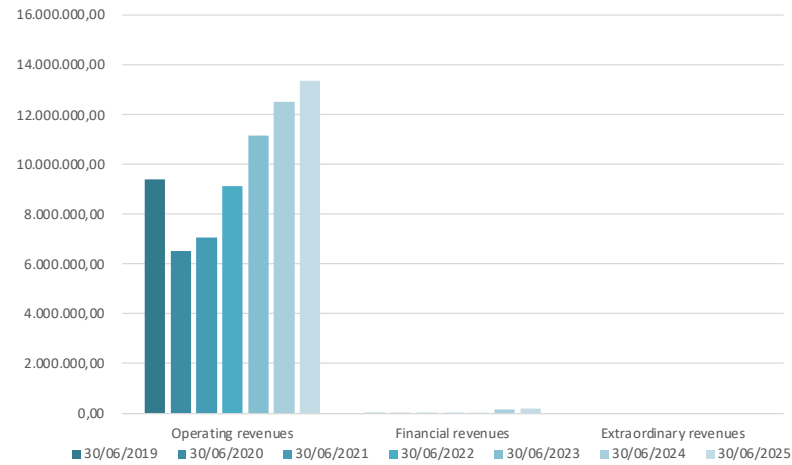
5.1 FINANCIAL RESULTS OF THE COMPANY

Overview of financial performance for the period 01/01-30/06/2025 and a comparison with the same period from 2019 to 2024

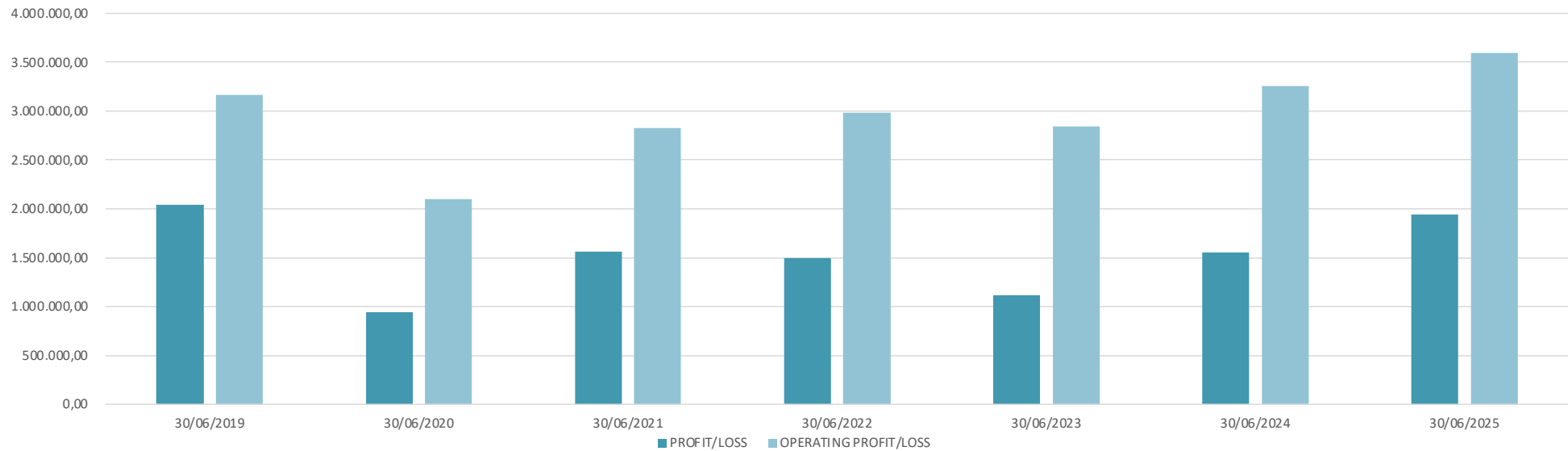
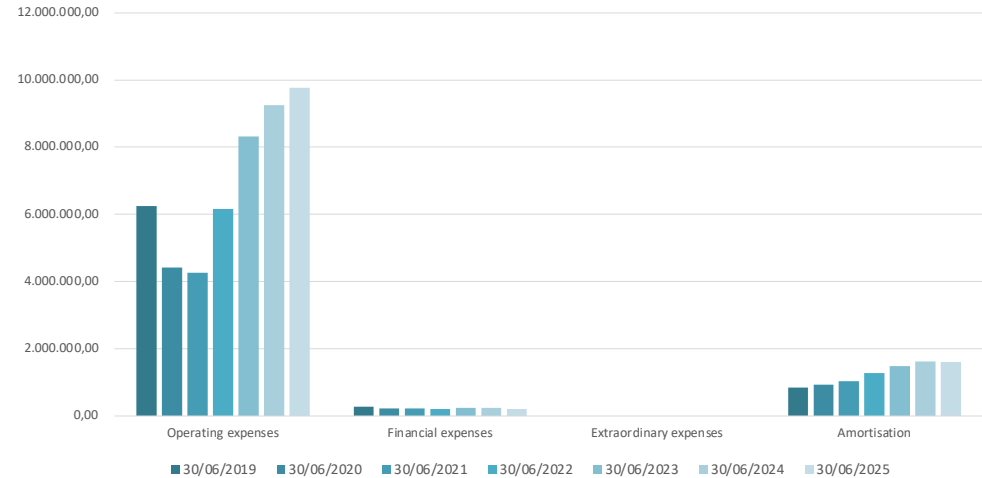
(EUR)

DESCRIPTION	30/06/2019	30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024	30/06/2025	Index 2025/2024
Operating revenues	9.401.292,09	6.516.978,68	7.077.234,71	9.136.644,70	11.158.471,57	12.506.765,55	13.367.346,34	106,88
Financial revenues	3.547,69	3.144,47	1.236,21	2.286,50	115,68	161.863,37	178.100,15	110,03
Extraordinary revenues	0,00	0,00	0,00	0,00	0,00	0,00	0,00	#DIV/0!
TOTAL REVENUES	9.404.839,77	6.520.123,15	7.078.470,92	9.138.931,19	11.158.587,25	12.668.628,92	13.545.446,49	106,92
Operating expenses	6.239.738,16	4.414.140,33	4.254.867,96	6.153.827,30	8.316.604,93	9.248.744,21	9.775.599,28	105,70
Financial expenses	275.284,33	223.270,22	222.978,10	210.796,07	246.770,44	242.724,57	214.244,91	88,27
Extraordinary expenses	0,00	0,00	0,00	0,00	0,00	0,00	0,00	#DIV/0!
Amortisation	849.219,99	939.108,34	1.037.999,26	1.279.789,88	1.482.024,11	1.619.642,70	1.612.204,20	99,54
TOTAL EXPENSES	7.364.242,48	5.576.518,90	5.515.845,32	7.644.413,25	10.045.399,48	11.111.111,48	11.602.048,39	104,42
PROFIT/LOSS	2.040.597,30	943.604,25	1.562.625,60	1.494.517,94	1.113.187,77	1.557.517,44	1.943.398,10	124,78
OPERATING PROFIT/LOSS	3.161.553,92	2.102.838,35	2.822.366,75	2.982.817,39	2.841.866,64	3.258.021,34	3.591.747,06	110,24
EBITDA	3.165.101,61	2.105.982,82	2.823.602,96	2.985.103,89	2.841.982,32	3.419.884,71	3.769.847,21	110,23

REVENUES 2019 - 2025



EXPENSES 2019 - 2025



1

Total revenue for the first half of 2025 amounted to EUR 13,545,446.49, with a 6.92% or EUR 876,817.57 increase compared to the same period of 2024, when it amounted to EUR 12,668,628.92, as a result of an increase in operating and financial revenue.

Operating revenue amounted to EUR 13,367,346.34, which is a 6.88% or EUR 860,580.79 increase compared to the same period in 2024, when it amounted to EUR 12,506,765.55, as a result of an increase in the sales revenue on the foreign market.

Revenue from sales amounted to EUR 13,290,153.36, recording an increase of EUR 934,938.11 or 7.57% compared to the same period in 2024, when it amounted to EUR 12,355,215.25. Revenue from sales represented 99.42% of operating revenue and 98.12% of total revenue.

2

In the reporting period, total expenses amounted to EUR 11,602,048.39, which marks a 4.42% or EUR 490,936.91 increase compared to the same period in 2024, due to an increase in operating expenses.

Operating expenses amounted to EUR 9,775,599.28 and were 5.70%, or EUR 526,855.07 higher compared to the same period in 2024, when they amounted to EUR 9,248,744.21, and were generated due to the increase in salary costs by 12%, other costs by 11%, and the cost of raw materials, materials and energy by 6%.

3

Operating profit amounted to EUR 3,591,747.06, constituting an increase of 10.24% or EUR 333,725.72 compared to the same period of 2024, when it amounted to EUR 3,258,021.34.

