



 *Ilinija d.d.*

ANNUAL REPORT FOR THE YEAR 2024

Biograd na Moru, February 2025

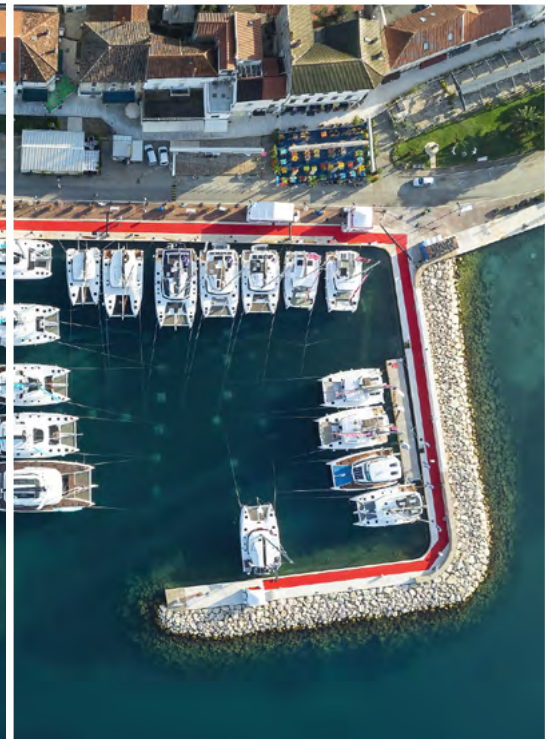
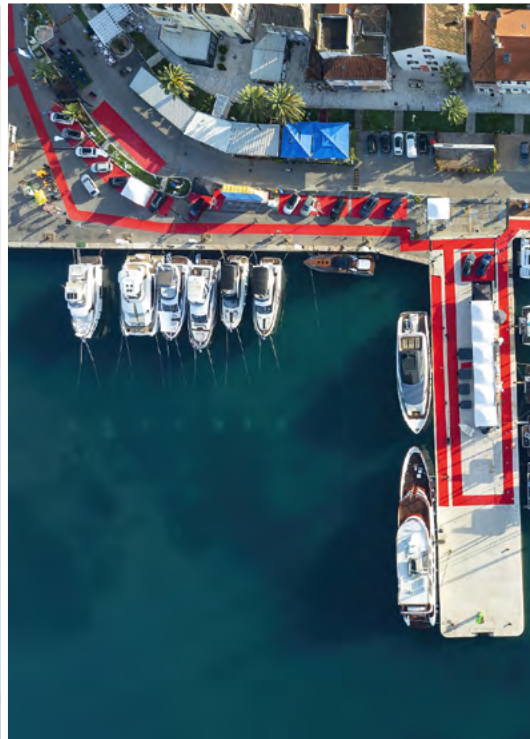


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INTRODUCTION BY THE PRESIDENT OF THE MANAGEMENT BOARD



Goran Ražnjević, President of the Management Board

Dear shareholders,

This 2024 business year also saw continued business growth, achieving the best results to date at the level of all sectors individually and at the Company level. The achieved results stem from the growth of business activities in the tourism sectors expressed through the growth of key physical indicators, followed by the growth of revenue and profitability that were simultaneously accompanied by the growth of the results of the real estate sector, as a result of which the Company achieved the best results in terms of revenue, total and business, while at the same time further strengthening the capital and balance sheet position, reducing total liabilities and having the lowest net debt to date. Taking into account that the business year took place in an extremely unfavourable global macroeconomic and geopolitical environment with persistent and accelerating inflation, increasing geopolitical instability, the slow recovery of leading European economies, which are also the key outbound markets for Croatian tourism, the recovery of competitive tourist destinations in the Mediterranean with a continued pronounced lack of qualified labour, the achieved growth in key business indicators, some of which are the best thus far, significantly contributed to strengthening the Compa-

ny's financial stability and resilience, further competitiveness and its economic viability.

The business year was marked by the strengthening of the year-round business with the growth of business activities in the pre- and post-season, mostly realised by the Ilirija Travel destination management company with a strong increase in revenue at a rate of 43%, while other sectors also recorded growth, i.e. the hotel sector revenue increased by 9%, the nautical sector revenue increased at a rate of 9%, the real-estate sector revenue increased by 5%, while the camping sector achieved an increase of revenue at a rate of 3%. The increase in sector revenue resulted in an increase in total and operating revenue at the Company level, with total revenue in the amount of EUR 30,685,992.57, representing an 8.48% increase, while operating revenue amounted to EUR 30,351,531.83, representing an 8.21% increase compared to the previous year.

The Company recorded growth in key business profitability indicators (EBITDA, EBIT, operating profit, profit before tax and net profit) compared to the previous business year, while some profitability indicators are the best to date. EBITDA was realised in the amount of EUR 8,120,672.86, representing a 4.17% increase

compared to the previous year when it amounted to EUR 7,795,816.56, while EBIT amounted to EUR 4,896,264.66, recording a 7.46% increase compared to EUR 4,556,531.43 realised in the previous year. Operating profit was realised in the amount of EUR 7,786,212.12, constituting an increase of 3.03% compared to the previous year, when it amounted to EUR 7,556,885.16. Profit before tax was realised in the amount of EUR 4,434,043.96 at a growth rate of 8.93% compared to EUR 4,070,417.58 achieved in the previous year, while net profit amounted to EUR 3,576,074.33, constituting a 9.05% increase compared to the previous year when it amounted to EUR 3,279,530.22.

The Company's business results further strengthened its capital position, expressed through the growth of capital, which in the reporting period amounted to EUR 54,693,348.46, constituting a 2.97% increase generated by the growth of net profit from the current period and profit from previous years. At the same time, total liabilities in the reporting period amounted to EUR 16,862,887.68, recording an 8.58% decrease. Furthermore, net debt amounted to EUR 539,116.87, recording an 83.13% decrease, which means that the Company continued to reduce its liabilities in 2024, especially with regard to net debt, which was the lowest to date,

with an increase in the self-financing rate, i.e. further strengthening the overall capital, financial and balance sheet position.

We are especially proud to have continued our efforts aimed at balancing the rights and interests of our key stakeholders, particularly our shareholders and employees thorough dividend distribution and the improvement of the employees' material rights. At the same time, we have settled our obligations towards Company creditors, i.e. suppliers, as well as our tax and contribution obligations. We have also continued to settle in a timely manner our obligations towards our business bank in respect of the principal of loans, i.e. due interest rates. The Company paid a dividend in the amount of EUR 1,685,911.50, or EUR 0.70 per share, representing a 27% increase compared to the previous year, while salary costs increased by 11% due to the growth of the average net salary and the growth of the average net hourly wage, actively implementing the Company's fundamental principles in the area of personnel policy with the aim of creating a competitive employer on the labour market that shows systematic care about the material position of its employees.

Dear shareholders, in the circumstances in which business was conducted in 2024, the Company achieved

growth in business activities at the level of all sectors, growth in key physical and financial indicators, achieving satisfactory profitability, strengthening the balance sheet and capital position, competitiveness and stability of operations, i.e. had another successful business year.

Goran Ražnjević, President of
the Management Board



OVERVIEW OF KEY PERFORMANCE INDICATORS IN 2024

30.7M

TOTAL
REVENUE (EUR)
+8.48%

16.9M

TOTAL
LIABILITIES (EUR)
-8.58%

4.4M

PROFIT BEFORE
TAX (EUR)
+8.93%

3.6M

NET PROFIT
(EUR)
+9.05%

8.1M

EBITDA
(EUR)
+4.17%

54.7M

CAPITAL
(EUR)
+2.97%

0.54M

NET DEBT
(EUR)
-83.13%

72.4M

MARKET
CAPITALISATION
(EUR)
+16.28%

27.66€

AVERAGE
SHARE PRICE
+11.40%

OVERVIEW OF KEY PERFORMANCE INDICATORS IN 2024

(in EUR)	2024	2023	Index 2024/2023
Financial indicators			
Total revenues	30,685,992.57	28,286,740.07	108.48
Operating revenues	30,351,531.83	28,047,808.67	108.21
Hotel sector	9,797,346.04	9,021,921.78	108.59
Nautics	9,117,404.47	8,383,126.66	108.76
Camping	7,728,416.08	7,485,683.10	103.24
Ilirija Travel	1,518,117.98	1,059,999.02	143.22
Real-estate	2,159,072.06	2,056,050.86	105.01
Revenues from other profit centers	31,175.20	41,027.25	75.99
Revenues from sales	30,022,421.49	27,848,262.58	107.81
EBITDA	8,120,672.86	7,795,816.56	104.17
EBITDA margin	26.76%	27.79%	96.26
Adjusted EBITDA	8,426,874.52	8,248,456.98	102.16
Adjusted EBITDA margin	27.76%	29.41%	94.41
EBIT	4,896,264.66	4,556,531.43	107.46
Adjusted EBIT	5,202,466.32	5,009,171.85	103.86
Earnings before taxes	4,434,043.96	4,070,417.58	108.93
Profit	3,576,074.33	3,279,530.22	109.04
Profit margin	11.78%	11.69%	100.77

(in EUR)	31/12/2024	31/12/2023	Index 2024/2023
Balance sheet indicators			
Net debt	539,116.87	3,195,369.06	16.87
Net debt / EBITDA	0.07	0.41	16.20
Net debt /Adjusted EBITDA	0.06	0.39	16.51
Interest coverage	9.88	8.38	117.90
Capital investments	1,593,127.52	3,230,079.01	49.32
ROE	6.54%	6.18%	105.83
ROA	5.00%	4.59%	108.93
Adjusted ROCE	8.93%	8.91%	100.22

(in EUR)	31/12/2024	31/12/2023	Index 2024/2023
Indicators of the financial position			
Value of assets	71,556,236.14	71,560,190.12	99.99
Capital	54,693,348.46	53,114,266.63	102.97
Total liabilities	16,862,887.68	18,445,923.49	91.42

(in EUR)	2024	2023	Index 2024/2023
Achievements on the capital market			
Market capitalization	72,404,640.00	62,267,990.40	116.28
EV	72,943,756.87	59,072,621.34	123.48
EV / EBITDA	8.98	7.58	118.54
EV / Adjusted EBITDA	8.66	7.16	120.87
P / E	20.12	18.84	106.79
EPS	1.49	1.37	108.76
DPS	0.7	0.55	127.27

*Indicated by the methodology of calculation according to last share price multiplied with number of share.

Physical indicators	2024	2023	Index 2024/2023
Hotel sector			
Number of accommodation units	435	435	100.00
Overnight stays of tourists	126,130	118,680	106.28
Occupancy days	140	135	103.70
Annual occupancy	38.35%	36.95%	103.79
Nautics			
Number of berths	805	805	100.00
Contracted vessel	754	747	100.94
Transith berthY overnight stays of vessels	7,179	8,127	88.34
Transith berthY inbound sail of vessels	2,816	3,094	91.01
Port service - number of operations	4,000	3,817	104.79
Days of work	365	365	100.00
Camping			
Number of accommodation units	1,130	1,130	100.00
Days od work	198	198	100.00
Occupancy days	116.24	120.62	96.37
Mobile homes	87.76	89.35	98.22
Individuals	48.40	56.75	85.29
Fixed lease	198.00	198.00	100.00
Lump sum	198.00	198.00	100.00
Occupancy	58.71%	60.92%	96.37
Mobile homes	44.33%	45.13%	98.23
Individuals	24.44%	28.66%	85.28
Fixed lease	100.00%	100.00%	100.00
Lump sum	100.00%	100.00%	100.00
Overnight stays of tourists	321,016	329,010	97.57

Physical indicators	2024	2023	Index 2024/2023
Ilirija Travel			
Number of events	295	234	126.07
Number of participants (events)	40,424	30,560	132.28
Real-estate sector			
Number of leesses	36	35	102.86
Common expenses	34	33	103.03
Common areas	24	26	92.31
Advertising space	8	8	100.00
Garage - number of parking spaces	410	410	100.00
Rented area (m ²)	9,445.32	9,445.32	100.00
Number of vehicle in garage	734,990	729,225	100.79



KEY INFORMATION FOR 2024

1 In the business year 2024, the Company realised the growth of key performance indicators, financial and profitability, recording the best business year to date both at the level of the Company and across all sectors, especially in terms of generated operating revenue. Furthermore, the generated total revenue, which grew at a rate higher than the growth of operating expenses, additionally strengthened the profitability of the business in its key indicators (operating profit, profit before tax, net profit, EBITDA and EBIT), which contributed to the strengthening of the financial and capital position of the Company, further strengthened the balance sheet position, influenced the reduction of total liabilities and net debt with further growth of self-financing.

Due to the operating results recorded, the continuous growth of key performance indicators continued in 2024, which is primarily the result of the growth of operating revenue across all sectors. A bold move in 2024 was made in the development of business activities in the pre- and post-season, especially in the destination management company Ilirija Travel, involving the organisation of a number of events, and in the hotel sector, which contributed to the further strengthening of the year-round operation of the Company's tourism sector. Furthermore, the nautical sector with the con-

tinuous growth of operating revenue, especially in the segment of contracted berths of vessels at Marina Korlati and the nautical fair, followed by the growth of business activities in other sectors of real estate and the camping sector, ultimately resulted in the best achievements of the Company to date in terms of revenue and the growth of all key indicators of business profitability.

Taking into account the circumstances of the business year, primarily the macroeconomic environment characterised by continued strong inflationary pressures on the growth of prices of goods and services not only in the Republic of Croatia but also in the EU Member States, the significant increase in labour costs as a result of the increase in salaries and other labour costs, as well as the lack of qualified workers on the domestic market, market circumstances such as the strong recovery of tourist destinations in the Mediterranean and geopolitical circumstances characterised by global political, security and economic instability and uncertainty, and despite such conditions we were able to ensure continuous growth of business activities, and achieve the best operating revenue to date, profitability growth, strengthen the Company's financial and capital position, i.e. ensure

the Company's stability and strengthen competitiveness by further improvement of quality and service standards.

2 The Company's total revenue amounted to EUR 30,685,992.57, which compared to the previous business year, when it amounted to EUR 28,286,740.07, represents an increase of 8.48% generated by the growth of operating and financial revenue.

Operating revenue in the reporting period amounted to EUR 30,351,531.83, which is an increase of 8.21% compared to the previous business year, when it amounted to EUR 28,047,808.67, and this is due to income growth across all sectors of the Company, that is, the sectors realised the highest revenue to date, of which revenue of the destination management company Ilirija Travel grew at the highest rate by 43%, hotel sector revenue increased by 9%, the nautical sector revenue increased by 9%, the real estate sector revenue by 5% and camping sector revenue by 3%. The achieved growth of operating revenue across all sectors is the result of the growth of business activities reflected in the growth of key performance indicators including arrivals and overnight stays, the number of events, the number of vessels at contracted berth, the growth of ADR and RevPAR, the number of lease agree-

ments and the average lease per m².

In the reporting period, the destination management company achieved the highest operating revenue growth rate of 43%, that is, it realised EUR 1,518,117.98 in operating revenue compared to EUR 1,059,999.02 realised in 2023 due to the increase in the number of events and the number of participants organised mainly in the pre- and post-season, which resulted in the extension of the tourist season and further strengthening of the Company's year-round business activities through the destination management company system as a complementary and integrated product of all tourism sectors of the Company.

In 2024, the nautical sector recorded the best operating revenue in the amount of EUR 9,117,404.47, and compared to the previous business year, when it amounted to EUR 8,383,126.66, this represents a growth of 9%. The growth in the nautical sector revenue is the result of an 8% increase in revenue in the profit centre of Marina Kornati due to the growth of the key indicator of the number of vessels at contracted berth, i.e. revenue generated by contracted berths, which grew by 7% and make up 74% of the marina's revenue. Furthermore, the nautical fair recorded a strong double-digit revenue growth of 23% compared to 2023, which significantly contributed not only to the growth of the nautical sector's revenue, but

also to its best achievements to date.

The hotel sector's operating revenue amounted EUR 9,797,346.04, which compared to EUR 9,021,921.78 in revenue generated in 2023, represents a growth of 9% as a result of an increase in arrivals by 14% and overnight stays by 6%, with a special emphasis on increasing business activities in the pre-season and post-season period, i.e. year-round business activities, with an increase in ADR by 6%, RevPAR based on availability days by 9% and RevPAR based on the total number of days in the period by 10%.

In 2024, the real estate sector, i.e. the City Galleria Business and Shopping Centre, realised EUR 2,159,072.06 in operating revenue, which was a growth of 5% compared to last year's revenue of EUR 2,056,050.86. Revenue grew in terms of key operating items, primarily revenue from commercial premises lease, revenue from common costs, garage and lease of commercial premises in Phase 1 of the centre while maintaining a high level of occupancy of the centre at the level of 99.76% of all capacities and an increase in the average monthly rent per m² of commercial premises (AMR) by 7%.

The operating revenue of the camping sector in the reporting period amounted to EUR 7,728,416.08 and grew by 3% compared to the EUR 7,485,683.10 real-

ised in the previous business year, generated by a 5% growth in revenue in the accommodation segment, i.e. the "Park Soline" campsite, and it is the result of a growth in revenue from the mobile home market segment by 7% and from lump sum guests by 16% with a simultaneous increase in ADR by 9%. growth of RevPAR based on availability days by 6% and RevPAR based on the total number of days in the period by 5%.

3 In 2024, total expenses amounted to EUR 26,251,948.61, and compared to 2023, when they amounted to EUR 24,216,322.49, they increased by 8.41%, i.e. EUR 2,035,626.12, due to an increase in operating expenses.

Operating expenses amounted to EUR 22,565,319.71 and increased by 10.12% or by EUR 2,074,396.20 compared to the previous business year, when they amounted to EUR 20,490,923.51, and were generated by the growth in outsourced service costs by 17%, salary costs by 11%, other costs by 10% and raw material, material and energy costs by 2%, of which we would like to single out the following expenses, which in absolute terms contributed mostly to the growth of operating expenses:

I the cost of labour, which in the reporting period increased by 11% or EUR 870,685.12 as a result of the increase in the material rights of employees, the earlier start or retention of seasonal employees in employment due to the greater volume of business activities in the pre- and post-season, and ultimately the development of the average net salary at the level of the average net salary in the Republic of Croatia, which is also the Company's main objective in terms of the material rights of employees.

II the increase in costs related to various types of lease fees, which are higher by EUR 310,319.39 or by 33% mostly as a result of higher allocations for the accommodation of seasonal employees and payment of fees for the lease of the campsite tourist land based on the Act on Unvalued Construction Land and the Ordinance on the Arrangement of Leases on Parts of the Campsites Owned by the Republic of Croatia.

III increase in costs of building and equipment maintenance service which increased by 23% or EUR 230,661.79, with the aim of improving the quality and standards of the service and maintaining the achieved level of competitiveness and minimum categorisation of facilities at 4-star rating level.

IV increase in other costs which increased by 10% or EUR 433,387.27 as a result of the increase in costs from non-production services, primarily the entertainment programme costs due to the strengthening of business activities through the destination management company Ilirija Travel and ensuring year-round business activities. Furthermore, other costs grew on the basis of various employment benefits, which increased by 6%.

V increase in the cost of raw materials and materials in the food and beverage segment, which increased by 11%, i.e. EUR 197,557.00, partly as a result of the increase in the number of higher-value special events with food and beverage services organised by the destination management company Ilirija Travel, an increase in the cost of food and beverages in the accommodation with board services due to the increase in the number of guests, and to a lesser extent as a result of the increase in the purchase price of food and beverages.

4 In 2024, the Company achieved growth in all key profitability indicators (operating profit, profit before tax, net profit, EBITDA and EBIT), i.e. some indicators show the best profitability to date. Furthermore, the

Company considers the achieved profitability of the business and its further growth across all indicators to be appropriate, taking into account the macroeconomic circumstances of the business year, the still present inflationary pressures, the continuous growth of labour costs and labour-related costs, the growth of service prices, and especially the slow growth of the economy in the key European markets for Croatian tourism. Also, profitability growth is primarily the result of the increased business activities across all sectors and, at the same time, the management of operating expenses, which grew at lower rates compared to the growth rate of total revenue.

EBITDA amounts to EUR 8,120,672.86 and in the reporting period it increased by 4.17% or EUR 324,856.30 compared to the previous business year when it amounted to EUR 7,795,816.56.

EBIT amounted to EUR 4,896,264.66, constituting an increase of 7.46% or EUR 339,733.23 compared to the previous business year, when it amounted to EUR 4,556,531.43.

Operating profit was generated in the amount of EUR 7,786,212.12 and was 3.03% or EUR 229,326.96 higher compared to the previous year, when it amounted to

EUR 7,556,885.16.

Profit before tax amounted to EUR 4,434,043.96 and was 8.93% or EUR 363,626.38 higher compared to the previous year when it amounted to EUR 4,070,417.58.

Net profit in the reporting period amounted to EUR 3,576,074.33, and compared to the previous business year, when it amounted to EUR 3,279,530.22, it increased by 9.05%, i.e. EUR 296,544.11.

5 Capital and reserves in the reporting period amounted to EUR 54,693,348.46 and compared to 2023, when they amounted to EUR 53,114,266.63, they increased by EUR 1,579,081.83, i.e. 2.97%, due to the increase in retained profit by 11.34% and the increase in net profit by 9.05%.

6 Total liabilities amounted to EUR 16,862,887.68, and compared to the previous business year, when they amounted to EUR 18,445,923.49, they decreased by 8.58%, i.e. EUR 1,583,035.81, due to the decrease in long-term liabilities, i.e. long-term loan liabilities and financial leasing.

7 In 2024, the Company continued to reduce its net debt, including short-term and long-term liabilities

towards banks, minus cash in hand and deposits, so that the Company's net debt as at 31/12/2024 for the year amounted to EUR 539,116.87, which is a decrease by 83.13% or EUR 2,656,252.19 compared to the net debt of EUR 3,195,369.06 from the previous year. By continuing to reduce net debt in 2024, the Company strengthened its financial and balance sheet position, contributing to further strengthening of financial stability and liquidity. In simple terms: a Company is without debt.

8 Own source of funds (capital and reserves) as at 31/12/2024 made up 76.43% of total assets, which compared to the previous business year, when the own source of funds made up 74.22% of the share, represents an increase by 2.21 percentage points. The growth of own sources of funds also means a decrease in the share from other sources of financing, which amounted to 23.57% in the reporting period. Based on the further growth of own sources of financing generated by the growth of profit from previous years and the net profit of the current period, the Company continued to strengthen its balance sheet position by strengthening of capital, reserves and profit, the reducing total liabilities and net debt, i.e. by overall strengthening of financial stability and

financial position.

9 In the reporting period, 17,770 ILRA shares were traded, which resulted in a turnover of EUR 490,355.00, i.e. 2.33% more compared to the previous year, when it amounted to EUR 479,167.00.

10 The average share price amounted to EUR 27.66, representing an increase of 11.40% compared to the previous business year, when the average share price amounted to EUR 24.83. The last price of the share in the reporting period amounted to EUR 30.00, increasing by 16.28%, which in turn means the proportional increase in market capitalisation, expressed as the product of the number of shares and the last price achieved, i.e. it amounted to EUR 72,404,640.00, i.e. EUR 10,136,649.60 more compared to 2023, when it amounted to EUR 62,267,990.40.

11 In 2024, the Company acquired 10,450 own shares based on the authorisation of the General Assembly issued on 26 February 2019, i.e. the Resolution on granting the Company's Management Board the authority to acquire own shares, adopted at the General Assembly on 26 April 2024. Following the aforementioned acquisition, as at 31/12/2024 the Compa-

ny holds 15,493 own shares, constituting 0.64% of the share capital.

12 The General Assembly of the Company, held on 26 April 2024, took note of the Company's Annual Report for 2023 together with the Audit Report for 2023, Report of the Supervisory Board on the Performed Supervision of the Company's Operations for 2023, and the Management Board's Report on the Acquisition of Own Shares in 2023. The General Assembly adopted the Decision on the Approval of the 2023 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 2023, Decision on Granting Discharge to the Members of the Supervisory Board for the financial year 2023, Decision on Granting Authority to the Management Board for the Acquisition of Own Shares, Decision on Confirmation of the Previously Approved Policy on the Income of the Management Board Members and the Decision on the Appointment of the authorised auditing company "UHY RUDAN d.o.o.", Ilica 213, Zagreb, PIN: 717995390000 for 2024.

Also, the Decision on the Use of Company Profit for the 2023 Financial Year was adopted at the General Assembly, according to which the achieved net profit in

the 2023 financial year (after tax) in the amount of EUR 3,279,530.22, is distributed as follows:

- EUR 1,593,618.72 into the retained profit, and
- EUR 1,685,911.50 for dividend distribution.

The dividend per share amounts to EUR 0.70.

13 Pursuant to the Decision of the General Assembly on the Use of Profit, the Company paid to the shareholders a dividend in the total amount of EUR 1,685,911.50, i.e. EUR 0.70 per share. The amount of the dividend paid in 2024 was 27%, i.e. EUR 362,203.40 higher compared to the dividend paid in 2023, which amounted to EUR 1,323,708.10, and it amounted to a dividend yield of 2.7%.

14 At the meeting held on 16 September 2024, in order to harmonise the term of office of its members, the Supervisory Board adopted a decision on the recall and re-election of all members of the Supervisory Board and established a proposal for a call with an agenda for convening an extraordinary General Assembly of the Company, which was convened for 25 October 2024.

On 25 October 2024, an extraordinary General Assembly of Ilirija d.d. was held, at which, in order to harmonise the Supervisory Board members' term of office,

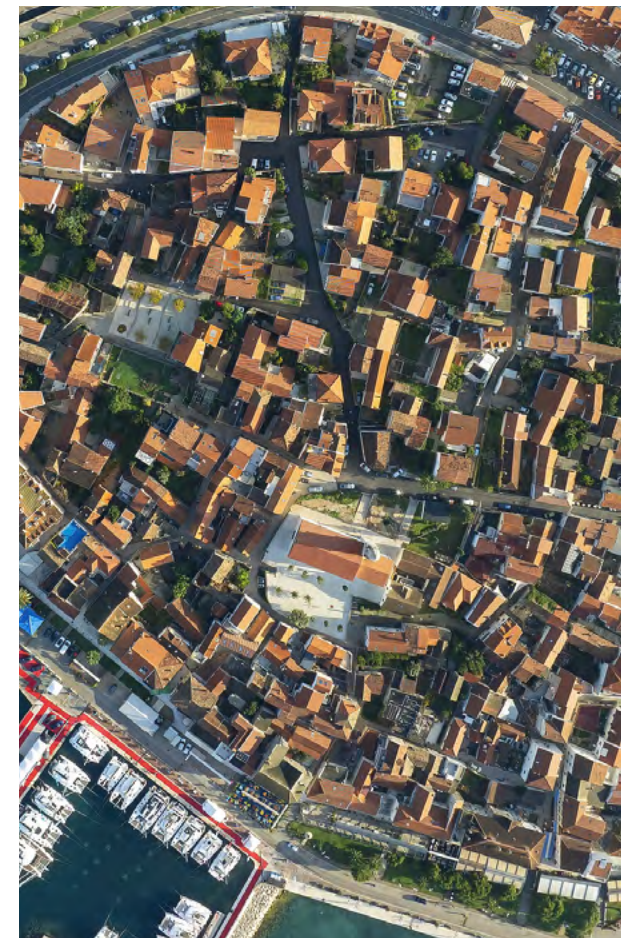
a resolution was adopted to recall and re-elect the existing members of the Supervisory Board. Elected members of the Supervisory Board of Ilirija d.d. are as follows: Mr Goran Medić, Mr David Anthony Tudorović, Mr Davor Tudorović, Mr Siniša Petrović and Mr Darko Prebežac. The term of office of the newly elected members of the Supervisory Board of the Company shall be 4 (four) years.

At the constituent meeting of the Supervisory Board of Ilirija d.d. held on 25 October 2024, Mr Goran Medić was elected as the Chairman of the Supervisory Board, and Mr David Anthony Tudorović was elected as the Deputy Chairman of the Board, David Anthony Tudorović.

15 Investments in the reporting period amounted to EUR 1,593,127.52 and mostly referred to the camping sector, the destination management company Ilirija Travel, the hotel sector and the real estate sector, with the aim of further improving the quality and standard of service.

The investments into the camping sector include investments in the reconstruction of the internal roads in the third zone, the reconstruction and installation

of additional LED lighting within the entire campsite, the development of special locations for waste disposal, additional investments in improving the quality of campsite accommodation and further landscaping work in the campsite up to the level of a campsite-park. In the destination management company, the investments were related to the improvement of the quality of the existing service and content, as well as the increase of catering capacities for the purpose of further development of the year-round offer. Furthermore, with regard to the hotel sector, investments were made in the redecoration and additional furnishment of the restaurant of Hotel Kornati****, as well as in the improvement of the quality of accommodation in Hotel Ilirija **** and Hotel Adriatic***. In the real estate sector, i.e. the City Galleria Business and Shopping Centre, the investments were related to the relocation and adaptation of public sanitary facilities on the second floor of the Centre and the complete refurbishment and adaptation of the main communication corridor.



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 **67 years**. The business operations of ILIRIJA d.d. is based on the principles of corporate social responsibility as an integral part its corporate values.

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

****, diffuse hotel Ražnjevića dvori AD 1307, event boat “Nada”), **sports-recreational and entertainment center** (Tennis center Ilirija with 20 tennis courts and Aquatic center with hospitality facilities), and since the month of December 2016, the Company’s portfolio includes the **Commercial-Shopping Center City Galleria** in Zadar with more than 28.500m² gross area in total six floors and total 9.445,32m² 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 - 2024 | During this period, i.e. as at 31 December 2024, the Company invested EUR 92,762,435.31 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 182,869,201.93.

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

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

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

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

Year 2014 | The market was presented the event ship "Nada" a floating convention center with multifunctional

purposes 36m in length and a capacity to accommodate 180 persons.

Year 2014 | As a part of the Company's business system, the first Croatian diffuse hotel Ražnjevića dvori AD 1307 was opened.

Year 2015 | Renovated Villa Primorje****, built in the second half of the 19th century, luxuriously decorated and equipped in line with the latest standards for facilities of its kind and category, has its own restaurant that offers the possibility of organizing a number of events.

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

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

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

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

ny 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 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 Ilirija d.d. accounting for 3.97% of its share capital.



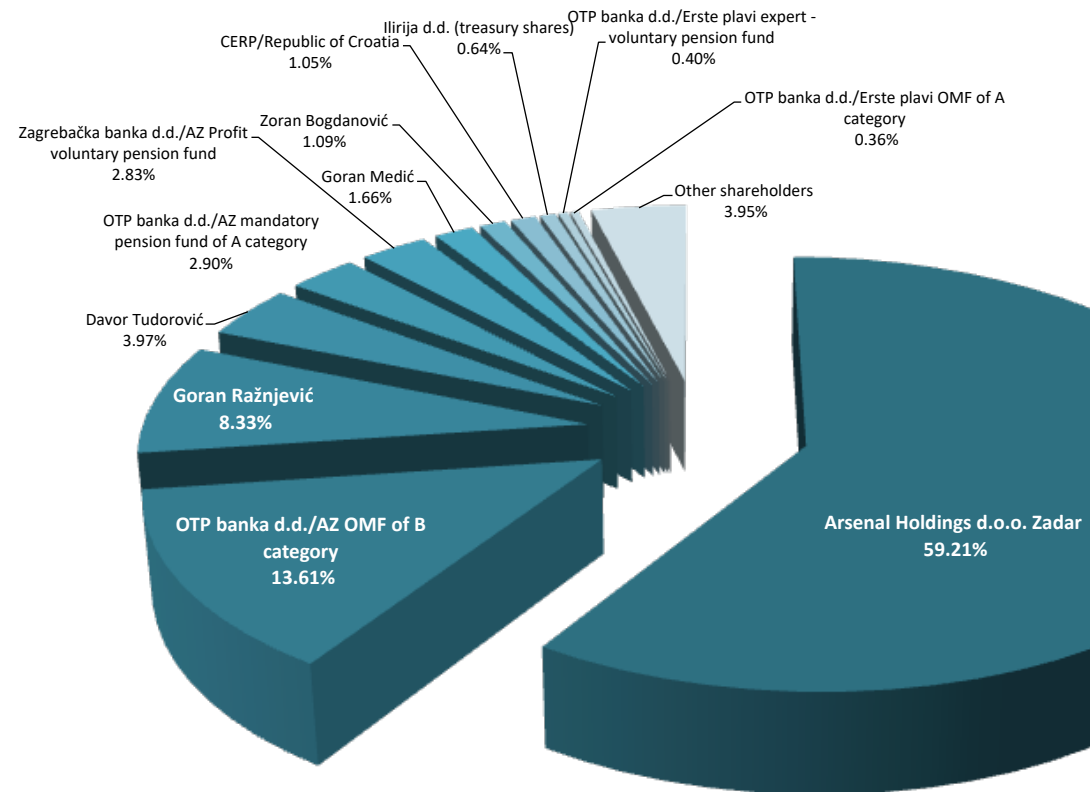
1.5 OWNERSHIP STRUCTURE OF THE COMPANY AND TRADING IN THE COMPANY'S SHARES AT THE ZAGREB STOCK EXCHANGE

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

As at 31 December 2024, there were no significant changes in the ownership structure, while an overview of the major shareholders of the Company as at 31 December 2024 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)	15,493	0.64
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 shareholders	95,580	3.95
TOTAL	2,413,488	100.00

OWNERSHIP STRUCTURE OF THE COMPANY AS AT 31/12/2024



TRADING IN COMPANY'S SHARES ON THE CROATIAN CAPITAL MARKET IN 2024

(amounts in EUR)	2024	2023	% of change
Total turnover	490,355.00 €	479,167.00 €	2.33%
Average share price	27.66 €	24.83 €	11.40%
Average turnover per transaction	3,771.96 €	7,371.80 €	-48.83%
Average daily turnover	6,368.25 €	16,523.00 €	-61.46%
Last share price	30.00 €	25.80 €	16.28%
Market capitalization*	72,404,640.00 €	62,267,990.40 €	16.28%
Market capitalization**	66,757,078.08 €	59,926,907.04 €	11.40%
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 business year 2024, the Company's share designated as ILRA was traded in the amount of EUR 490,355.00, constituting an increase by 2.33% compared to 2023, when trading amounted to EUR 479,167.00. Average turnover per transaction amounts to EUR 3,771.96, with average daily turnover amounting to EUR 6,368.25.

A total of 17,730 shares were traded at an average realised share price of EUR 27.66, representing an increase of 11.40% compared to the average share price for 2023, which amounted to EUR 24.83. Compared to the price at the beginning of the business year, when it amounted to EUR 25.00, at the end of the year it increased by 20%, i.e. to the amount of EUR 30.00. Also, the last share price was EUR 30.00, representing an increase of 16.28% compared to the last share price in 2023, which amounted to EUR 25.80. In proportion to the increase in the last share price, the market capitalization of the Company also increased, which, expressed by the last share price in the observed period, amounted to EUR 72,404,640.00, compared to EUR 62,267,990.40 in the previous year, recoding an increase of EUR 10,136,649.60.

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



1.6 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.

1.7 BRANDS OF THE COMPANY



BIOGRAD
BOAT SHOW

Donat
BEACH BAR

ARSENAL
ZADAR

City Galleria

1.8 QUALITY - STANDARDS AND CERTIFICATES

High quality and standards of services, their continuous improvement and enhancement, care for the safety and health of guests and employees, meeting customer needs and expectations, competitiveness and sustainability of products, continuous improvement of operational processes and continuous employee education, environmental protection and preservation of biodiversity are the main directions of the Company and they are achieved through the implementation of domestic and international standards into its operations:

The Company implemented an integrated environmental and quality management system under the ISO 9001:2015 (quality management) and ISO 14001:2015 (environmental management) standards, by which it focuses on the continued improvement of processes connected to the service quality and standards enhancement, the enhancement of operational and management processes, at the same time connected to the environmental management system. By implementing the integrated Environmental and Quality Policy, the Company confirms its main focus on long-term business stability based on responsible and sustainable business operations. During 2024, a regular control audit was performed as part of the quality management

system ISO 9001:2015 and the environmental management system ISO 14001:2015.

Moreover, the international certification company SGS Adriatica d.o.o. conducted its regular audit of the HACCP Codex Alimentarius system, which confirmed that the Company, at the level of all its sectors in the area of food and beverage services, carries out a high degree of control during the process of production and distribution of food products.

The Company uses "green" electricity and holds a Zel-En certificate guaranteeing that the electricity we use comes from renewable sources.

The "Park Soline" campsite is the holder of the international Green Key certificate, attesting to the fulfilment of all criteria for the award of this eco-label in the field of sustainable development and environmental protection.

Following a successful audit in September 2015, the "Park Soline" campsite was awarded the international "Ecocamping" certificate. With our membership in the Ecocamping Network, consisting of more than 240 camps from seven European countries, the Company continues to commit itself to promoting ecology, sus-

tainable development and socially responsible business even further, with particular emphasis on efficient energy management (water, electricity), waste sorting and recycling, preservation of nature and biodiversity, etc.

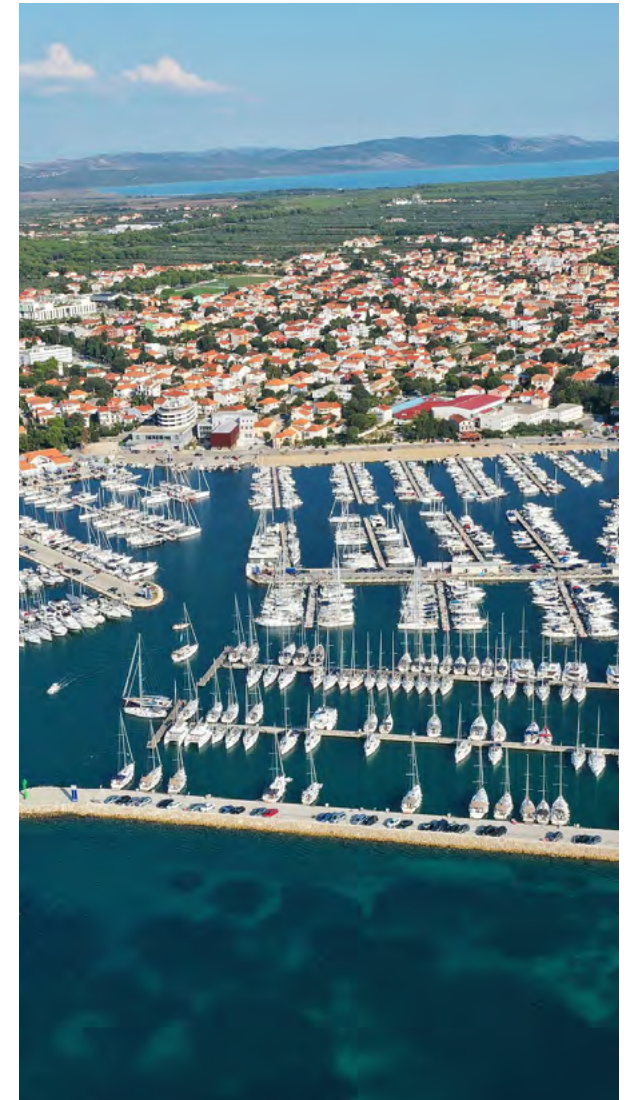
Marina Kornati is the holder of the Blue Flag, i.e. participates in the international ecological programme for the protection of the sea and coastal environment, whose primary objective is sustainable control and management of the sea and the coastline.

The “Company – Friend of Health” certificate was awarded to Ilirija in 2018 by the Croatian Institute of Public Health, with the aim of promoting health in the workplace and working environment, enabling the employees to adopt healthy lifestyle habits and showing concern for the health of employees.



1.9 AWARDS AND ACKNOWLEDGEMENTS

ILIRIJA d.d. received the 2024 Annual Award of the Town of Biograd na Moru for its outstanding contribution to the development of tourism in the town of Biograd na Moru as the destination's largest tourism company which, through its work and dedication, made Biograd na Moru a recognisable tourist destination, as well as for its dedication to service quality, innovation, preservation of local culture and tradition and, in general, the entirety of its contributions in the field of economy, tourism and the development of the town of Biograd na Moru, in which the company has operated without interruption for 67 years.





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:

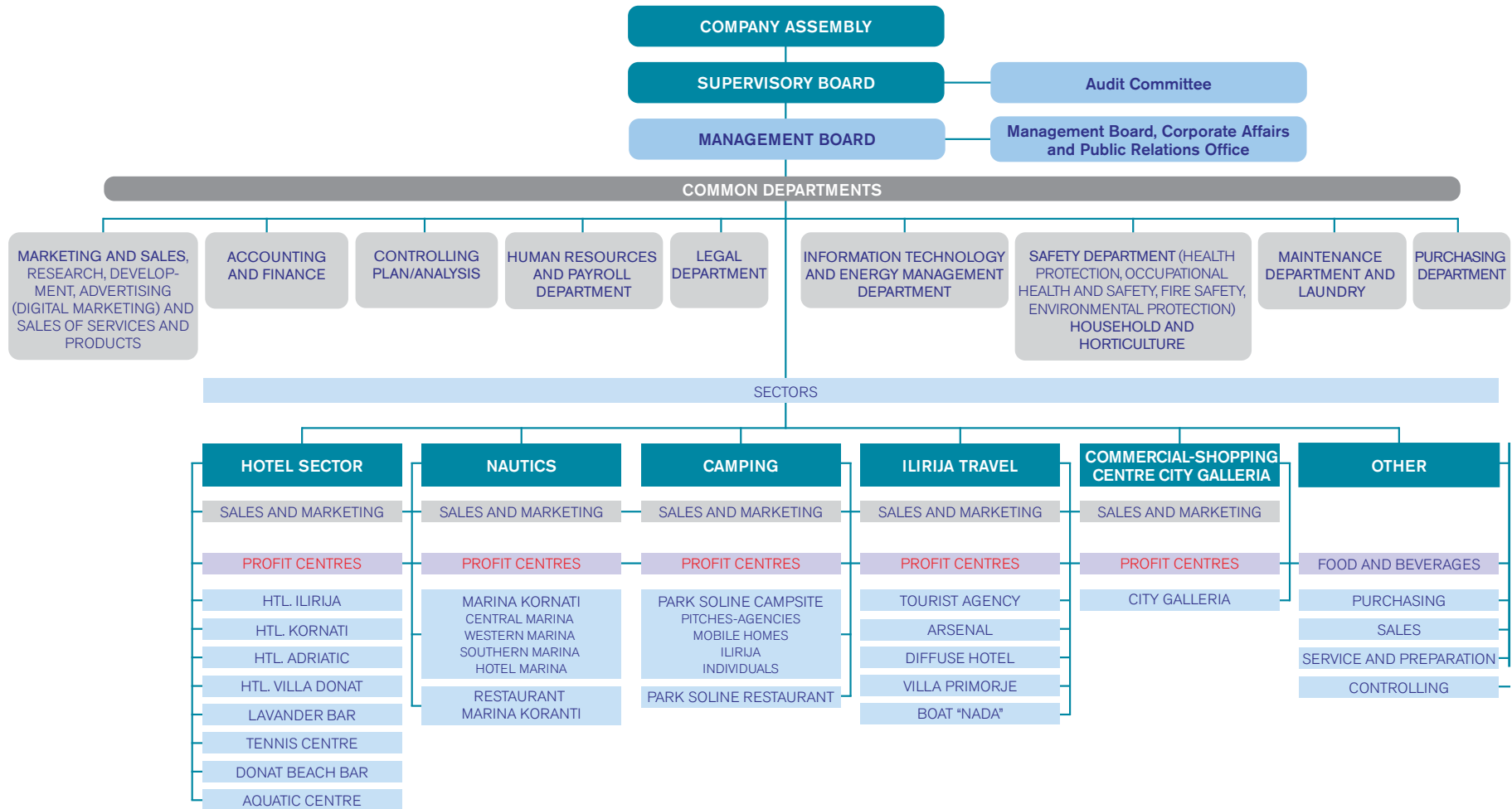
Respect and integrity – equality of treatment and attitude towards all our stakeholders constitute the basic values of our Company.

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



3 REPORT ON THE APPLICATION OF CORPORATE GOVERNANCE CODE

Ilirija d.d. operates in accordance with principles and practices of good corporate governance, providing a high level of transparency and accountability in relation to all of its stakeholders. In its operations, the Company applies the Corporate Governance Code jointly adopted by Zagreb Stock Exchange and HANFA, which is available on their websites. Each year, the Company completes and publishes the annual questionnaire prescribed by the Code, in which, when applicable and in line with the “act or explain” mechanism, it specifies the reasons for possible deviations from the Code. Pursuant to the regulations, the annual questionnaire is published on the website of Zagreb Stock Exchange (www.zse.hr) and the Company (www.ilirijabiograd.com).

The Company also applies the Code of Business Ethics of the Croatian Chamber of Commerce, doing business in accordance with the principles of responsibility, ethics, transparency and respect of good business practices towards all stakeholders in its business process.

The Company has worked out a system of internal controls at all levels, the aim of which is to ensure operational functioning and security of business processes within the Company, satisfaction with the service quality and standards as well as implementation and application of legal regulations, all of which contributes to timely publication within legally prescribed time limits of financial reports that provide objective data on the Company's financial position

and business results. The main characteristics of risk exposure and management are covered by the chapter “Risks and Risk Management”.

The Management Board of the Company is composed of one member appointed by the Supervisory Board for a five-year term. With the Decision of the Company Supervisory Board of 15 June 2020, Mr Goran Ražnjević was reappointed as the sole member of the Company's Management Board for a five-year term, starting from 18 June 2020. The Management Board represents the Company independently and individually and manages the Company's business activities in accordance with the Company's Articles of Association and legal regulations.

The Company Supervisory Board has five members, who are appointed for a term of four years. The Supervisory Board is responsible for supervising the management of the Company's business activities and appointment of the Management Board members; in addition, it decides on all other matters falling within its scope of competence pursuant to the legal regulations and the Company's Articles of Association. Supervisory Board member Mr Darko Prebežac is an independent member, while the Deputy Chairman of the Supervisory Board, Mr David Anthony Tudorović, among other qualifications, has professional knowledge in the field of accounting and auditing of financial reports. The composition of the Supervisory Board of the Company is listed

in the chapter “Company’s Bodies”. The Supervisory Board has appointed the Audit Committee, which supervises the existence and functioning of internal controls, risk management and financial reporting, as well as independence of external auditors.

The General Assembly is a body of the Company within the framework of which shareholders exercise their shareholder rights and it is composed of all holders (owners) of the Company’s securities. Since there is a time limit related to the exercise of voting rights at the General Assembly, the shareholders are required to apply for participation no later than 6 (six) days prior to the General Assembly meeting pursuant to the law and the Company’s Articles of Association. Pursuant to the Company’s Articles of Association, the shareholders’ voting rights are not limited to a specific percentage or number of votes. Every share grants one voting right at the General Assembly. In the Company, there are no securities with special control rights, nor are there any limitations on voting rights.

As at 31 December 2024, the Company had a total of 249 shareholders, who held a total of 2,413,488 shares. The Company’s significant shareholders are indicated in the chapter “Ownership Structure of the Company and Overview of Trading in Company’s Shares at Zagreb Stock Exchange” An overview of the Company’s ten major shareholders is available on a daily basis on the website of the

Central Depository and Clearing Company Inc. (CDCC) www.skdd.hr.

In 2024, the Regular General Assembly of the Company was held on 26/02/2024, and the Extraordinary General Assembly was held on 25/10/2024. As legally required, the decisions of the general Assemblies were published and are available on the website of the company (www.ilirijabio-ograd.com), the Zagreb Stock Exchange (www.zse.hr), HANFA and the officially appointed mechanism for the central storage of regulated information – SRPI (www.hanfa.hr), as well as the Croatian News Agency (www.hina.hr), and they were submitted to the Register of the Commercial Court, namely in accordance with legal regulations. All decisions of the General Assembly are listed in the chapter “Significant Events”.

The Company may acquire own shares based on the authorisation of the General Assembly issued on 26 February 2019, i.e. the Resolution on granting the Company’s Management Board the authority to acquire own shares, adopted at the General Assembly on 26 April 2024. In 2024, the Company acquired 10,450 own shares, designated as ILRA, which constitute 0.43% of the share capital. As at 31 December 2024, the Company owned 15,493 own shares, constituting 0.64% of the Company share capital.

The Commissioners for Employee Dignity Protection, who

are responsible for receiving and handling employee complaints, are Mrs Jasmina Kulaš Stojanov, Head of CEO’s Office, Corporate Communications and Public Relations and Mr Ante Mikulić, Hotel Operations Manager and Technical Manager of the campsite.

The Company is a signatory of the Croatian Diversity Charter, which forms part of a broader regional project implemented by the Croatian Business Council for Sustainable Development (HR BCSD) on the territory of the Republic of Croatia with the support of the European Commission. The President of the Company’s Management Board is one of the five promoters of the Croatian Diversity Charter in Croatia. The aim of the Croatian Diversity Charter is to promote and encourage diversity, non-discrimination, inclusiveness and equal opportunities in the workplace. In 2020, the Company joined the Alliance for Gender Equality, established jointly by the Council for Sustainable Development (HR-BCSD) and the Embassy of the Kingdom of Spain.

Of the total number of employees as at 31 December 2024, women make up 52% of all employees. In the Company’s senior management consisting of the Management Board, sector managers and heads of corporate services, there are 16 persons, 71% of whom are women.

4 2024 COMPANY MANAGEMENT REPORT

4.1 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 perfor-

mance 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:

- 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,
- increase in operating revenue at the level of all sec-

tors and profit centres, i.e. at the level of the entire Company,

- generating EBITDA, or its share in the total revenue, in line with the tourism industry standards; and
- 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.

4.2 Information on acquisition of own shares

In 2024, the Company acquired 10,450 own shares, designated as ILRA, which constitute 0.43% of the share capital. As at 31 December 2024, the Company owns 15,493 own shares, constituting 0.64% of the share capital.

4.3 Subsidiaries

Ilirija d.d. owns 100% of its two subsidiary companies: ILIRIJA GRAĐENJE d.o.o. with registered office in Biograd na moru, the registered objects of the company being the performance of construction works,

ILIRIJA NAUTIKA d.o.o. with registered office in Biograd na moru, the registered objects of the company being tourism, nautical and hospitality activities (not active).

4.4 Financial instruments

Financial instruments reported in the balance sheet include money and bank account balances, receive-

bles, account payables, leases and loans. The specific applied recognition methods are disclosed in individual explanations of accounting policies for each item in the notes to the Company's financial statements.

4.5 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

On 12 July 2022, the Council of the European Union adopted the Decision on the adoption of the euro in Croatia on 1 January 2023, establishing that the Republic of Croatia fulfils all the requirements for the introduction of the euro as the official currency in the Republic of Croatia, as well as Council Regulation (EU) of 12 July 2022 regarding the euro conversion rate for Croatia, establishing that the conversion rate shall amount to HRK 7.53450 for one euro. In accordance with the aforementioned Decision and Regulation, the Government of the Republic of Croatia adopted the

Decision on the announcement of the introduction of the euro as the official currency in the Republic of Croatia, setting out that the euro shall become the official monetary unit and legal tender in the Republic of Croatia on 1 January 2023. The introduction of the euro as the official currency in the Republic of Croatia significantly affects the Company's exposure to currency and price risks. More precisely, with the adoption of the aforementioned decisions/regulations at the level of the European Union and the Republic of Croatia, the Company is no longer exposed to currency and price 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 potentially expose the Company to credit risk are cash and trade receivables. Trade receivables pertaining to certain customers may entail credit risk, depending on the level of turnover realised with certain customers and the general state of liquidity in the country. Trade receivables are reported with reference to real values. The Company actively monitors and manages trade receivables, at the same time taking especially into account the difficult 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 chal-

lenging 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, in 2024 were on average 3% higher than in 2023. As for the energy costs, primarily electricity as the primary energy source, the Compa-

ny 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 em-

ployees, 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 com-

pany 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 con-

ditions 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. has duly paid the aforementioned annual lease fee for the year 2024, 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 02 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 sys-

tem, 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 statement 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 Council of 18 June 2020, on establishing a framework for facilitating sustainable investments 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, and the Company also explained the legal issues relevant for making a positive decision, in accordance with the transitional and final provisions of the new Act on Maritime Domain and Seaports (Official Gazette no. 83/2023, hereinafter: ZPDML23), which entered into force on 29 July 2023, so that the procedures for granting and modifying concessions that were started according to the provisions of ZPDML03 have to be completed in accordance with the provisions of that Act. No decision has been rendered yet on the alleged supplemented 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 Cro-

atia (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 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 Ar-

ticle 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 parafiscal charges unsuitable to seasonal business activities with frequent changes in fiscal regulations.

(IX) skilled labour shortages were significantly pronounced in 2024 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.

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 circumstances 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 environ-

ment, 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.

4.6 Sustainable development and corporate social responsibility

This chapter offers a concise presentation of the business model for sustainable development and the basic policy implemented by the Company to ensure sustainable and responsible operations. For the purpose of providing a complete overview of its activities and business transparency, the Company draws up a separate sustainability report, in which it provides an over-

view of key environmental, social and management aspects, data and indicators (both qualitative and quantitative) as well as a description of activities and policies implemented by the Company as part of the key corporate social responsibility areas: economic, social, environmental and management.

The Company will draw up and publish a full and separate report on its activities in the field of sustainable development and corporate social responsibility for 2024 on its website (www.ilirijabiograd.com).

Description of the entrepreneurial business model from the perspective of corporate sustainability and responsibility

The Company's business operations are anchored in the principles of sustainable development, which presuppose that economic development does not endanger the existing natural resources, the cultural, historic and natural heritage. This approach of responsible and sustainable tourism, which harmonises all present and future economic, social, managerial and ecological demands of all participants in the business process, ensures the long-term viability of the Company as a business entity, tourism as an industry and a future for

generations to come.

Likewise, the Company focuses on continuous economic growth and development, maintaining competitiveness in the tourism industry with the aim of contributing to the well-being of the local community and way of life of the tourist destination through its operations, but also to harmonising the interests of all participants of the business process – starting from shareholders, employees, customers, suppliers, other creditors, the local and broader social community, without jeopardising the preservation of nature and the natural resources used by the Company.

Having tourism activities as the Company's primary activities has significant economic impacts on the society, both at the local and the national level. However, tourism is a highly complex industry that includes numerous shareholders and requires considerable amounts of resources. As such, and depending on the mode of tourism service management, tourism can have the opposite impacts. If tourism services and facilities are managed responsibly, tourism has a positive role in the social, cultural, economic and environmental development of the destination and represents a significant opportunity for the local community.

This is why the Company's imperative is comprehensive planning and management of sustainable tourist activities and facilities in order to ensure sustainable long-term operation while respecting the needs of the local community and all the stakeholders of the Company. Stakeholders are the key factor for the Company's successful and long-term development, so as a socially responsible entity, it defines its business strategy through dialogue with stakeholders so as to understand their general expectations as well as expectations from the Company. Stakeholder dialogue defined the material, non-financial and ESG (environmental, social, governance) topics that the stakeholders perceive as topics through which the Company can influence the society, environment and economy the most. Material ESG topic covered by the Dialogue with Stakeholders represent the content of the sustainable development report and the foundations of the ESG business model and the Company's strategy.

By applying the principle of corporate responsibility and sustainability through the achieved operating results, the Company creates added value for all stakeholder groups by integrating economic, social and ecological aspects into decision-making processes.

The socially responsible sustainable business strategy consists of four main areas:

- 1) Corporate responsibility and sustainability,
- 2) Corporate social responsibility,
- 3) Environmental protection, and
- 4) Responsible and ethical management.

1 Corporate responsibility and sustainability

In terms of corporate responsibility and sustainability, focus is placed on the future growth of the Company, its business stability and excellence that exert a marked social and economic impact on the local, regional and national economy through the Company's activities.

The responsible and sustainable business strategy is based on the following determinants:

- dedication to long-term corporate sustainability and responsibility at all levels of business processes and business activities,
- creating added value for the Company's shareholder groups,
- continued implementation and affirmation of the key principles of corporate sustainability and responsibility within the Company and in the broader community,
- retaining and maintaining the status of the leading

tourism company in the destinations where it operates,

- economic and social driver of regional and Croatian economy,

- year-round business development in the Company's tourism sectors and creating added value for destinations in which it operates,

- integrating economic and social aspects and care for the environment into the decision-making process, and

- sustainable and continuous investments in the development of sustainable, high-quality, recognisable and competitive products and services.

2 Corporate social responsibility

Corporate social responsibility with regard to the relationship towards the social community is carried out through the development of the local and regional economy, employing the local population, corporate philanthropy system, activities in the area of the development of the destination offer and amenities, participation in the activity of expert and professional associations, and supporting other organisations, associations, the local and the regional self-government.

The social responsibility strategy is based on the following determinants:

- transparent and open communication with stakeholders,

- active role in the business community (membership in business and expert associations),

- employing the local population,

- hiring local suppliers,

- encouraging the development of the tourism offer of the destinations in which we operate,

- care for employees by ensuring the right to personal and professional development and concern for material rights,

- implementation of the business diversity and non-discrimination principle, and

- corporate philanthropy supporting the activities and projects of wider interest to the community.

3 Environmental protection

The Company has established policies, procedures, standards, and operational practices related to the environment, quality and management, and they include part of the Company's activities in the field of corporate social responsibility, quality, and environmental protection. As the leading tourist company in Biograd na Moru and its surroundings, the Company is aware of the impact of its business activities and operations

on the environment, which is why it is committed, in the long term, to protecting and preserving the environment as the basic resource for tourist activities, as well as to preventing pollution, i.e. minimising it, in all of its business processes and activities. The Company sees environmental protection as a rational management of all natural resources and a systemic pursuit to decrease adverse impacts of our operations on the environment, natural resources and cultural heritage.

Moreover, the Company has drawn up an Environment and Quality Policy containing the basic management objectives and principles for the purpose of achieving the objectives. Additionally, the Company has internal ordinances and manuals pertaining to environmental and quality management as part of its integrated management system ISO 9001:2015 and ISO14001:2015 and implements international environmental brand criteria into its operations.

The Integrated Environment and Quality Policy is based on the following:

- continuously meeting the needs and expectations of the customers/guests,
- continuous care for guest and employee safety,
- continuous commitment to environmental protec-

tion, including pollution prevention and sustainable use of natural resources,

- continuous compliance with relevant legislation and other binding requirements,
- continuous improvement of processes and services, as well as the overall quality and environmental management system,
- continuous improvement of the knowledge and motivation of employees,
- continuous value creation – preservation of Ilirija d.d.

Detailed information on the Company's environmentally responsible activities is contained in the chapters "Quality – Standards and Certificates" and "Occupational Health and Safety".

4 Responsible and ethical management

Ilirija operates in accordance with principles and practices of good corporate governance, providing a high level of transparency and accountability in relation to its stakeholders. The global sustainable development goals are universal, indivisible and indispensable. They must hold a dominant position in the future and be applied in all countries and communities and by all people. Being a leader in the application of responsible and

sustainable practices is both an honour and a responsibility – as a responsible company, we are a compass for the development of the overall economy and community. These are our main determinants that guide us in responsible, sustainable and ethical management and operation.

The Company has a dualistic management structure with clearly separated powers and responsibilities, it applies the corporate governance code and code of business ethics, clearly set and communicated business objectives and adheres to the diversity and equal opportunity principles, hires domestic and local suppliers, conducts activities in the domain of occupational and guest health and safety, implements employee education and training, etc.

The responsible and ethical management strategy is based on the following determinants:

- responsible and ethical management at all levels,
- respect for legal regulations, respect for human rights, diversity and equality,
- transparency in business and stakeholder relationships,
- striving for excellence in our services and operational processes through implementing domestic and

international management, service quality and safety standards,

- internal acts with a clearly defined job description, responsibilities and rules of conduct of the management structure (Management Board and Supervisory Board),
- application of the Corporate Governance Code and the Code of Business Ethics of the Croatian Chamber of Commerce,
- care for guest and employee health and safety, and
- responsible conduct in terms of environmental protection.

The Management Board of the Company is composed of one member (Mr Goran Ražnjević), so there is no under-representation on one gender in the Management Board. The Supervisory Board consists of 5 members, of which all are male. The members of the Supervisory Board were elected by the decision of the General Assembly of 25 October 2024, which was convened before the amendments to the Companies Act (Official Gazette 136/2024) entered into force, and as existing members of the Supervisory Board, they hold office until its regular expiration. The Company supports the aspect of diversity and in this regard, during 2024, several women were appointed to leading positions in

the organisational structure. Of the total number of employees as at 31 December 2024, women make up 52% of all employees. In the Company's management consisting of the Management Board, sector managers and heads of corporate services, there are 16 persons, 71% of whom are women. In future appointments, the Company will, in addition to the criteria of expertise, knowledge, abilities, and professional experience, also take into account the aspect of diversity.

5 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, Aquatic Centre and hospitality facilities.





RESTAURANT

Atrana

HOTEL KORINTI

06 125

5.1 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.





5.2 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, nota-

bly 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 nauti-

cal 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.





5.3 CAMPING SECTOR 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.



5.4 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 180 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 multi-purpose 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.



5.5 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. Today, 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.).



5.6 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

CineStar

SPAR

5.7 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 31 December 2024, 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, the world's most 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 eating facilities in the Centre and the first and only multiplex cinema in the city of Zadar.

6 KEY PHYSICAL PERFORMANCE INDICATORS OF THE COMPANY

In 2024, the Company achieved revenue growth across all sectors and growth in key market and physical performance indicators, recording the best operating results to date in terms of revenue at the level of each individual sector, and certain sectors also recorded growth in business profitability. Despite the strong return of competitive tourist destinations in the Mediterranean and the slow recovery of the European economy, especially the key outbound markets of Croatian tourism, the tourism sectors of the Company, by strengthening all business sectors, as well as year-round operation of the destination management company Ilirija Travel, a complementary and integrated offer of all tourism sectors, and the growth of business activities in the hotel and nautical sectors, ultimately achieved adequate profitability of the business, which resulted in the Company's best financial achievements to date.

In 2024, the hotel sector was also characterised by the continuation of the growth of business activities with a special focus on the pre- and post-season, recording 42,573 arrivals and 126,130 overnight stays, a growth of 14% in arrivals and 6% in overnight stays compared to the previous business year. In addition to the growth in physical performance indicators, the

business year was also characterised by the trend of increasing capacity occupancy compared to the previous year, i.e. 140 days of occupancy were recorded with annual occupancy rate of 38.35% compared to 135 days of occupancy and 36.95% of annual capacity occupancy. Furthermore, due to the growth in the volume of business activities which led to the growth of key physical performance indicators, revenue amounted to EUR 9,797,346.04, which is an increase of 8.59% compared to the previous year, also resulting in an increase in revenue per room to EUR 160.45, 4.33% more compared to the last year's EUR 153.79.

Ilirija Travel, a destination management company, with 295 special programmes and events realised for a total of 40,424 people, achieved growth in both key physical indicators, i.e. a 26.07% increase in the number of events and a 32.28% increase in the number of participants. The growth of key physical indicators is the result of strong demand growth continuously throughout the business year with a marked strengthening of business activities in the pre- and post-season, which resulted in the realisation of revenue in the amount of EUR 1,828,124.91, partly realised in other profit centres of the Company, with a growth rate of 25.53% compared to the previous business

year when revenue amounted to EUR 1,456,273.18. A significant achievement in strengthening the pre- and post-season, i.e. year-round business activity in 2024, was made in the Arsenal profit centre in Zadar, a zero-category monument transformed into a modern multifunctional space, which mostly generated revenue growth for the entire sector and year-round business activity at the Company level by organising of a series of high-value events.

The nautical sector also recorded continuous growth in key performance indicators in the reporting period, having the best business year to date. Due to the growth in the key market segment of vessels at contracted berth, i.e. 754 contracted vessels, with a significant growth in contracted charter vessels, revenue from contracted berths amounted to EUR 5,485,984.00 with a growth rate of 7% compared to the previous year and it makes up 73.52% of the total revenue of the marina. As for the port services segment, with 4,000 operations performed, i.e. 5% more compared to the previous year, when 3,817 operations were performed, its revenue amounted to EUR 505,960.00 with a growth rate of 9%, while revenue also increased in the segment of business cooperation and other services. The daily berth, with 2,816

transit sailings and 7,179 overnight stays of vessels in transit, realized EUR 393,575.00 in revenue, i.e. less by 12% due to favourable weather conditions and the vessel staying at sea. The physical and financial growth in the segment of vessels at contracted berth in absolute terms generated the largest share in the growth of the marina's revenue, which was also reflected in the total revenue of Marina Kornati, which amounted to EUR 7,462,351.00, i.e. 8% more than the previous year when the revenue amounted to EUR 6,897,469.00.

As for the accommodation segment of the camping sector, i.e. the "Park Soline" campsite, with 49,854 arrivals and 321,016 overnight stays, its revenue amounted to EUR 7,065,458.98, 5% more compared to the previous year, when revenue amounted to EUR 6,741,340.71. Despite the physical indicators being at the previous year's level, the "Park Soline" campsite had the best business year as far as the revenue is concerned. Revenue from the lump sum guests and mobile home market segments contributed the most to the growth in revenue, which increased by 16% and 7% respectively, with other revenue increasing by 13%. The rate of occupancy of accommodation units based on availability days was 58.71% and at

the level of the year 31.79% with 116 days of occupancy. Furthermore, the average price per campsite unit (ADR) was EUR 53.89, increasing by 9.28%, while the accommodation revenue per campsite unit (RevPAR) based on availability days was EUR 31.64, increasing by 5.60%.

The real estate sector, i.e. the City Galleria Business and Shopping Centre, achieved revenue in the amount of EUR 2,159,072.06, which was a 5% increase in revenue compared to the previous business year, when revenue amounted to EUR 2,056,050.86, while maintaining the high occupancy of the centre and the growth of average monthly rent and rent for the period per square metre of commercial premises (AMR), which increased by 7%.

6.1 HOTEL SECTOR

The business year 2024 was marked by a pronounced continuation of the demand for hotel capacities to increase, which resulted in an increase in physical and financial business results in the entire hotel sector. During the reporting period, the physical performance indicators recorded a double-digit increase, i.e. arrivals increased by 14%, and overnight stays by 6%, continuing on the strong growth in tourist traffic that was present in the previous year.

During the reporting period, 42,573 arrivals and 126,130 overnight stays were recorded, compared to 37,500 arrivals and 118,680 overnight stays in 2023. Under these circumstances, the achieved physical performance results significantly impacted the increase in financial performance. Thus, the hotel sector recorded a revenue growth of 8.79% from board offer revenue. Total revenue of the hotel sector, including the revenue realised in other profit centres of the hotel sector, amounted to EUR 9,797,346.04, which is an 8.59% increase from the previous year's EUR 9,021,921.78.

Significant changes in the sales channels which began during the last two years as the market recovered and reopened continued. We recorded further strong growth of individual direct sales, with a decline in the

allotment segment, which we addressed by introducing organisational adaptations in the form of digitalisation in the direct sales department. The recovery of the group sales segment also continued, which was especially important for season extension, both of the pre- and post-season, as it pertains to the segment of organised leisure, as well as business travel, conferences and similar events. The individual sales segment continues to play the dominant role, with a share of 46.4%, and the growth trend in organised groups in the pre-season continues, which now account for a share of 37.5% in market sales channels, compared to 35.2% in 2023. With a share of 13.7%, the allotment segment remained at the level of the previous year, while fixed lease continued to decline and remains symbolic with a share of 2.4%.

When it comes to the guest structure, in 2024, domestic guests remained a predominant group with a share of 28.2% of total overnight stays, making for a 21% increase in their share in overnight stays. Among other markets, the following are dominant: (II) Slovenia, with a 9.7% share, (III) Austria, with an 8.79% share, (IV) Germany, with a 7.69% share, and (IV) Slovakia, with a 4.57% share in overnight stays. The business year was marked by the return of the South Korean mar-

ket, whose share in total overnight stays amounted to 4.41%. Among other markets, European countries such as Bosnia and Herzegovina, France, Hungary, Poland, the Netherlands, Belgium, Sweden, Italy, Estonia, Great Britain and Ireland dominate, as well as Canada.

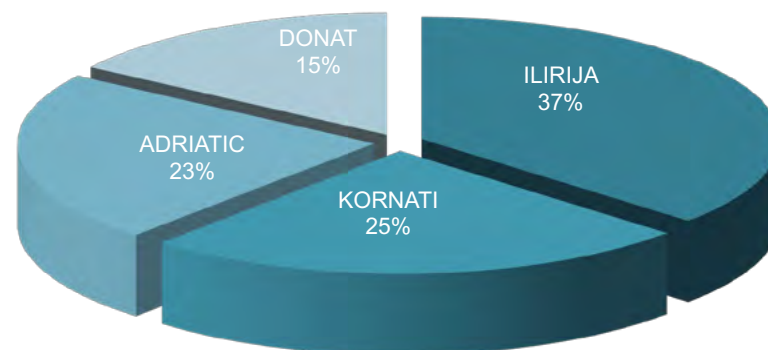
The occupancy and facility utilisation days have improved considerably in 2024 compared to the same period of the previous business year. In proportion to the number of days of availability of facilities and their capacities, we recorded more uniform occupancy of individual hotels. In this respect, the average occupancy of all hotels increased from the previous year's 36.95% to 38.35% in 2024, while record occupancy was achieved in highest-category hotels, namely 90.57% in the Ilirija hotel in August and 85.84% in July, while the Kornati hotel achieved an 82.89% occupancy in September. Meanwhile, the number of occupancy days at the level of the entire hotel sector increased from 135 days in 2023 to 140 days in the reporting period.