Profit in the reporting period amounted to EUR 1,943,398.10, increasing by EUR 385,880.66, or 24.78%, compared to the same period of 2024, when it amounted to EUR 1,557,517.44.

EBITDA, i.e. earnings before depreciation, interest and taxes, was generated in the amount of EUR 3,769,847.21, and showed a 10.23% or EUR 349,962.50 increase compared to the same period in 2024, when it amounted to EUR 3,419,884.71.

EBIT, i.e. earnings before financing expenses was realised in the amount of EUR 2,157,643.01, recording an increase of 19.85 %, or EUR 357,401.00 compared to

the same period of 2024, when it amounted to EUR 1,800,242.01.

The first half of the year was marked by the growth of business activities, which reflected on the financial performance results, that is, realisation of total and operating revenue, which increased at a rate of 6.92% and 6.88%, respectively, driven by the increase in revenue of all key tourism sectors, with the exception of the destination management company Ilirija Travel, and an increase in revenue of the real-estate sector. Furthermore, in the reporting period, total expenses increased at a rate of 4.42%, i.e. a lower rate compared to the growth rate of revenue, which allowed the Company to generate growth in all business profitability indicators (operating profit, profit, EBITDA and EBIT), some of which realised the best results to date in the first six months of the business year.

Financial statements of the Company as at 30/06/2025 and a comparison with the same period in 2023 and 2024

(EUR)

REVENUES	2023	2024	INDEX 2024/2023	2025	INDEX 2025/2024
Revenue on the domestic market	9.801.997,34	11.883.334,41	121	11.659.219,46	98
Revenues on foreign market	1.316.887,54	478.516,84	36	1.653.333,90	346
Other operating revenues	39.586,69	144.914,30	366	54.792,98	38
OPERATING REVENUES	11.158.471,57	12.506.765,55	112	13.367.346,34	107
FINANCIAL REVENUES	115,68	161.863,37	139.923	178.100,15	110
EXTRAORDINARY REVENUES	0,00	0,00	#DIV/0!	0,00	#DIV/0!
TOTAL REVENUES	11.158.587,25	12.668.628,92	114	13.545.446,49	107
EXPENSES					
Raw material and material costs	1.625.130,52	1.597.736,07	98	1.685.768,45	106
Costs of services	1.638.609,31	2.001.910,35	122	1.799.139,89	90
Gross pays	3.537.929,53	4.014.970,22	113	4.479.926,56	112
Other expenses	1.514.935,57	1.634.127,57	108	1.810.764,38	111
TOTAL EXPENSES	8.316.604,93	9.248.744,21	111	9.775.599,28	106
AMORTISATION	1.482.024,11	1.619.642,70	109	1.612.204,20	100
FINANCIAL EXPENSES	246.770,44	242.724,57	98	214.244,91	88
EXTRAORDINARY EXPENSES	0,00	0,00	#DIV/0!	0,00	#DIV/0!
TOTAL EXPENSES	10.045.399,48	11.111.111,48	111	11.602.048,39	104
PROFIT/LOSS	1.113.187,77	1.557.517,44	140	1.943.398,10	125
OPERATING PROFIT/LOSS	2.841.866,64	3.258.021,34	115	3.591.747,06	110
EBITDA	2.841.982,32	3.419.884,71	120	3.769.847,21	110

REVENUE BY ACTIVITIES:

The hotel sector realised revenue in the amount of EUR 3,194,579.31, which is higher by 14% compared to the same period in 2024, when it amounted to EUR 2,811,372.13, and is the result of a strong increase in business activities in the pre-season, especially in the second quarter of the business year.

The nautical sector realised revenue in the amount of EUR 5,291,850.22, which is higher by 6% compared to the same period in 2024, when it amounted to EUR 4,985,720.73, and is the result of an increase in revenue of both of the nautical sector's profit centres, i.e. Marina Kornati by 5% and the restaurant by 24%.

The camping sector realised revenue in the amount of EUR 3,172,200.55, with a growth rate of 10% compared to the same period in 2024, when it amounted to EUR 2,875,293.84, generated by a strong increase in revenue in the accommodation segment, i.e. the "Park Soline" campsite, by 11% due to increased revenue from the lump-sum segment, followed by an increase in revenue from mobile homes and other services.

The real-estate sector, i.e. the City Galleria Business and Shopping Centre, generated revenue in the amount of EUR 1,080,390.81, representing a 5% increase compared to the same period in 2024, when it amounted to EUR 1,031,032.64, primarily due to an increase in revenue from the lease of business premises, followed by an increase in revenue from the parking garage, revenue from common areas and common costs.

The destination management company and other profit centres achieved revenue in the amount of EUR 628,325.45 compared to the same period of the previous year, when revenue was realised in the amount of EUR 803,346.21, less by 22% due to the absence of revenue realised through its key profit centres and the Company's focus on events of higher added value and profitability, which in turn led to fewer events compared to the first half of the previous year.

GRAND TOTAL: Operating revenue per activity amounted to EUR 13,367,346.34, representing an increase of 7% compared to the same period of 2024.

5.2 FINANCIAL POSITION OF THE COMPANY

FUNDAMENTAL FINANCIAL INDICATORS
OF ASSETS, CAPITAL, LIABILITIES AND OPERATING RESULTS OF THE COMPANY
AS AT 30/06/2025

The table providing an overview of the Company's key indicators covers the period of 2024–2015 (eleven years), and the realised described indicators are listed in absolute amounts and growth rates

1 VALUE OF ASSETS

The value of the Company assets amounted to EUR 74,691,013.49, representing an increase of 2.70%, i.e. EUR 1,966,599.36 compared to the same period in 2024, when it amounted to EUR 72,724,414.13 as a result of an increase in current assets.

The value of the Company assets increased from EUR 42,578,074.97 in the same period of 2015 by EUR 32,112,938.52, or 75.42% to the amount of EUR 74,691,013.49.

2 TOTAL LIABILITIES

Total liabilities of the Company amounted to EUR 19,894,624.29, recording an increase of EUR 156,082.73 or 0.79% compared to the same period in 2024, when

they amounted to EUR 19,738,541.56.

Total liabilities as at 30 June 2025 were EUR 1,899,740.86, or 10.56% higher compared to total liabilities in the same period in 2015, when they amounted to EUR 17,994,883.43.

3 CAPITAL AND RESERVES

Capital and reserves of the Company amounted to EUR 54,796,389.20, representing a 3.42%, or EUR 1,810,516.63 increase compared to the same period in 2024, when they amounted to EUR 52,985,872.57, due to the increase in profits from previous years and profit from the current year.

Comparing equity and reserves of the Company as at 30 June 2025, they increased by EUR 30,213,197.65 or

122.90% compared to the same period in 2015, when they amounted to EUR 24,583,191.55.

4 NET DEBT

Net debt amounted to EUR 258,377.08, constituting a decrease of 90.45%, or EUR 2,448,476.51, compared to the same period in the previous year, when it amounted to EUR 2,706,853.59, making it the lowest net debt the Company has ever had in a first half of any business year.

This is also a EUR 12,845,819.04 or 97.17% decrease compared to the same period of 2015, when the net debt amounted to EUR 13,104,196.12.

5 TOTAL REVENUE

Total revenue amounted to EUR 13,545,446.49, increasing by EUR 876,817.57, or 6.92% compared to EUR 12,668,628.92 for the same period in 2024, as a result of an increase in revenue in all key tourism sectors of the Company and in the real-estate sector.

Total revenue of the Company, compared to the same period of 2015 when it amounted to EUR 7,026,833.78, increased by EUR 6,518,612.71, or 92.77%.

6 OPERATING PROFIT

Operating profit of the Company was generated in the amount of EUR 3,591,747.06, increasing by 10.24%, or EUR 333,725.72 compared to EUR 3,258,021.34 for the same period in 2024.

Comparing the operating profit generated in the first half of 2025 to the same period in 2015, when it amounted to EUR 2,271,495.69, a 58.12% or EUR 1,320,251.37 increase can be seen.

7 EBITDA

EBITDA was realised in the amount of EUR 3,769,847.21, increasing by 10.23%, or EUR 349,962.50 compared to EUR 3,419,884.71 for the same period in 2024.

The realised EBITDA in the reporting period increased by EUR 1,491,931.99, or 65.50% compared to the first half of 2015, when it amounted to EUR 2,277,915.22.

8 PROFIT

The Company's profit in the reporting period amounted to EUR 1,943,398.10, increasing by EUR 385,880.66, or 24.78%, compared to the first half of 2024, when it amounted to EUR 1,557,517.44.

Profit realised in the first half of 2025, compared to the profit generated in the same period of 2015, which amounted to EUR 1,473,771.46, has increased by 31.87% or EUR 469,626.64.

9 ANNUAL DIVIDEND

A dividend in the amount of EUR 1,920,740.00 was paid to shareholders, an increase of EUR 234,828.50 or 13.93% compared to that paid in 2024, when it amounted to EUR 1.685.911,50.