Hotel sector capacities

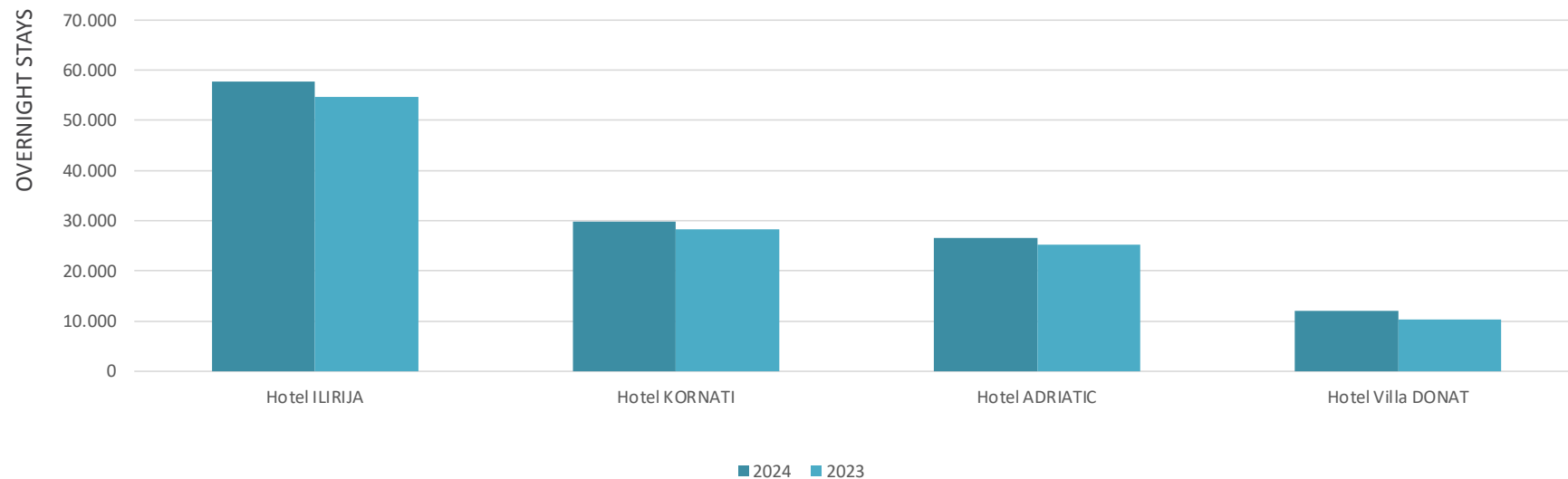
ILIRIJA D.D.	NUMBER OF ROOMS			NUMBER OF BEDS		
	2024	2023	Index 2024/2023	2024	2023	Index 2024/2023
ILIRIJA	157	157	1.00	326	326	1.00
KORNATI	106	106	1.00	230	230	1.00
ADRIATIC	100	100	1.00	210	210	1.00
DONAT	72	72	1.00	144	144	1.00
TOTAL	435	435	1.00	910	910	1.00

% Share of individual hotel (number of beds)

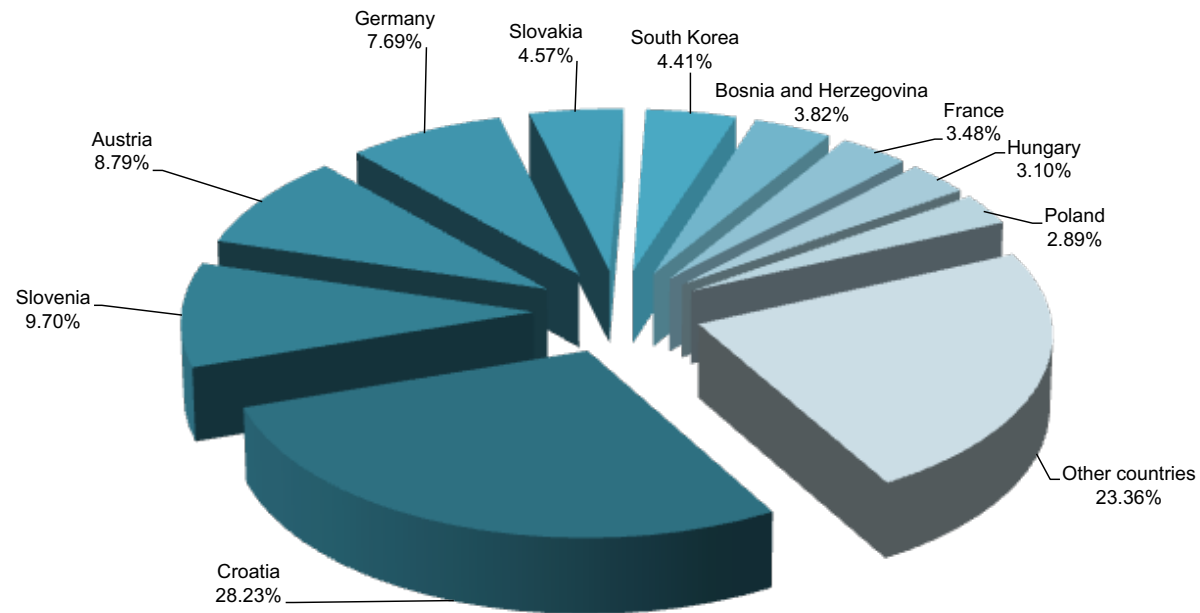


Overview and comparison of realised arrivals and overnight stays in 2024 with 2023

HOTEL SECTOR							
PROFIT CENTER	ARRIVALS			INDEX	OVERNIGHT STAYS		INDEX
	2024	2023	2024/2023		2024	2023	
Hotel ILIRIJA	22,290	18,797	119	57,728	54,605	106	
Hotel KORNATI	11,012	9,678	114	29,809	28,366	105	
Hotel ADRIATIC	6,412	6,600	97	26,518	25,329	105	
Hotel Villa DONAT	2,859	2,425	118	12,075	10,380	116	
TOTAL	42,573	37,500	114	126,130	118,680	106	



Graph of realised overnight stays in 2024



Capacity occupancy in 2024 and a comparison with 2023

Percentage share

MONTH	ILIRIJA						KORNATI						ADRIATIC						DONAT						GRAND TOTAL					
	Room total	2024	%	Room total	2023	%	Room total	2024	%	Room total	2023	%	Room total	2024	%	Room total	2023	%	Room total	2024	%	Room total	2023	%	Room total	2024	%	Room total	2023	%
JANUARY (I)	4.867	537	11,03%	4.867	333	6,84%	3.286	61	1,86%	3.286	253	7,70%	3.100	86	2,77%	3.100	55	1,77%	2.232	0	0,00%	2.232	0	0,00%	13.485	684	5,07%	13.485	641	4,75%
FEBRUARY (II)	4.553	491	10,78%	4.396	0	0,00%	3.074	0	0,00%	2.968	344	11,59%	2.900	0	0,00%	2.800	0	0,00%	2.088	0	0,00%	2.016	0	0,00%	12.615	491	3,89%	12.180	344	2,82%
MARCH (III)	4.867	2.011	41,32%	4.867	1.266	26,01%	3.286	67	2,04%	3.286	39	1,19%	3.100	0	0,00%	3.100	0	0,00%	2.232	0	0,00%	2.232	0	0,00%	13.485	2.078	15,41%	13.485	1.305	9,68%
APRIL (IV)	4.710	2.396	50,87%	4.710	2.938	62,38%	3.180	488	15,35%	3.180	948	29,81%	3.000	53	1,77%	3.000	31	1,03%	2.160	0	0,00%	2.160	0	0,00%	13.050	2.937	22,51%	13.050	3.917	30,02%
MAY (V)	4.867	3.294	67,68%	4.867	2.572	52,85%	3.286	1.823	55,48%	3.286	1.369	41,66%	3.100	2.103	67,84%	3.100	1.244	40,13%	2.232	28	1,25%	2.232	0	0,00%	13.485	7.248	53,75%	13.485	5.185	38,45%
JUNE (VI)	4.710	2.828	60,04%	4.710	3.432	72,87%	3.180	1.872	58,87%	3.180	1.880	59,12%	3.000	1.770	59,00%	3.000	1.508	50,27%	2.160	1.052	48,70%	2.160	0	0,00%	13.050	7.522	57,64%	13.050	6.820	52,26%
JULY (VII)	4.867	4.178	85,84%	4.867	4.179	85,86%	3.286	2.633	80,13%	3.286	2.747	83,60%	3.100	2.508	80,90%	3.100	2.650	85,48%	2.232	1.538	68,91%	2.232	1.689	75,67%	13.485	10.857	80,51%	13.485	11.265	83,54%
AUGUST (VIII)	4.867	4.408	90,57%	4.867	4.380	89,99%	3.286	2.959	90,05%	3.286	2.913	88,65%	3.100	2.704	87,23%	3.100	2.915	94,03%	2.232	1.776	79,57%	2.232	2.068	92,65%	13.485	11.847	87,85%	13.485	12.276	91,03%
SEPTEMBER (IX)	4.710	3.744	79,49%	4.710	3.491	74,12%	3.180	2.636	82,89%	3.180	2.544	80,00%	3.000	2.245	74,83%	3.000	2.010	67,00%	2.160	1.107	51,25%	2.160	1.447	66,99%	13.050	9.732	74,57%	13.050	9.492	72,74%
OCTOBER (X)	4.867	2.919	59,98%	4.867	2.911	59,81%	3.286	1.662	50,58%	3.286	1.396	42,48%	3.100	836	26,97%	3.100	1.121	36,16%	2.232	109	4,88%	2.232	60	2,69%	13.485	5.526	40,98%	13.485	5.488	40,70%
NOVEMBER (XI)	4.710	788	16,73%	4.710	634	13,46%	3.180	0	0,00%	3.180	0	0,00%	3.000	0	0,00%	3.000	0	0,00%	2.160	0	0,00%	2.160	0	0,00%	13.050	788	6,04%	13.050	634	4,86%
DECEMBER (XII)	4.867	845	17,36%	4.867	844	17,34%	3.286	318	9,68%	3.286	190	5,78%	3.100	188	6,06%	3.100	262	8,45%	2.232	0	0,00%	2.232	0	0,00%	13.485	1.351	10,02%	13.485	1.296	9,61%
TOTAL	57.462	28.439	49,49%	57.305	26.980	47,08%	38.796	14.519	37,42%	38.690	14.623	37,80%	36.600	12.493	34,13%	36.500	11.796	32,32%	26.352	5.610	21,29%	26.280	5.264	20,03%	159.210	61.061	38,35%	158.775	58.663	36,95%

Capacity occupancy in 2024 and a comparison with 2023

Occupancy days

MONTH	ILIRIJA						KORNATI						ADRIATIC						DONAT						GRAND TOTAL					
	Room total	2024	Days in 2024	Room total	2023	Days in 2023	Room total	2024	Days in 2024	Room total	2023	Days in 2023	Room total	2024	Days in 2024	Room total	2023	Days in 2023	Room total	2024	Days in 2024	Room total	2023	Days in 2023	Room total	2024	Days in 2024	Room total	2023	Days in 2023
JANUARY (I)	4.867	537	3	4.867	333	2	3.286	61	1	3.286	253	2	3.100	86	1	3.100	55	1	2.232	0	0	2.232	0	0	13.485	684	2	13.485	641	1
FEBRUARY (II)	4.553	491	3	4.396	0	0	3.074	0	0	2.968	344	3	2.900	0	0	2.800	0	0	2.088	0	0	2.016	0	0	12.615	491	1	12.180	344	1
MARCH (III)	4.867	2.011	13	4.867	1.266	8	3.286	67	1	3.286	39	0	3.100	0	0	3.100	0	0	2.232	0	0	2.232	0	0	13.485	2.078	5	13.485	1.305	3
APRIL (IV)	4.710	2.396	15	4.710	2.938	19	3.180	488	5	3.180	948	9	3.000	53	1	3.000	31	0	2.160	0	0	2.160	0	0	13.050	2.937	7	13.050	3.917	9
MAY (V)	4.867	3.294	21	4.867	2.572	16	3.286	1.823	17	3.286	1.369	13	3.100	2.103	21	3.100	1.244	12	2.232	28	0	2.232	0	0	13.485	7.248	17	13.485	5.185	12
JUNE (VI)	4.710	2.828	18	4.710	3.432	22	3.180	1.872	18	3.180	1.880	18	3.000	1.770	18	3.000	1.508	15	2.160	1.052	15	2.160	0	0	13.050	7.522	17	13.050	6.820	16
JULY (VII)	4.867	4.178	27	4.867	4.179	27	3.286	2.633	25	3.286	2.747	26	3.100	2.508	25	3.100	2.650	27	2.232	1.538	21	2.232	1.689	23	13.485	10.857	25	13.485	11.265	26
AUGUST (VIII)	4.867	4.408	28	4.867	4.380	28	3.286	2.959	28	3.286	2.913	27	3.100	2.704	27	3.100	2.915	29	2.232	1.776	25	2.232	2.068	29	13.485	11.847	27	13.485	12.276	28
SEPTEMBER (IX)	4.710	3.744	24	4.710	3.491	22	3.180	2.636	25	3.180	2.544	24	3.000	2.245	22	3.000	2.010	20	2.160	1.107	15	2.160	1.447	20	13.050	9.732	22	13.050	9.492	22
OCTOBER (X)	4.867	2.919	19	4.867	2.911	19	3.286	1.662	16	3.286	1.396	13	3.100	836	8	3.100	1.121	11	2.232	109	2	2.232	60	1	13.485	5.526	13	13.485	5.488	13
NOVEMBER (XI)	4.710	788	5	4.710	634	4	3.180	0	0	3.180	0	0	3.000	0	0	3.000	0	0	2.160	0	0	2.160	0	0	13.050	788	2	13.050	634	1
DECEMBER (XII)	4.867	845	5	4.867	844	5	3.286	318	3	3.286	190	2	3.100	188	2	3.100	262	3	2.232	0	0	2.232	0	0	13.485	1.351	3	13.485	1.296	3
TOTAL	57.462	28.439	181	57.305	26.980	172	38.796	14.519	137	38.690	14.623	138	36.600	12.493	125	36.500	11.796	118	26.352	5.610	78	26.280	5.264	73	159.210	61.061	140	158.775	58.663	135

Monthly comparison of revenue/overnight stays of the Ilirija Resort Hotel in 2024 and a comparison with 2023

MONTH	GENERATED REVENUES			OVERNIGHT STAYS			AVERAGE PRICE (EUR)		
	2024	2023	INDEX 2024/2023	2024	2023	INDEX 2024/2023	2024	2023	INDEX 2024/2023
JANUARY	195,546.89 €	157,466.87 €	124.18	1,117	1,027	108.76	175.06 €	153.33 €	114.18
FEBRUARY	65,778.74 €	42,029.48 €	156.51	903	544	165.99	72.84 €	77.26 €	94.29
MARCH	229,186.99 €	145,561.19 €	157.45	3,929	2,476	158.68	58.33 €	58.79 €	99.22
APRIL	292,591.73 €	370,845.42 €	78.90	5,266	7,419	70.98	55.56 €	49.99 €	111.16
MAY	758,787.83 €	574,451.97 €	132.09	12,424	9,048	137.31	61.07 €	63.49 €	96.20
JUNE	1,059,039.26 €	882,651.20 €	119.98	15,299	13,024	117.47	69.22 €	67.77 €	102.14
JULY	1,924,043.80 €	1,885,976.52 €	102.02	27,160	27,132	100.10	70.84 €	69.51 €	101.91
AUGUST	2,477,253.59 €	2,261,789.96 €	109.53	29,601	28,712	103.10	83.69 €	78.78 €	106.24
SEPTEMBER	1,335,491.24 €	1,299,311.12 €	102.78	17,325	17,167	100.92	77.08 €	75.69 €	101.85
OCTOBER	623,269.43 €	614,405.69 €	101.44	9,218	8,792	104.85	67.61 €	69.88 €	96.75
NOVEMBER	94,244.01 €	112,713.72 €	83.61	1,560	1,095	142.47	60.41 €	102.93 €	58.69
DECEMBER	92,669.83 €	61,775.82 €	150.01	2,328	2,244	103.74	39.81 €	27.53 €	144.60
TOTAL	9,147,903.34 €	8,408,978.96 €	108.79	126,130	118,680	106.28	72.53 €	70.85 €	102.36
31/12	9,147,903.34 €	8,408,978.96 €	108.79	126,130	118,680	106.28	72.53 €	70.85 €	102.36

Selected profit centers within the hotel sector

Lavender bar	2024	2023	
31/12		191.367,43 €	INDEX 2024/2023
31/12	182.877,60 €	191.367,43 €	95,56

Beach club Ilirija	2024	2023	
31/12		334.148,22 €	INDEX 2024/2023
31/12	373.079,14 €	334.148,22 €	111,65

Tennis center	2024	2023	
31/12		76.893,04 €	INDEX 2024/2023
31/12.	81.529,99 €	76.893,04 €	106,03

Beach bar "Donat"	2024	2023	
31/12		10.534,13 €	INDEX 2024/2023
31/12.	11.955,97 €	10.534,13 €	113,50

Hotel sector total

TOTAL	2024	2023	
31/12		9.021.921,78 €	INDEX 2024/2023
31/12.	9.797.346,04 €	9.021.921,78 €	108,59

Revenue per sold room by 31/12/24 - hotels	149,82 €
Revenue per sold room by 31/12/23 - hotels	143,34 €
Revenue per sold room - 2024 - hotel sector	160,45 €
Revenue per sold room - 2023 - hotel sector	153,79 €
Revenues per sold room	22.522,63 €
Revenues per sold room Biograd na Moru	24.880,32 €

REVENUE BY ACTIVITIES

Revenue from hotel services amounted to EUR 9,147,903.34, compared to EUR 8,408,978.96 in 2023, marking an 8.79% increase.

Other revenue from the hotel sector including the revenue generated from selected profit centres, amounted to EUR 649,442.70 recording a 5.95% increase compared to the EUR 612,942.82 generated in the same period of the previous year.

In total, revenue of the hotel sector amounted to EUR 9,797,346.04 compared to EUR 9,021,921.78 realised in the previous year, representing an 8.59% increase.



SUMMARY OF KEY MARKET INDICATORS OF THE HOTEL SECTOR

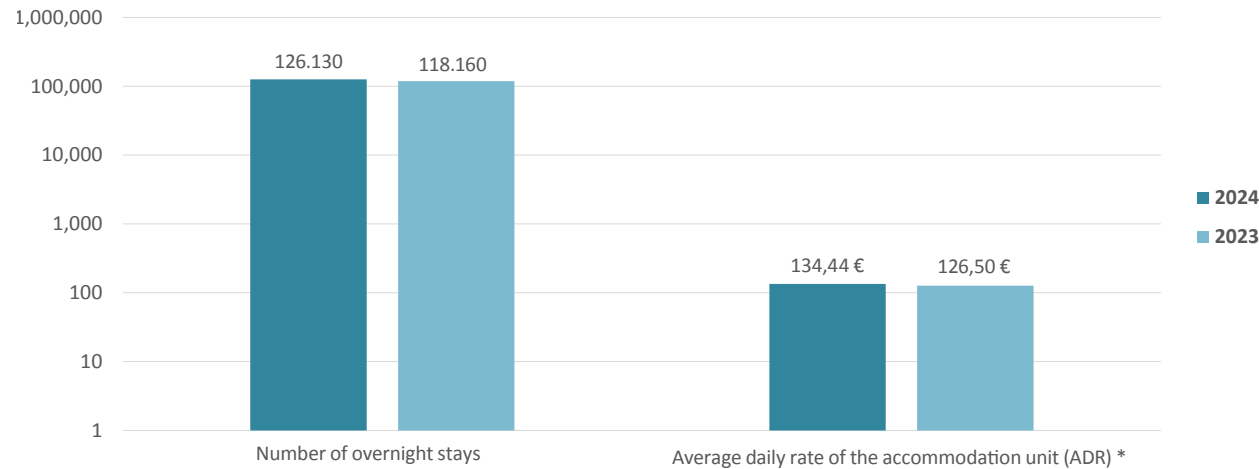
In 2024, the hotel sector achieved a revenue in the amount of EUR 9,797,346.04, representing an 8.59% increase compared to the EUR 9,021,921.78 achieved in the previous business year. Such increase was generated through the growth in key physical and market achievement indicators. In the reporting period, 126,130 overnight stays were recorded, representing

a 6.28% increase compared to the 118,680 overnight stays recorded in the previous year. The increase was also accompanied by an increase in the number of sold accommodation units, the occupancy of accommodation units and occupancy days.

Furthermore, there was a significant increase in revenue

per accommodation unit (RevPAR) with regard to days of availability – by 8.96%, i.e. in the amount of EUR 77.60 compared to the EUR 71.22 achieved in the previous year. At the same time, the average daily rate per accommodation unit (ADR)* amounted to EUR 134.44 in the reporting period, compared to the EUR 126.50 achieved in 2023, representing an increase by 6.28%.

Overnight stays and the average daily rate per accommodation unit (ADR) in Ilirija d.d. hotels in 2024 and 2023



* ADR – the average price per accommodation unit is calculated based on board services revenue (revenue from accommodation and food and drink under board services).

KEY MARKET INDICATORS OF THE ILIRIJA D.D. HOTEL SECTOR

	2024	2023	2024/2023
HOTELS IN BIOGRAD			
Accommodation capacities:			
Number of hotels	3	3	0.00%
Number of accommodation units	363	363	0.00%
Number of beds	766	766	0.00%
Physical turnover			
Number of overnight stays	114,055	108,300	5.31%
Number of accommodation units sold	55,451	53,399	3.84%
The occupancy of accommodation units based on a total number of days in a period (%)	41.74%	40.30%	3.56%
Occupancy rate of the accommodation units on an open days basis (%)	57.38%	54.97%	4.38%
Financial results (in EUR):			
Average daily rate of the accommodation unit (ADR) *	135.61 €	128.21 €	5.77%
Revenue per accommodation unit (RevPAR) on a total number of days basis in period **	56.60 €	51.67 €	9.53%
Revenue per accommodation unit (RevPAR) on an open days basis **	77.81 €	70.48 €	10.40%
HOTEL IN SV. FILIP I JAKOV			
Accommodation capacities:			
Number of hotels	1	1	0.00%
Number of accommodation units	72	72	0.00%
Number of beds	144	144	0.00%
Physical turnover			
Number of overnight stays	12,075	10,380	16.33%
Number of accommodation units sold	5,610	5,264	6.57%
The occupancy of accommodation units based on a total number of days in a period (%)	21.29%	20.03%	6.28%
Occupancy rate of the accommodation units on an open days basis (%)	61.35%	74.60%	-17.76%
Financial results (in EUR):			
Average daily rate of the accommodation unit (ADR) *	122.90 €	109.08 €	12.67%
Revenue per accommodation unit (RevPAR) on a total number of days basis in period **	26.16 €	21.85 €	19.74%
Revenue per accommodation unit (RevPAR) on an open days basis **	75.40 €	81.38 €	-7.35%
HOTELS - TOTAL ILIRIJA d.d.			
Accommodation capacities:			
Number of hotels	4	4	0.00%
Number of accommodation units	435	435	0.00%
Number of beds	910	910	0.00%
Physical turnover			
Number of overnight stays	126,130	118,680	6.28%
Number of accommodation units sold	61,061	58,663	4.09%
The occupancy of accommodation units based on a total number of days in a period (%)	38.35%	36.95%	3.80%
Occupancy rate of the accommodation units on an open days basis (%)	57.72%	56.30%	2.52%
Financial results (in EUR):			
Average daily rate of the accommodation unit (ADR) *	134.44 €	126.50 €	6.28%
Revenue per accommodation unit (RevPAR) on a total number of days basis in period **	51.56 €	46.74 €	10.32%
Revenue per accommodation unit (RevPAR) on an open days basis **	77.60 €	71.22 €	8.96%

Notes:

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

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

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

6.2 NAUTICAL SECTOR – MARINA KORNATI

Marina Kornati had another record business year with the best business and financial result to date, generating revenue in the amount of EUR 7,462,351.00, i.e. 8% higher compared to 2023, when revenue amounted to EUR 6,897,469.00. The record business and financial results of Marina Kornati in 2024 can be attributed to the organisational scheme of vessel schedules, which made the optimal use of the waters, and the organisation of operational business processes which contributed to the preservation and stability of the existing business activities and their further growth, especially in the area of key physical performance indicators, i.e. contracted berths.

Marina Kornati performed business activities in the following segments:

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

In 2024, in the part of the vessels at contracted berths, the most significant physical performance indicators of Marina Kornati, a total of 754 contracts on the use of berths were concluded, of which 393 for individu-

al vessels and 361 for charter vessels, which is an increase of 1% compared to the previous year when 747 berths were contracted. The share of individual vessels at contracted berth amounted to 52% in the reporting period, while charter vessels had a 48% share. Such a ratio of individual and charter vessels generated a revenue increase from contracted berths by 7% compared to 2023.

A total of 2,816 arrivals of transit vessels was recorded in the reporting period, which is 9% less than in the previous year. Furthermore, 7,179 overnight stays were recorded, which is 12% less compared to 2023, which recorded 8,127 overnight stays. The reason for the lower number of both entries and overnight stays of transit vessels can be found in the new vessel accommodation capacities in the nearby destinations and good weather which affected the stay of vessels at sea. Port service saw a slight increase, with 4,000 service operations realised, representing a 5% increase compared to the previous year's 3,817 service operations realised.

In 2024, all revenue items saw an increase. The greatest amount of revenue was generated in the contracted berths, amounting to EUR 5,485,984.00, with a 7%

growth rate compared to 2023 when revenue from contracted berths amounted to EUR 5,109,242.00. EBIT was realised in the amount of EUR 505,960.00, increasing by 9% compared to 2023, when it amounted to EUR 463,160.00.

Business cooperation revenue amounting to EUR 436,776.00, represent an increase of 12% compared to the previous year when it amounted to EUR 390,084.00. A significant increase of revenue was achieved under the item concerning the nautical fair and events, having generated a 23% increase, i.e. a revenue of EUR 1,025,776.00 compared to EUR 835,777.00 generated in the previous year.

The revenue in other services was generated in the amount of EUR 205,901.00 compared to the EUR 45,444.00 generated in 2023, which was the result of the introduction of a 1% fee for charter vessels' use of contracted berths, i.e. the indirect fee for waste reception, which was added to the amount of the fee for contracted berth – annual berth of chartered vessels. A decrease in revenue was recorded in daily berths and parking due to a lower number of entries and overnight stays by transit vessels. Revenue from daily berths amounted to EUR 393,575.00, representing a

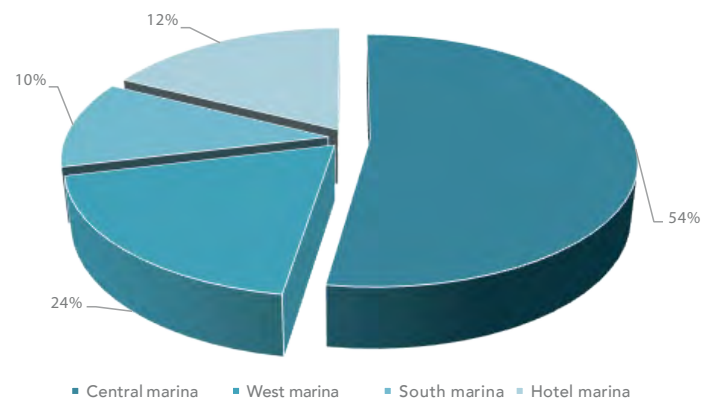
11% decrease compared to 2023, when it amounted to EUR 443,345.00, while the generated parking revenue amounted to EUR 434,155.00, representing a 3% decrease compared to the previous year when it amounted to EUR 446,193.00.



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 Marina Kornati in 2024 and a comparison with 2023

		2024 by month											
Name of position	Measurement 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	384	385	385	387	391	393
Contract-based berth-charter	Contracted vessel	0	3	26	330	348	358	358	360	360	360	361	361
TOTAL Contract-based berth	Contracted vessel	85	235	296	658	711	737	742	745	745	747	752	754
Transit berth-sailing in port	Sailing in port	3	13	31	201	451	875	1.456	2.123	2.614	2.802	2.811	2.816
Transit berth-overnight stay of vessels	Boat/day	67	215	468	1.075	1.768	2.641	3.934	5.510	6.461	6.930	7.066	7.179
Transit berth-overnight stay of vessel crew	Overnight stay of a person	0	0	0									
Port service	Operation	163	413	722	1.090	1.537	1.995	2.554	3.124	3.402	3.577	3.871	4.000

		2023 by month											
Name of position	Measurement unit	1	2	3	4	5	6	7	8	9	10	11	12
Contract-based berth-individual	Contracted vessel	98	254	312	359	382	395	404	411	417	421	432	432
Contract-based berth-charter	Contracted vessel	0	0	5	282	298	308	312	314	315	315	315	315
TOTAL Contract-based berth	Contracted vessel	98	254	317	641	680	703	716	725	732	736	747	747
Transit berth-sailing in port	Sailing in port	5	19	40	217	551	1.047	1.721	2.531	2.929	3.081	3.090	3.094
Transit berth-overnight stay of vessels	Boat/day	117	218	392	1.047	1.878	2.973	4.684	6.609	7.446	7.922	8.050	8.127
Transit berth-overnight stay of vessel crew	Overnight stay of a person												
Port service	Operation	127	375	719	1.094	1.493	1.939	2.394	2.867	3.198	3.377	3.641	3.817

Vessels at contractual berth in 2024 and a comparison with 2023

Purpose	Type of berth	Position of berth	01/01-31/12	% Total	01/01-31/12	% Total	INDEX
			2024	Vessels	2023	Vessels	2024/2023
Vessel of individual owners	Annual berth in the sea	Central aquatorium	263	35	273	37	96
		South aquatorium	32	4	38	5	84
		Western aquatorium	2	0	2	0	100
	Annual berth on the land	Hotel port	35	5	37	5	95
		Marina land	4	1	6	1	67
	Seasonal berth in the sea	Marina aquatorium	18	2	36	5	50
		Hotel port	39	5	40	5	98
Total individual vessels:			393	52	432	58	91
Charter vessels	Annual berth in the sea	Central aquatorium	134	18	115	15	117
		South aquatorium	0	0	0	0	#DIV/0!
		Western aquatorium	225	30	198	27	114
		Hotel port	2	0	2	0	100
Total charter vessels:			361	48	315	42	115
Total vessels			754	100	747	100	101

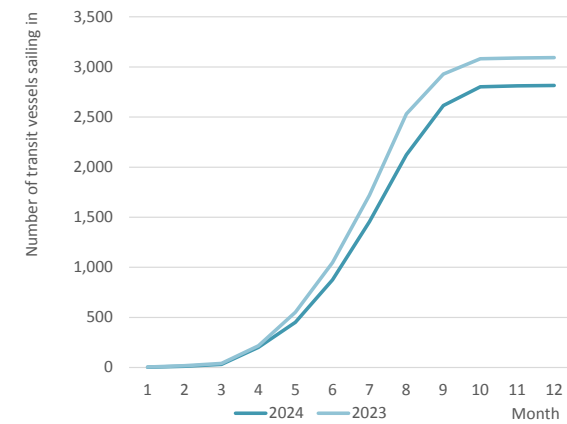
Vessels at contractual berth in 2024



Transit berth – vessel arrival in 2024 and a comparison with 2023

2024	Individually monthly			Cumulatively monthly		
	2024	2023	INDEX	2024	2023	INDEX
Month	2024/2023			2024/2023		
1	3	5	60	3	5	60
2	10	14	71	13	19	68
3	18	21	86	31	40	78
4	170	177	96	201	217	93
5	250	334	75	451	551	82
6	424	496	85	875	1.047	84
7	581	674	86	1.456	1.721	85
8	667	810	82	2.123	2.531	84
9	491	398	123	2.614	2.929	89
10	188	152	124	2.802	3.081	91
11	9	9	100	2.811	3.090	91
12	5	4	125	2.816	3.094	91
Total	2024	2.816				
Total	2023	3.094				
Index	2024/2023	91				

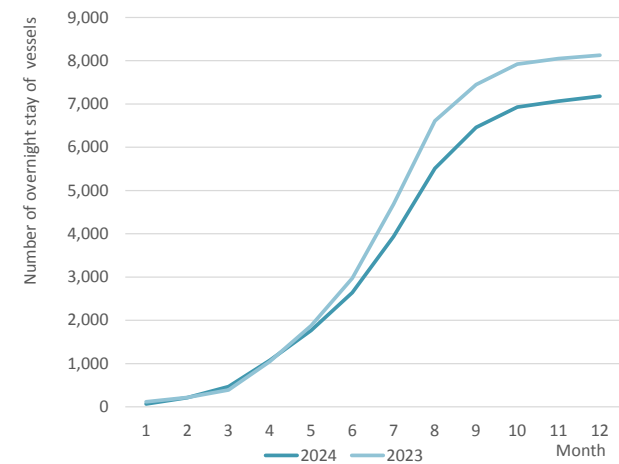
Sailing in of transit vessels by months (cumulatively)



Transit berth – vessel overnight stays in 2024 and a comparison with 2023

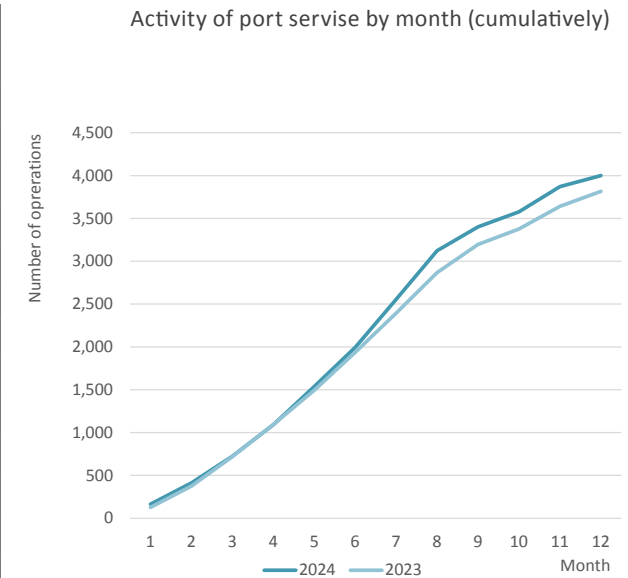
Month	Individually monthly			Cumulatively monthly		
	2024	2023	INDEX	2024	2023	INDEX
	2024/2023			2024/2023		
1	67	117	57	67	117	57
2	148	101	147	215	218	99
3	253	174	145	468	392	119
4	607	655	93	1.075	1.047	103
5	693	831	83	1.768	1.878	94
6	873	1.095	80	2.641	2.973	89
7	1.293	1.711	76	3.934	4.684	84
8	1.576	1.925	82	5.510	6.609	83
9	951	837	114	6.461	7.446	87
10	469	476	99	6.930	7.922	87
11	136	128	106	7.066	8.050	88
12	113	77	147	7.179	8.127	88
Total	2024	7.179				
Total	2023	8.127				
Index	2024/2023	88				

Overnight stay of transit vessel by month (cumulatively)



Port service activities in 2024 and a comparison with 2023

2024	Individually monthly			Cumulatively monthly		
	2024	2023	INDEX	2024	2023	INDEX
Month	2024/2023			2024/2023		
1	163	127	128	163	127	128
2	250	248	101	413	375	110
3	309	344	90	722	719	100
4	368	375	98	1.090	1.094	100
5	447	399	112	1.537	1.493	103
6	458	446	103	1.995	1.939	103
7	559	455	123	2.554	2.394	107
8	570	473	121	3.124	2.867	109
9	278	331	84	3.402	3.198	106
10	175	179	98	3.577	3.377	106
11	294	264	111	3.871	3.641	106
12	129	176	73	4.000	3.817	105
Total	2024	4.000				
Total	2023	3.817				
Index	2024/2023	105				



Revenue generated by the Marina Kornati in 2024 individually by months and comparison with 2023

REVENUES OF MARINA KORNATI 2024 SEPARATE BY MONTHS (in EUR)																
Revenue positions		Months 2024												2024	2023	INDEX
		1	2	3	4	5	6	7	8	9	10	11	12	CUMULAT.	TOTAL	2024./2023.
I	Daily berths	2.078	7.392	10.294	30.969	43.039	49.772	72.963	85.124	49.715	34.914	3.887	3.428	393.575	443.345	89
II	Contracted berth with accessories	544.623	1.053.373	245.530	1.693.381	166.318	111.208	1.588.876	35.285	7.610	5.924	19.776	14.080	5.485.984	5.109.242	107
III	Port service	26.207	46.000	50.852	64.240	58.770	53.019	52.960	42.167	23.219	20.618	39.733	28.175	505.960	463.160	109
IV	Vehicle parking	206	576	3.747	14.586	47.021	64.087	86.765	91.995	87.353	35.933	1.538	348	434.155	446.193	97
V	Other services	1.895	7.471	117.291	18.351	2.157	4.286	20.312	15.511	4.705	3.820	1.465	8.637	205.901	45.444	453
VI	Business cooperation	0	0		218.336	1.652		216.788						436.776	390.084	112
VII	Boat fair and events							61.144	89.941	225.974	663.137		-14.420	1.025.776	835.777	123
TOTAL :		575.009	1.114.812	427.714	2.039.863	318.957	282.372	2.099.808	360.023	398.576	764.346	66.399	40.248	8.488.127	7.733.246	110

REVENUES OF MARINA KORNATI 2023 SEPARATE BY MONTHS (in EUR)														
Revenue positions		Months 2023												2023
		1	2	3	4	5	6	7	8	9	10	11	12	Cummulat.
I	Daily berths	2.250	3.707	7.415	20.227	54.457	82.918	91.835	106.061	46.740	18.024	7.218	2.493	443.345
II	Contracted berth with accessories	684.442	911.451	286.049	1.402.679	166.009	105.431	1.418.514	65.744	21.201	32.289	9.618	5.816	5.109.242
III	Port service	14.231	42.319	48.986	60.214	58.775	52.585	40.227	35.555	22.971	18.826	36.532	31.939	463.160
IV	Vehicle parking	200	642	1.341	20.959	48.336	71.725	93.095	84.442	85.613	38.377	1.123	341	446.193
V	Other services	184	436	1.117	4.856	14.186	3.911	3.813	6.216	5.194	4.030	752	749	45.444
VI	Business cooperation				194.485	2.200		193.399						390.084
VII	Boat fair and events					1.580	11.129	37.114	73.004	164.545	545.202	3.703	-500	835.777
TOTAL :		701.307	958.555	344.907	1.703.420	345.543	327.699	1.877.997	371.022	346.264	656.748	58.946	40.838	7.733.246

Revenue generated by Marina Kornati in 2024 cumulatively by months and a comparison with 2023

REVENUES OF MARINA KORNATI 2024 CUMULATIVE 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	216.507	301.631	351.346	386.260	390.147	393.575	5
II	Contracted berth with accessories	544.585	1.597.996	1.843.526	3.536.907	3.703.225	3.814.433	5.403.309	5.438.594	5.446.204	5.452.128	5.471.904	5.485.984	72
III	Port service	26.207	72.207	123.059	187.299	246.069	299.088	352.048	394.215	417.434	438.052	477.785	505.960	5
IV	Vehicle parking	206	782	4.529	19.115	66.136	130.223	216.988	308.983	396.336	432.269	433.807	434.155	5
V	Other services	1.895	9.366	126.657	145.008	147.165	151.451	171.763	187.274	191.979	195.799	197.264	205.901	2
VI	Business cooperation	0	0	0	218.336	219.988	219.988	436.776	436.776	436.776	436.776	436.776	436.776	6
VII	Boat fair and events		0	0	0	0	0	61.144	151.085	377.059	1.040.196	1.040.196	1.025.776	5
TOTAL :		574.971	1.689.821	2.117.535	4.157.398	4.476.355	4.758.727	6.858.535	7.218.558	7.617.134	8.381.480	8.447.879	8.488.127	100

REVENUES OF MARINA KORNATI 2023 CUMULATIVE BY MONTHS (in EUR)														
Revenue positions		Months 2023											% of total	
		1	2	3	4	5	6	7	8	9	10	11	12	revenues
I	Daily berths	2.250	5.957	13.372	33.599	88.056	170.974	262.809	368.870	415.610	433.634	440.852	443.345	6
II	Contracted berth with accessories	684.442	1.595.893	1.881.941	3.284.620	3.450.629	3.556.060	4.974.574	5.040.318	5.061.519	5.093.808	5.103.426	5.109.242	73
III	Port service	14.231	56.550	105.536	165.750	224.525	277.110	317.337	352.892	375.863	394.689	431.221	463.160	5
IV	Vehicle parking	200	842	2.182	23.141	71.477	143.202	236.297	320.739	406.352	444.729	445.852	446.193	6
V	Other services	184	620	1.737	6.593	20.779	24.690	28.503	34.719	39.913	43.943	44.695	45.444	1
VI	Business cooperation		0	0	194.485	196.685	196.685	390.084	390.084	390.084	390.084	390.084	390.084	5
VII	Boat fair and events		0	0	0	1.580	12.709	49.823	122.827	287.372	832.574	836.277	835.777	4
TOTAL :		701.307	1.659.862	2.004.769	3.708.189	4.053.732	4.381.431	6.259.428	6.630.450	6.976.714	7.633.462	7.692.408	7.733.246	100

SUMMARY OF KEY MARKET INDICATORS OF MARINA KORNATI PERFORMANCE

Marina Kornati (the most important profit centre of the nautical sector) achieved the best financial results so far in the observed period, and all market segments recorded growth relative to previous business years.