The Company allocated 286.87%, or EUR 1,424,251.85, more for dividend distribution in 2025 compared to the dividend paid to shareholders in 2015, when it amounted to EUR 496,488.15.

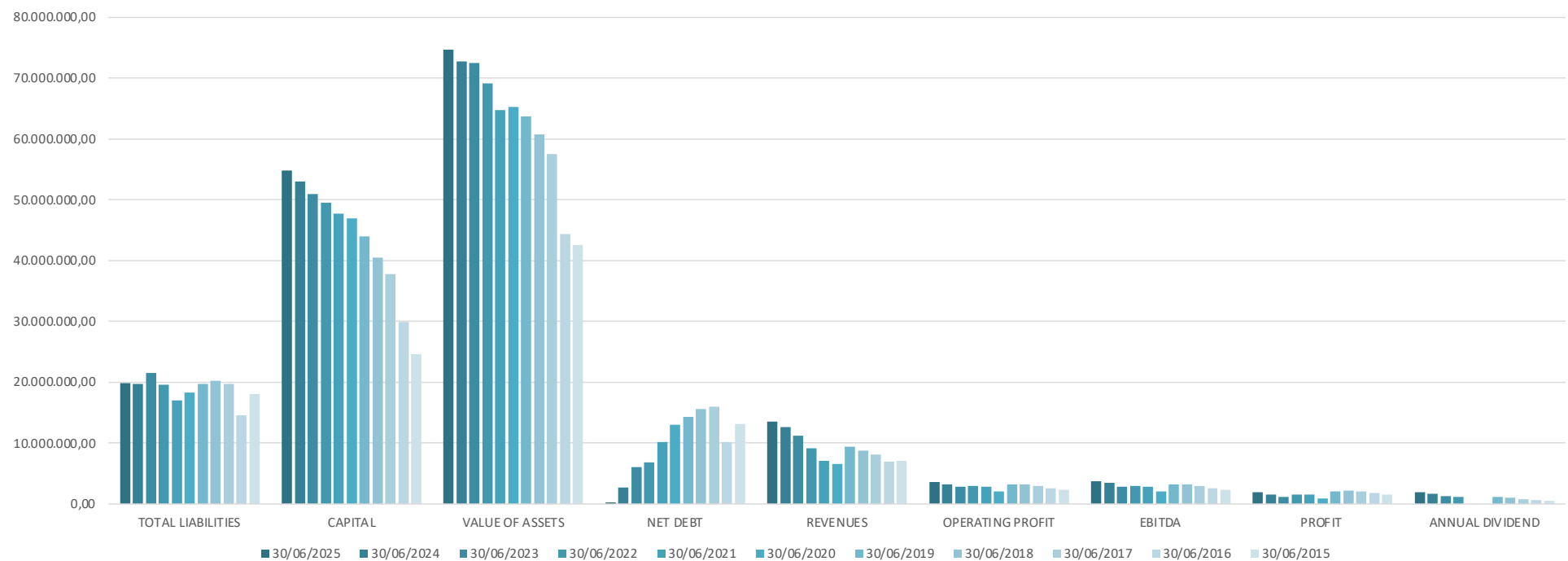
In the period from 2015 until 30/06/2025, the shareholders were paid a total of EUR 10,073,829.31 for dividends.

CUMULATIVE COMPARATIVE OVERVIEW

of basic indicators as well as assets, capital, liability and operating results of the Company as at 30/06/2025
and for the same period from 2015 to 2024

YEAR	TOTAL LIABILITIES	CAPITAL	VALUE OF ASSETS	NET DEBT	REVENUES	OPERATING PROFIT	EBITDA	PROFIT	ANNUAL DIVIDEND
1	2	3	4	5	6	7	8	9	10
30/06/2025	19.894.624,29	54.796.389,20	74.691.013,49	258.377,08	13.545.446,49	3.591.747,06	3.769.847,21	1.943.398,10	1.920.740,00
30/06/2024	19.738.541,56	52.985.872,57	72.724.414,13	2.706.853,59	12.668.628,92	3.258.021,34	3.419.884,71	1.557.517,44	1.685.911,50
30/06/2023	21.556.488,62	50.942.961,58	72.499.450,20	6.034.040,81	11.158.587,25	2.841.866,64	2.841.982,32	1.113.187,77	1.323.708,10
30/06/2022	19.633.358,48	49.509.486,56	69.142.845,03	6.841.392,39	9.138.931,19	2.982.817,39	2.985.103,89	1.494.517,90	1.117.498,51
30/06/2021	17.022.536,63	47.759.787,66	64.782.324,29	10.221.412,05	7.078.470,92	2.822.366,75	2.823.602,96	1.562.625,60	0,00
30/06/2020	18.371.299,80	46.964.358,70	65.335.658,50	12.988.319,72	6.520.123,15	2.102.838,35	2.105.982,82	943.604,25	0,00
30/06/2019	19.736.575,94	43.963.425,76	63.700.001,70	14.310.527,22	9.404.839,77	3.161.553,92	3.165.101,61	2.040.597,30	1.117.255,56
30/06/2018	20.233.788,60	40.519.183,14	60.752.971,75	15.600.272,94	8.812.833,24	3.210.544,07	3.216.027,00	2.164.432,88	958.423,25
30/06/2017	19.727.357,58	37.805.090,49	57.532.448,07	16.008.428,21	8.080.441,46	2.974.912,04	2.981.094,40	2.014.080,08	798.532,09
30/06/2016	14.527.114,47	29.874.575,41	44.401.689,89	10.117.164,04	6.925.325,05	2.609.374,53	2.617.246,01	1.811.794,88	655.272,15
30/06/2015	17.994.883,43	24.583.191,55	42.578.074,97	13.104.196,12	7.026.833,78	2.271.495,69	2.277.915,22	1.473.771,46	496.488,15

A graph of basic indicators as well as assets, capital, liability and operating results of the Company as at 30/06/2025 and for the same period from 2015 to 2024



Statement of the Company's financial position as at 30 June 2025
and a comparison with 30 June 2024 and 31 December 2024

		30/06/2025	30/06/2024	Index 30/06/2025 30/06/2024	31/12/2024	Index 30/06/2025 31/12/2024
		UNAUDITED	UNAUDITED		AUDITED	
A	FIXED ASSETS	57.821.834,79	57.967.774,27	99,75	56.802.314,73	101,79
B	CURRENT ASSETS	16.869.178,70	14.756.639,86	114,32	14.753.921,41	114,34
A+B	TOTAL ASSETS	74.691.013,49	72.724.414,13	102,70	71.556.236,14	104,38
C	SHORT-TERM LIABILITIES	9.495.746,89	7.374.378,07	128,77	6.706.112,10	141,60
D	LONG-TERM LIABILITIES	10.398.877,40	12.364.163,49	84,10	10.156.775,58	102,38
E	TOTAL LIABILITIES	19.894.624,29	19.738.541,56	100,79	16.862.887,68	117,98
F	TOTAL SHARE CAPITAL AND RESERVES	54.796.389,20	52.985.872,57	103,42	54.693.348,46	100,19
E+F	TOTAL CAPITAL AND LIABILITIES	74.691.013,49	72.724.414,13	102,70	71.556.236,14	104,38

OPERATING AND OTHER COSTS

Operating expenses for the first half of 2025 amounted to EUR 9,775,599.28 and are higher by 5.70% compared to the same period of the previous business year, when they amounted to EUR 9,248,744.21, due to an increase in the gross salary cost, other costs and costs of raw materials, materials and energy.

FINANCIAL EXPENSES

Financial expenses in the period observed amount to EUR 214,244.91, and they have decreased by 11.73% compared to the first half of 2024, when they amounted to EUR 242,724.57.

LIQUIDITY

In the reporting period, the Company fully and properly maintained current liquidity and settled its liabilities towards the suppliers, the bank, the state, the employees, etc. in a timely manner and within the deadlines. The Company secured a sufficient amount of liquid assets to settle its liabilities, having in mind

the complex business circumstances due to a disrupted macroeconomic environment and strong inflation pressures.

In November 2024, the Company concluded a Short-Term Limit Agreement with the commercial bank Erste&Steiermarkische Bank d.d. for the amount of EUR 3,500,000.00, which will secure a short-term credit limit for the remainder of 2024 and until November 2025 for the purpose of maintaining current liquidity.

COLLECTION OF FUTURE REVENUE

With regard to the active collection of trade receivables, the Company will seek to collect them in the most appropriate manner and within the most appropriate deadlines, 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.



6 ADDITIONAL INFORMATION ON THE STATUS AND BUSINESS OPERATIONS OF THE COMPANY

6.1 SIGNIFICANT EVENTS

At its session held on 26 February 2025, the Company Management Board adopted the Q4 2024 financial statements (unaudited, unconsolidated), the Annual Report and the 2024 Annual Financial Statements (audited, unconsolidated). Moreover, at the session of the Supervisory Board held on the same day, the Company's Annual Report, 2024 Annual Financial Statements (audited, unconsolidated) were adopted and draft decisions were established, which were sent to the General Assembly for adoption.