Since marina capacities are fixed, the exceptional increase in the revenue of Marina Kornati can be attributed to revenue from contracted berths, with a 73.52% share in total marina revenue. In 2024, it was generated in the amount of EUR 5,485,984.00, representing a 7.37% increase compared to 2023. The average revenue per contracted berth amounted to EUR 7,275.84, representing a 6.38% increase compared to the previous year.

The revenue generated from transit berths amounted to EUR 393,575.00 in 2024, representing a 11.23% decrease compared to 2023, while the average revenue per the overnight stay of a vessel at transit berth amounted to EUR 54.82, representing an insignificant increase compared to the previous year's EUR 54.55.

The revenue generated from services amounted to EUR 505,960.00 in 2024, representing a 9.24% increase compared to the previous year, with the average generated revenue per service operation amounting to

EUR 126.49, representing a 4.24% increase compared to 2023.

The revenue generated from parking amounted to EUR 434,155.00, representing a 2.70% decrease compared to 2023, with the average revenue per parking space amounting to EUR 868.31 in 2024, compared to the previous year's EUR 892.39.

Business cooperation revenue saw a strong double-digit growth by 11.97%, with the generated revenue amounting to EUR 436,776.00 and the average revenue amounting to EUR 8,913.80.



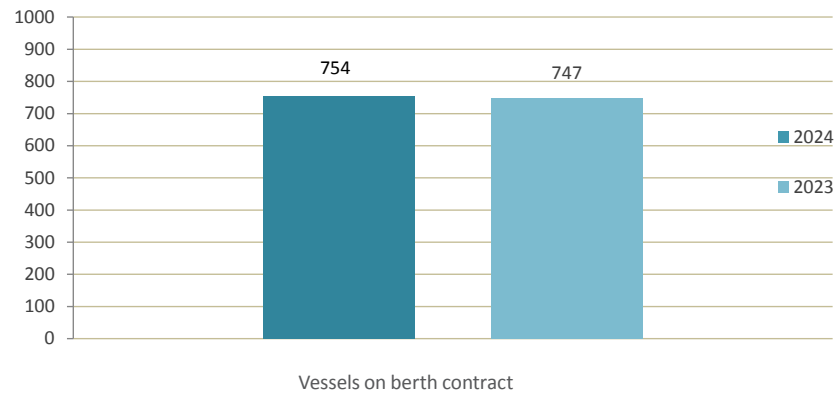
KEY MARKET INDICATORS OF MARINA KORNATI

	2024	2023	2024/2023
Capacity (number of berths): *			
Central marina	435	435	0.00%
Western marina	190	190	0.00%
Southern marina	80	80	0.00%
Hotel marina	100	100	0.00%
Total number of berths	805	805	0.00%
Physical turnover:			
Vessel on berth contract	754	747	0.94%
Number of overnight stays (vessels having tranzit berth)	7,179	8,127	-11.66%
Number of service operations executed	4,000	3,817	4.79%
Number of parking places	500	500	0.00%
Number of business cooperation agreements	49	49	0.00%
Financial results			
Total operating revenue of the marina (in EUR):	7,462,351.00	6,897,469.00	8.19%
Berth contract:			
Revenue from berth contracts	5,485,984.00 €	5,109,242.00 €	7.37%
Aver. revenue per berth contract	7,275.84 €	6,839.68 €	6.38%
Share in the total operating revenue of the marina	73.52%	74.07%	-0.75%
Transit berth:			
Revenue from the transit berth	393,575.00 €	443,345.00 €	-11.23%
Aver. revenue per overnight stay (transit berth)	54.82 €	54.55 €	0.50%
Share in the total operating revenue of the marina	5.3%	6.4%	-17.95%
Servicing:			
Revenue from servicing	505,960.00 €	463,160.00 €	9.24%
Aver. revenue per serv. operation	126.49 €	121.34 €	4.24%
Share in the total operating revenue of the marina	6.8%	6.7%	0.97%
Parking:			
Revenue from parking	434,155.00 €	446,193.00 €	-2.70%
Aver. revenue per parking space	868.31 €	892.39 €	-2.70%
Share in the total operating revenue of the marina	5.8%	6.5%	-10.06%
Business cooperation:			
Revenue from business cooperation	436,776.00 €	390,084.00 €	11.97%
Aver. revenue from business cooperation	8,913.80 €	7,960.90 €	11.97%
Share in the total operating revenue of the marina	5.9%	5.7%	3.49%

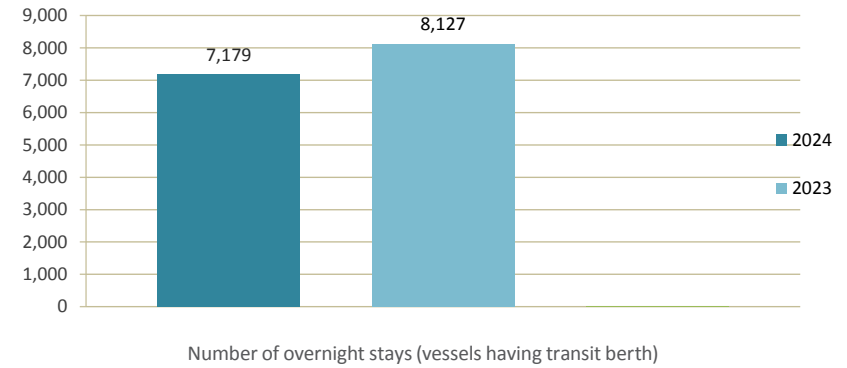
Notes:

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

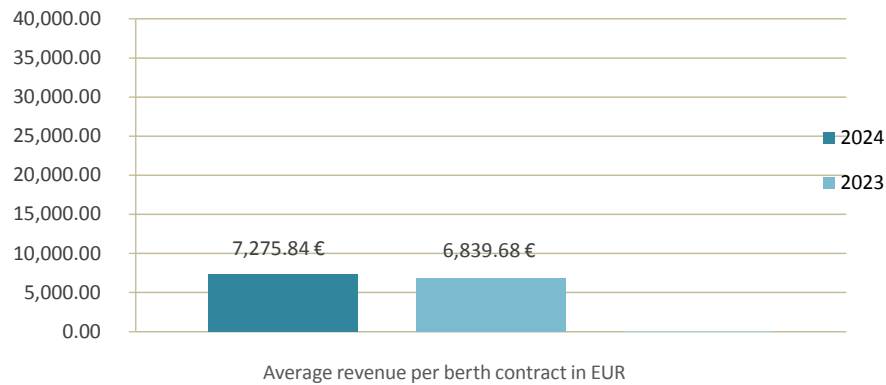
Number of contractual berth vessels at the Marina Kornati in 2024 and 2023



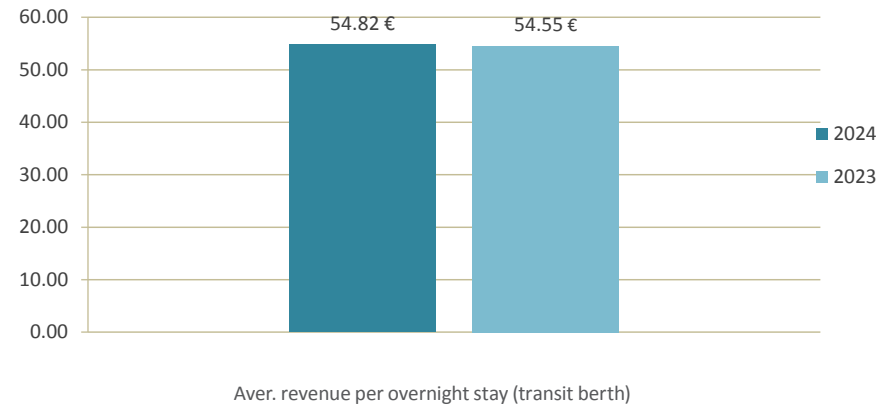
Number of transit vessel overnight stays at the Marina Kornati in 2024 and 2023



Average revenue generated per contractual berth at Marina Kornati in 2024 and 2023



Average revenue generated per transit vessel overnight stay at Marina Kornati in 2024 and 2023





6.3 CAMPING SECTOR – “PARK SOLINE” CAMPSITE

In 2024, in the camping sector, i.e. the Campsite “Park Soline” recorded 49,854 arrivals, which is an increase of 0.25% compared to the same period of the previous year, and in the same time, 321,016 overnight stays were recorded, which represents 97.57% of the figures from 2023.

Two segments of campsite operations (lump sum guests and mobile homes) recorded an increase in arrivals and overnight stays. In the market segment, we recorded an increase in overnight stays by 7.93% and an increase in arrivals by 8.03%, representing 6.44 days of stay from lump sum guests in the reporting period. The aforementioned increase is for the most part a consequence of the increase in leased lump sum pitches and the increase in lump-sum price. The mobile home market segment realised an increase of 5.66% in arrivals and of 0.93% in overnight stays as compared to the previous year. Most of the increase was generated in June due to the Slovenian and the Croatian market, and during the peak season. Individuals as a market segment realised 85.21% in arrivals and 87.01% in overnight stays compared to the arrivals and overnight stays realised in the same period of 2023. The allotment results were at 90.31% in the number of arrivals and at 85.53% in the number of overnight stays

due to a lower number of leased pitches, i.e. a 16.33% decrease, which resulted in a lower index in overnight stays and arrival of agency guests.

The camping sector recorded an increase in generated revenue, which amounted to EUR 7,065,458.98, representing a 5% increase compared to the previous year’s EUR 6,741,340.71. The reporting period recorded a 26% increase in lump sum guests, which is the result of a higher number of leased lump sum pitches compared to the previous year, of which most of the lump sum refers to mobile homes that bring higher revenue, followed by an increase in revenue from own mobile homes by 7% and revenue from other services by 13%.

In the structure of realized overnight stays, among the five leading outbound markets is (I) the Slovenian market with a 24.99% share of overnight stays, (II) the Czech market with a 18.52% share, (III) the Croatian market with a 14.19% share, (IV) the German market with a 11.03% share, and (V) the Dutch market with a 4.51% share. In the mobile homes segment, the greatest increase was recorded in guests from the Hungarian market (by 30.05%), the Croatian market (by 26.40%), the Polish market (by 17.97%) and the market of Bosnia and Herzegovina (by 18.10%) compared to

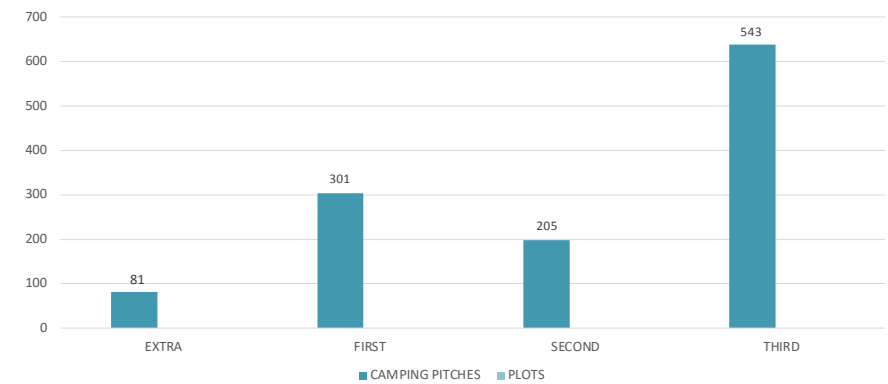
2023. In the business segment of camping units, the greatest increase was recorded in guests from the market of Bosnia and Herzegovina (by 68.69%), the Hungarian market (by 28.66%), the Slovakian market (by 17.19%) and the Croatian market (by 15.58%). At the same time, when it comes to market segments, lump sum payments and guests in mobile homes prevail in the structure of overnight stays, with a share of 38% and 29% in overnight stays respectively.

The continued growth of financial results in campsite operations and its 2024 revenue are the result of investments made in the quality of facilities and services offered within campsites, as well as increased marketing activities and strategically planned investments in key sales channels.



Capacities of the "Park Soline" campsite

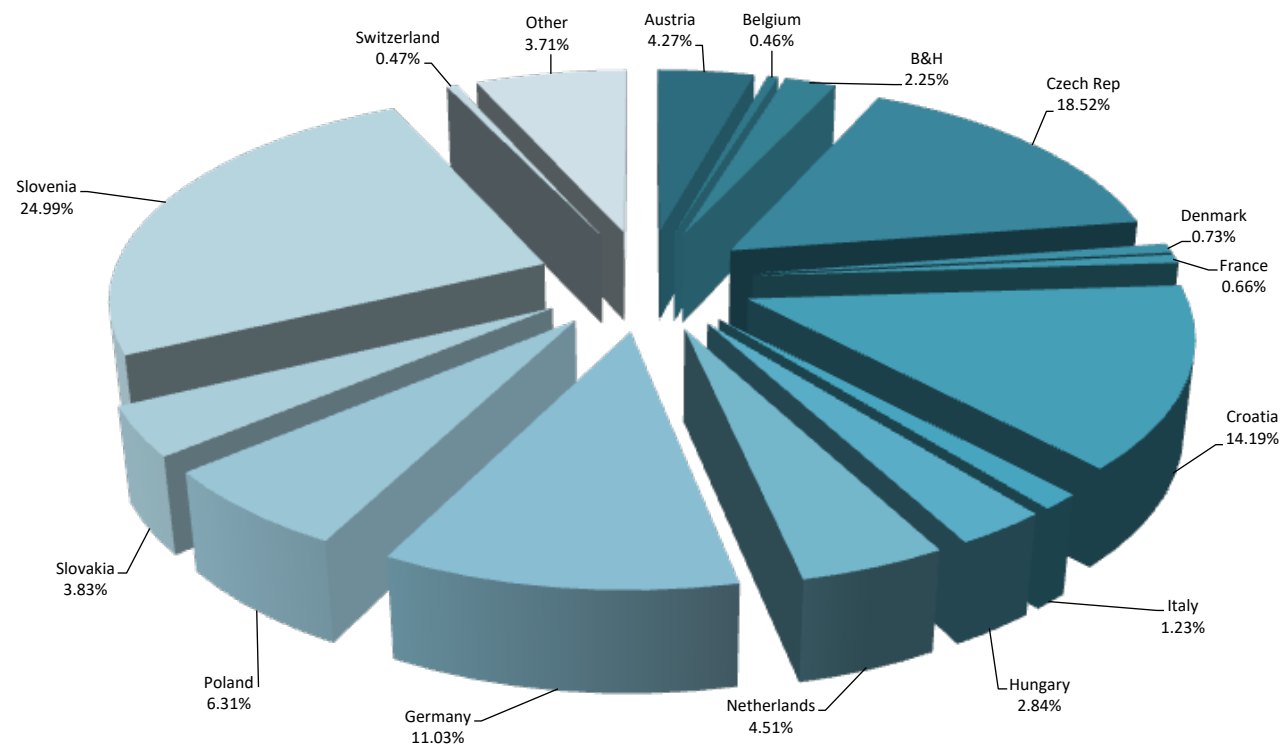
		2021	2022	2023	2024
I	EXTRA ZONE				
	CAMPING PITCHES	81	81	81	81
	CAMPING PLOTS	0	0	0	0
	TOTAL	81	81	81	81
II	FIRST ZONE				
	CAMPING PITCHES	303	303	301	301
	CAMPING PLOTS	0	0	0	0
	TOTAL	303	303	301	301
III	SECOND ZONE				
	CAMPING PITCHES	208	208	205	205
	CAMPING PLOTS	0	0	0	0
	TOTAL	208	208	205	205
IV	THIRD ZONE				
	CAMPING PITCHES	616	616	543	543
	CAMPING PLOTS	0	0	0	0
	TOTAL	616	616	543	543
Σ	GRANDTOTAL				
	CAMPING PITCHES	1208	1208	1130	1130
	CAMPING PLOTS	0	0	0	0
	GRANDTOTAL	1208	1208	1130	1130



Arrivals and overnight stays by outbound market and average days of stay in 2024 and a comparison with 2023

Country	2024		2023		INDEX 2024/2023		AVERAGE STAY (DAYS)	
	Arrivals	Overnight stays	Arrivals	Overnight stays	Arrivals	Overnight stays	2024	2023
Austria	2,279	13,696	2,331	14,112	97.77	97.05	6.01	6.05
Belgium	198	1,488	430	2,881	46.05	51.65	7.52	6.70
B&H	1,471	7,224	909	4,441	161.83	162.67	4.91	4.89
Czech Republic	8,131	59,453	8,335	61,820	97.55	96.17	7.31	7.42
Denmark	298	2,345	487	3,650	61.19	64.25	7.87	7.49
France	386	2,121	567	3,404	68.08	62.31	5.49	6.00
Croatia	8,466	45,538	7,161	39,223	118.22	116.10	5.38	5.48
Italy	648	3,956	891	5,201	72.73	76.06	6.10	5.84
Hungary	1,629	9,121	1,324	7,404	123.04	123.19	5.60	5.59
Netherlands	1,867	14,466	2,806	22,967	66.54	62.99	7.75	8.18
Germany	4,728	35,414	6,210	46,607	76.14	75.98	7.49	7.51
Poland	2,927	20,265	2,809	19,485	104.20	104.00	6.92	6.94
Slovakia	1,889	12,285	1,708	10,910	110.60	112.60	6.50	6.39
Slovenia	12,502	80,221	11,409	73,786	109.58	108.72	6.42	6.47
Switzerland	306	1,501	443	2,255	69.07	66.56	4.91	5.09
Other	2,129	11,922	1,909	10,864	111.52	109.74	5.60	5.69
TOTAL	49,854	321,016	49,729	329,010	100.25	97.57	6.44	6.62

Overnight stays by outbound market in 2024



Arrivals, overnight stays and plot numbers by market segment in 2024 and a comparison with 2023

MARKET SEGMENT	2024			2023			INDEX 2024/2023			AVERAGE DAYS OF STAY	
	Arrivals	Overnight stays	Pitch	Arrivals	Overnight stays	Pitch	Arrivals	Overnight stays	Pitch	2024	2023
Allotment	6.226	46.813	123	6.894	54.732	147	90,31	85,53	83,67	7,52	7,94
Lump sum	19.172	123.397	318	17.747	114.334	301	108,03	107,93	105,65	6,44	6,44
Individuals	9.574	57.557	419	11.003	67.550	412	87,01	85,21	101,70	6,01	6,14
Mobile homes	14.882	93.249	270	14.085	92.394	270	105,66	100,93	100,00	6,27	6,56
TOTAL	49.854	321.016	1.130	49.729	329.010	1.130	100,25	97,57	100,00	6,44	6,62

Overview of overnight stays by outbound market and by market segment in 2024 and a comparison with 2023

	MOBILE HOMES			AGENCIES			LUMP SUM			INDIVIDUALS			TOTAL		
	2023	2024	INDEX	2023	2024	INDEX	2023	2024	INDEX	2023	2024	INDEX	2023	2024	INDEX
Austria	5.401	4.987	92,33	213	90	42,25	4.409	4.403	99,86	4.089	4.216	103,11	14.112	13.696	97,05
Belgium	721	315	43,69	339	12	3,54	129	132	102,33	1.692	1.029	60,82	2.881	1.488	51,65
Bosnia and Herzegovina	1.359	1.605	118,10	124	113	91,13	2.744	5.145	187,50	214	361	168,69	4.441	7.224	162,67
The Czech Republic	9.821	10.137	103,22	37.711	35.657	94,55	10.929	10.452	95,64	3.359	3.207	95,47	61.820	59.453	96,17
Denmark	1.385	1.314	94,87	551	60	10,89	239	343	143,51	1.475	628	42,58	3.650	2.345	64,25
France	781	559	71,57	1.083	76	7,02	200	377	188,50	1.340	1.109	82,76	3.404	2.121	62,31
Croatia	9.558	12.081	126,40	438	914	208,68	25.550	28.293	110,74	3.677	4.250	115,58	39.223	45.538	116,10
Italy	1.992	1.774	89,06	219	137	62,56	743	256	34,45	2.247	1.789	79,62	5.201	3.956	76,06
Hungary	3.191	4.150	130,05	220	356	161,82	2.608	2.833	108,63	1.385	1.782	128,66	7.404	9.121	123,19
Netherlands	7.617	5.686	74,65	4.731	2.754	58,21	887	684	77,11	9.732	5.342	54,89	22.967	14.466	62,99
Germany	15.728	13.077	83,14	2.202	303	13,76	8.525	7.068	82,91	20.152	14.966	74,27	46.607	35.414	75,98
Poland	5.026	5.929	117,97	1.360	454	33,38	8.996	10.240	113,83	4.103	3.642	88,76	19.485	20.265	104,00
Slovakia	2.539	2.397	94,41	301	325	107,97	7.081	8.404	118,68	989	1.159	117,19	10.910	12.285	112,60
Slovenia	21.900	24.008	109,63	4.462	4.821	108,05	37.332	39.739	106,45	10.092	11.653	115,47	73.786	80.221	108,72
Switzerland	958	526	54,91	113	43	38,05	506	503	99,41	678	429	63,27	2.255	1.501	66,56
Others	4.417	4.704	106,50	665	698	104,96	3.456	4.525	130,93	2.326	1.995	85,77	10.864	11.922	109,74
TOTAL	92.394	93.249	100,93	54.732	46.813	85,53	114.334	123.397	107,93	67.550	57.557	85,21	329.010	321.016	97,57

Cumulative overview of daily and monthly occupancy of campsite accommodation units in 2024 and comparison with 2023

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	8.040	240	2,99%	0,90	8.308	1.115	13,42%	4,16	8.040	3.709	46,13%	13,84
AGENCIES	3.690	3.690	100,00%	30,00	3.813	3.813	100,00%	31,00	3.690	3.690	100,00%	30,00
LUMP SUM	9.540	9.540	100,00%	30,00	9.858	9.858	100,00%	31,00	9.540	9.540	100,00%	30,00
INDIVIDUALS PITCHES STANDARD MARE, COMFORT AND STANDARD III ZONE	10.380	416	4,01%	1,20	10.726	1.322	12,33%	3,82	10.380	2.248	21,66%	6,50
INDIVIDUALS CAMPING STANDARD IV ZONE	2.160	0	0,00%	0,00	2.263	53	2,34%	0,73	2.190	110	5,02%	1,51
INDIVIDUALS TOTAL	12.540	416	3,31%	0,99	12.989	1.375	10,59%	3,28	12.570	2.358	18,76%	5,63
TOTAL	33.810	13.886	41,07%	12,32	34.968	16.161	46,22%	14,33	33.840	19.297	57,02%	17,11

MONTH	JULY				AUGUST				SEPTEMBER			
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	8.308	7.307	87,95%	27,26	8.308	7.907	95,17%	29,50	8.040	3.189	39,66%	11,90
AGENCIES	3.813	3.813	100,00%	31,00	3.813	3.813	100,00%	31,00	3.690	3.690	100,00%	30,00
LUMP SUM	9.858	9.858	100,32%	31,10	9.858	9.858	100,00%	31,00	9.540	9.540	100,00%	30,00
INDIVIDUALS PITCHES STANDARD MARE, COMFORT AND STANDARD III ZONE	10.726	5.231	48,77%	15,12	10.726	6.641	61,91%	19,19	10.380	2.046	19,71%	5,91
INDIVIDUALS CAMPING STANDARD IV ZONE	2.263	716	31,64%	9,81	2.263	1.142	50,46%	15,64	2.190	72	3,29%	0,99
INDIVIDUALS TOTAL	12.989	5.947	45,78%	14,19	12.989	7.783	59,92%	18,58	12.570	2.118	16,85%	5,05
TOTAL	34.968	26.925	77,00%	23,87	34.968	29.361	83,97%	26,03	33.840	18.537	54,78%	16,43

MONTH	OCTOBER				TOTAL 2024					TOTAL 2023				
	SEGMENT	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	NUMBER OF ACCOMMODATING UNITS	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	NUMBER OF ACCOMMODATING UNITS	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %
MOBILE HOMES ILIRIJA	4.020	54	1,34%	0,20	270	53.064	23.521	44,33%	87,76	270	52.866	23.857	45,13%	89,35
AGENCIES	1.845	1.845	100,00%	15,00	123	24.354	24.354	100,00%	198,00	147	29.106	29.106	100,00%	198,00
LUMP SUM	4.770	4.770	100,00%	15,00	318	62.964	62.964	100,00%	198,00	301	59.598	59.598	100,00%	198,00
INDIVIDUALS PITCHES STANDARD MARE, COMFORT AND STANDARD III ZONE	5.190	279	5,38%	0,81	346	68.508	18.183	26,54%	52,55	346	68.508	20.778	30,33%	60,05
INDIVIDUALS CAMPING STANDARD IV ZONE	1.095	3	0,27%	0,04	73	14.454	2.096	14,50%	28,71	66	13.068	2.602	19,91%	39,42
INDIVIDUALS TOTAL	6.285	282	4,49%	0,67	419	82.962	20.279	24,44%	48,40	412	81.576	23.380	28,66%	56,75
TOTAL	16.920	6.951	41,08%	6,16	1130	223.344	131.118	58,71%	116,24	1130	223.146	135.941	60,92%	120,62

MONTH	INDEX 2024./2023.				
	SEGMENT	NUMBER OF ACCOMMODATING UNITS	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %
MOBILE HOMES ILIRIJA	100	100	99	98,22%	98,22
AGENCIES	83,67	84	84	100,00%	100,00
LUMP SUM	105,65	106	106	100,00%	100,00
INDIVIDUALS PITCHES STANDARD MARE, COMFORT AND STANDARD III ZONE	100,00	100	88	87,51%	87,51
INDIVIDUALS CAMPING STANDARD IV ZONE	110,61	111	81	72,83%	72,83
INDIVIDUALS TOTAL	101,70	102	87	85,29%	85,29
TOTAL	100	100	96	96,37%	96,37

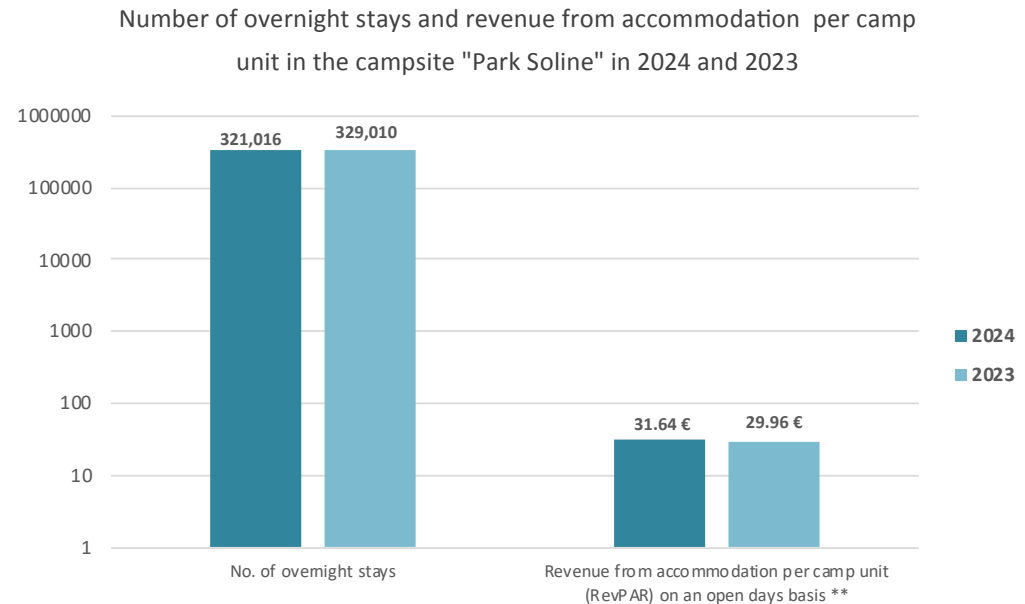
Campsite revenue in 2024 and a comparison with 2023

SEGMENT		2023					2024			INDEX	
		REALIZED BY 31/12/2023			CONTRACTED BY 31/12/2023		REALIZED BY 31/12/2024			2024/2023	
		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	92,394	3,172,046.56 €	92,394	3,172,046.56 €	270	93,249	3,407,481.06 €	101	107
2	AGENCIES	147	54,732	547,256.65 €	54,732	547,256.65 €	123	46,813	490,884.95 €	86	90
3	INDIVIDUALS	412	67,550	1,203,612.00 €	67,550	1,203,612.00 €	419	57,557	1,067,841.62 €	85	89
4	LUMP SUM	301	114,334	1,508,249.66 €	114,334	1,508,249.66 €	318	123,397	1,749,843.38 €	108	116
5	OTHER SERVICES	-	-	310,175.84 €		310,175.84 €	0		349,407.97 €	#DIV/0!	113
TOTAL:		1130	329,010	6,741,340.71 €	329,010	6,741,340.71 €	1130	321,016	7,065,458.98 €	98	105

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

In 2024, the “Park Soline” campsite saw an increase in financial performance indicators and in the area of key physical indicators, it recorded a small 0.25% increase in the number of arrivals, while the number of overnight stays declined by 2.43%. In the reporting period, the campsite revenue amounted to EUR 7,065,458.98, representing a 4.81% increase, whereby the greatest revenue increase was recorded in the lump sum market, mobile homes and other services segments.

A 3.37% decrease in campsite unit occupancy on the basis of days of availability was recorded compared to the previous year, though a 9.28% increase in the average achieved price and a 5.60% increase in accommodation revenue per campsite unit, based on campsite unit occupancy on the basis of days of availability, were also recorded.



Note:

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

Key market indicators of the “Park Soline” campsite

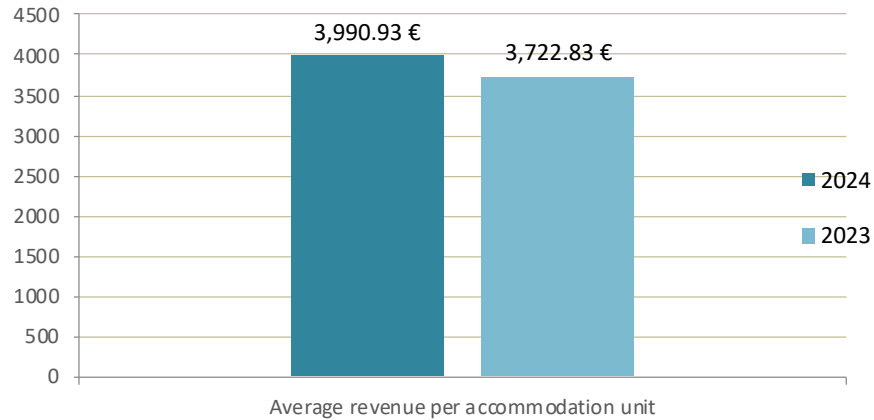
	2024.	2023.	2024./2023.
Accommodation capacities:			
Number of camping units	1.130	1.130	0,00%
Number of guests	3.390	3.390	0,00%
Physical turnover:			
No. of overnight stays	321.016	329.010	-2,43%
No. of sold camp units	131.118	135.941	-3,55%
Annual occupancy rate of the camp units (%)	31,79%	32,96%	-3,55%
Occupancy rate of the units on an open days basis (%)	58,71%	60,76%	-3,37%
Financial results:			
TOTAL OPERATING REVENUE	7.065.458,98 €	6.741.340,71 €	4,81%
Fixed lease:			
Revenue - fixed lease	490.884,95 €	547.256,65 €	-10,30%
Average revenue per accommodation unit	3.990,93 €	3.722,83 €	7,20%
Share in the total operating campsite revenue	6,9%	8,1%	-14,42%
Number of units	123	147	-16,33%
Lump sum:			
Revenue - Lump sum	1.749.843,38 €	1.508.249,66 €	16,02%
Average revenue per accommodation unit	5.502,65 €	5.010,80 €	9,82%
Share in the total operating campsite revenue	24,8%	22,4%	10,70%
Number of units	318	301	5,65%
Individuals:			
Revenue - Individuals	1.067.841,62 €	1.203.612,00 €	-11,28%
Average revenue per accommodation unit	2.548,55 €	2.921,39 €	-12,76%
Share in the total operating campsite revenue	15,1%	17,9%	-15,35%
Number of units	419	412	1,70%
Mobile homes:			
Revenue - Mobile homes	3.407.481,06 €	3.172.046,56 €	7,42%
Average revenue per mobile homes	12.620,30 €	11.748,32 €	7,42%
Share in the total operating campsite revenue	48,2%	47,1%	2,49%
Number of mobile homes	270	270	0,00%
Extra services:			
Revenue-extra services	349.407,97 €	310.175,84 €	12,65%
Average revenue per accommodation unit	309,21 €	274,49 €	12,65%
Share in the total operating campsite revenue	4,9%	4,6%	7,48%
Total number of units	1130	1130	0,00%
Average daily rate of the camp unit (ADR)*			
	53,89 €	49,31 €	9,28%
Revenue from accommodation per camp unit (RevPAR) on a basis of 365 days **			
	17,13 €	16,25 €	5,40%
Revenue from accommodation per camp unit (RevPAR) on an open days basis **			
	31,64 €	29,96 €	5,60%

Notes:

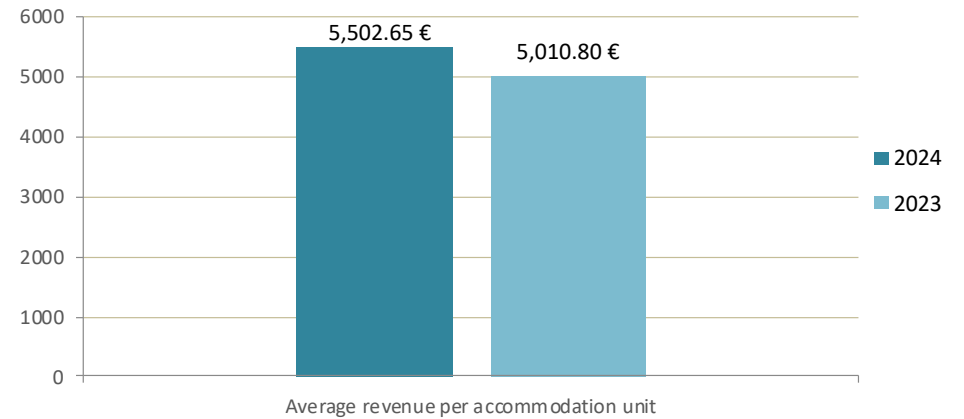
* ADR - Average daily rate of a camp unit is calculated on the basis of the revenue from accommodation in the campsite and the number of camp units sold.

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

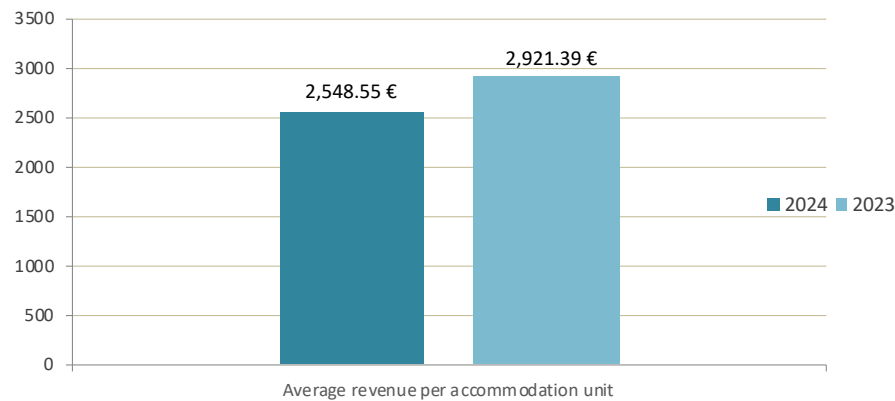
Average generated revenue per fixed lease pitch in the "Park Soline" campsite in 2024 and 2023



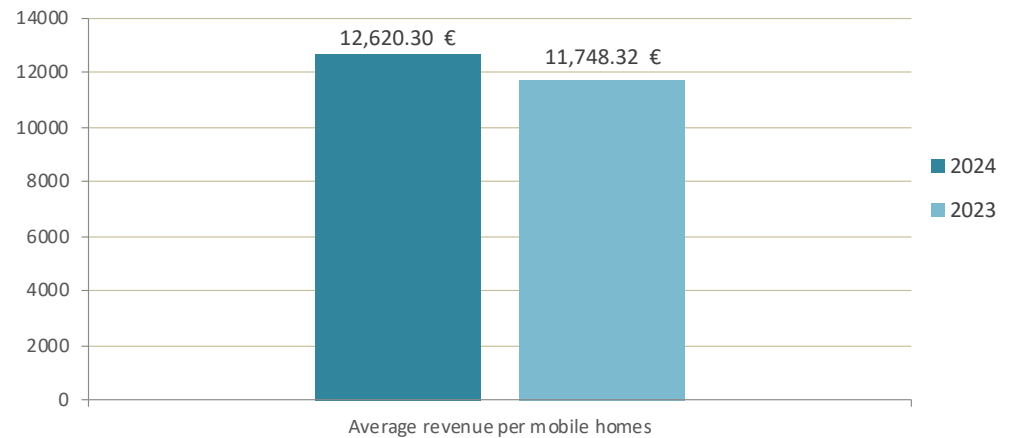
Average generated revenue per lump sum pitch at the "Park Soline" campsite in 2024 and 2023



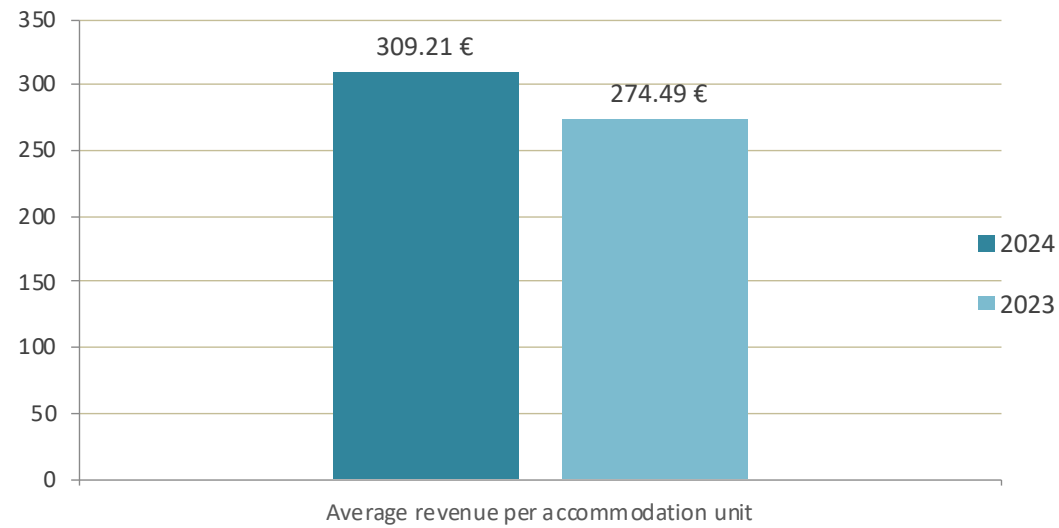
Average generated revenue per pitch – individuals at the "Park Soline" campsite in 2024 and 2023



Average generated revenue per mobile home at the "Park Soline" campsite in 2024 and 2023



Average generated revenue from extra services per pitch at the
“Park Soline” campsite in 2024 and 2023



6.4 CITY GALLERIA BUSINESS AND SHOPPING CENTRE

City Galleria Business and Shopping Centre is located in a heavily residential area in the immediate centre of Zadar, just a ten-minute walk from the old town. Due to the 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 access by a large number of local residents and foreign visitors.

The business results achieved in 2024 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 commercial premises amounted to EUR 2,147,773.16. Other operating revenue relating to insurance claims amounted to EUR 11,298.90 in the relevant period, which brings the total generated revenue in 2024 to EUR 2,159,072.06. Total revenue generated in 2023 amounted to EUR 2,056,050.86, which represents growth of 5.01% realised in 2024.

In the category of revenue from the lease of commercial premises in the observed period in comparison to 2023, an increase of 7.27% was recorded, while reve-

nue from common costs recorded an increase of 5.33%. The category of revenue from the use of common areas of the Centre decreased by 12.07% compared to the result achieved in 2023. 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 9.48%. Operating revenue from the lease of business premises in the neighbouring Phase 1 of the Centre recorded an increase of 9.23% in 2024 compared to the 2023.

In 2024, the number of vehicles visiting the public underground garage of the centre amounted to 734,990, while in 2023 it amounted to 729,225. The said result constitutes a 0.79% increase in the reporting year. In addition to the shown increase in revenue followed by an increase in the number of visitors using the garage, in 2024 relative to the previous business year, there was also an increase in the length of parking time in the garage of the City Galleria Centre.

Business revenue of the business and shopping centre City Galleria in Zadar in 2024 and a comparison with 2023

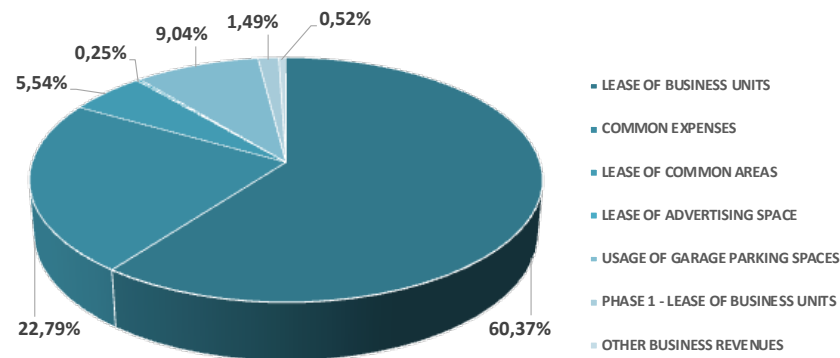
DESIGNATION	DESCRIPTION	NUMBER OF ACTIVE CONTRACTS	SURFACE AREA m ²	REVENUES IN 2024	%	REVENUES IN 2023	%	INDEX 2024/2023
1	LEASE OF BUSINESS UNITS	36	9.445,32*	1.303.430,75 €	60,37%	1.215.040,53 €	59,10%	107
2	COMMON EXPENSES	34	6.648,73**	492.140,74 €	22,79%	467.219,78 €	22,72%	105
3	LEASE OF COMMON AREAS	24	1.506,50	119.518,39 €	5,54%	135.929,43 €	6,61%	88
4	LEASE OF ADVERTISING SPACE	8	130,98	5.314,85 €	0,25%	5.365,91 €	0,26%	99
5	USAGE OF GARAGE PARKING SPACES	410***	10.863,50	195.137,62 €	9,04%	178.241,47 €	8,67%	109
6	PHASE 1- LEASE OF BUSINESS UNITS	6	289,96	32.230,81 €	1,49%	29.507,96 €	1,44%	109
REVENUE:				2.147.773,16 €	99,48%	2.031.305,08 €	98,80%	106
7	OTHER BUSINESS REVENUES			11.298,90 €	0,52%	24.745,78 €	1,20%	46
TOTAL REVENUE:				2.159.072,06 €	100,00%	2.056.050,86 €	100,00%	105

* Total net leasable surface area

** Total net leasable area for calculation of common expenses

*** Number of parking spaces in the garage

OVERVIEW OF REVENUE IN 2024



SUMMARY OF KEY MARKET RESULTS OF THE CITY GALLERIA BUSINESS AND SHOPPING CENTRE

As at 31 December 2024, a total of 36 commercial lease agreements were active, i.e. the occupancy rate was 99.76% of the indicated net rentable area of the Centre. By purchasing business premises, the Company ensured additional 289,96 m² of business premises available for lease, whereby the total net rentable surface area of all business premises owned by the Company increased to 9,735.28 m² and the occupancy rate of all business premises owned by the Company amounted to 99.77% as at 31 December 2024. The total gross area of the building is more than 28,500 m², spread over a total of six floors including two floors for an underground garage and four floors with commercial and retail space. The total gross area of the centre is comprised of an underground garage with a surface area of 10,863.50 m², commercial premises with a total net rentable surface area of 9,445.32 m², and connecting, technical and common areas.

Business revenue of the City Galleria Centre is generated through lease of commercial premises, common costs, use of common parts of the centre, lease of advertising space, garage revenue and lease of commercial premises. Total revenue generated in 2024 amount-

ed to EUR 2,159,072.06, representing a 5.01% increase achieved compared to 2023. Furthermore, revenue growth was followed by a growth in the average generated monthly lease fee per square metre of business premises in the amount of EUR 11.50, representing a 7% increase, and the average generated lease fee per square metre of business premises also increased at the same rate and amounted to EUR 138.00 in the reporting period.



Key market indicators of the real-estate sector – City Galleria

	2024	2023	2024/2023
Commercial capacities:			
Premises - floor area (m ²)	9.445,32	9.445,32	0%
Shared costs - floor area (m ²)	6.648,73	6.648,73	0%
Common areas - floor area (m ²)	1.506,50	1.533,00	-2%
Advertising space - floor area (m ²)	130,98	130,98	0%
Garage - floor area (m ²)	10.863,50	10.863,50	0%
Commercial turnover:			
Premises - number of active contracts	36	35	3%
Shared costs - number of active contracts	34	33	3%
Common areas - number of active contracts	24	26	-8%
Advertising space - number of active contracts	8	8	0%
Garage - number of parking spaces	410	410	0%
Garage - turnover of vehicles	734.990	729.225	1%
Financial results:			
Average monthly rent earned per m ² of premises (AMR)*	11,50 €	10,72 €	7%
Average rent earned per m ² of premises for the period	138,00 €	128,64 €	7%
Average revenue from the garage per parking space for the period**	475,95 €	434,74 €	9%

Notes:

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

** The revenue from the garage per parking space is the total revenue from the garage divided by a number of available parking spaces in a given period.

6.5 ILIRIJA TRAVEL

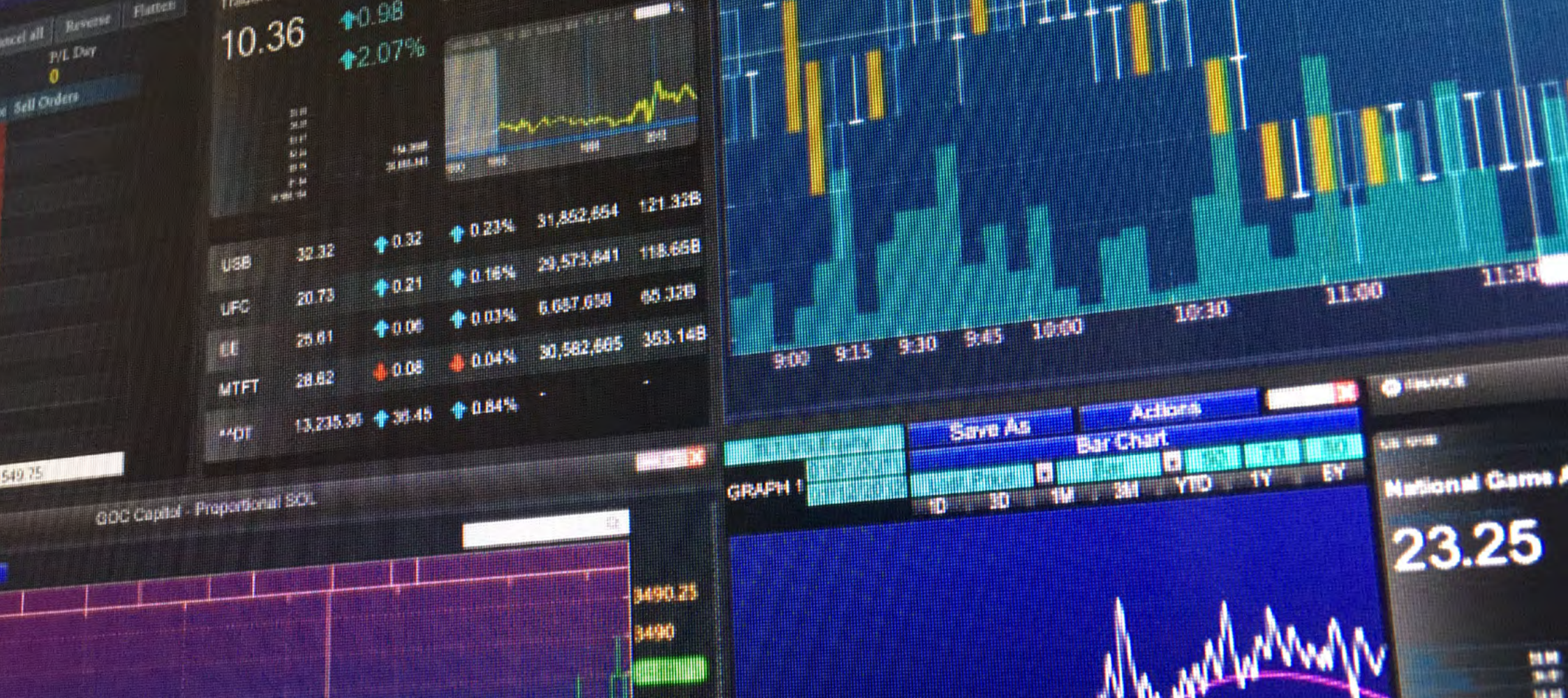
Ilirija Travel, as a destination management company, continued its strong growth in 2024. By developing new services and amenities, the Company has been creating an integrated and complementary tourism product and offering additional services in the pre-season through the agency, which has, thanks to improved sales and increasing number of arrivals of organised groups, increased the number of events and attendees as well as revenue. Total revenue of EUR 1,828,124.91 increased by 25.53% compared to EUR 1,456,273.18 in the previous year, were realised across other Company's profit centres as well.

After last year's 234 events with 30,560 participants, this year, 295 events were attended by 40,424 people. Through specialised programs and events such as concerts, incentives, events, conferences, congresses, weddings, excursions, regattas, and others, the company achieved a robust growth in both physical and financial results, with pronounced increase in demand for excursion programs compared to the previous pre-season. The multi-purpose facility Arsenal in Zadar also experienced an exceptional growth, achieving the revenue of EUR 1,119,178.21 compared to EUR 599,768.83 in 2023, marking an 86.6% revenue increase.

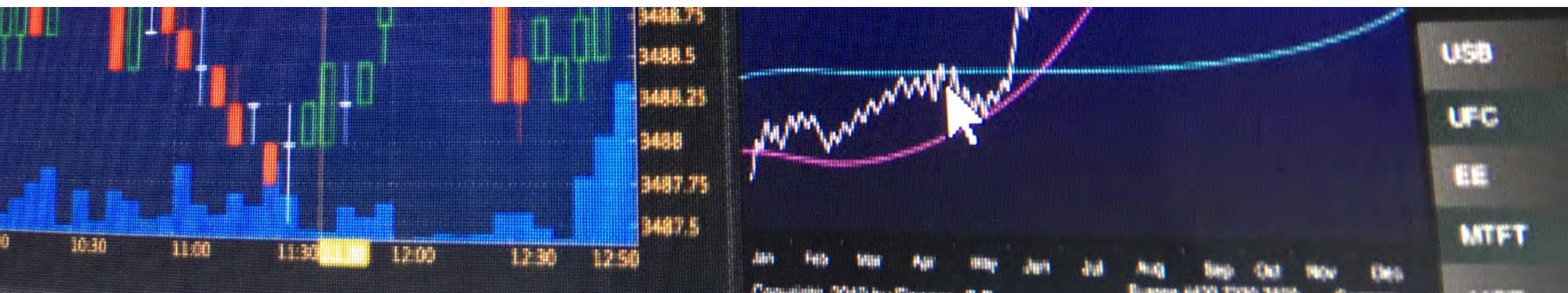


Business events realised in 2024 and a comparison with 2023

	Number of events			Number of participants			Total revenue		
	2024	2023	INDEX 2024/2023	2024	2023	INDEX 2024/2023	2024	2023	INDEX 2024/2023
TOTAL	295	234	126.07	40,424	30,560	132.28	1,828,124.91 €	1,456,273.18 €	125.53



7 FINANCIAL RESULTS OF THE COMPANY



7 FINANCIAL RESULTS OF THE COMPANY

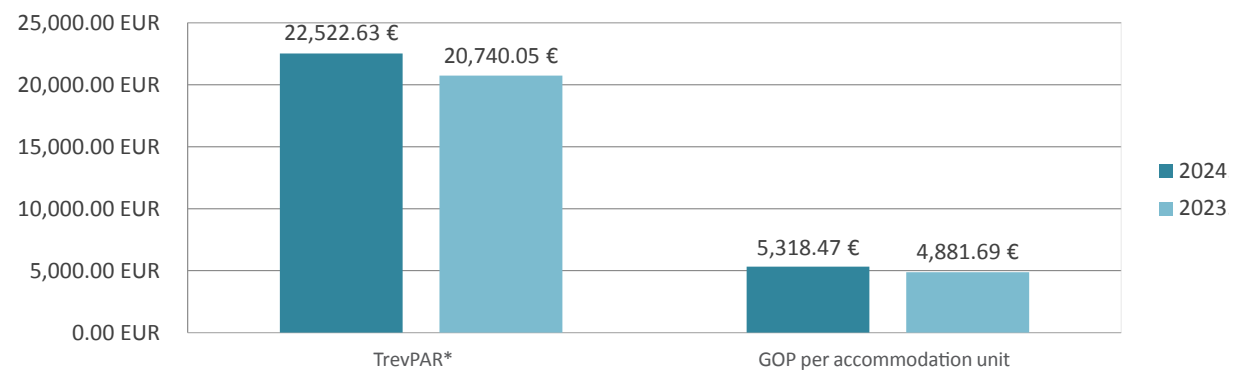
7.1 FINANCIAL-OPERATING RESULTS OF THE COMPANY BY SECTORS

7.1.1 HOTEL SECTOR

	2024	2023	2024/2023
HOTEL SECTOR - BIOGRAD			
Operating revenues	9.031.555,55 €	8.385.920,56 €	7,70%
Revenues from board services	7.519.631,36 €	6.846.537,26 €	9,83%
TRevPAR *	24.880,32 €	23.101,71 €	7,70%
Operating costs **	6.854.139,73 €	6.368.971,27 €	7,62%
Gross operating profit (GOP) ***	2.177.415,82 €	2.016.949,29 €	7,96%
GOP per accommodation unit	5.998,39 €	5.556,33 €	7,96%
GOP margin****	24,1%	24,1%	0,24%
Capital investments	235.973,89 €	720.892,93 €	-67,27%
HOTEL SECTOR - SV. FILIP I JAKOV			
Operating revenues	765.790,49 €	636.001,22 €	20,41%
Revenues from board services	689.446,22 €	574.198,34 €	20,07%
TRevPAR *	10.635,98 €	8.833,35 €	20,41%
Operating costs **	629.672,61 €	529.415,36 €	18,94%
Gross operating profit (GOP) ***	136.117,88 €	106.585,86 €	27,71%
GOP per accommodation unit	1.890,53 €	1.480,36 €	27,71%
GOP margin****	17,8%	16,8%	6,06%
Capital investments	99.113,55 €	134.142,23 €	-26,11%
HOTEL SECTOR - TOTAL ILIRIJA d.d.			
Operating revenues	9.797.346,04 €	9.021.921,78 €	8,59%
Revenues from board services	8.209.077,58 €	7.420.735,60 €	10,62%
TRevPAR *	22.522,63 €	20.740,05 €	8,59%
Operating costs **	7.483.812,34 €	6.898.386,63 €	8,49%
Gross operating profit (GOP) ***	2.313.533,70 €	2.123.535,15 €	8,95%
GOP per accommodation unit	5.318,47 €	4.881,69 €	8,95%
GOP margin****	23,6%	23,5%	0,32%
Capital investments	335.087,44 €	855.035,16 €	-60,81%

In 2024, the hotel sector generated a revenue of EUR 9,797,346.04, which represents an 8.59% increase compared to the revenue generated in the amount of EUR 9,021,921.78 in 2023. At the same time, operating costs of the hotel sector increased by 8.49% in comparison to the previous year. With the growth of revenue while simultaneously managing costs, the gross operating profit (GOP) at the level of the hotel sector was realised in the amount of EUR 2,313,533.70, constituting an increase of 8.95% compared to 2023. GOP per accommodation unit amounted to EUR 5,318.47, representing an 8.95% increase, while the GOP margin amounted to 23.6%.

Total revenues per accommodation unit (TrevPAR) and GOP per accommodation unit in the hotel sector of Ilirija d.d. in 2024 and 2023



Notes:

The hotel sector in Biograd includes: Ilirija, Adriatic and Kornati hotels; Lavanda bar and pool, and the sports and entertainment facility, while the hotel sector in Sv. Filip i Jakov is the Villa Donat hotel.

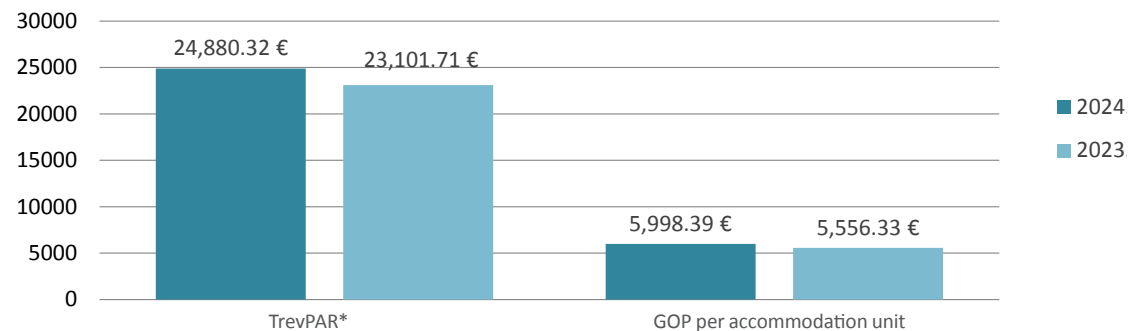
* TRRevPAR (total annual revenue per accommodation unit) means the total operating revenue of the hotel sector divided by the number of physical accommodation units.

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

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

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

Total revenues per accommodation unit (TrevPAR) and GOP per accommodation unit the hotels in Biograd na Moru during the period in 2024 and 2023



FINANCIAL OPERATIONS
REPORTING SYSTEM ACCORDING TO THE USALI STANDARDS 01/01/2024 – 31/12/2024
HOTEL SECTOR (after allocation – reallocation of the common revenue
and common costs)

(EUR)

Items	Annual cumulative achievements in 2022	Annual cumulative achievements in 2023	Annual cumulative achievements in 2024	Index 2024/2023
TOTAL NET REVENUE (operating)	6.975.192,32	9.007.720,39	9.785.145,62	108,63
Total direct costs	890.394,60	1.210.502,57	1.351.552,13	111,65
Total salary and labor costs	2.233.151,77	2.832.515,68	3.210.713,56	113,35
Total other department costs	489.160,78	561.966,42	536.714,47	95,51
TOTAL CONTRIBUTION	3.362.485,17	4.402.735,72	4.686.165,46	106,44
Total costs to GOP	5.906.578,54	7.558.424,18	8.092.833,13	107,07
GOP	1.068.613,78	1.449.296,21	1.692.312,48	116,77
Grandtotal net revenues	7.002.822,16	9.105.909,38	9.907.036,82	108,80
Grandtotal costs	7.305.913,28	9.091.926,78	9.841.697,82	108,25
PROFIT BEFORE TAXATION	-303.091,12	13.982,59	65.339,01	467,29
Corporate income tax	0,00	2.716,84	12.642,84	465,35
NET PROFIT	-303.091,12	11.265,75	52.696,17	467,76
EBITDA	802.815,00	1.147.187,38	1.236.253,97	107,76
EBIT	-206.908,23	89.874,99	136.217,24	151,56

7.1 FINANCIAL-OPERATING RESULTS OF THE COMPANY BY SECTORS

7.1.2 NAUTICAL SECTOR

Marina Kornati, the restaurant “Marina Kornati” and the Nautical Fair represent the profit centres of the Company’s nautical sector, which in 2024 generated revenue in the following amounts:

- Marina Kornati – EUR 7,462,351.00
- “Marina Kornati” restaurant – EUR 629,277.00
- Nautical fair – EUR 1,025,776.00

In 2024, the nautical sector realised operating revenue in the amount of EUR 9,117,404.00, a 9% increase compared to 2023, when revenue amounted to EUR 8,383,127.00.

The increase in the revenue generated by the nautical sector is the result of a significant increase in revenue in two of its profit centres, of which in absolute terms the most significant contribution by far is from the revenue realised in the part of boat accommodation, i.e. Marina Kornati and nautical tourism. In 2024, Marina Kornati realised revenue in the amount of EUR 7,462,351.00 with a growth rate of 8% achieved compared to 2023, when it amounted to EUR 6,897,469.00, representing the highest revenue generated thus far. The revenue generated by Marina Kornati in 2024 accounted for 82% of the total business revenue of the

nautical sector. The most significant increase in Marina Kornati’s revenue is due to an increase in the revenue from contractual berths, which equalled EUR 5,485,984.00 in the reporting period, representing a 7.37% increase in comparison to the same period of 2023. Apart from contractual berths, other revenue items also increased: business cooperation revenue by 11.97% and port service by 9.24%.

Furthermore, the nautical fair profit centre also achieved an increase in revenue in the amount of EUR 1,025,776.00, recording an increase of 23%, while the revenue realised by the restaurant “Marina Kornati” in the amount of EUR 629,277.00, recorded growth at a rate of 3%.

The substantial increase in operating revenue across all nautical profit centres was accompanied by an increase in the gross operating profit, which amounted to EUR 5,103,611.00 for the entire nautical sector, i.e. it represented a 9% increase compared to the previous year, when it amounted to EUR 4,686,187.00. The increase in the gross operating profit was accompanied by an increase in the GOP per berth, which equals EUR 6,340.00 in the reporting period, and an increase in the GOP margin, which equalled 56% in 2024.

KEY FINANCIAL INDICATORS FOR THE NAUTICAL SECTOR

	2024	2023	2024/2023
NAUTICS TOTAL			
Operating revenues	9,117,404.00 €	8,383,127.00 €	9%
Operating revenues per berth	11,325.97 €	10,413.82 €	9%
Operating costs*	4,013,793.00 €	3,696,940.00 €	9%
GOP **	5,103,611.00 €	4,686,187.00 €	9%
GOP per berth	6,399.89 €	5,821.35 €	9%
GOP margin ***	56%	56%	0%
Capital investments	115,745.00 €	409,021.00 €	-72%
MARINA KORNATI			
Operating revenues	7,462,351.00 €	6,897,469.00 €	8%
Operating revenues per berth	9,270.00 €	8,568.28 €	8%
Operating costs*	2,560,237.00 €	2,427,051.00 €	5%
GOP **	4,902,114.00 €	4,470,417.00 €	10%
GOP per berth	6,089.58 €	5,553.31 €	10%
GOP margin ***	66%	65%	1%
RESTAURANT OF MARINA KORNATI			
Operating revenues	629,277.00 €	649,881	-3%
Operating costs*	642,265.00 €	628,627	2%
GOP **	-12,988.00 €	21,254.00 €	-161%
GOP margin ***	-2%	3%	-163%
BOAT SHOW			
Operating revenues	1,025,776.00 €	835,777.00 €	23%
Operating costs*	810,838.00 €	641,262.00 €	26%
GOP **	214,938.00 €	194,515.00 €	10%
GOP margin ***	21%	23%	-10%

Notes:

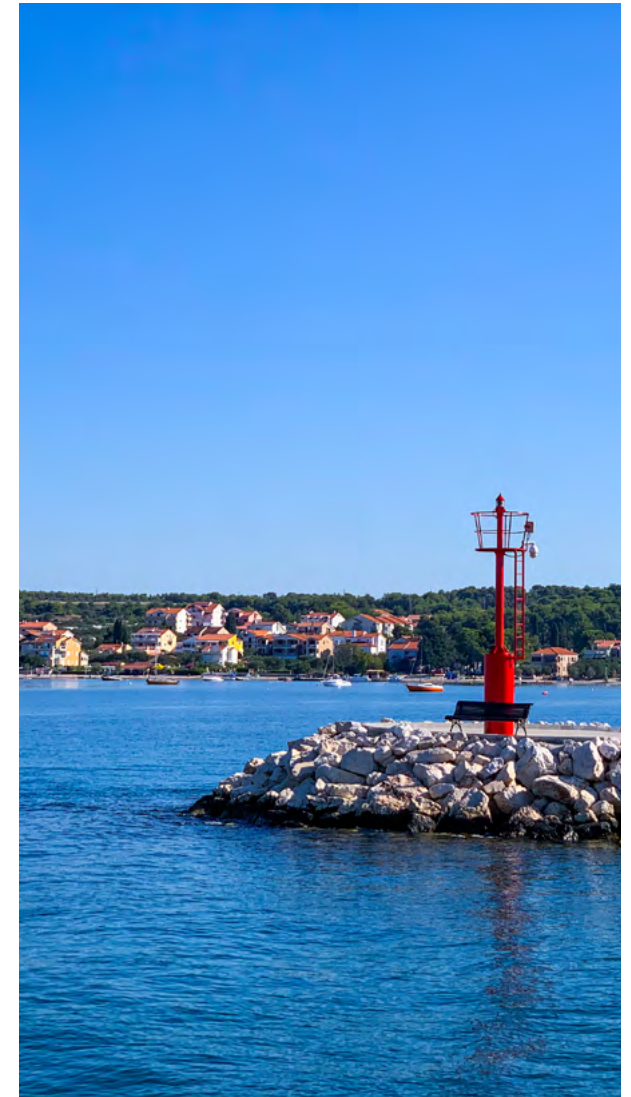
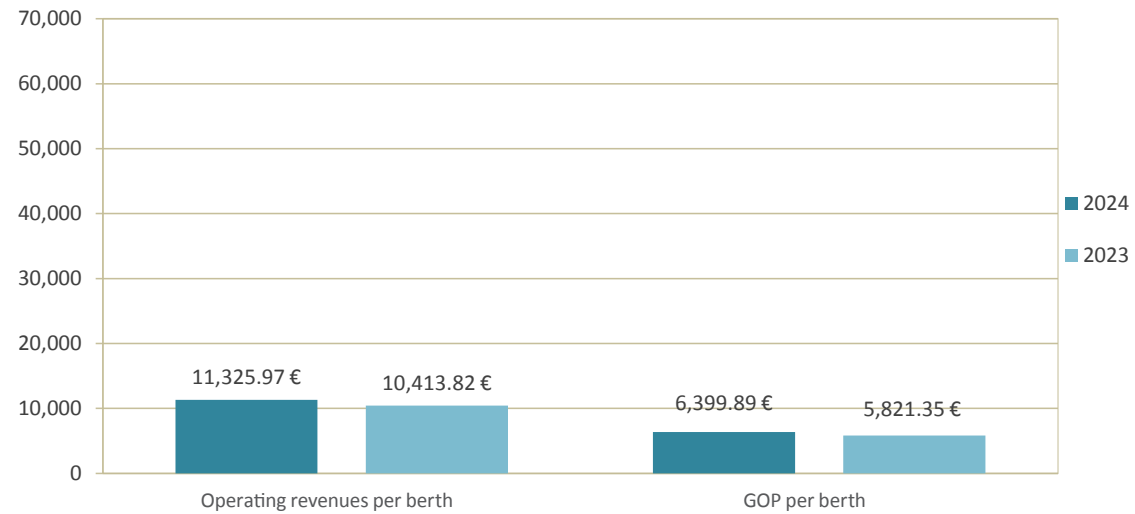
The nautical sector of Ilirija d.d. is comprised of three business units Marina Kornati, the nautical fair and restaurant.