In the reporting period, the Company held 1722 own shares, constituting 0.071% of the share capital. Furthermore, in the reporting period, the Company disposed of 4652 own shares, constituting 0.19% of the share capital. Own shares were disposed of under the Share Transfer Agreement, concluded with the Company's employees in compliance with the decision of the Management Board on the allocation of own shares to the Company's employees free of charge, as a reward for the achieved business results in 2024. Prior to the disposal of shares, the Company held 17215 own shares, constituting 0.71% of the share capital, while, following the disposal, it had a total of 12563 own shares, constituting 0.52% of the its share capital.

The General Assembly, held on 23 April 2025, took note of the Company's Annual Report for 2024 together with the Audit Report for 2024, Report of the Supervisory Board on the Performed Supervision of the Company's Operations for 2024, and the Management Board' Report on the Acquisition of Own Shares in 2024. The General Assembly adopted the Decision on the Approval of the 2024 Report on the Remuneration of Management Board and Supervisory Board Members, the Decision on Granting Discharge to the Company's Management Board for the financial year 2024, Decision on Granting Discharge to the Members of the Supervisory Board for the financial year 2024, and the Decision on the Appointment of the authorised auditing company "UHY RUDAN d.o.o.", Ilica 213, Zagreb, PIN (OIB): 717995390000 as the Company's Auditor for 2025 and 2026.

Also, the Decision on the Use of Company Profit for the 2024 Financial Year was adopted at the General Assembly, according to which the achieved net profit in the 2024 financial year (after tax) in the amount of EUR 3,576,074.33, is distributed as follows:

- EUR 1,655,334.33 into the retained profit, and
- EUR 1,920,740.00 for dividend distribution.

The dividend per share amounts to EUR 0.80.

At the meeting held on 15 May 2025, the Supervisory Board took note of the information about the written observations of ILIRIJA d.d. and the revised Economic Feasibility Study for Marina Kornati, in response to the opinion of the Ministry of Finance of the Republic of Croatia on the Proposal for a decision amending the Decision on a Concession on Maritime Domain for the Purpose of Commercial Use of a Special Purpose Port – Kornati Nautical Tourism Port.

Moreover, at its meeting held on 10 June 2025, the Supervisory Board adopted the decision to reappoint Mr Goran Ražnjević as the only member of the Management Board of ILIRIJA d.d. for a 5-year term, namely from 18 June 2025 to 18 June 2030.

6.2 LEGAL MATTERS

• The Ilirija Tennis Centre real property in Biograd na Moru, under the cadastral plot no. 3232, in the Cadastral Municipality of Biograd na Moru, surface area of 48705 m² was allocated in 1988 by the Municipal Assembly of Biograd na Moru to the predecessor of the Company for the purpose of building a complex of tennis courts. By 1990, Ilirija had built 20 tennis courts with changing rooms and a restaurant facility, auxiliary roads, parking spaces and complete infrastructure on the property, and the land was subsequently evaluated and entered in the share capital of the Company within the national conversion process. Pursuant to the lawful conversion of the Company and the Act on Ownership and Other Real Rights, the Company had been registered as the sole owner and legal holder of said property until 2006, when, in the process of transforming the land registry for the Cadastral Municipality of Biograd na Moru in 2006, the entry in the land registry was changed for unknown reasons and 1/2 of the co-ownership share of Ilirija d.d. was removed, and the Town of Biograd na Moru was entered as the co-owner of the share in question for the first time. Consequently, Ilirija d.d. initiated civil proceedings for the establishment of the right of ownership and, under the 2012 ruling of the Commercial Court in Zadar, which was upheld by the 2016 ruling of the High Commercial Court of the Republic of Croatia, Ilirija was established as the owner of the entire real property Ilirija Tennis Centre. Under the decision of the Supreme Court of the Republic of Croatia following the review in-

itiated by the Town of Biograd na Moru, with which we were made aware of on 18 January 2022, first-instance and second-instance rulings were set aside and the case was remanded for a retrial, during which it shall be determined whether amenities have been constructed, i.e. "more comprehensive works" have been performed on the real property at issue. In the repeated court proceedings, the Commercial Court in Zadar issued a first instance ruling on 24 May 2023 in favour of Ilirija d.d., which stipulated the Company as the owner of the Tennis centar Ilirija in its entirety. Against the said first instance ruling, the Town of Biograd na Moru filed an appeal, which was rejected by the ruling of the High Commercial Court of the Republic of Croatia as unfounded. Thereby, Ilirija d.d. was once again legally established as the land registry owner of the entire real property Ilirija Tennis Centre. On 30 November 2023, The Town of Biograd na Moru also filed a motion to the Supreme Court of the Republic of Croatia for permission to review this legal matter, which was refused by a decision of the Supreme Court of the Republic of Croatia dated 17 January 2024. Under the said decision of the Supreme Court of the Republic of Croatia, the claimant (the Town of Biograd na Moru) exhausted all the legal remedies for challenging the ownership rights of Ilirija d.d., and the Company successfully established the lawful acquisition of the ownership rights of Ilirija Tennis Centre real property in Biograd na Moru, covering an area of 48,705 m².

- By the Decision of the Constitutional Court of the Republic of Croatia No. U-III-4392/16 of 5 July 2017, the Constitutional Complaint of the Company was adopted, and the ruling of the Supreme Court of the Republic of Croatia was set aside. The ruling set aside rejected the review initiated by Ilirija d.d. in the case pertaining to the compensation of damages against the Town of Biograd na Moru, for the purpose of conversion of the real property "Primorje" from a construction area into the so-called "area with landscape features", and the case was referred back to the Supreme Court of the Republic of Croatia. In the repeated proceedings, the Supreme Court of the Republic of Croatia in its ruling number: Rev-x 688/2017 of 27 April 2022 rejected the review initiated by Ilirija d.d. as unfounded. The Company filed a constitutional complaint to the Constitutional Court of the Republic of Croatia against the aforementioned ruling of the Supreme Court of the Republic of Croatia within the legal deadline.

- The ruling of the County Court in Zadar No. 6 GŽ-751/16-2 of 13 June 2017 reversed the sentence of the Municipal Court in Zadar, Permanent Service in Biograd na Moru, of January 2016, and rejected the claim of the town of Biograd na Moru as unfounded. By said claim, the town of Biograd na Moru requested that the Forest Land Lease Agreement concluded between Ilirija d.d. and Hrvatske šume d.o.o. Zagreb, Forest Administration, Split Branch, be declared null and void. Thus, the dispute was finally

disposed of in favour of Ilirija d.d., and given the fact that the land in question is 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 came into force, thus repealing the Act on Tourism and Other Construction Land Not Evaluated in the Conversion and Privatisation Process. The new Act on Non-Evaluated Construction Land provides that buildings and land in a campsite which are estimated in the value of the capital, are owned by the company, whereas the campsite land not estimated in the value of the capital is owned by the Republic of Croatia. On 5 March 2021, Ilirija d.d. submitted, within the legal deadline, an application for a decision to the competent Croatian Ministry of Physical Planning, Construction and State Assets, under Article 17 of the Act on Non-Evaluated Construction Land, that is, for the determination/identification of the scope, evaluated and un-evaluated parts and owners of the Park Soline campsite in Biograd na Moru and consequently for the conclusion of a lease agreement between the Republic of Croatia and Ilirija d.d. for a period of 50 years. The procedure is pending.

In the meantime, on 1 April 2022 the Company, in accordance with Article 18 of the Act on Non-Evaluated Construction Land, obtained from the Centre for Restructuring and Sales the Certificate of Conformity of the Geodetic Survey Report, which confirms the conformity of the "Park Soline Campsite Geodetic Survey Report with the decision of the Croatian Privatisation Fund of 12 July 1996, by which the real property concerned was evaluated in the process of conversion of the socially-owned enterprise "Ilirija" Biograd na Moru. Furthermore, in April 2023, based on the ruling of the Commercial Court in Zadar, adopted in the procedure of correcting the registration of ownership rights, which was confirmed by the ruling of the High Commercial Court of the Republic of Croatia, the Republic of Croatia was registered in its entirety as the owner of the land plot with a surface area of 41 537 m² which is located within the Park Soline campsite. Namely, until that time, the Town of Biograd na Moru was registered as the land registry owner of the said land plot within the campsite.