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

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

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

Total operating revenue and gross operating profit (GOP) per berth of the nautical sector of Ilirija d.d. in 2024 and 2023



FINANCIAL OPERATIONS
REPORTING SYSTEM ACCORDING TO THE USALI STANDARDS 01/01/2024 – 31/12/2024
NAUTICAL SECTOR (after allocation – reallocation of the common revenue and common costs)

(EUR)

Items	Annual cumulative achievements in 2022	Annual cumulative achievements in 2023	Annual cumulative achievements in 2024	Index 2024/2023
TOTAL NET REVENUE (operating)	7.294.235,39	8.377.640,76	8.999.935,40	107,43
Total direct costs	188.126,37	176.666,57	167.812,96	94,99
Total salary and labor costs	839.795,78	1.002.733,31	1.060.752,72	105,79
Total other department costs	322.106,54	327.230,44	391.586,76	119,67
TOTAL CONTRIBUTION	5.944.206,70	6.871.010,44	7.379.782,96	107,40
Total costs to GOP	3.517.169,82	4.083.278,81	4.359.549,29	106,77
GOP	3.777.065,57	4.294.361,95	4.640.386,11	108,06
Grandtotal net revenues	7.326.260,85	8.469.913,84	9.230.751,61	108,98
Grandtotal costs	4.596.940,00	5.279.583,53	5.716.689,39	108,28
PROFIT BEFORE TAXATION	2.729.320,85	3.190.330,31	3.514.062,22	110,15
Corporate income tax	524.575,47	619.885,29	679.956,87	109,69
NET PROFIT	2.204.745,38	2.570.445,02	2.834.105,35	110,26
EBITDA	3.233.805,11	3.677.294,06	3.990.422,41	108,52
EBIT	2.835.528,31	3.273.090,10	3.588.849,59	109,65

7.1 FINANCIAL-OPERATING RESULTS OF THE COMPANY BY SECTORS

7.1.3 CAMPING SECTOR

Notes:

Camping includes accommodation and a restaurant in the "Park Soline" campsite.

* TRevPAR – total revenue per camp unit means the total business camping (i.e. camp) revenue divided by the number of physical camp units.

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

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

**** The GOP margin is calculated by relating GOP from camping / the campsite / the restaurant before the allocation of common service costs and operating revenue.

	2024	2023	2024/2023
CAMPING TOTAL			
Operating revenue	7.728.416,08 €	7.485.683,10 €	3,24%
TRevPAR *	6.839,31 €	6.624,50 €	3,24%
Operating costs**	3.842.884,35 €	3.560.488,25 €	7,93%
GOP ***	3.885.531,73 €	3.925.194,85 €	-1,01%
GOP per accommodation unit	3.438,52 €	3.473,62 €	-1,01%
GOP margin ****	50,28%	52,44%	-4,12%
Capital investments	630.529,09 €	1.594.320,76 €	-60,45%
CAMPSITE "PARK SOLINE"			
Operating revenue	7.065.458,98 €	6.741.340,71 €	4,81%
TRevPAR *	6.252,62 €	5.965,79 €	4,81%
Operating costs**	3.084.829,81 €	2.814.664,51 €	9,60%
GOP ***	3.980.629,17 €	3.926.676,20 €	1,37%
GOP per accommodation unit	3.522,68 €	3.474,93 €	1,37%
GOP margin ****	56,3%	58,2%	-3,28%
RESTAURANT "PARK SOLINE"			
Operating revenue	662.957,10 €	744.342,39 €	-10,93%
Operating costs**	758.054,54 €	745.823,74 €	1,64%
GOP ***	-95.097,44 €	-1.481,35 €	6319,65%
GOP margin ****	-12,5%	-0,2%	6203,52%

In 2024, the Company's camping sector generated revenue in the amount of EUR 7,728,416.08, which is a 3.24% increase compared to the same period of the previous year.

Revenue of the camping sector was realised in the following profit centres:

“Park Soline” campsite – EUR 7,065,458.98

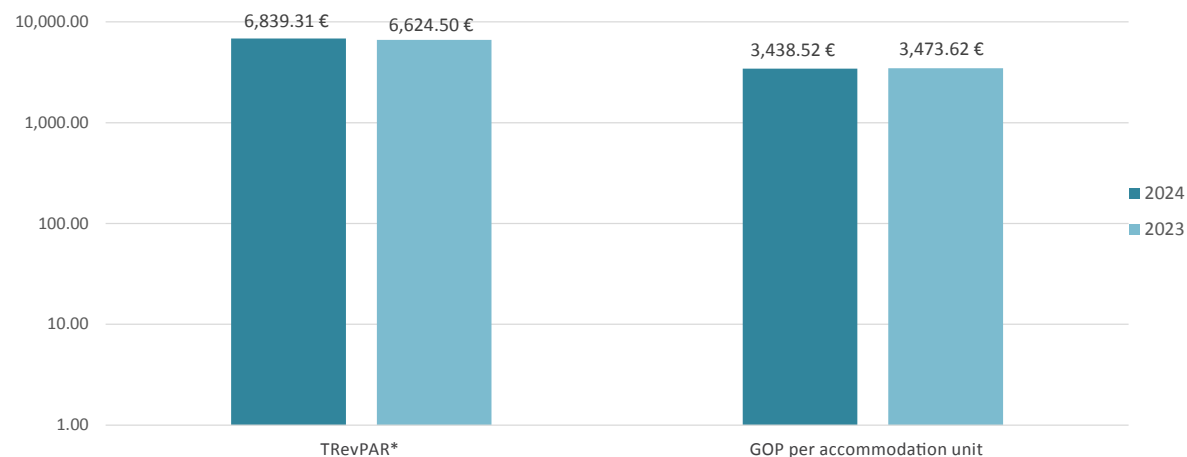
“Park Soline” restaurant – EUR 662,957.10

Revenue from private mobile homes increased grew at the rate of 7%, while revenue from lump sum guests grew at the rate of 16% compared to the previous business year.

In the camping sector, the gross operating profit (GOP) was generated in the amount of EUR 3,885,531.73, representing a 99% increase compared to 2023. Furthermore, the gross operating margin for the entire camping sector it amounted to 50.28%, while for the “Park Soline” campsite it amounted to 56.3%

The operating costs of the entire campsite increased by 7.93% compared to 2023 due to an increase in lease costs by 71%, maintenance costs by 43%, energy and fuel costs by 10% and labour costs by 6%.

TRevPAR and GOP of the camping per camp unit in 2024 and 2023



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

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

In 2024, capital investments in the amount of EUR 630,529.09 were made into improving competitiveness and the quality of services. It is particularly important to point out that the improvement in the overall quality of accommodation was also recognized by the German ADAC, which awarded 4 **** stars to the “Park Soline” campsite in 2022, 2023 and 2024.

FINANCIAL OPERATIONS
REPORTING SYSTEM ACCORDING TO THE USALI STANDARDS 01/01/2024 – 31/12/2024
CAMPING SECTOR (after allocation – reallocation of the common revenue
and common costs)

(EUR)

Items	Annual cumulative achievements in 2022	Annual cumulative achievements in 2023	Annual cumulative achievements in 2024	Index 2024/2023
TOTAL NET REVENUE (operating)	6.656.058,48	7.485.682,18	7.727.322,04	103,23
Total direct costs	208.307,59	192.915,87	163.979,29	85,00
Total salary and labor costs	583.411,15	747.517,09	772.697,05	103,37
Total other department costs	257.253,80	333.601,77	249.067,45	74,66
TOTAL CONTRIBUTION	5.607.085,94	6.211.647,45	6.541.578,25	105,31
Total costs to GOP	3.257.542,57	4.181.385,22	4.317.858,08	103,26
GOP	3.398.515,91	3.304.296,96	3.409.463,96	103,18
Grandtotal net revenues	6.673.741,75	7.572.470,28	7.841.763,22	103,56
Grandtotal costs	4.804.241,19	6.146.010,47	6.447.709,89	104,91
PROFIT BEFORE TAXATION	1.869.500,56	1.426.459,81	1.394.053,33	97,73
Corporate income tax	359.318,01	277.162,98	269.743,70	97,32
NET PROFIT	1.510.182,56	1.149.296,83	1.124.309,63	97,83
EBITDA	3.081.647,94	2.916.302,18	2.772.342,68	95,06
EBIT	1.994.985,11	1.628.894,46	1.595.766,29	97,97

7.1 FINANCIAL-OPERATING RESULTS OF THE COMPANY BY SECTORS

7.1.4 CITY GALLERIA BUSINESS AND SHOPPING CENTRE

	2024	2023	2024/2023
Operating revenues	2.159.072,06 €	2.056.050,86 €	5,01%
Operating costs*	1.079.220,20 €	1.023.814,73 €	5,41%
GOP **	1.079.851,86 €	1.032.236,13 €	4,61%
GOP margin ***	50,01%	50,20%	-0,38%
Capital investments	83.264,40 €	62.956,42 €	32,26%

Notes:

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

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

*** The GOP margin is calculated by relating the GOP from the real estate sector before the allocation of common service costs and operating revenue.

The operating revenue of the City Galleria Business and Shopping Centre generated in 2024 through the lease of commercial premises, common costs, the use of common areas of the centre, the lease of advertising space and revenue from the garage as well as the lease of premises in Phase 1 of the facility amounted to EUR 2,147,773.16. When we include other operating revenue in the amount of EUR 11,298.90, total operating revenue of the Centre amount to EUR 2,159,072.06. In comparison to 2023, the aforementioned revenue represents an increase of 5.01% and it was generated in the amount of EUR 2,056,050.86.

The results operating costs of the City Galleria Business and Shopping Centre, which do not include depreciation, financial expenses and extraordinary costs,

amounted to EUR 1,079,220.20 in 2024. The operating costs recorded a growth of 5.41% compared to 2023, when they amounted to EUR 1,023,814.73. This growth was recorded based on the increase of labour costs and other utility services and similar costs.

The gross operating profit for the reporting period equalled EUR 1,079,851.86 before the allocation of common service costs, which represents a 50.01% margin.

FINANCIAL OPERATIONS
 REPORTING SYSTEM ACCORDING TO THE USALI STANDARDS 01/01/2024 – 31/12/2024
 CITY GALLERIA (After allocation - reallocation of the common revenue and common costs)

(EUR)

Items	Annual cumulative achievements in 2022	Annual cumulative achievements in 2023	Annual cumulative achievements in 2024	Index 2024/2023
TOTAL NET REVENUE (operating)	535.453,05	608.515,12	616.973,98	101,39
Total direct costs	0,00	0,00	0,00	#DIV/0!
Total salary and labor costs	328.944,94	389.602,28	424.351,22	108,92
Total other department costs	41.280,15	55.210,94	48.158,40	87,23
TOTAL CONTRIBUTION	165.227,95	163.701,90	144.464,36	88,25
Total costs to GOP	990.272,91	1.183.189,18	1.229.877,25	103,95
GOP	-454.819,86	-574.674,06	-612.903,27	106,65
Grandtotal net revenues	1.833.891,13	2.078.447,55	2.188.322,94	105,29
Grandtotal costs	1.482.682,10	1.703.748,71	1.786.939,40	104,88
PROFIT BEFORE TAXATION	351.209,03	374.698,84	401.383,90	107,12
Corporate income tax	67.502,37	72.804,47	77.666,17	106,68
NET PROFIT	283.706,65	301.894,37	323.717,73	107,23
EBITDA	747.418,94	771.876,73	792.577,27	102,68
EBIT	477.650,43	496.564,96	511.692,32	103,05

7.1.5 FINANCIAL OPERATING RESULTS AT COMPANY LEVEL

OPERATING REVENUE AND EXPENSES
Share of individual operating revenue and expenditures in total generated operating revenue
OPERATING PROFIT ACHIEVED (profit from operating activities)

(EUR)

DESCRIPTION	12/2022	12/2023	12/2024	Index 2024/2023	Share (%) in the total operating revenue		
					12/2022	12/2023	12/2024
OPERATING REVENUE							
Revenue on the domestic market	19.079.353,30	22.502.324,33	25.758.697,40	114	80,40	80,23	84,87
Revenue on the foreign market	4.477.288,33	5.345.938,25	4.263.724,09	80	18,87	19,06	14,05
Revenue from grants, donations, compensations, premiums	53.607,41	60.614,23	61.423,77	101	0,23	0,22	0,20
Revenue from use of own products	2.882,47	4.454,86	10.642,61	239	0,01	0,02	0,04
Revenue from leases	0,00	0,00	0,00	#DIV/0!	0,00	0,00	0,00
Exchange office–ticket sales commission fee	26.959,73	324,66	158,32	49	0,11	0,00	0,00
Other operating revenue	91.248,91	134.152,34	256.885,64	191	0,38	0,48	0,85
TOTAL OPERATING REVENUE	23.731.340,15	28.047.808,67	30.351.531,83	108	100,00	100,00	100,00
OPERATING EXPENSES							
Raw materials and materials consumed	2.298.495,26	2.674.513,42	2.797.769,11	105	9,69	9,54	9,22
Energy and fuel costs	1.071.014,35	1.134.308,41	1.088.252,41	96	4,51	4,04	3,59
Costs of small inventory write-downs	281.261,70	237.527,38	260.279,23	110	1,19	0,85	0,86
COSTS OF RAW MATERIALS, MATERIALS AND ENERGY	3.650.771,30	4.046.349,21	4.146.300,75	102	15,38	14,43	13,66
Transportation, telephone and mail services	205.715,67	255.161,09	328.432,12	129	0,87	0,91	1,08
Maintenance services	996.357,02	999.725,37	1.230.387,16	123	4,20	3,56	4,05
Costs of fairs	4.592,20	21.608,39	18.161,33	84	0,02	0,08	0,06
Lease costs	692.787,74	936.327,23	1.246.646,62	133	2,92	3,34	4,11
Advertising and promotion costs	458.540,57	684.547,61	737.025,80	108	1,93	2,44	2,43
Costs of public announcement systems and lighting	21.202,67	0,00	0,00	0	0,09	0,00	0,00
Utilities and other services	928.448,06	1.124.101,10	1.131.190,03	101	3,91	4,01	3,73
Reservations	0,00	0,00	0,00	#DIV/0!	0,00	0,00	0,00
OUTSOURCING COSTS	3.307.643,93	4.021.470,79	4.691.843,06	117	13,94	14,34	15,46
Reimbursement of employees' expenses	829.421,34	1.194.049,97	1.264.275,95	106	3,50	4,26	4,17
Nonproduction services	1.283.611,91	1.632.354,16	1.825.345,06	112	5,41	5,82	6,01
Entertainment expenses	145.181,74	165.967,57	261.290,90	157	0,61	0,59	0,86
Insurance premiums	143.139,52	146.573,01	165.232,14	113	0,60	0,52	0,54
Other expenses	171.554,42	604.140,42	306.201,66	51	0,72	2,15	1,01
Taxes not dependent on income	156.037,67	157.142,41	155.930,50	99	0,66	0,56	0,51
Contributions to associations	270.586,39	304.797,17	326.637,63	107	1,14	1,09	1,08
Banking services	60.095,14	67.946,34	77.049,20	113	0,25	0,24	0,25
Costs of other employee rights	19.152,43	29.394,87	27.573,36	94	0,08	0,10	0,09
Other costs	105.506,39	227.537,98	553.754,77	243	0,44	0,81	1,82
OTHER COSTS TOTAL	3.184.286,96	4.529.903,90	4.963.291,17	110	13,42	16,15	16,35
Gross salaries	5.420.703,72	6.772.009,32	7.519.161,80	111	22,84	22,84	24,77
Contributions for gross salaries	897.829,53	1.121.190,29	1.244.722,93	111	3,78	3,78	4,10
TOTAL COST OF SALARIES	6.318.533,25	7.893.199,61	8.763.884,73	111	26,63	28,14	28,87
TOTAL COSTS	16.461.235,44	20.490.923,51	22.565.319,71	110	69,36	73,06	74,35
OPERATING PROFIT	7.270.404,71	7.556.885,16	7.786.212,12				

7 FINANCIAL RESULTS OF THE COMPANY

7.2 FINANCIAL RESULTS OF THE COMPANY

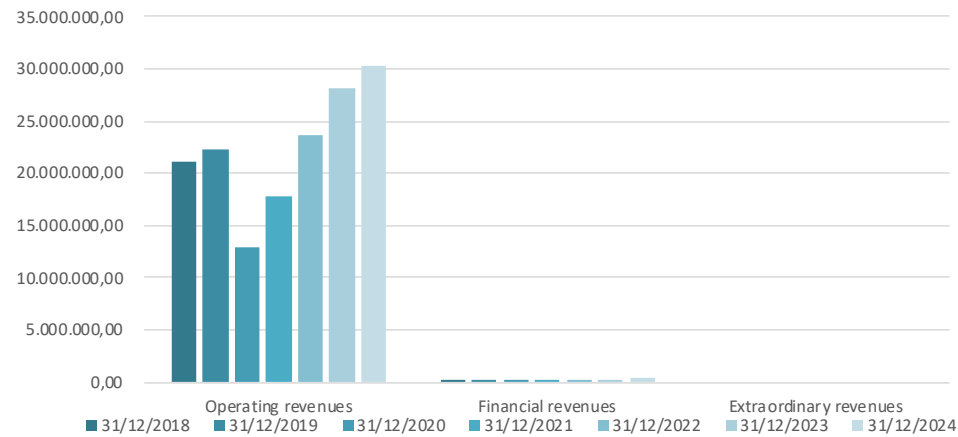
7.2.1 FINANCIAL OPERATING RESULTS OF THE COMPANY

Overview of the financial operating results for 2024 and comparison with the period 2018 - 2023

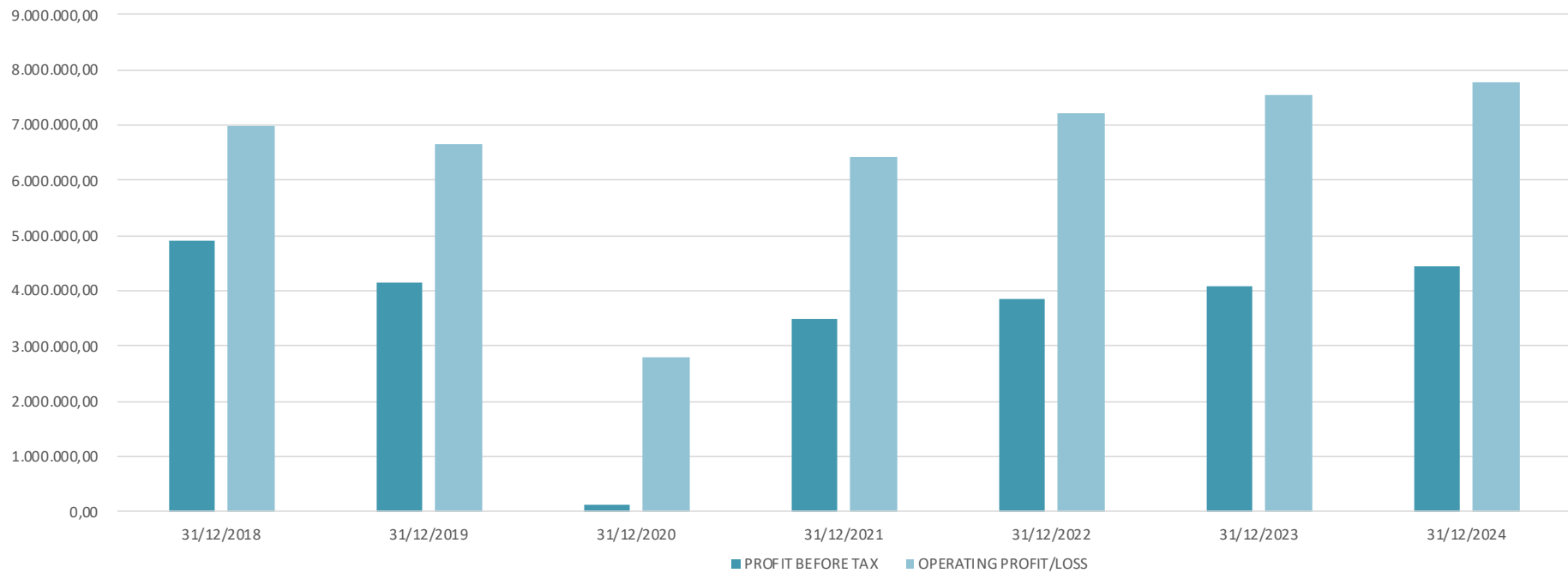
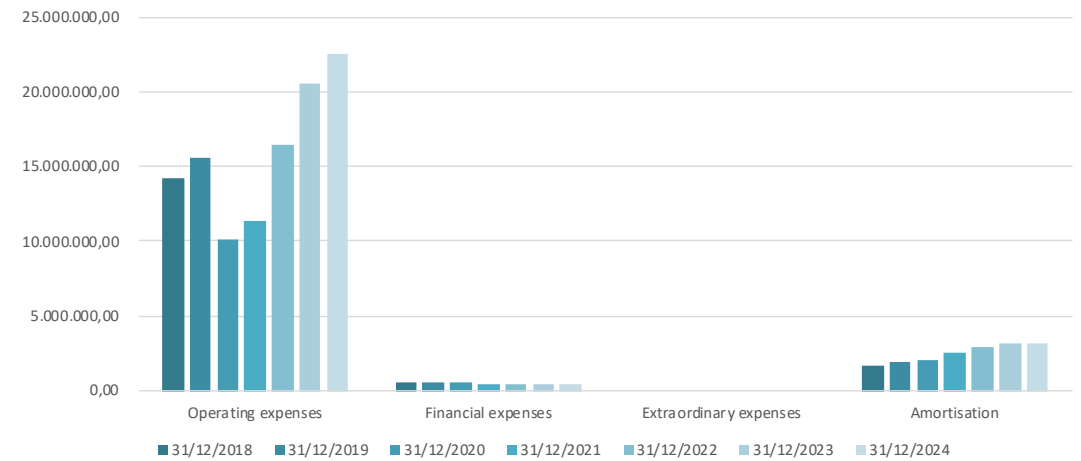
(EUR)

DESCRIPTION	31/12/2018	31/12/2019	31/12/2020	31/12/2021	31/12/2022	31/12/2023	31/12/2024	Index 2024/2023
Operating revenues	21.167.975,99	22.259.196,94	12.959.129,14	17.847.335,99	23.731.340,15	28.047.808,67	30.351.531,83	108,21
Financial revenues	206.883,66	11.366,05	12.901,37	47.829,98	47.144,05	238.931,40	334.460,74	139,98
Extraordinary revenues	0,00	0,00	0,00	0,00	0,00	0,00	0,00	#DIV/0!
TOTAL REVENUES	21.374.859,65	22.270.562,99	12.972.030,50	17.895.165,96	23.778.484,20	28.286.740,07	30.685.992,57	108,48
Operating expenses	14.179.126,14	15.593.244,76	10.145.711,43	11.419.647,19	16.500.561,53	20.490.923,51	22.565.319,71	110,12
Financial expenses	581.881,95	610.114,35	610.441,01	446.235,49	454.825,48	486.113,85	462.220,70	95,08
Extraordinary expenses	0,00	0,00	0,00	0,00	0,00	0,00	0,00	#DIV/0!
Amortisation	1.698.440,16	1.908.478,86	2.080.251,35	2.530.778,27	2.963.899,80	3.239.285,13	3.224.408,20	99,54
TOTAL EXPENSES	16.459.448,25	18.111.837,97	12.836.403,78	14.396.660,95	19.919.286,81	24.216.322,49	26.251.948,61	108,41
PROFIT BEFORE TAX	4.915.411,40	4.158.725,02	135.626,72	3.498.505,01	3.859.197,39	4.070.417,58	4.434.043,96	108,93
NET PROFIT	4.915.411,40	4.158.725,02	135.626,72	2.942.793,29	3.117.753,76	3.279.530,22	3.576.074,33	109,05
OPERATING PROFIT/LOSS	6.988.849,85	6.665.952,18	2.813.417,71	6.427.688,79	7.230.778,62	7.556.885,16	7.786.212,12	103,03
EBITDA	7.195.733,52	6.677.318,23	2.826.319,08	6.475.518,77	7.277.922,67	7.795.816,56	8.120.672,86	104,17

REVENUES 2018 - 2024



EXPENSES 2018 - 2024



1

The total revenue amounted to EUR 30,685,992.57, increasing by 8.48% compared to EUR 28,286,740.07 in 2023, as a result of an increase in operating and financial revenue.

Operating revenue in the amount of EUR 30,351,531.83 grew by 8.21%, or EUR 2,303,723.16 compared to the previous year, generated by the growth in sales revenue across all Company sectors, especially in tourism due to the increase in the volume of business activities.

Revenue from sales amounted to EUR 30,022,421.49, representing an increase of 7.81% compared to 2023, when it amounted to EUR 27,848,262.58, due to a 14% increase in revenue from sales on the domestic market. Revenue from sales represented 98.92% of operating revenue and 97.84% of total revenue.

2

Total expenses amounted to EUR 26,251,948.61, and compared to 2023, when they amounted to EUR 24,216,322.49, they increased by 8.41%, i.e. EUR 2,035,626,12 due to a 10.12% increase in operating expenses.

Operating expenses in the reporting period amounted to EUR 22,565,319.71, recording an increase 10.12%, i.e. EUR 2,074,396.20 compared to 2023, when they amounted to EUR 20,490,923.51, and are a result of the growth in operating expenses (cost of salaries, outsourced services, raw materials, materials and other costs) due to the increase in business activities at the level of all sectors and the general increase in the prices of goods and services.

3

The Company's operating profit amounted to EUR 7,786,212.12 and compared 2023, when it amounted to EUR 7,556,885.16, it increased by 3.03%, i.e. EUR 229,326.96.

Profit before tax in the reporting period amounted to EUR 4,434,043.96, and compared to the previous business year, when it amounted to EUR 4,070,417.58, it increased by 8.93%, i.e. EUR 363,626.38.

Net profit amounted to EUR 3,576,074.33 and compared to the previous year, when it amounted to EUR 3,279,530.22, it increased by 9.05%, i.e. EUR 296,544.11.

EBITDA, i.e. earnings before depreciation, interest and taxes, amounted to EUR 8,120,672.86 and showed an increase of 4.17%, or EUR 324,856.30 compared to

the previous business year when it amounted to EUR 7,795,816.56.

EBIT, i.e. earnings before financing expenses, amounted to EUR 4,896,264.66, and showed an increase of 7.46%, or EUR 339,733.23 compared to the previous business year when it amounted to EUR 4,556,531.43.

In 2024, the Company showed the best performance so far in terms of revenue, total and business, which are the result of growth in the activities of all sectors with growth rates ranging from 3% to 43%, which resulted in the growth of total revenue by 8.48% and business revenue by 8.21%. In the same period, operating expenses also increased by 8.41%, i.e. at a rate slightly lower than the growth rate of total revenue, which also contributed to the strengthening the business profitability expressed in the growth of all key indicators, i.e. operating profit, profit before tax, net profit, EBITDA and EBIT. The Company considers the achieved operating results in terms of revenue and profitability to be successful, especially taking into account the macroeconomic circumstances of the business year, primarily the ongoing strong inflation at the national level and in other EU Member States, the continuous increase in labour costs, the strong geopolitical instability and the return of competitive tourist destinations in the Mediterranean.

REVENUE BY ACTIVITIES:

Revenue from the hotel sector amounted to EUR 9,797,346.04, recording an increase of 9%, i.e. EUR 775,424.26 compared to 2023, when it amounted to EUR 9,021,921.78, due to significant growth in physical turnover, arrivals and overnight stays, i.e. business activities with special emphasis on the pre- and post-season, accompanied by the growth in key market and financial indicators, occupancy and occupancy days.

Revenue of the nautical sector amounted to EUR 9,117,404.47, recording an increase of 9%, i.e. EUR 734,277.81 compared to 2023, when it amounted to EUR 8,383,126.66, due to an 8% increase in revenue in the accommodation segment, i.e. Marina Kornati, and a strong increase in nautical fair revenue, which increased by 23%.

Revenue of the camping sector amounted to EUR 7,728,416.08, recording an increase of 3%, i.e. EUR 242,732.98 compared to 2023, when it amounted to EUR 7,485,683.10, due to a 5% increase in revenue in the accommodation segment, i.e. the "Park Soline" campsite, generated by an increase in revenue from lump sum guests, mobile homes and other services.

Revenue from the real estate sector, i.e. the City Galleria Business and Shopping Centre amounted to EUR 2,159,072.06 recording an increase of 5%, i.e. EUR 103,021.20 compared to 2023, when it amounted to EUR 2,056,050.86, due to an increase in revenue from commercial premises lease, revenue from common costs and garage revenue.

Revenue from other sectors, i.e. DMC Ilirija Travel and other profit centres of the Company, amounted to EUR 1,549,293.18 recording an increase of EUR 448,273.91 compared to the previous year, when it amounted to EUR 1,101,026.27, due to a significant increase in revenue by 43% generated by destination management company Ilirija Travel as a result of the growth in physical indicators (increase in the number of events and people) and the organisation of higher-value events.

GRAND TOTAL: Operating revenue per activity amounted to EUR 30,351,531.83, and compared to 2023, when it amounted to EUR 28,047,808.67, it increased by 8%, i.e. EUR 2,303,723.16.

**Financial statements of the Company
as at 31/12/2024 and a comparison with the period from 2019 to 2023**

(EUR)

REVENUES	2019	2020	2021	2022	2023	2024	INDEX 2024/2023
Revenue on the domestic market	16.698.613,17	10.480.685,84	14.405.343,69	19.132.960,71	22.562.938,56	25.820.121,17	114
Revenues on foreign market	5.265.553,03	1.498.399,36	2.699.398,25	4.477.288,33	5.345.938,25	4.263.724,09	80
Other operating revenues	295.030,74	980.043,94	742.594,05	121.091,11	138.931,86	267.686,57	193
OPERATING REVENUES	22.259.196,94	12.959.129,14	17.847.335,99	23.731.340,15	28.047.808,67	30.351.531,83	108
FINANCIAL REVENUES	11.366,05	12.901,37	47.829,98	47.144,05	238.931,40	334.460,74	140
EXTRAORDINARY REVENUES	0,00	0,00	0,00	0,00	0,00	0,00	#DIV/0!
TOTAL REVENUES	22.270.562,99	12.972.030,50	17.895.165,96	23.778.484,20	28.286.740,07	30.685.992,57	108
EXPENSES							
Raw material and material costs	3.232.619,57	1.472.737,48	2.272.794,39	3.650.771,30	4.046.349,21	4.146.300,75	102
Costs of services	2.874.002,90	2.158.335,52	2.453.538,75	3.307.643,93	4.021.470,79	4.691.843,06	117
Gross pays	5.622.472,88	4.041.577,94	4.506.151,93	6.318.533,25	7.893.199,61	8.763.884,73	111
Other expenses	3.864.149,41	2.473.060,48	2.187.162,13	3.223.613,05	4.529.903,90	4.963.291,17	110
TOTAL EXPENSES	15.593.244,76	10.145.711,43	11.419.647,19	16.500.561,53	20.490.923,51	22.565.319,71	110
AMORTISATION	1.908.478,86	2.080.251,35	2.530.778,27	2.963.899,80	3.239.285,13	3.224.408,20	100
FINANCIAL EXPENSES	610.114,35	610.441,01	446.235,49	454.825,48	486.113,85	462.220,70	95
EXTRAORDINARY EXPENSES	0,00	0,00	0,00	0,00	0,00	0,00	#DIV/0!
TOTAL EXPENSES	18.111.837,97	12.836.403,78	14.396.660,95	19.919.286,81	24.216.322,49	26.251.948,61	108
PROFIT BEFORE TAX	4.158.725,02	135.626,72	3.498.505,01	3.859.197,39	4.070.417,58	4.434.043,96	109
NET PROFIT	4.158.725,02	135.626,72	2.942.793,29	3.117.753,76	3.279.530,22	3.576.074,33	109
OPERATING PROFIT/LOSS	6.665.952,18	2.813.417,71	6.427.688,79	7.230.778,62	7.556.885,16	7.786.212,12	103
EBITDA	6.677.318,23	2.826.319,08	6.475.518,77	7.277.922,67	7.795.816,56	8.120.672,86	104

FINANCIAL OPERATIONS
REPORTING SYSTEM ACCORDING TO USALI STANDARDS
01/01/2024-31/12/2024
ILIRIJA D.D. TOTAL (after the allocation of common revenues and common costs)

(EUR)

Items	Annual cumulative achievements in 2022	Annual cumulative achievements in 2023	Annual cumulative achievements in 2024	Index 2024/2023
TOTAL NET REVENUE (operating)	22.395.858,89	26.534.593,86	28.636.566,95	107,92
Total direct costs	1.500.697,46	1.747.002,66	1.937.593,21	110,91
Total salary and labor costs	4.319.332,16	5.340.398,02	5.834.050,88	109,24
Total other department costs	1.390.073,23	1.637.228,53	1.761.682,39	107,60
TOTAL CONTRIBUTION	15.185.756,03	17.809.964,65	19.013.240,47	106,76
Total costs to GOP	14.878.592,68	18.343.804,34	19.699.226,13	107,39
GOP	7.517.266,21	8.190.789,52	8.937.340,82	109,11
Grandtotal net revenues	23.778.484,20	28.286.740,07	30.685.992,57	108,48
Grandtotal costs	19.919.286,81	24.216.322,49	26.251.948,61	108,41
PROFIT BEFORE TAXATION	3.859.197,39	4.070.417,58	4.434.043,96	108,93
Corporate income tax	741.443,62	790.887,36	857.969,63	108,48
NET PROFIT	3.117.753,76	3.279.530,22	3.576.074,33	109,04
EBITDA	7.277.922,67	7.795.816,56	8.120.672,86	104,17
EBIT	4.314.022,87	4.556.531,43	4.896.264,66	107,46