- The predecessor of the Company was allotted the maritime domain for permanent use by the Municipal Assembly of Biograd na Moru for the purpose of constructing a sport port or marina (1976) and an outdoor swimming pool with a beach facility (1986) in Biograd na Moru. In accordance with the valid building and operating permits, the Company built the Ilirija-Kornati hotel port (1977–1979) and an outdoor swimming pool

with beach facilities (1988), and these investments were evaluated and entered in the value of the capital of Ilirija d.d. during the conversion process. The aforementioned permanent right to use the maritime domain was replaced in 1998 with a limited period concession, and in accordance with the Decisions of the Zadar County on the award of the concession on the maritime domain, the Maritime Domain Concession Agreement was concluded for the purpose of commercial use of the special purpose port - nautical tourism port for a period of 12 years (until 2011) as well as the Maritime Domain Concession Agreement for the purpose of commercial use of the outdoor swimming pool for a period of 10 years (until 2008). Prior to the expiry of the concession for the nautical tourism port – the Ilirija-Kornati hotel port and the outdoor swimming pool with a beach facility, Ilirija d.d. submitted the applications for the extension of the term of the concession by 20 years, i.e. to a total of 30 years. The Company also submitted a request for obtaining a concession upon request for a period of 5 years for the commercial use of the beach in front of the Ilirija, Kornati and Adriatic hotels, the beach facility and the outdoor swimming pool in Biograd na Moru, in accordance with the Maritime Domain and Seaports Act. The competent authority has not decided on these applications to this day. Until the decision on the applications for the extension of the term of concession Ilirija d.d. has been regularly paying the fee for the use of maritime domain to the budget of the Republic of Croatia.

- During the conversion process, the property Dražice – Mini Golf was evaluated and entered in the value of the capital of the Company for the part with a surface area of 9,752 m², the part which Ilirija d.d. has been using uninterruptedly for the purposes of a parking lot and an entertainment and animation centre, and accordingly holds in its possession, while for the rest of the land of approximately 46,000 m² an application for a concession has been submitted. The dispute between Ilirija d.d. and the Town of Biograd na Moru before the Commercial Court in Zadar regarding the right of ownership is pending. The Republic of Croatia has joined the proceedings. No first-instance ruling has been rendered in this case.

- In the land registry renewal procedure for the Cadastal Municipality of Biograd na Moru, Ilirija d.d. was registered as the owner of the entire real property with an area of 1416 m², which essentially represents the land around the hotels Ilirija and Adriatic in Biograd na Moru, considering that these land plots were evaluated and entered in the share capital of Ilirija d.d. in the process of conversion and privatisation of the Company. The Municipal Court in Zadar, in a proper procedure, rejected the objections of the Town of Biograd na Moru regarding the registration of the ownership rights of Ilirija d.d. After the objections of the Town of Biograd na Moru to the registration of ownership rights on real property, which essentially represents the land around

the hotels Ilirija and Adriatic, were rejected as unfounded, the Town of Biograd na Moru filed a lawsuit against Ilirija d.d. before the Commercial Court in Zadar for the purpose of correction and registration, asking to be established as the owner of the said real estate with a total area of 1,416 m². The first-instance ruling of the Commercial Court in Zadar rejected the claim of the Town of Biograd na Moru, and the said ruling was upheld by the ruling of the High Commercial Court of the Republic of Croatia of 16 May 2022. Against the ruling of the High Commercial Court of the Republic of Croatia, the Town of Biograd na Moru filed a motion for permission to review, which was rejected by the Supreme Court of the Republic of Croatia as inadmissible. Therefore, the ownership rights of Ilirija d.d. over the property in question as a whole remained unchanged.

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

6.3 INVESTMENTS IN 2025

Investments in the first half of 2025 amounted to EUR 2,631,724.16, and referred mostly to the hotel, camping and catering sector with the aim of raising the standards and quality of accommodation facilities and completely renovating the beach catering facility in Biograd na Moru and its market repositioning as well as shifting the concept into a modern beach club.

In the hotel sector, significant investments were made in the expansion of external elevators, i.e. the panoramic elevator on the north-east side of the Ilirija**** hotel, and the external elevator on the north side of the Adriatic*** hotel. This ensured better communication within both hotels, and, through the use of modern architectural solutions, achieved a more presentable look of the hotels. At the Adriatic hotel, the hotel lobby and reception have been renovated and the elevator expanded, with the aim of raising the level and quality of the its standards. Moreover, in the hotel sector, investments were made in further digitalisation by introducing an IP telephony system that enables the implementation of technologically advanced solutions in the field of business telecommunications and better Wi-Fi network coverage at the hotel.

With regard to the beach facility in Biograd na Moru, investments are focused on the renovation and modernization of the entire facility, including the outdoor pool and the surrounding beach area, in order to create a modern beach bar with dining and relaxation areas, a recognizable design, the ability to effectively adapt to weather conditions, and flexibility in equipment placement. The investment also covered the modernisation of

the kitchen and purchase of new equipment with the aim of raising the level of the catering facility from a bistro to a restaurant with an associated furnished terrace. Furthermore, the area of the pool and the rubble mound was developed as a beach area, the sanitary facilities were reconstructed and the entire area was developed in terms of horticultural landscaping.

With its investments, the Company ended the first phase of the reconstruction of the beach facility in Sv. Filip i Jakov into a high-standard catering facility. In the first phase of the reconstruction of the building, a historical building under the protection of the Conservation Department in Zadar, works were performed to structurally strengthen the building and reconstruct the entire roof, install the façade and exterior joinery.

In the camping sector, investments were made into further infrastructural development of the campsite, i.e. the development of internal roads at the campsite, the modernisation of the children's playground with new facilities, and further horticultural development of the campsite.

The Company also purchased land with a surface area of 3,728 m² in Biograd na Moru, within the area of the industrial zone, with the intention to build a modern central laundry room, that is, relocate it from the area of Hotel Adriatic, and then build a storage and distribution and service centre, as well as new storage spaces which are currently dispersed across several facilities within the hotel resort.

6.4 NON-OPERATING ASSETS

An additional impact on the value of Company shares comes from non-performing assets, which are owned by the Company, but they are neither used for core activities of the Company, nor do they provide economic benefits to the Company. The most important non-performing assets owned by the Company are unused land plots (9 acres in total) at highly attractive locations:

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

Land plot, Villa Primorje: The Company owns approximately 2.5 acres of land near the Villa Primorje Hotel, of which only a smaller portion is used (approximately 10% of the total surface area). Apart from the existing physical plan, there is a possibility of building

a settlement of traditional Dalmatian villas at the unused portion of the plot. The unused part of the plot is in direct contact with a building site.

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

Land plot, Sv. Filip i Jakov: In December 2021, the Company bought a land plot with a surface area of 9,600 m² in Sv. Filip i Jakov in the crafts and services zone, within the area of the newly planned industrial zone, with the intention of building a central warehouse, distribution and service facility for the needs of the Company, which would include laundry service, central warehouse of assets, equipment and inventory, central warehouse of food and beverages, technical service workshops, storage of machines, dry berth, ancillary mobile storages, office space for the needs of the storage and distribution facility, as well as traffic and parking areas.

6.5 OTHER

Business monitoring and reporting on a daily, weekly and monthly basis

At the level of all sectors and the Company as a whole, a supervision, control and 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 and planned 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.

On a daily basis, the Company records and enters accounting and bookkeeping documentation in a timely manner, within 24 to 48 hours of its receipt at the latest. This ensures up-to-date and accurate daily reporting at the level of the Company and its sectors, which includes: a daily balance sheet at the Company level, trade receivables and trade payables, short-term liabilities, a income statement at the level of the Company and profit centres, reports on daily financial and physical turnover for all profit centres, sectors and at the Company level, reports on daily operating revenue and cumulative operating revenue for the period by profit centres and sectors, i.e. at the Company level and a series of operational daily reports. This method of reporting enables detailed planning and monitoring of the achievement of financial performance indicators and the Budget, both at the level of an individual profit centre and at the same time at the level of sectors and the Company as a whole. In addition to daily reports, the Company prepares various weekly and complete monthly financial and accounting statements, including the income statement for all sectors and profit centres of the Company, as well as the Company's balance sheet on the last day of the current month, and the cash flow for the current month, i.e. cumulatively from the beginning of the year to the end of the reporting period, which are elaborated in more detail and analytically structured, which enables efficient business management.

Also, in addition to accounting and financial statements on a daily, weekly and monthly basis, reports are prepared on the status of sales of accommodation capacities (hotel sector and camping), the status of sales of berths (na-

utical sector) and the status of DMC Ilirija Travel sales (accommodation and special events) with all key physical , market and financial data by profit centres (accommodation facilities) and at the level of the sector itself. In addition to its own reporting system, for many years the Company has also been implementing the USALI reporting system, an international reporting system for the tourism industry, as well as a system for daily management of prices, and consequently also of the accommodation units revenue in the hotel and camping sector.

Mergers and acquisitions

There were no mergers and acquisitions.

7 BUSINESS EXPECTATIONS IN 2025

In 2024, tourism was characterised by a complete recovery as an industry with the opening of tourist destinations at the global level, and consequently reaching tourist turnover from the period that preceded the health crisis despite inflation, the general increase in costs, geopolitical and climate instabilities.

In Europe, the world's most important tourist region, the demand growth trend continued in most of its key destinations, while some destinations experienced the phenomenon of overtourism to a much greater extent. In 2024, Croatian tourism followed global tourism trends in terms of the growth of physical and financial turnover, surpassing the results of 2019.

Based on the further expected growth of tourist demand at the global level and in 2025 based on the growth of interest in travel on the key markets of Croatian tourism, the growth of demand from distant markets relevant for the pre- and post-season and the expected economic recovery of the key tourist markets of the European Union, as a result of which the Company's 2025 business expectations are based on the fact that there are no limiting circumstances for the performance of year-round business activities across all sectors and profit centres and further sustainable growth of

tourist demand in the Company's tourism sectors, especially in the hotel and camping sectors, at the level of the entire business year with further strengthening of business activities in the pre- and post-season.

The main determinants of the 2025 Business Plan are aimed at:

- preservation of the Company's long-term economic viability and security
- preservation of the Company's stable financial position
- preservation of the Company's fixed assets and capital
- preservation of the Company's business operations and activities, and
- enhancing the Company's competitiveness, improving and developing products and services.

Also, the Company is aiming to ensure and carry out activities and actions in 2025 that are essential for maintaining the current status and operations, as follows:

- preservation and improvement of the achieved level of facility development and equipment mainly at the 4-star level to ensure market competitiveness,
- development of new products, services and content with the aim of increasing the competitiveness of the

Company and further developing its year-round business activities,

- ensuring the optimum number of employees for uninterrupted business activities and the quality of service in high season,
- preservation of the achieved financial position of employees corresponding to the average net salary in the Republic of Croatia in order to ensure the competitiveness of the Company on the labour market while facing a labour shortage,
- fulfilment of obligations towards Company's creditors, i.e. suppliers, payment of tax liabilities and contributions, as well as regular fulfilment of its liabilities towards the bank in respect of the principal of loans and interest.

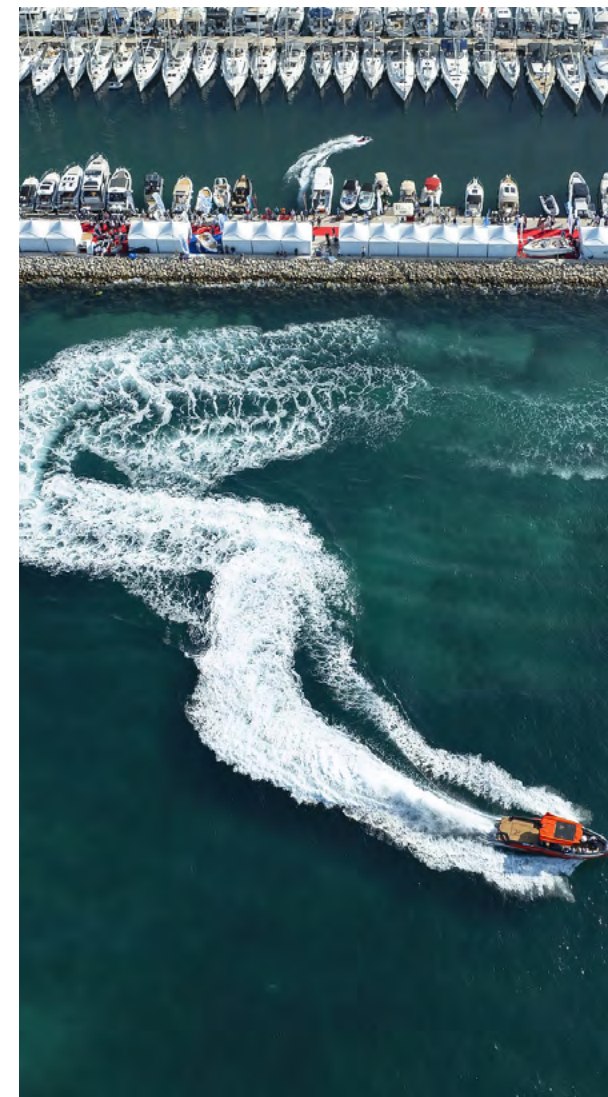
In addition to the above-mentioned determinants and preconditions, we believe that it is realistic for the Company to achieve the following business goals in 2025:

- a) increase in demand evidenced by the growth in terms of all key physical business performance indicators at the level of all sectors of the Company,
- b) increase in operating revenue at the level of all sectors and profit centres, i.e. at the level of the entire Company,

- c) generating EBITDA, or its share in the total revenue, in line with the tourism industry standards; and
- d) growth of other profitability indicators (profit, EBIT).

Furthermore, the Company is aware of the existence of objective and real limiting circumstances and challenges that could, to a certain extent, affect the realisation of the 2025 business expectations, including global geopolitical instability with consequences not only for European but also for the threat to world stability and security, as well as negative implications for the economy, impaired macroeconomic stability characterised by continued strong inflationary pressures, as well as a significant lack of labour in almost all economic sectors in the Republic of Croatia and a continuous increase in salary costs. All of the above can significantly affect the realisation of planned business expectations in 2025.

By achieving the stated business goals, and under the assumption of a year-round business activity in its full scope, i.e. at the level of all sectors and profit centres, as well as providing for the absence of limiting factors, we believe that the Company has ensured long-term economic sustainability and security, a stable financial position, fixed assets and capital, as well as ensured its business activity in 2025.



8 NOTES

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

Goran Ražnjević,
President of the Management Board

ILIRIJA dioničko društvo
za ugostiteljstvo i turizam
Biograd na Moru



BALANCE SHEET

Balance as at 30/06/2025

in EUR

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	56.802.315	57.821.835
I INTANGIBLE ASSETS (ADP 004 to 009)	003	59.416	77.054
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	59.416	77.054
II TANGIBLE ASSETS (ADP 011 to 019)	010	56.737.982	57.739.864
1 Land	011	5.894.095	6.278.079
2 Buildings	012	32.280.001	31.731.049
3 Plant and equipment	013	8.358.261	8.281.819
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	0	0
7 Tangible assets in preparation	017	389.534	1.752.888
8 Other tangible assets	018	0	0
9 Investment property	019	9.816.091	9.696.029
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	4.917	4.917
1 Investments in holdings (shares) of undertakings within the group	021	4.917	4.917
2 Investments in other securities of undertakings within the group	022	0	0
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	14.215.009	16.344.165
I INVENTORIES (ADP 039 to 045)	038	276.162	424.843
1 Raw materials and consumables	039	276.162	424.843

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	910.596	2.561.245
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	649.011	1.999.944
4 Receivables from employees and members of the undertaking	050	16.458	16.010
5 Receivables from government and other institutions	051	24.824	374.538
6 Other receivables	052	220.303	170.753
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	13.000.000	13.322.988
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	13.000.000	13.000.000
9 Other financial assets	062	0	322.988
IV CASH AT BANK AND IN HAND	063	28.251	35.089
D) PREPAID EXPENSES AND ACCRUED INCOME	064	538.912	525.013
E) TOTAL ASSETS (ADP 001+002+037+064)	065	71.556.236	74.691.013
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	54.693.348	54.796.389
I INITIAL (SUBSCRIBED) CAPITAL	068	30.420.000	30.420.000
II CAPITAL RESERVES	069	389.195	389.195
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	4.664.642	4.745.025
1 Legal reserves	071	3.195.698	3.195.698
2 Reserves for treasury shares	072	925.837	925.837
3 Treasury shares and holdings (deductible item)	073	-448.288	-367.905
4 Statutory reserves	074	0	0
5 Other reserves	075	991.395	991.395
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	15.643.437	17.298.771

1 Retained profit	084	15.643.437	17.298.771
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	3.576.074	1.943.398
1 Profit for the business year	087	3.576.074	1.943.398
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	154.108	154.108
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	154.108	154.108
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	0	0
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	10.156.776	10.398.877
1 Liabilities towards undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. to companies within the group	099	0	0
3 Liabilities towards companies linked by virtue of participating interest	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities towards banks and other financial institutions	103	10.156.776	10.398.877
7 Liabilities for advance payments	104	0	0
8 Liabilities towards suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	0	0
11 Deferred tax liability	108	0	0
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	6.161.373	8.560.843
1 Liabilities towards undertakings within the group	110	38.217	656
2 Liabilities for loans, deposits, etc. to companies within the group	111	0	0
3 Liabilities towards companies linked by virtue of participating interest	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities towards banks and other financial institutions	115	3.421.118	3.383.964
7 Liabilities for advance payments	116	57.251	46.938
8 Liabilities towards suppliers	117	1.600.491	2.297.086
9 Liabilities for securities	118	0	0
10 Liabilities towards employees	119	379.461	611.759
11 Taxes, contributions and similar liabilities	120	653.103	909.784
12 Liabilities arising from the share in the result	121	11.732	59.278
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	0	1.251.378
E) ACCRUALS AND DEFERRED INCOME	124	390.631	780.796
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	71.556.236	74.691.013
G) OFF-BALANCE SHEET ITEMS	126	0	0