STATEMENT OF PROFIT OR LOSS			
for the period 01/01/2024 to 31/12/2024			in EUR
Submitter: ILIRIJA d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
I OPERATING INCOME (ADP 002 to 006)	001	28.047.809	30.351.532
1 Income from sales with undertakings within the group	002	2.040	2.040
2 Income from sales (outside group)	003	27.846.223	30.020.381
3 Income from the use of own products, goods and services	004	4.455	10.643
4 Other operating income with undertakings within the group	005	0	0
5 Other operating income (outside the group)	006	195.091	318.468
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	23.730.209	25.789.728
1 Changes in inventories of work in progress and finished goods	008	0	0
2 Material costs (ADP 010 to 012)	009	8.067.820	8.838.144
a) Costs of raw materials and consumables	010	4.046.349	4.146.301
b) Costs of goods sold	011	0	0
c) Other external costs	012	4.021.471	4.691.843
3 Staff costs (ADP 014 to 016)	013	7.893.200	8.763.885
a) Net salaries and wages	014	4.717.933	5.286.723
b) Tax and contributions from salary costs	015	2.054.077	2.232.439
c) Contributions on salaries	016	1.121.190	1.244.723
4 Depreciation	017	3.239.285	3.224.408
5 Other costs	018	3.979.260	4.657.089
6 Value adjustments (ADP 020+021)	019	0	0
a) fixed assets other than financial assets	020	0	0
b) current assets other than financial assets	021	0	0
7 Provisions (ADP 023 to 028)	022	0	0
a) Provisions for pensions, termination benefits and similar obligations	023	0	0
b) Provisions for tax liabilities	024	0	0
c) Provisions for ongoing legal cases	025	0	0
d) Provisions for renewal of natural resources	026	0	0
e) Provisions for warranty obligations	027	0	0
f) Other provisions	028	0	0
8 Other operating expenses	029	550.644	306.202
III FINANCIAL INCOME (ADP 031 to 040)	030	238.931	334.461
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0
4 Other interest income from operations with undertakings within the group	034	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0
6 Income from other long-term financial investments and loans	036	0	0
7 Other interest income	037	238.812	334.461
8 Exchange rate differences and other financial income	038	119	0
9 Unrealised gains (income) from financial assets	039	0	0
10 Other financial income	040	0	0

IV FINANCIAL EXPENSES (ADP 042 to 048)	041	486.114	462.221
1 Interest expenses and similar expenses with undertakings within the group	042	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0
3 Interest expenses and similar expenses	044	478.251	448.924
4 Exchange rate differences and other expenses	045	1.286	6.437
5 Unrealised losses (expenses) from financial assets	046	0	0
6 Value adjustments of financial assets (net)	047	0	0
7 Other financial expenses	048	6.577	6.860
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	28.286.740	30.685.993
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	24.216.323	26.251.949
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	4.070.417	4.434.044
1 Pre-tax profit (ADP 053-054)	056	4.070.417	4.434.044
2 Pre-tax loss (ADP 054-053)	057	0	0
XII INCOME TAX	058	790.887	857.970
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	3.279.530	3.576.074
1 Profit for the period (ADP 055-059)	060	3.279.530	3.576.074
2 Loss for the period (ADP 059-055)	061	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
1 Pre-tax profit from discontinued operations	063	0	0
2 Pre-tax loss on discontinued operations	064	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0
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	0	0
1 Pre-tax profit (ADP 068)	069	0	0
2 Pre-tax loss (ADP 068)	070	0	0
XVII INCOME TAX (ADP 058+065)	071	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0
1 Profit for the period (ADP 068-071)	073	0	0
2 Loss for the period (ADP 071-068)	074	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)			
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	075	0	0
1 Attributable to owners of the parent	076	0	0
2 Attributable to minority (non-controlling) interest	077	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)			
I PROFIT OR LOSS FOR THE PERIOD	078	3.279.530	3.576.074
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	0	0

III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	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
4 Actuarial gains/losses on the defined benefit obligation	084	0	0
5 Other items that will not be reclassified	085	0	0
6 Income tax relating to items that will not be reclassified	086	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	0	0
1 Exchange rate differences from translation of foreign operations	088	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0
6 Changes in fair value of the time value of option	093	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0
8 Other items that may be reclassified to profit or loss	095	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)	097	0	0
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	3.279.530	3.576.074
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
1 Attributable to owners of the parent	100	0	0
2 Attributable to minority (non-controlling) interest	101	0	0

7.2 FINANCIAL RESULTS AT COMPANY LEVEL

7.2.2 FINANCIAL POSITION OF THE COMPANY

BALANCE SHEET			
Balance as at 31/12/2024			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	58.488.275	56.802.315
I INTANGIBLE ASSETS (ADP 004 to 009)	003	31.919	59.416
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	31.919	59.416
II TANGIBLE ASSETS (ADP 011 to 019)	010	58.451.439	56.737.982
1 Land	011	5.894.095	5.894.095
2 Buildings	012	33.339.733	32.280.001
3 Plant and equipment	013	8.981.620	8.358.261
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	42.547	0
7 Tangible assets in preparation	017	205.783	389.534
8 Other tangible assets	018	0	0
9 Investment property	019	9.987.661	9.816.091
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	13.071.915	14.215.009
I INVENTORIES (ADP 039 to 045)	038	203.498	276.162

1 Raw materials and consumables	039	203.498	276.162
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	843.000	910.596
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	530.351	649.011
4 Receivables from employees and members of the undertaking	050	20.399	16.458
5 Receivables from government and other institutions	051	39.082	24.824
6 Other receivables	052	253.168	220.303
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	12.000.000	13.000.000
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	12.000.000	13.000.000
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	25.417	28.251
D) PREPAID EXPENSES AND ACCRUED INCOME	064	0	538.912
E) TOTAL ASSETS (ADP 001+002+037+064)	065	71.560.190	71.556.236
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	53.114.266	54.693.348
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	4.975.723	4.664.642
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	-137.207	-448.288
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	14.049.818	15.643.437
1 Retained profit	084	14.049.818	15.643.437
2 Loss brought forward	085	0	0

VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	3.279.530	3.576.074
1 Profit for the business year	087	3.279.530	3.576.074
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	12.011.845	10.156.776
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	12.011.845	10.156.776
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	6.028.447	6.315.481
1 Liabilities towards undertakings within the group	110	0	38.217
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	3.183.524	3.421.118
7 Liabilities for advance payments	116	11.293	57.251
8 Liabilities towards suppliers	117	1.798.103	1.600.491
9 Liabilities for securities	118	0	0
10 Liabilities towards employees	119	365.138	379.461
11 Taxes, contributions and similar liabilities	120	516.281	653.103
12 Liabilities arising from the share in the result	121	0	11.732
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	0	0
E) ACCRUALS AND DEFERRED INCOME	124	405.632	390.631
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	71.560.190	71.556.236
G) OFF-BALANCE SHEET ITEMS	126	0	0

7.2.2 FINANCIAL POSITION OF THE COMPANY

KEY FINANCIAL INDICATORS OF THE ASSETS, CAPITAL, LIABILITY INDICATORS AND OPERATING RESULTS OF THE COMPANY AS AT 31/12/2024

Since the table providing an overview of the Company's key indicators covers the years from 2024 to 2014 (eleven years), the realised described indicators are also listed in absolute amounts and growth rates.

1 VALUE OF ASSETS

The value of the Company assets as at 31/12/2024 amounted to EUR 71,556,236.14, at the level of 2023, when it amounted to EUR 71,560,190.12.

The value of the Company assets as at 31/12/2024 increased by 73.41%, i.e. EUR 30,291,078.23 compared to the same period of 2014, when it amounted to EUR 41,265,157.91.

2 TOTAL LIABILITIES

Total liabilities of the Company amounted to EUR 16,862,887.68, and compared to 2023, when they amounted to EUR 18,445,923.49, they decreased by 8.58%, i.e. EUR 1,583,035.81, due to the decrease in long-term liabilities, i.e. long-term loan liabilities and long-term financial leasing.

Total liabilities of the Company as at 31/12/2024 were lower by 4.51%, i.e. EUR 796,361.99, compared to total liabilities of the Company as at 31/12/2014 when they amounted to EUR 17,659,249.67.

3 CAPITAL AND RESERVES

Capital and reserves as at 31/12/2024 amounted to EUR 54,693,348.46 and compared to 2023, when they amounted to EUR 53,114,266.63, they increased by 2.98%, i.e. EUR 1,579,081.83, due to the increase in retained profit by 11.34% and the increase in net profit by 9.05%.

Comparing capital and reserves of the Company as at 31/12/2024, they increased by EUR 31,087,440.22, i.e. 131.70% compared to 2014 when they amounted to EUR 23,605,908.24.

4 NET DEBT

Net debt as at 31/12/2024 amounted to EUR 539,116.87, and compared to the previous year, when it amounted to EUR 3,195,369.06, it decreased by EUR 2,656,252.19, i.e. 83.13%, making this the lowest amount of the Company's net debt so far on an annual basis.

This is also a 96.02%, or EUR 13,036,125.21, decrease compared to 2014, when the net debt amounted to EUR 13,575,242.08.

5 TOTAL REVENUE

The total revenue amounted to EUR 30,685,992.57, and compared to 2023, when it amounted to EUR 28,286,740.07, it increased by 8.48%, i.e. EUR 2,399,252.50, due to an increase in operating and financial revenue.

Total revenue of the Company, compared to the same period of 2014 when it amounted to EUR 16,308,149.46, increased by 88.17%, i.e. EUR 14,377,843.11.

6 OPERATING PROFIT

Operating profit of the Company amounted to EUR 7,786,212.12, and compared to 2023, when it amounted to EUR 7,556,885.16, it increased by 3.03%, i.e. EUR 229,326.96, due to the growth in business activities across all Company sectors.

Comparing the operating profit generated in 2024 and the one from 2014, when it amounted to EUR 4,373,925.04, a 78.01%, or EUR 3,412,287.08 increase can be seen.

7 EBITDA

EBITDA amounted to EUR 8,120,672.86, increasing by 4.17%, or EUR 324,856.30 compared to EUR 7,795,816.56 in 2023.

In the reporting period the EBITDA increased by 84.23% or EUR 3,712,797.45 compared to 2014, when it amounted to EUR 4,407,875.41.

8 PROFIT BEFORE TAX

The Company's profit before tax in the reporting period amounted to EUR 4,434,043.96, and compared to 2023, when it amounted to EUR 4,070,417.58, it increased by 8.93%, i.e. EUR 363,626.38.

Profit before tax realised in 2024, compared to the profit realised in 2014 that amounted to EUR 2,705,569.73, increased by 63.89%, i.e. EUR 1,728,474.23.

9 NET PROFIT

Net profit in the reporting period amounted to EUR 3,576,074.33, and compared to 2023, when it amounted to EUR 3,279,530.22, it increased by 9.05%, i.e. EUR 296,544.11.

Net profit realised in 2024, compared to the net profit realised in 2014 that amounted to EUR 2,454,469.98, increased by 45.70%, i.e. EUR 1,121,604.35.

10 DIVIDEND

A dividend in the amount of EUR 1,685,911.50 was paid to shareholders, increased by 27.37%, i.e. EUR 362,203.40 compared to the dividend paid in 2023, when it amounted to EUR 1,323,708.10.

The Company allocated 239.57%, i.e. EUR 1,189,423.35, more for dividend distribution in 2024 compared to the dividend paid to shareholders in 2014, when it amounted to EUR 496,488.15.

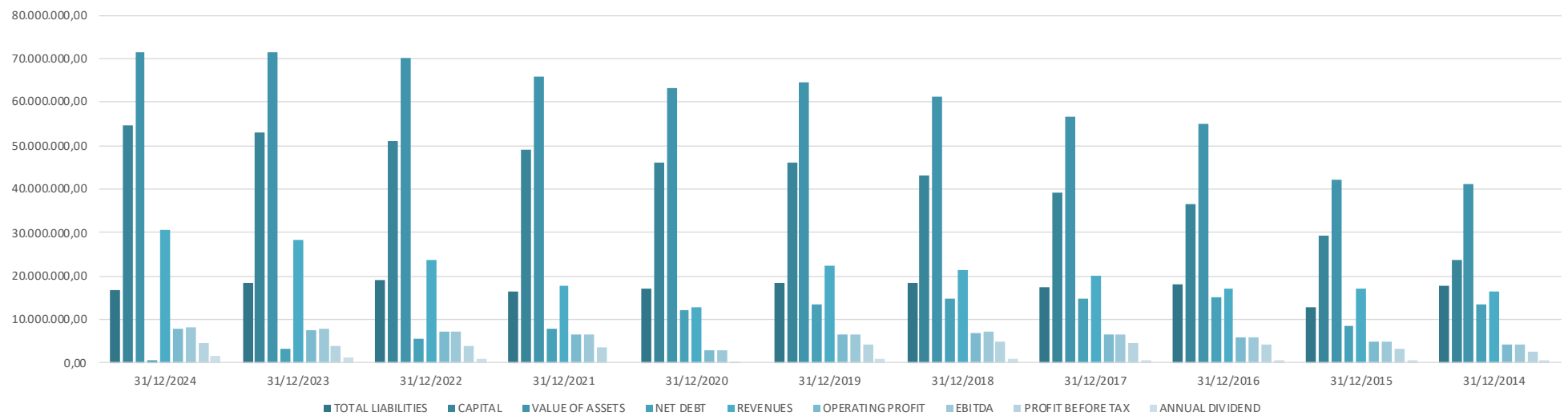
In the period from 2014 until 31/12/2024, the shareholders were paid a total of EUR 8,649,577.46 for dividends.

CUMULATIVE COMPARATIVE OVERVIEW

of asset, capital, liability indicators and operating results of the Company as at 31/12/2024
and for the period from 2014 to 2023

YEAR	TOTAL LIABILITIES	CAPITAL	VALUE OF ASSETS	NET DEBT	REVENUES	OPERATING PROFIT	EBITDA	PROFIT BEFORE TAX	NET PROFIT	ANNUAL DIVIDEND
1	2	3	4	5	6	7	8	9	10	11
31/12/2024	16.862.887,68	54.693.348,46	71.556.236,14	539.116,87	30.685.992,57	7.786.212,12	8.120.672,86	4.434.043,96	3.576.074,33	1.685.911,50
31/12/2023	18.445.923,49	53.114.266,63	71.560.190,12	3.195.369,06	28.286.740,07	7.556.885,16	7.795.816,56	4.070.417,58	3.279.530,22	1.323.708,10
31/12/2022	19.048.576,06	51.066.316,12	70.114.892,18	5.575.375,89	23.778.484,20	7.230.778,62	7.277.922,67	3.859.197,39	3.117.753,76	1.117.498,51
31/12/2021	16.544.966,56	49.139.955,35	65.684.921,91	7.934.616,50	17.895.165,96	6.427.688,79	6.475.518,77	3.498.505,01	2.942.793,29	0,00
31/12/2020	17.067.825,35	46.197.162,06	63.264.987,41	12.150.023,98	12.972.030,50	2.813.417,71	2.826.319,08	135.626,72	135.626,72	0,00
31/12/2019	18.381.407,73	46.026.063,36	64.407.471,09	13.447.107,96	22.270.562,99	6.665.952,18	6.677.318,23	4.158.725,02	4.158.725,02	1.117.255,56
31/12/2018	18.317.937,20	43.052.015,80	61.369.953,01	14.714.843,61	21.374.859,65	6.988.849,85	7.195.733,52	4.915.411,40	4.915.411,40	958.423,25
31/12/2017	17.498.318,16	39.049.198,30	56.547.516,46	14.887.261,26	19.971.687,23	6.455.124,95	6.582.689,11	4.497.416,49	3.683.772,56	798.532,09
31/12/2016	18.249.686,18	36.589.542,50	54.839.228,69	15.164.970,71	17.123.764,99	5.786.616,54	5.976.127,08	4.146.366,29	4.071.411,04	655.272,15
31/12/2015	12.835.159,60	29.245.909,73	42.081.069,34	8.397.336,65	17.007.961,86	4.948.296,21	5.012.569,79	3.385.830,45	2.857.969,41	496.488,15
31/12/2014	17.659.249,67	23.605.908,24	41.265.157,91	13.575.242,08	16.308.149,46	4.373.925,04	4.407.875,41	2.705.569,73	2.454.469,98	496.488,15

A graph of basic operating results, as well as asset, capital and liability indicators of the Company as at 31/12/2024, and for the period 2014-2023



Key financial performance indicators in 2024 and a comparison with 2023

Indicator	2023	2024	Index 2024/2023	
Financial stability, liquidity and indebtedness				
Self-financing rate	74.22%	76.43%	1.030	Share of equity capital in total fund sources (i.e. in total liabilities & stockholders' equity).
The degree of indebtedness	25.78%	23.57%	0.914	Share of debt in total fund sources (i.e. in total liabilities & stockholders' equity).
Financial stability coefficient	0.90	0.88	0.975	Fixed assets to long-term sources ratio (shareholders' capital and reserves increased by long-term liabilities).
Accelerated liquidity coefficient	2.00	2.16	1.079	Ratio of current assets reduced by the stocks and short-term liabilities.
Current liquidity coefficient	2.03	2.20	1.083	Current assets to short-term liabilities ratio.
Activity indicators				
Ratio of total assets turnover	0.40	0.43	1.085	Total revenue to total assets ratio shows how many times in a year the disposable assets are used to generate total revenues.
Short-term assets turnover ratio	2.16	2.08	0.961	Total revenue to current assets ratio shows how many times a year the disposable current assets are used to generate total revenues.
Business performance indicators				
Cost effectiveness	1.17	1.17	1.001	Total revenue and total expenses ratio.
Profitability	11.59%	11.65%	1.005	Net profit/loss and total revenue ratio.
Return on assets	4.58%	5.00%	1.090	Annual rate of return on invested assets indicates the profit/loss and total asset ratio.
Share of EBITDA in total revenue	27.56%	26.46%	0.960	Earnings before interests, taxes, depreciation and amortization to total revenue ratio.
Share of EBIT in total revenue	16.11%	15.96%	0.991	Earnings before interests and taxes to total revenue ratio.

Composition and indicators of resources and sources of financing in the balance sheet as at 31/12/2024
and the presence of operating revenue in the sources of financing as at 31/12/2024

Indicator	Year 2023	Year 2024	Index 2024/2023
Share of fixed assets in the assets	81.73	79.38	97.12
Share of current assets in the assets	18.27	20.62	112.87
Share of capital in reserves and in liabilities	74.22	76.43	102.98
Share of long-term commitments in the liabilities	16.79	14.19	84.56
Share of short-term commitments in the liabilities	8.99	9.37	104.23
Share of operating revenue in equity and reserves	52.81	55.49	105.09
Share of operating revenue in long-term commitments	233.50	298.83	127.98
Share of operating revenue in total commitments	152.05	179.99	118.37
Share of operating revenue in liabilities	39.19	42.42	108.22

Long-term credit liabilities of the Company as at 31/12/2024

	31/12/2024	31/12/2023	Index 2023/2022
I LONG - TERM LIABILITIES (1+2+3+4)	8,341,107.79 EUR	9,750,643.11 EUR	85.54
1. of ERSTE & STEIERMAERKISCHE BANK d.d.	3,495,804.14 EUR	3,995,204.70 EUR	87.50
Agreement: 511766121 (5.743.106,66 EUR)			
2.Long term loan of ERSTE & STEIERMAERKISCHE BANK d.d. From HBOR-a	951,713.87 EUR	1,063,680.23 EUR	89.47
Agreement:5114305381 (1.483.554,08 EUR)			
3.Long term loan of ERSTE & STEIERMAERKISCHE BANK d.d.	2,900,000.31 EUR	3,300,000.27 EUR	87.88
Agreement: 517663485 (4.733.333,46 EUR)			
4.Long term loan of ERSTE & STEIERMAERKISCHE BANK d.d.	993,589.47 EUR	1,391,757.91 EUR	71.39
Agreement: 5118899818 (2.000.000,00 EUR)			
II LOAN TERMS (1 + 2 +3+4)			
1. For the loan under number 1 loan will be repaid in 46 equal quarter installments by the amount of 124.850,14 EUR commencing as of 01/07/2021 to 01/10/2032 Interest: fixed by 2,60%			
2. For the loan under number 2 repayment will be made in 53 quarter installments. The first installment falls due 30/06/2021, and the last 30/06/2034 in equal installments by the amount of 27.991,59 EUR. Interest: variable 3%			
3. For the loan under number 3 repayment will be made in 142 monthly installments. The first installment falls due 01/06/2021, and the last on 01/03/2033 in equal installments by the amount of 33.333,33 EUR. Interest: fixed by 2,60%			
4. For the loan under number 5 repayment will be made in 20 quarter installments. The first installment falls due 31/07/2023, and the last on 30/04/2028 in equal installments by the amount 100.000,00 EUR. Interest: fixed by 2,25%			
Financial long-term leasing	1,815,667.79 EUR	2,261,201.86 EUR	80.30
TOTAL LONG-TERM LIABILITIELS	10,156,775.58 EUR	12,011,844.97 EUR	84.56

OPERATING AND OTHER COSTS

The operational costs for the year 2024 amounted to EUR 22,565,319.71 and compared to the previous business year, when they amounted to EUR 20,490,923.51, they increased by 10.12%, due to the growth in all categories of operating expenses, where, in absolute terms, the cost of salaries prevailed, followed by the costs of outsourced services, other costs and the cost of raw materials, materials and energy. Furthermore, the growth in operating costs resulted from an increase in business activities, the continuous improvement of the material position of employees and inflationary pressures on the prices of goods and services, which ultimately resulted in the growth in operating costs.

FINANCIAL EXPENSES

Financial expenses in the reporting period amounted to EUR 462,220.70, and they have decreased by 4.92% compared to the previous business year, when they amounted to EUR 486,113.85.

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&Steiermärkische 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 of 2025 for the purpose of maintaining current liquidity.

EARNINGS PER SHARE

Earnings per share for the reporting period amounted to EUR 1.49.

COLLECTION OF FUTURE REVENUE

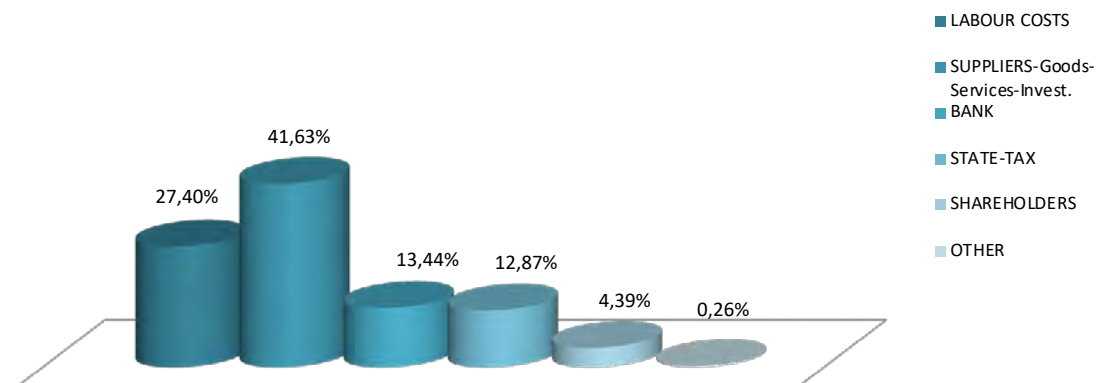
With regard to the active collection of trade receivables, the Company will seek to collect them in the most appropriate manner and within the most appropriate deadlines, taking into account the aggravated circumstances of collection and implementation of the measures of payment in instalments where possible, and also undertaking compulsory collection measures if needed.

7.2 FINANCIAL RESULTS AT COMPANY LEVEL:

7.2.3 COMPANY CASH FLOW

Cash flow for the period 01/01-31/12/2024

OUTFLOW OF FUNDS



INFLOW OF FUNDS (EUR)	12/2023	12/2024	Structure
OPERATING ACTIVITIES	33,333,585.80	36,160,461.25	94.98%
BANK	800,000.00	1,400,000.00	3.68%
OTHER	357,527.32	511,706.38	1.34%
TOTAL	34,491,113.12	38,072,167.63	100.00%

OUTFLOW OF FUNDS (EUR)	12/2023	12/2024	Structure
LABOUR COSTS	9,144,863.74	10,505,024.28	27.40%
SUPPLIERS-Goods-Services-Invest.	14,656,452.26	15,958,837.08	41.63%
BANK	3,714,766.76	5,152,875.67	13.44%
STATE-TAX	4,651,790.82	4,933,943.24	12.87%
SHAREHOLDERS	1,319,600.51	1,684,805.99	4.39%
OTHER	138,267.54	99,124.06	0.26%
TOTAL	33,625,741.63	38,334,610.32	100.00%

8 ADDITIONAL INFORMATION

8.1 SIGNIFICANT EVENTS

At its session held on 26 February 2024, the Management Board of the Company adopted the Company's Q4 2023 financial statements (unaudited, unconsolidated), the Annual Report and the 2023 annual financial statements (audited, unconsolidated). Also, at the session of the Supervisory Board held on the same day, the Company's Annual Report, 2023 annual financial statements (audited, unconsolidated) were adopted and draft decisions were established, which were sent to the General Assembly for adoption.

The General Assembly of the Company, held on 26 April 2024, took note of the Company's Annual Report for 2023 together with the Audit Report for 2023, Report of the Supervisory Board on the Performed Supervision of the Company's Operations for 2023, and the Management Board's Report on the Acquisition of Own Shares in 2023. The General Assembly adopted the Decision on the Approval of the 2023 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 2023, Decision on Granting Discharge to the Members of the Supervisory Board for the financial year 2023, Decision on Granting Authority to the Management Board for the Acquisition of Own Shares, Decision on Confirmation of the Previously Approved Policy on the Income of the Management Board Members and the Decision on the Appointment of the authorised auditing company "UHY RUDAN d.o.o.", Ilica 213, Zagreb, PIN: 717995390000.

Also, the Decision on the Use of Company Profit for the 2023 Financial Year was adopted at the General As-

sembly, according to which the achieved net profit in the 2023 financial year (after tax) in the amount of EUR 3,279,530.22, is distributed as follows:

- EUR 1,593,618.72 into the retained profit, and
- EUR 1,685,911.50 for dividend distribution.

The dividend per share amounts to EUR 0.70.

At the session held on 16 September 2024, the Supervisory Board, in order to standardise the term of office of its members, made a decision on the recall and re-election of all members of the Supervisory Board and established a proposal for an invitation including the agenda for the convocation of an extraordinary General Assembly of the Company, which was convened for 25 October 2024.

On 25 October 2024, an extraordinary General Assembly of Ilirija d.d. was held, at which, in order to harmonise the Supervisory Board members' term of office, a resolution was adopted to recall and re-elect the existing members of the Supervisory Board. Elected members of the Supervisory Board of Ilirija d.d. are as follows: Mr Goran Medić, Mr David Anthony Tudorović, Mr Davor Tudorović, Mr Siniša Petrović and Mr Darko Prebežac. The term of office of the newly elected members of the Supervisory Board of the Company shall be 4 (four) years.

At the constituent meeting of the Supervisory Board of Ilirija d.d. held on 25 October 2024, Mr Goran Medić was elected as the Chairman of the Supervisory Board, and Mr David Anthony Tudorović was elected as the Deputy Chairman of the Board, David Anthony Tudorović.

8.2 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 initiated by the Town of Biograd na Moru, with which we were made aware of on 18 January 2022, first-instance and second-instance rulings were set aside and the case was remanded for a retrial, during which it shall be determined whether amenities have been constructed, i.e. “more comprehensive works” have been performed on the 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 Tenis 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 unevaluated 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 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 Cadastral 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.



8.3 INVESTMENTS IN 2024

Investments for 2024 amounted to EUR 1,593,127.52 and mostly related to the camping sector, the destination management company Ilirija Travel, the hotel and the real estate sector, part of which was already started in the fourth quarter of the previous business year with the aim of further improving the quality and standard of service.

The largest portion of the investments was related to the camping sector, where investments were made in the further renovation of the campsite through the construction of the internal roads in the third zone, the reconstruction and installation of additional LED lighting within the entire campsite, the development of special locations for waste disposal, additional investments in improving the quality of campsite accommodation and further landscaping work in the campsite up to the level of a campsite-park. In the destination management company, the investments were related to the improvement of the quality of the existing service and content, as well as the increase of catering capacities for the purpose of further development of the year-round offer.

Furthermore, with regard to the hotel sector, investments were made in the redecoration and additional furnishment of the restaurant of Hotel Kornati****, as well as in the improvement of the quality of accommodation in Hotel Ilirija **** and Hotel Adriatic***. In the real estate sector, i.e. the City Galleria Business and Shopping Centre, the investments were related to the relocation and adaptation of public sanitary facilities on the second floor of the Centre and the complete refurbishment and adaptation of the main communication corridor.

8.4. 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 por-

tion 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.

8.5 EMPLOYMENT, LABOUR COSTS AND SALARIES

In 2024, in the segment of human resources management, the Company undertook a series of activities ensuring the optimal number of employees for the business year with a special focus on the main season: employment of qualified and professional employees, timely employment of seasonal employees, maintaining a high rate of returning seasonal employees and actively taking care of improving their material rights, which is one of the main objectives of the Company in terms of HR policy.

In the last few years, the Croatian labour market has been facing a deficit of qualified labour, especially in the tourism and catering industries, labour-intensive industries with a high participation of labour in the provision of services, but of a seasonal nature, which also significantly affects the cost of labour. The increase in the cost of labour in the Company in 2024 was partly due to the increase in business activities in the pre-season, which affected earlier employment of employees, i.e. longer employment retention in the post-season, and most significantly, the Company's continuous policy of improving the financial position of employees. Compared to the previous business year, in addition to the increase in the average number of employees, the total salary costs increased largely due to the average net hourly wages, i.e. the average net salary per employee, increasing by 11%.

Furthermore, the Company is actively monitoring if the average net salary paid per employee in the Company is higher than the average net salary in the industry of accommodation and food preparation service at the national level and if it deviates slightly from the average net salary paid per employee in the Republic of Croatia. The increase of net salaries and other material rights arising from employment indicates a continuity in the Company's HR management policy for the purpose of maintaining an optimum level of employment ensuring successful management of business processes and their smooth running at the operational level, warranting the continued development of products and services as well as the preservation of the established quality of service.

8.6 OCCUPATIONAL HEALTH AND SAFETY

The Safety and Protection Service within the Company is divided into

- I Health Control,
- II Occupational Health and Safety,
- III Fire protection, and
- IV Environmental Protection

The main objectives are providing maximum safety for its guests and employees, ensuring the conditions for providing high-quality services and complying with the principles of sustainability as the foundation for long-term stable development and growth of the Company. Accordingly, in terms of safety and security, the Company bases the system on:

- a) monitoring all applicable legal regulations and ordinances and alignment with them,
- b) development and implementation of own policies, including the Environmental and Quality Policy,
- c) development of annual plans and activities for each of these areas,
- d) implementation of domestic and international standards, and
- e) continuous key stakeholder trainings.

I Health Control

Health and safety of guests and employees is one of the most important factors in the Company's business processes, where through optimal working conditions, regular education and appropriate equipment, it is possible to implement the standards of health protection and hygiene of accommodation facilities.

Activities and tasks of Health Control in the segment of operational processes in 2024:

1 Activities in the field of health and sanitary safety

The Company implemented high health standards, as well as standards in the field of hygiene and sanitary conditions in order to provide a safe stay for guests and a safe working environment at the level of all sectors, profit centres and their departments. Sanitary and health safety and food safety, the organisation of sanitary and health safety at facilities is primarily reflected in the control of water quality, temperature and hygienic and sanitary supervision of kitchens.

The hygiene and sanitation segment covered the facility's equipment and functionality, lighting and ventilation, maintenance of accessories and equipment,

cleaning and disinfection, removal of waste materials and care for employees' personal hygiene. The health control also covered the laundry service and compliance with all health and sanitary regulations.

Sanitary and health safety as an extremely sensitive part of the business process where the responsibility of all employees is expected, as well as the responsible behaviour of guests during their stay at the facilities. Regular controls and inspections by competent authorities contribute to the prevention and quality of the hotel's sanitary and health safety.

In 2024, the Sanitary Inspection of the State Inspectorate carried out supervisory control in the food production facility and supervision of the swimming pool's compliance with the sanitary, technical and hygienic requirements, the safety of the pool water, the keeping of the necessary records and the use of chemicals and biocidal products. All inspections confirmed that the facility operated in compliance with the law.

2) The health safety of foodstuffs and items of general

use

In 2024, an authorised external company carried out the monitoring of the implementation of the HACCP system in hospitality facilities. Compliance with the HACCP system was confirmed in compliance with the Codex Alimentarius standard as a control/monitoring system of critical control points in foodstuff handling procedures.

Regular inspections of hospitality facilities (restaurants, bars and kitchens) were performed and all processes were audited, analysing potential hazards, identification of control points and critical control points in operation, employee hygiene inspection, implementation of DDD measures, water safety inspections and continuous education of employees.

3 Hygiene of accommodation and sanitary facilities

The control of the cleanliness of accommodation facilities is carried out in accordance with the stipulated standard on a weekly and monthly basis within each individual facility and sanitary facilities. This was entered in the records as part of quality management. Housekeepers and maids were trained, laundry presentation

workshops and a course on instructions for working with the new device and cleaning products were held.

4) The health safety of the pool water

Together with the Zadar Institute of Public Health, the health safety of the pool water of all pools was analysed according to plan. Pool water indicators were internally controlled every day and a record was kept of swimming pool maintenance and hygiene inspections, sanitation and disinfection procedures were implemented and internal and external trainings of employees working at the pools were held.

5 Wellness hygiene

In order to maintain the hygiene of the wellness area, actions were taken to clean the wellness rooms, regularly check the health safety of the water in the jacuzzis, disinfect them, check the hygiene of the filters, check the items for general use, check and declare the products that were used, conduct employee training and check the measurement of the ionizing radiation in the tanning room by an authorised company.

6 Implementation and control of the application of national and international standards in the field of

health control (HACCP and ISO 9001:2015 quality management system and the “Company – Friend of Health” certificate) and employee training

In the health and safety management system, we monitor and comply with all applicable legal requirements and policies. For all employees of the Food and Beverages Department as well as other departments subject to mandatory sanitary inspections, the inspections are performed by the Public Health Institute that is accredited to perform them.

Internal training is provided by the Heads of Health Control and Occupational Safety and Fire Protection, in cooperation with external authorized companies and the Institute of Public Health. At the Institute of Public Health, 24 employees attended the Hygiene Minimum course. Internal trainings on the HACCP system were held in the same manner for the employees of the Food and Beverages Department.

The company holds the “Company – Friend of Health” certificate, a project launched by the Croatian Institute of Public Health with the aim of promoting health in the workplace and working environment, adopting healthy lifestyle habits and showing concern for the health of

employees, promoting physical activity, the protection of the health of employees in the workplace, a smoking ban, a prohibition of alcohol consumption, landscaping and the protection of consumer and client health.

II Environmental protection

The Company bases its business policy on management in line with the principles of sustainable and responsible development, with focus on the environment, as the environment is the fundamental resource of the tourism industry. In 2024, the Company worked on the continuous improvement of the environmental management system, sanitary, economic and working conditions with the aim of protecting and preserving the environment, as well as preventing its pollution, i.e. minimising it, rational management of all natural resources and reducing the negative effects of the Company's operations on the natural assets and cultural heritage.

Environmental protection activities and tasks in the segment of operational processes in 2024:

1 Waste management

Waste management in the Company's facilities included the following activities: prevention of possible pollution

due to the generation and improper handling of hazardous and non-hazardous waste, keeping related records, i.e. recording and monitoring the generation and flow of waste as well as an annual report of the quantities of waste generated at the locations for the competent authorities, the control of proper sorting of waste on the spot and employee trainings, labelling, control of the condition of appropriate containers for hazardous and non-hazardous waste, procurement of new improved press containers, working with authorised waste disposal companies, monitoring and adapting business processes to legal regulations in the field of sustainable waste management and continuous revision of legal obligations related to this field and the Company as a waste generator through its business processes.

2 Wastewaters

The destination for all waste water produced at the Company's facilities is the public drainage system, and it is previously treated in separators and the collector. The water produced at the boat washing station in Marina Kornati passes through a physical-chemical purifier before it is discharged, and the prescribed indicators of the discharged water are checked periodically in accordance with the water law permit through an author-

ised laboratory. At the beginning of 2021, a new water rights permit was obtained for Marina Kornati for the period of five years. Moreover, the issue of collection, treatment and discharge of waste waters in the "Park Soline" campsite is addressed by connecting all of the buildings within the camp via a gravity or pressure sewer to the city sewer. In 2021, the Company obtained a new water rights permit for using water from a well in the "Park Soline" campsite for irrigation. Through this, the Company placed great focus on reducing the use of drinking water for the irrigation of horticultural areas of the camp by fully using its own water source.