STATEMENT OF PROFIT OR LOSS					
for the period 01/01/2025-30/06/2025					
Submitter: ILIRIJA d.d. BIOGRAD NA MORU					
Item	AOP 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	12.506.765	7.530.240	13.367.346	8.278.526
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	12.361.851	7.519.383	13.312.553	8.271.741
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	144.914	10.857	54.793	6.785
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	10.868.386	6.140.544	11.387.803	6.428.333
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	3.599.646	2.231.946	3.484.908	2.181.172
a) Costs of raw materials and consumables	010	1.597.736	1.115.722	1.685.768	1.219.515
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	2.001.910	1.116.224	1.799.140	961.657
3 Staff costs (ADP 014 to 016)	013	4.014.971	2.220.277	4.479.927	2.563.431
a) Net salaries and wages	014	2.427.890	1.344.096	2.688.683	1.539.270
b) Tax and contributions from salary costs	015	1.016.723	560.835	1.154.932	660.195
c) Contributions on salaries	016	570.358	315.346	636.312	363.966
4 Depreciation	017	1.619.643	809.821	1.612.204	806.102
5 Other costs	018	1.607.764	864.301	1.584.917	869.106
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	26.362	14.199	225.847	8.522
III FINANCIAL INCOME (ADP 031 to 040)	030	161.863	161.864	178.100	89.542
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	161.863	161.858	178.100	89.542
8 Exchange rate differences and other financial income	038	0	6	0	0
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	242.725	120.709	214.245	105.564
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	242.725	120.709	211.306	103.712
4 Exchange rate differences and other expenses	045	0	0	2.939	1.852
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	12.668.628	7.692.104	13.545.446	8.368.068
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	11.111.111	6.261.253	11.602.048	6.533.897
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	1.557.517	1.430.851	1.943.398	1.834.171
1 Pre-tax profit (ADP 053-054)	056	1.557.517	1.430.851	1.943.398	1.834.171
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	1.557.517	1.430.851	1.943.398	1.834.171
1 Profit for the period (ADP 055-059)	060	1.557.517	1.430.851	1.943.398	1.834.171
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	1.557.517	1.430.851	1.943.398	1.834.171
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	1.557.517	1.430.851	1.943.398	1.834.171
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 01/01/2025 to 30/06/2025			in EUR
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	1.557.517	1.943.398
2 Adjustments (ADP 003 to 010):	002	1.781.506	2.004.548
a) Depreciation	003	1.619.643	1.612.204
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	178.099
e) Interest expenses	007	161.863	214.245
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	3.339.023	3.947.946
3 Changes in the working capital (ADP 013 to 016)	012	630.412	-485.506
a) Increase or decrease in short-term liabilities	013	-320.353	-2.399.470
b) Increase or decrease in short-term receivables	014	1.313.570	1.650.649
c) Increase or decrease in inventories	015	-159.109	148.681
d) Other increase or decrease in working capital	016	-203.696	114.634
II Cash from operations (ADP 011+012)	017	3.969.435	3.462.440
4 Interest paid	018	-164.186	-105.564
5 Income tax paid	019	-536.839	-552.912
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	3.268.410	2.803.964
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	-1.141.689	-2.631.724
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-249.133	-55.724
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-1.390.822	-2.687.448
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-1.390.822	-2.687.448
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	600.000	1.950.000
4 Other cash receipts from financing activities	038	0	372.655
V Total cash receipts from financing activities (ADP 035 to 038)	039	600.000	2.322.655
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-787.381	-1.177.264
2 Cash payments for dividends	041	-848.569	-681.094
3 Cash payments for finance lease	042	-434.049	-573.975
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	-195.543	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	-2.265.542	-2.432.333
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-1.665.542	-109.678
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	212.046	6.838
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	25.417	28.251
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)	050	237.463	35.089

STATEMENT OF CASH FLOWS - Direct method			
for the period 01/01/2025 to 30/06/2025			in EUR
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 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 Cash payments to suppliers	005	0	0
6 Cash payments to employees	006	0	0
7 Cash payments for insurance premiums	007	0	0
8 Other cash receipts and payments	008	0	0
I Cash from operations (ADP 001 to 008)	009	0	0
9 Interest paid	010	0	0
10 Income tax paid	011	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 009 to 011)	012	0	0
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	013	0	0
2 Cash receipts from sales of financial instruments	014	0	0
3 Interest received	015	0	0
4 Dividends received	016	0	0
5 Cash receipts from repayment of loans and deposits	017	0	0
6 Other cash receipts from investment activities	018	0	0
II Total cash receipts from investment activities (ADP 013 to 018)	019	0	0
1 Cash payments for the purchase of fixed tangible and intangible assets	020	0	0
2 Cash payments for the acquisition of financial instruments	021	0	0
3 Cash payments for loans and deposits	022	0	0
4 Acquisition of a subsidiary, net of cash acquired	023	0	0
5 Other cash payments from investment activities	024	0	0
III Total cash payments from investment activities (ADP 020 to 024)	025	0	0
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 019 + 025)	026	0	0
Cash flow from financing activities			
Cash receipts from the increase of initial (subscribed) capital	027	0	0
2 Cash receipts from issue of equity financial instruments and debt financial instruments	028	0	0
3 Cash receipts from credit principals, loans and other borrowings	029	0	0
4 Other cash receipts from financing activities	030	0	0
IV Total cash receipts from financing activities (ADP 027 to 030)	031	0	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	032	0	0
2 Cash payments for dividends	033	0	0
3 Cash payments for finance lease	034	0	0
4 Cash payments for the redemption of treasury shares and decrease of initial (subscribed) capital	035	0	0
5 Other cash payments from financing activities	036	0	0

V Total cash payments from financing activities (ADP 032 to 036)	037	0	0
C) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 031 +037)	038	0	0
1 Unrealised exchange rate differences in cash and cash equivalents	039	0	0
D) NET INCREASE OR DECREASE OF CASH FLOWS (ADP 012+026+038+039)	040	0	0
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	041	0	0
F) CASH AND CASH EQUIVALENTS AT THE END OF PERIOD(ADP 040+041)	042	0	0

STATEMENT OF CHANGES IN EQUITY																				
for the period 01/01/2025 to 30/06/2025																			in EUR	
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 do 6 - 7 + 8 do 17)	19	20 (18+19)	
Previous period																				
1 Balance on the first day of the previous business year	01	30.420.000	389.195	3.195.698	925.837	137.207	0	991.395	0	0	0	0	0	0	17.329.349	0	53.114.267	0	53.114.267	
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	30.420.000	389.195	3.195.698	925.837	137.207	0	991.395	0	0	0	0	0	0	17.329.349	0	53.114.267	0	53.114.267	
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1.557.517	1.557.517	0	1.557.517	
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 Gains or losses on efficient cash flow hedging	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10 Gains or losses 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 interest	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12 Actuarial gains/losses on defined benefit plans	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	0	0	0	0	0	-1.685.911	0	-1.685.911	0	-1.685.911	
21 Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	0	0	0	0	0	0	0	1.593.619	0	1.593.619	0	1.593.619	
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	0	0	0	0	0	0	0	0	-1.593.619	0	-1.593.619	0	-1.593.619	
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	30.420.000	389.195	3.195.698	925.837	137.207	0	991.395	0	0	0	0	0	0	15.643.438	1.557.517	52.985.873	0	52.985.873	
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	1.557.517	1.557.517	0	1.557.517	
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	0	0	0	0	0	0	0	0	0	0	0	-1.685.911	0	-1.685.911	0	-1.685.911	

Current period																			
1 Balance on the first day of the current business year	28	30.420.000	389.195	3.195.698	925.837	448.288	0	991.395	0	0	0	0	0	0	19.219.511	0	54.693.348	0	54.693.348
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	30.420.000	389.195	3.195.698	925.837	448.288	0	991.395	0	0	0	0	0	0	19.219.511	0	54.693.348	0	54.693.348
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1.943.398	1.943.398	0	1.943.398
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 Gains or losses on efficient cash flow hedging	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Gains or losses 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 interest	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on defined remuneration plans	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	-80.383	0	0	0	0	0	0	0	0	0	0	80.383	0	80.383
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 Increase of initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	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	-1.920.740	0	-1.920.740	0	-1.920.740
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	0	1.655.334	0	1.655.334	0	1.655.334
22 Carryforward per annual plan	49	0	0	0	0	0	0	0	0	0	0	0	0	0	-1.655.334	0	-1.655.334	0	-1.655.334
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	30.420.000	389.195	3.195.698	925.837	367.905	0	991.395	0	0	0	0	0	0	17.298.771	1.943.398	54.796.389	0	54.796.389
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	-80.383	0	0	0	0	0	0	0	0	0	0	80.383	0	80.383
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 do 52)	53	0	0	0	0	-80.383	0	0	0	0	0	0	0	0	0	1.943.398	2.023.781	0	2.023.781
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	-1.920.740	0	-1.920.740	0	-1.920.740

NOTES TO THE FINANCIAL STATEMENTS – TFI-POD

(made for quarterly periods)

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

PIN: 05951496767

Reporting period: 01/01-30/06/2025**A. Notes on the Company's financial position:****Non-current assets**

The non-current asset value amounted to EUR 57,821,834.79, constituting an increase of EUR 1,019,520.06 compared to the value as at 31 December 2024, when it amounted to EUR 56,802,314.73. An amount of EUR 2,631,724.16 was invested in all sectors of the Company during the reporting period of 2025.

Current assets

The current asset value amounted to EUR 16,869,178.70 and increased by EUR 2,115,257.29 compared to the value as at 31 December 2024, when it amounted to EUR 14,753,921.41. The largest portion of the increase in current assets was achieved by cash inflows from customers.

Current liabilities

Current liabilities amounted to EUR 9,495,746.89, recording an increase of EUR 2,943,741.95 compared to the balance as at 31 December 2024, when they amounted to EUR 6,552,004.94.

Non-current liabilities

Non-current liabilities amounted to EUR 10,398,877.40, recording an increase of EUR 242,101.82 compared to the balance as at 31 December 2024, when they amounted to EUR 10,156,775.58.

Equity and reserves

Equity and reserves equalled EUR 54,796,389.20, representing an increase of EUR 103,040.74 compared to the balance as at 31 December 2024, when they amounted to EUR 54,693,348.46.

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

Total revenue generated as at 30 June 2025 amounted to EUR 13,545,446.49, representing an increase of 6.92% of the total revenue generated as at 30 June 2024, when it amounted to EUR 12,668,628.92.

Total expenses

Total expenses as at 30 June 2025 amounted to EUR 11,602,048.39, representing an increase of 4.42% of the total expenses as at 30 June 2024, when it amounted to EUR 11,111,111.48.

Operating profit

The operating profit generated as at 30 June 2025 amounted to EUR 3,591,747.06, constituting an increase of 10.24% of the operating profit generated as at 30 June 2024, when it amounted to EUR 3,258,021.34.

B. The last revised annual statements of the Company are available on the website of ILIRIJA d.d. <https://ilirijabiograd.com/izvjesca-o-poslovanju>, Zagreb Stock Exchange (Zagrebačka burza d.d.) and the Croatian Financial Services Supervisory Agency within the framework of the central storage of regulated information.

C. Statement on the application of the same accounting policies during the preparation of the statement as at 30 June 2025 and the last revised annual statement as at 31 December 2024.

D. In the observed reporting period of 2025 operating revenue in the amount of EUR 13,367,346.34 was generated, which constitutes a 6.88% increase compared to the same period of the previous year, when it amounted to EUR 12,506,765.55. The Company's business activities are seasonal. The Company generates most of its revenue in summer. The Company generates revenue in the hotel, nautical, camping and real-estate sectors and the destination management company DMC Ilirija Travel. The hotel sector generates most of its revenue in summer.

In the observed reporting period of 2025, the hotel sector generated revenue in the amount of EUR 3,194,579.31, which constitutes an increase of EUR 383,207.18, or 13.63% compared to the same period of the previous year, when it amounted to EUR 2,811,372.13.

In the observed reporting period of 2025, the nautical sector generated revenue in the amount of EUR 5,291,850.22, constituting an increase of EUR 306,129.49, or 6.14% compared to the same period of 2024, when it amounted to EUR 4,985,720.73. The majority of the revenue was generated by annual berth fees.

In the observed reporting period of 2025, the camping sector generated revenue in the amount of EUR 3,172,200.55, constituting an increase of EUR 296,906.71, or 10.33% compared to the same period of the previous year, when it amounted to EUR 2,875,293.84. The most significant revenue was generated from mobile homes, fixed lease of camping pitches and plots.

In the observed reporting period of 2025, revenue from the real estate sector, i.e. the City Galleria Business and Shopping Centre amounted to EUR 1,080,390.81, representing an increase of EUR 49,358.17 or 4.79% compared to the same period of the previous year, when it amounted to EUR 1,031,032.64.

In the reporting period observed, i.e. as at 30 June 2025, the Company did not receive any grants.

As at 30 June 2025, the operating costs amounted to EUR 9,775,599.28, recording an increase of EUR 526,855.07, or 5.70% compared to the same period of 2024, when they amounted to EUR 9,248,744.21. Financial expenses in the reporting period amounted to EUR 214,244.91, and they have decreased by 11.73% compared to the same period of the previous year, when they amounted to EUR 242,724.57. The depreciation charge for the reporting period of 2025 amounted to EUR 1,612,204.20, which is a 0.46% decrease compared to the same period of 2024, when it amounted to EUR 1,619,642.70.

Total expenses amounted to EUR 11,602,048.39, recording an increase of 4.42% compared to the same period of the previous year, when they amounted to EUR 11,111,111.48. Operating profit, i.e. profit from business activities, for the reporting period of 2025 amounted to EUR 3,591,747.06, which is an increase of 10.24% compared to the same period of the previous year, when it amounted to EUR 3,258,021.34. EBITDA, i.e. earnings before depreciation, interest and taxes, was generated in the

amount EUR 3,769,847.21, and showed a 10.23% increase compared to the same period of the previous year. EBIT, i.e. earnings before financing expenses, was generated in the amount of EUR 2,157,643.01, recording an increase of EUR 357,401.00, or 19.85% compared to the same period of the previous year. In the observed period, profit in the amount of EUR 1,943,398.10 was realised, constituting an increase of EUR 385,880.66, or 24.78% compared to the same period of the previous year.

Additional clarifications of individual items can be found in the Company comments, which comprise an integral part of the statement as at 30 June 2025.

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 the Company and is not used.

Point 4 The majority of the revenue was generated on the domestic market in the amount of EUR 11,659,219.46 and the foreign market in the amount of EUR 1,653,333.90, while other revenue was generated in the amount of EUR 54,792.98. Operating revenues were generated as follows; the hotel sector EUR 3,194,579.31, the nautical sector EUR 5,291,850.22, the camping sector EUR 3,172,200.55, City Galleria EUR 1,080,390.81. Revenue from other activities, i.e. profit centres, including Ilirija Travel, and hospitality, has been realised in the amount of EUR 628,325.45. Total expenses amounted to EUR 11,602,048.39. Operating expenses amounted to EUR 9,775,599.28. Most of them were incurred in connection to the cost of raw material, other materials and energy, accounting for EUR 1,685,768.45; outsourcing costs, accounting for EUR 1,799,139.89; other operating costs, accounting for EUR 1,810,764.38, and staff costs, accounting for EUR 4,479,926.56.

Point 5 Long-term loans which will become due in the period from 2026 to 2034 amount to EUR 8,536,188.51. Securing payment of mortgages on property.

Point 6 Average number of employees in the period from 01/01/2025 – 30/06/2025 was 351.

Point 7 The employee cost presented in the income statement amounted to EUR 4,479,926.56 (net salary being EUR 2,688,682.52, contributions from salaries being EUR 757,594.65, the salary tax and surtax being EUR 397,337.26, and the contributions to salaries being EUR 636,312.13). Due to the restrictions of the form, which does not include Other Employee Costs, e.g. travel expenses, severance pay, etc., this amount is supplemented by said costs of EUR 166,429.46, which brings the total employee cost to EUR 4,646,356.02. The Company does not capitalise the salary costs.

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

Point 10 The share capital of the Company amounted to EUR 30,420,000.00 as at 30 June 2025, and it is divided into 2,413,488 no-par-value ordinary shares.

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

STATEMENTS BY THE COMPANY REPRESENTATION

ILIRIJA d.d.

BIOGRAD NA MORU

Biograd na Moru, 19/07/2025

Statement made by the persons responsible for the preparation of the financial statements for the period from 01/01/2025–30/06/2025

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 - June of 2025 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 30/06/2025, 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 30/06/2025.

Financial statements for the period from 01/1/2025 - 30/06/2025 are unaudited.

Accounting Manager:

Zorka Strpić



ILIRIJA dioničko društvo
za ugostiteljstvo i turizam
Biograd na Moru

Management Board:

Goran Ražnjević





Ražnjevića Dvori

City Galleria

Arsenal Zadar

Vila Donat

Vila Primorje

Event Ship Nada

Marina
Kornati

Restaurant
Marina Kornati

Ilirija
Travel

Hotel
Kornati

Hotel
Ilirija

Hotel
Adriatic

Hotel
Marina

Beach Club
Ilirija

Tennis
Center

Restaurant
Park Soline

Camp
"Park Soline"

ILIRIJA D.D.

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