3 Air

Emissions of polluting gases (carbon dioxide, carbon monoxide, nitrogen and sulphur oxides) from stationary sources, i.e. boiler rooms, are measured every two years by an authorised company.

The results of the measurements carried out on the combustion plants in 2024 are in accordance with the permitted levels under the Regulation on limit values of pollutant emissions into the air from stationary sources (Official Gazette 42/2021). Also, the quantities of used cooling gases (freons), fuel consumption in boiler rooms, cleaning and certification of air conditioning and

ventilation systems are regularly checked. In cooperation with the Technical Service, the control of the operation of boiler rooms is carried out and technological improvements are considered for the purpose of reducing emissions of polluting gases into the atmosphere, as well as monitoring and adapting to new legislation.

4 Use of hazardous chemicals

Hazardous chemicals are used in the Company when maintaining the health safety of the pool water, for purifying technological waste water in Marina Kornati as well as in household departments, kitchens and wellness. Chemicals i.e. cleaning and disinfection agents are also used. Therefore, at the operational level, activities were carried out with the aim of reducing the amount of chemicals used, training employees on handling hazardous chemicals and checking their consumption.

III Occupational Health and Safety

All activities with regard to Occupational Health and Safety have been performed in compliance with legislation governing occupational health and safety and the Ilirija d.d. Plan of Measures for Occupational Health and Safety, with a continuous monitoring of new regulations, their implementation and relevant employee

training.

The following occupational health and safety activities have been performed in 2024:

- Employee education, informing and counselling, record-keeping, documenting and notifying, non-smoker protection and prohibition of alcohol consumption and consumption of other addictive substances, all in accordance with relevant legislation.
- Keeping records of employees who suffered an injury or illness in the workplace. During the entire reporting period, a total of four minor work-related injuries occurred.
- Monitoring, implementation and control of measures and recommendations from the competent Civil Protection Authority in view of occupational health and safety. The Ilirija d.d. Occupational Safety and Fire Protection Manager is also a member of the Biograd na Moru Civil Protection Authority.
- Testing of instruments of work and working environment by a licensed company, testing of all machines and devices used for work with an increased risk of occupa-

tional hazards, electrical, lightning protection and gas installations and the working environment, referring employees to periodically and daily inspect the serviceability of instruments of work.

- In order to ensure health supervision suitable to hazards, harm and strain during work, for the preservation of employee health, the Company provided the employees at positions with special working conditions with occupational healthcare services in accordance with relevant legislation at the licensed medical institution competent for occupational medicine. During 2024, 66 periodic examinations were performed for employees at workplaces with special working conditions, in addition to additional annual sanitary examinations of employees at the Institute of Public Health, and 33 eyesight examinations of employees at administrative positions (working with computers).
- Employee training activities for safe work practices in accordance with the training programme based on a previously prepared risk assessment, which includes all occupational hazards, harms and efforts determined by the risk assessment and ways to eliminate them. During 2024, 53 employees completed safe work training as well as minimum fire protection training, of which 24 were foreign employees who successfully completed

the training according to the adapted programme.

- Implementation of occupational health and safety measures in order to improve working conditions, prevent occupational injuries and illnesses, other work-related illnesses and the protection of the working environment, which include the following technical and organisational measures: testing of machines and devices used for work with increased occupational hazards, electrical installations, lightning protection – lightning rods, microclimate and lighting in accordance with regulations governing respective areas, fire extinguisher inspections, fire hydrant network inspections, inspections of fire alarm and extinguishing systems, as well as fire fighting equipment in fire hydrant cabinets; control of instructions for safe work practices and hazard signage, and implementation of internal supervision of compliance with occupational health and safety rules.
- Practice evacuation and rescue drills when implementing fire protection and employee rescue measures, which must be carried out biannually in accordance with relevant legislation. During 2023, the four aforementioned drills were held in four different sectors, and new drills are planned for 2025 in cooperation with external authorised companies.

- Activities of the Occupational Health and Safety Committee, which, for the purpose of improving occupational health and safety in 2024, planned and supervised the implementation of occupational health and safety rules, organised the performance of occupational health and safety tasks, informed and trained employees on occupational health and safety, implemented the prevention of occupational risks and their effects on employee health and safety.
- Every year, the Company performs testing of electrical installations in buildings intended for work, and employers are required to test them at least once every four years. The aforementioned tests are performed by an authorised company.
- All mandatory tests of work equipment (machines and devices, facilities and means of transfer and transportation of loads) were carried out and compliance with the stipulated Occupational Health and Safety Act with regard to work equipment was established. In 2024, in the field of occupational health and safety, an inspection was carried out with regard to the implementation of occupational health and safety measures, establishing the regularity of the implementation.

IV Fire protection

In order to protect people's lives and property from fire, the Company takes measures and actions for eliminating causes of fire, prevention of occurrence and spreading of fire, fire detection and extinguishing, identifying causes of fire, as well as providing assistance with eliminating fire damage.

The following fire safety activities have been performed in 2024:

- The Company actively engaged in the implementation of the Activity Programme for the Implementation of Special Fire Protection Measures in so far as it complies with the guidelines issued by the County Chief Fire Officer and the Biograd Public Fire Brigade.
- The Fire Protection Department requested from the Biograd na Moru water distributor to update the information on the public fire hydrant network (fire hydrant position and serviceability).
- Procurement of required fire protection equipment and a sufficient number of fire extinguishers. The Com-

pany has installed 391 fire extinguishers in all facilities.

- Additional safety and protection were provided by purchasing a fireboat with special equipment and a foam fire extinguisher and a crew that completed a fire-fighting intervention course. Nineteen employees completed a volunteer fire fighter training.

In 2024, a practical fire safety drill was held in Marina Kornati, where a fire simulation demonstrated the possible hazards, that is, the measures and procedures that need to be taken in extraordinary circumstances.

- Daily supervision of the implementation of fire protection measures by the Department Manager and/or employees at each facility. Periodic supervision of the implementation of fire protection measures by immediate managers and the Occupational Safety and Fire Protection Manager.

In 2024, in the field of fire protection, 2 inspections were carried out with regard to the implemented measures, establishing the regularity of the implementation.

8.7 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 (nautical

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.

8.8 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



ILIRIJA d.d., Biograd na Moru

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STATEMENT ON THE ACCOUNTABILITY OF THE MANAGEMENT BOARD

STATEMENT ON THE ACCOUNTABILITY OF THE MANAGEMENT BOARD

The Management Board is responsible for the preparation of financial statements that provide a true and fair overview of the Company's financial position, business results and cash flow in accordance with applicable accounting policies, as well as for maintaining adequate accounting records to enable such financial statements to be prepared at all times. The Management Board has overall responsibility to take steps that would reasonably enable it to preserve the Company's assets as well as to detect and prevent fraud or other irregularities.

The Management Board is responsible for selecting appropriate accounting policies that comply with the applicable accounting standards, which it then should apply consistently, making reasonable and prudent judgements and estimates and preparing financial statements in accordance with the going concern principle unless the Company's going concern is questionable.

The Management Board is responsible for compiling and publishing the Company's annual financial statements.

The Management Board approved the issuance of the financial statements on 26 February 2025, as is confirmed by the signature.

ILIRIJA d.d.
Tina Ujevića 7
Biograd na Moru

Signed on behalf of the Company's Management Board



Goran Ražnjević, member of the
Management Board



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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THE COMPANY ILIRIJA d.d.

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of ILIRIJA d.d. (the Company), which comprise the statement of financial position as at 31 December 2024, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying annual financial statements give a true and fair view of the financial position of the Company as at 31 December, 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' (IESBA) Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Republic of Croatia and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Trgovački sud u Zagrebu, MBS 080006795, OIB 71799539000

Uprava: mr. sc. Dragan Rudan i Vedrana Miletić; Temeljni kapital 132.640,00 eura uplaćen u cijelosti;

Transakcijski račun: Istarska kreditna banka Umag d.d., IBAN: HR80 2380 0061 1800 0023 2; BIC: ISKBHR2X

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Key audit matter	Our procedures during the audit
<i>Investment in land not owned by the Company</i>	
<p>The Company partly performs registered tourist activity on the land that is not included in the Company's share capital in the process of transformation and privatization and on the part of the land that is a maritime domain.</p> <p>The use conditions for the land that was not included in the Company's share capital in the process of transformation and privatization have, so far, been defined by the Act on Tourist and Other Construction Land not appraised in the transformation and privatization process (OG 92/10) on the basis of which the Company submitted an application for a concession for a period of 50 years. On 2 May 2020, the new Act on Unappraised Land (OG 50/2020) entered into force. In accordance with the provisions of the Act on Unappraised Land, the Company submitted a request to the Ministry of Physical Planning and State Assets to issue a decision under Article 17 of the Act for concluding a lease agreement for 50 years for Camp Park Soline in Biograd na Moru.</p> <p>On February 9, 2024, the Regulation on the Arrangement of Lease for Parts of the Camp Owned by the Republic of Croatia (OG 16/2024) was published and came into force on February 17, 2024. This Regulation prescribes the initial unit rental prices for parts of the campsite owned by the Republic of Croatia, as well as other criteria for determining and calculating the rent.</p>	<p>Our audit procedures related to investing in land not owned by the Company included, inter alia:</p> <ul style="list-style-type: none"> ➤ Understanding of the Company's accounting policies related to the measurement of the subject assets; ➤ Assessment of the reasonableness of the key assumptions for valuing investments on the subject assets; ➤ Review of input data for the purpose of testing the completeness and accuracy of recording the increase in investment in the subject assets; ➤ Monitoring the status of the Request for a decision referred to in Article 17 of the Act on Unappraised Land (OG 50/2020) and for concluding a 50-year lease agreement for Camp Park Soline in Biograd na Moru, dated 5 March 2021; ➤ Review of the Company's report on significant legal issues and assessment and status of legal disputes received from external attorneys; ➤ Analysis of the impact of the Regulation on the arrangement of leases on parts of the camp owned by the Republic of Croatia (NN 16/24), adopted on February 9, 2024, year, to the Company's financial statements ➤ Assessment the adequacy of related disclosures in annual financial statements and compliance with IFRS.

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<p>Pursuant to the Transformation of Socially Owned Enterprises Act, all structures built on maritime domain have been evaluated and included in the share capital of the Company, while land as a public good has not been evaluated.</p> <p>The most important maritime domain used by the Company is Marina Kornati. The concession lasts until year 2032.</p> <p>In 2017, the Company submitted to the Ministry of the Sea, Transport and Infrastructure of the Republic of Croatia, a request for extension of the Concession Agreement for a total period of 50 (fifty) years.</p> <p>As of the date of issuing the financial reports for 2024, the request for the extension of the concession has not been decided yet.</p> <p>All investments in the mentioned lands are recorded by the Company as its own assets.</p> <p>Due to the above and significant future effects on the financial statements, the investment in land not owned by the Company was identified as a key audit matter.</p> <p>For further information see note 7 (Property, plant and equipment).</p>	
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Other information

Management is responsible for other information. Other information comprises the Management Report and Corporate Governance Statement included in the Company's Annual Report, but does not include annual financial statements and our auditor's report on thereon. Our opinion on annual financial statements does not cover the other information.

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In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

With respect to the Management Report and Corporate Governance Statement, we also performed procedures required by the Accounting Act. Those procedures include considering whether the Management Report is prepared in accordance with the requirements of Article 24 of the Accounting Act and whether the Corporate Governance Statement includes the information specified in Article 25 of the Accounting Act.

Based on the procedures undertaken, to the extent we are able to assess it, we report that:

1. the information given in the enclosed Management Report and Corporate Governance Statement is consistent, in all material respects, with the enclosed annual financial statements;
2. the enclosed Management Report is prepared in accordance with requirements of Article 24 of the Accounting Act;
3. the enclosed Corporate Governance Statement includes the information specified in Article 25 of the Accounting Act.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit of financial statements, we are also required to report if we have identified material misstatements in the Management Report and Corporate Governance Statement. We have nothing to report in this respect.

Responsibilities of Management and Those Charged with Governance for the Annual Financial Statements

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

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

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

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Auditor's Responsibilities for the Audit of the Annual Financial Statements

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

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

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. We were appointed by the General Assembly at 26 April, 2024 based on the proposition of the Supervisory Board to perform the audit of the annual financial statements for the year 2024.
2. At the date of this report, we have been continuously appointed for performing statutory audits of the Company, from the audit of the annual financial statements for the year 2024, to the audit of the annual financial statements for the year 2024, that is for four years in total.
3. In our audit of the annual financial statements of the Company for the year 2024 we determined the materiality for the financial statements as a whole in the amount of EUR 311.448, that represents approximately 4% of *EBITDA*. The primary users of the financial statements are the Company's shareholders. Given that the shareholders' main focus is on further investment activities aimed at generating profit and dividend payments in the long term, we consider the chosen basis for determining materiality to be appropriate.
4. Our audit opinion is consistent with the Additional Report to the Audit Committee of the Company prepared in accordance with Article 11 of the Regulation (EU) No 537/2014. The main users of financial statements are the shareholders of the company. Given that the main focus of the shareholders is on further investments, which have as their long-term goal the generation of profits and the payment of dividends, we consider the chosen basis for calculating significance to be appropriate.

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5. In the period from the beginning date of the audited annual financial statements of the Company for the year 2024 to the date of this report, we have not provided the prohibited non-audit services to the Company nor to the companies under its control and/or its parent company within EU and we have not provided the services of design and implementation of internal control procedures or risk management related to the preparation and/or control of financial information or the design and implementation of technological systems for financial information in the business year, before the before mentioned period, and we have maintained independence in relation to the Company during our audit.

Report based on Delegated Regulation (EU) 2018/815 on supplementing Directive 2004/109/EZ of European parliament and Council related to regulatory technical standard for specification of single electronic reporting format of reporting

Independent report on the compliance of annual financial statements (further: financial statements) prepared pursuant to Article 462 (5) of the Capital Market Act (Official Gazette 65/18, 17/20, 83/21 and 151/22) applying the requirements of the Delegated Regulation (EU) 2018/815 on establishing of single electronic reporting format for issuers (the ESEF Regulation).

We have conducted a reasonable assurance engagement on whether the financial statements, as contained in the attached electronic file 74780000V0GH8Q3K5K76-2024-12-31-0-en.zip are prepared, for the purposes of public disclosure pursuant to Article 462, paragraph 5 of the Capital Market Act, in all material respects in accordance with the requirements of the ESEF Regulation.

Responsibilities of the Management and those charged with governance

Management is responsible for the preparation of the financial statements in accordance with ESEF Regulation.

Furthermore, Management is responsible for maintaining an internal control system that reasonably ensures the preparation of financial statements without material non-compliances with ESEF Regulation requirements, whether due to fraud or error.

The Management is also responsible for:

- **the public disclosure of financial statements included in the annual report in XHTML format and**
- **selecting and using XBLR codes in accordance with ESEF regulation.**

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Those charged with governance are responsible for overseeing the preparation of the financial statements in ESEF format as part of the financial reporting process.

Auditor's responsibilities

Our responsibility is to express a conclusion, based on the audit evidence gathered, as to whether the financial statements are free from material non-compliances with the requirements of the ESEF Regulation. We conducted our reasonable assurance engagement in accordance with International Standard for Assurance Engagements ISAE 3000 (revised) - *Assurance engagements other than audits or reviews of historical financial information*.

Work performed

The nature, timing and extent of the procedures selected depend on the auditor's judgment. Reasonable assurance is a high degree of assurance, however it does not guarantee that the scope of procedures will identify all significant (material) noncompliance with ESEF regulation.

In respect of the subject matter, we have performed the following procedures:

- we read the requirements of the ESEF Regulation,
- we have gained an understanding of the Company's internal controls relevant to the application of the requirements of the ESEF Regulation,
- we have identified and assessed the risks of material non-compliance with the ESEF Regulation due to fraud or error; and
- based on this, devise and implement procedures to respond to the assessed risks and to obtain reasonable assurance for the purpose of expressing our conclusion.

The aim of our procedures was to assess whether:

- the financial statements, which are included in the annual report, are prepared in the relevant XHTML format,
- the information contained in the financial statements required by the ESEF Regulation is marked and all markings meet the following requirements:
 - the XBRL markup language was used,
 - the basic taxonomy elements listed in the ESEF Regulation with the closest accounting significance have been used, unless an additional taxonomy element has been created in accordance with Annex IV. ESEF Regulation,
 - the labelled elements comply with the common labelling rules under the ESEF Regulation.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

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Conclusion

Based on the procedures performed and evidence gathered, the financial statements presented in ESEF format for the year ended on 31 December 2024, contained in the aforementioned attached electronic file and prepared pursuant to Article 462 paragraph 5 of the Capital Market Act prepared for public disclosure, are prepared in all material respects in line with the requirements of Articles 3, 4 and 6 of the ESEF Regulation.

Further to this conclusion as well as opinion contained in this independent auditor's report related to accompanying financial statements and annual report for the year ended 31 December 2024, we do not express any opinion on the information contained in these presentations or on any other information contained in the aforementioned file.

The engagement partner in charge of the audit resulting in this independent auditor's report is Dragan Rudan.

In Zagreb, 26/02/2025

UHY RUDAN d.o.o. for tax consulting and audit

Ilica 213

10 000 Zagreb

Republic of Croatia

Dragan Rudan

Director and Certified Auditor

UHY RUDAN d.o.o.
za porezno savjetovanje i reviziju
ZAGREB, Ilica 213

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Statement of the financial position of the Company **ILIRIJA d.d.**

As at 31/12/2024

(All amounts are provided in Euro)

	Note	31/12/2024	31/12/2023
ASSETS			
Non-current assets			
Intangible assets	6	59,416	31,919
Property, plant and equipment	7	46,921,891	48,463,778
Investment property	8	9,816,091	9,987,661
Investments in subsidiaries	9	4,917	4,917
Total non-current assets		56,802,315	58,488,275
Current assets			
Inventories	10	276,162	203,498
Receivables and prepayments	11	1,449,508	843,000
Current financial assets	12	13,000,000	12,000,000
Cash	13	28,251	25,417
Total current assets		14,753,921	13,071,915
TOTAL ASSETS		71,556,236	71,560,190
PRINCIPAL AND LIABILITIES			
Equity and reserves			
Share capital	14	30,420,000	30,420,000
Own shares	14	(448,288)	(137,207)
Capital reserves		389,195	389,195
Reserves	15	5,112,930	5,112,930
Retained profit		19,219,511	17,329,349
Total shareholders' equity		54,693,348	53,114,267
Non-current liabilities			
Borrowings	16	10,156,776	12,011,845
Reservations	17	154,107	154,107
Total non-current liabilities		10,310,883	12,165,952
Short-term liabilities			
Borrowings	16	3,421,118	3,183,524
Trade and other payables	18	3,130,887	3,096,447
Total current liabilities		6,552,005	6,279,971
Total liabilities		16,862,888	18,445,923
TOTAL PRINCIPAL AND LIABILITIES		71,556,236	71,560,190

The following notes are an integral part of these financial statements

Report on the Comprehensive Income of the Company **ILIRIJA d.d.**

All amounts are provided in Euro

(Svi iznosi su izraženi u eurima)

	Note	31/12/2024	31/12/2023
Revenues from sales	19	30,022,422	27,848,263
Other operating revenues	20	329,110	199,546
Operating revenue		30,351,532	28,047,809
Costs of raw materials, materials and energy	21	(4,146,301)	(4,046,349)
Costs of services	22	(4,691,843)	(4,021,471)
Staff costs	23	(10,783,819)	(9,477,829)
Depreciation of intangible assets	6	(51,886)	(13,177)
Depreciation of property, plant and equipment	7	(2,919,626)	(2,976,524)
Depreciation of investment property	8	(252,896)	(249,584)
Other operating costs	24	(2,943,357)	(2,945,275)
Operating expenses		(25,789,728)	(23,730,209)
Operating profit		4,561,804	4,317,600
Net financial expenses	25	(127,760)	(247,182)
Profit before tax		4,434,044	4,070,418
Corporate income tax	26	(857,970)	(790,887)
Net profit for the current year		3,576,074	3,279,530
Other comprehensive income		0	0
Total comprehensive income for the period		3,576,074	3,279,530
Earnings per share – basic (in EUR)	27	1.49	1.37

The following notes are an integral part of these financial statements

Report on the Cash Flow of the Company **ILIRIJA d.d.**

As at 31/12/2024

(All amounts are provided in Euro)

	31/12/2024	31/12/2023
Business activities		
Cash inflow (outflow) generated from operations (note 28)	6,763,138	6,505,195
Investment activities		
Acquisition of intangible non-current assets	0	0
Procurement of property, plant and equipment	(1,593,128)	(3,475,895)
Procurement of investment property	0	0
(Increase)/decrease in current financial investments	(665,539)	(1,200,496)
Net cash outflow used for investment activities	(2,258,667)	(4,676,391)
Financial activities		
Purchase of own shares	(311,081)	(199,279)
Dividend distribution	(1,684,806)	(1,319,601)
Cash receipts from loans	1,400,000	2,883,589
Cash outflows for loans	(3,905,750)	(3,269,075)
Net cash outflow from financial activities	(4,501,637)	(1,904,366)
Net increase/decrease in cash	2,834	(75,562)
Changes in cash		
At beginning of the year	25,417	100,979
At the end of the year (note 13)	28,251	25,417
Increase/decrease in cash	2,834	(75,562)

The following notes are an integral part of these financial statements

Statements of Changes in Equity of the Company **ILIRIJA d.d.**

As at 31/12/2024

(All amounts are provided in Euro)

	Share capital	Own shares	Capital reserves	Reserves	Retained profit	Total equity
Balance as at 01 January 2023	30,412,964	(229,335)	389,195	5,119,966	15,373,526	51,066,316
Distribution of own shares	0	291,407	0	0	0	291,407
Purchase of own shares	0	(199,279)	0	0	0	(199,279)
Transfer to reserves	0	0	0	0	0	0
Dividend distribution	0	0	0	0	(1,323,708)	(1,323,708)
Net comprehensive income for the period	0	0	0	0	3,279,530	3,279,530
Share capital adjustment, euro	7,036	0	0	(7,036)	0	0
Balance as at 31 December 2023	30,420,000	(137,207)	389,195	5,112,930	17,329,349	53,114,267
As at 1 January 2024	30,420,000	(137,207)	389,195	5,112,930	17,329,349	53,114,267
Distribution of own shares	0	0	0	0	0	0
Purchase of own shares	0	(311,081)	0	0	0	(311,081)
Transfer to reserves	0	0	0	0	0	0
Dividend distribution	0	0	0	0	(1,685,912)	(1,685,912)
Net comprehensive income for the period, euro	0	0	0	0	3,576,074	3,576,074
Share capital adjustment, euro	0	0	0	0	0	0
As at 31 December 2024	30,420,000	(448,288)	389,195	5,112,930	19,219,511	54,693,348

The following notes are an integral part of these financial statements

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

NOTE 1 – GENERAL INFORMATION

"Ilirija" d.d., Biograd na Moru (Company), OIB: 05951496767 performs its business activities in the Republic of Croatia. The objects of the Company are hospitality and tourism, trade and maritime affairs. The Company is registered with the Commercial Court in Zadar with a share capital of EUR 30,420,000.00. The Company's headquarters are located in Biograd na Moru, Tina Ujevića 7, Croatia. The Company is a member of Arsenal Holdings d.o.o. Group, Zadar.

As at 31 December 2024, the Company's shares are listed on the Official Market of the Zagreb Stock Exchange. The ownership structure of the Company is presented in Note 14.

The President of the Management Board is Mr Goran Ražnjević.

The members of the Supervisory Board are: Mr Goran Medić (Chairman), Mr David Anthony Tudorović (Deputy Chairman), Mr Davor Tudorović, Mr Darko Prebežac and Mr Siniša Petrović (members). The members of the Audit Committee are: Mr David Anthony Tudorović (Chairman), Mr Goran Medić and Mr Darko Prebežac.

NOTE 2 – BASIS FOR THE PRODUCTION OF FINANCIAL STATEMENTS

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Declaration of compliance

The financial statements are prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, under the historical cost convention.

In addition to the annual financial statements, the Company also prepares the Annual Management Report.

The said financial statements were approved by the Management Board on 26 February 2025.

(b) Basis for creation

The financial statements have been created on a going concern basis, implying the continuity of normal business activities, the realisation of assets, and the settlement of liabilities in the normal course of operations.

(c) Presentation basis

These financial statements have been prepared under the historical cost convention, except for certain financial instruments that are carried at fair value.

Functional currency and presentation currency

The financial statements are presented in the Croatian currency, namely in euro (EUR), the Company's functional currency since 1 January 2023, when the euro was introduced as the official national currency

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

in accordance with the Act on the Introduction of the Euro as the Official Currency in the Republic of Croatia.

NOTE 2 – BASIS FOR THE PRODUCTION OF FINANCIAL STATEMENTS (CONTINUED)

(d) Non-consolidated financial statements

The financial statements of the Company are prepared on a non-consolidated basis.

The Company is the sole (100%) owner of two companies (see Note 9) which are not consolidated in the financial statements of the Company because they have not started with their activities.

(e) Segment reporting

A business segment is reported in accordance with internal reporting to the executive decision-maker. The executive decision-maker, who is responsible for allocating resources and assessing performance of the business segments, is the Company's Management Board.

NOTE 3 – NEW STANDARDS AND INTERPRETATIONS

At the date of issuance of these financial statements, the following standards, amendments and interpretations issued by the International Accounting Standards Board are not yet effective.

The first application of new and amendments to existing standards effective for the current reporting period

In the current reporting period, the following amendments to existing standards as well as new interpretations published by the International Accounting Standards Board (IASB) and adopted by the European Union shall apply:

In the current reporting period, the following amendments to existing standards as well as new interpretations published by the International Accounting Standards Board (IASB) and adopted by the European Union shall apply:

- **amendments to IFRS 16 “Leases”: Leasehold receivables in sale and lease back, adopted in the European Union on 20 November 2023 (effective for annual periods beginning on or after 1 January 2024),**
- **amendments to IAS 1 “Presentation of Financial Statements”: Classification of Liabilities as Current and Non-Current, Classification of Deferred Liabilities as Current and Non-Current, and Non-Current Liabilities with Covenants, adopted in the European Union on 19 December 2023 (effective for annual periods beginning on or after 1 January 2024),**
- **amendments to IAS 7 “Statement of Cash Flows” and to IAS 7 “Financial Instruments: Disclosures”: Supplier Finance Arrangements, adopted in the European Union on 15 May 2024 (effective for annual periods beginning on or after 1 January 2024).**

The Company has consistently applied its accounting policies to all periods presented in its financial statements. The adoption of the said amendments to existing standards has not resulted in material changes to the financial statements.

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

Amendments to existing standards published by the IASB and adopted in the European Union, but not yet effective

The following amendments to existing standards published by the IASB and adopted by the European Union had been adopted but not effective on the date when the financial statements were authorised for issue:

- **amendments to IAS 21 “Effects of Changes in Foreign Exchange Rates”: Lack of Exchangeability, adopted in the European Union on 12 November 2024 (effective for annual periods beginning on or after 1 January 2025).**

The Company has decided not to apply these amendments to existing standards before they become effective. The Company anticipates that the application of amendments to existing standards will not have a significant impact on the Company’s financial statements in the initial application period.

New standards and amendments to existing standards published by the IASB, not yet adopted in the European Union

IFRSs currently adopted in the European Union do not differ significantly from the regulations issued by the IASB, except for the following standards and amendments to existing standards, whose adoption has not yet been decided upon by the European Union on the day of issuance of these financial statements (the effective dates listed below refer to IFRSs issued by the IASB):

- **amendments to IFRS 9 “Financial Instruments” and to IFRS 7 “Financial Instruments: Disclosures”: amendments to the Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 1 January 2026).**
- **amendments to IFRS 9 “Financial Instruments” and to IFRS 7 “Financial Instruments: Disclosures”: Contracts Referencing Nature-dependent Electricity (in force for annual periods beginning on or after 1 January 2026),**
- **IFRS Annual Improvements – Volume 11 (effective for annual periods beginning on or after 1 January 2026).**
- **IFRS 18 “Presentation and Disclosure in Financial Statements”: the standard repeals IFRS 1: Presentation of Financial Statements and introduces significant changes to the manner of presenting financial performance, with a special emphasis on the profit and loss account. IFRS 18 aims to improve the comparability and transparency of financial statements between companies (effective for annual periods beginning on or after 1 January 2027).**

The Company is currently evaluating the impact of new standards and amendments to existing standards on its financial statements. The Company expects that the adoption of the aforementioned new accounting standards and amendments to existing standards will not significantly affect their financial statements in their first application period.

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

NOTE 4 – SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currencies

Transactions in foreign currencies are converted into the functional currency on the basis of the exchange rate of the date of the transaction. The results and financial position of the Company are presented in the financial statements, namely in euro (EUR), the Company's functional currency and the presentation currency for the financial statements.

(b) Use of estimates and judgements

The preparation of financial statements requires the Management Board to make judgements, estimates and assumptions which affect the application of accounting policies and the reported amounts pertaining to assets, liabilities, revenue and costs. Actual results may differ from these estimates.

The estimates are continually evaluated and based on experience and other factors, including the expected future events considered to be acceptable under current circumstances. The Company creates estimates and assumptions about the future. The effect of estimate adjustments is recognized in the period in which the estimate is adjusted, as well as in future periods if the adjustment affects those along with the current period.

In creating judgements, the Management Board applied the individual criteria for recognizing sales revenue, particularly whether the Company has transferred significant risks and rewards of ownership to the customer. The Management Board is convinced that significant risks and rewards of ownership have been transferred, and that it is appropriate to recognize revenue in the current year.

(c) Revenue recognition

Revenue consists of the fair value of the consideration received or receivable for the services sold during the Company's regular operations. Revenue is reported as an amount net of value added tax and discounts. The Company recognizes revenue when the amount of revenue can be measured reliably, when the Company will have future economic benefits, and when specific criteria for all of the Company's activities are met.

(a) Service revenue

Revenue earned from the sale of services is recorded at the date of invoicing, which is after the point of delivery.

(b) Rental revenue

Revenue from rental services is recognized in the period when the services are provided, namely using the straight-line basis during the period of the contract with the lessors.

(d) Costs of sale

Cost of sale (goods sold) includes all purchase cost and cost of rendering services incurred in relation to the invoiced service or goods.

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

NOTE 4 – SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Selling, general and administrative expenses

Selling, general and administrative expenses comprise all expenses of joint and general departments.

(f) Repairs and maintenance

The maintenance costs are charged to expenses in the period in which they are incurred.

Increasing the capacity or quality of a service or product, that is, increasing or enhancing the scope and content of a product or service through repairs and maintenance leads to an increased service standard or longer useful life of a property, plant or equipment, whereby the repairs and maintenance are recorded as an increase in the value of the property, plant or equipment.

The remaining repair costs which do not fall under the above-mentioned or are not incurred for the mentioned purpose but are in nature intended for maintaining the property, plant or equipment, are charged to expenses in the period in which they are incurred.

Classifying the repair costs by character and purpose is carried out by the Company's competent services managing the said business processes, including the Company's accounting and finance department.

Investments related to the reconstruction and adaptation aimed at changing the capacity or purpose of a property, plant and equipment are recorded as an increase in the value of the property, plant and equipment.

(g) Corporate income tax

The Company is subject to taxation according to the laws and regulations of the Republic of Croatia. Corporate income tax is assessed on the tax basis, which is determined as the difference between income and expenses, increased and decreased by items provided by tax regulations.

(h) Property, plant and equipment

Property, plant and equipment have been recorded at the estimated purchase cost, i.e. purchase cost less accumulated depreciation. Purchase cost includes all costs directly attributable to bringing the asset to its working condition for its intended use. Items and equipment are registered as non-current assets if their estimated life is greater than one year.

Tangible assets that are retired or otherwise disposed of are eliminated from the balance sheet together with the corresponding value adjustments (if any). Gains and losses on such disposals or retirements are included in the income statement for the year. Value adjustment is charged to the income statement on a straight-line basis so as to depreciate

the cost or value of buildings and equipment over their estimated useful lives, as follows:

	2024	2023
Buildings	40 years	40 years
Equipment for tourism and hotel industry	10-40 years	10-40 years
Other equipment	7-20 years	7-20 years

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

NOTE 4 – SIGNIFICANT ACCOUNTING POLICIES (continued)

The estimated useful life, residual value and the depreciation method are reviewed at the end of each financial year, and the effects of any changes in estimates are calculated prospectively.

The useful life shall be reviewed periodically to determine whether there are any circumstances that would change the estimate relative to the previous one. Any changes in the estimate shall be recognised in future periods by changing the depreciation costs over the remaining useful life that has changed.

The land is included in the estimated amounts and is not depreciated since it is considered to have an indefinite useful life. Depreciation of assets in course of construction commences when they are put in use.

(i) Investment property

Investment property comprises buildings with the accompanying land that are held for long-term rental yields or capital appreciation or both. They are considered non-current assets and are measured at the cost of acquiring less depreciation. The cost includes purchase cost and all costs directly attributable to purchase.

Depreciation is charged to the income statement on a straight-line basis so as to depreciate the cost or valuation of investment property over its estimated useful life of 40 years.

Land is not depreciated since it is considered to have an indefinite useful life.

(j) Investments

A subsidiary is an entity under the control of another entity, known as the parent company. The parent company does not need to present consolidated financial statements if, and only if the parent company itself is a subsidiary wholly or partly owned by another entity and its other owners, including those with no voting rights, have been informed that the parent company shall not present consolidated financial statements and they do not object. The subsidiaries are listed in Note 9.

(h) Inventories

The inventories are stated at the lower of cost and net realisable value. The cost of inventories includes all purchase costs incurred in bringing the inventories to their present location and the current state. When inventories are sold, the carrying value of these inventories is recognized as an expense in the period in which the related revenue is recognized. The amount of any write-off of inventories to net realisable value and all losses of inventories are recognized as an expense in the period of the write-off, i.e. the occurrence of deficit. The amount of any reversal of any write-off of inventories as a result of an increase in net realisable value is recognized as a decrease in the number of inventories recognized as an expense in the period in which they occur. The cost is calculated on the average cost price basis. Small inventories are 100% expensed when put in use.

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

NOTE 4 – SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Receivables and prepayments

Receivables represent the right to collect determined amounts from customers or other debtors with regard to the Company's business. Receivables are reported in the total amount less the value adjustment or in amounts that are expected to be collected. An adjustment of the value of trade receivables is performed when there is objective evidence that the Company will not be able to collect all of its claims in accordance with the agreed terms.

At each reporting date, the Company estimates whether the credit risk for financial instruments has increased significantly since initial recognition. In estimates, the Company uses changes in default risk that occur during the expected life of the financial instrument instead of changing the amount of expected credit losses. In order to create an estimate, it compares the default risk for a financial instrument at the reporting date with the one at the date of initial recognition, taking into account reasonable and acceptable figures. Trade receivables include all receivables from sale of goods and provision of services, as well as prepayments, dues from state institutions and other short-term receivables.

(lj) Cash

For the purposes of cash flow statements, cash consists of cash in hand and balances with banks.

(m) Own shares

Own shares of the Company held at the balance sheet date are treated as a deduction from the Company's equity. The gains and losses on sales of own shares are charged to the capital reserves.

(n) Financial instruments

Financial instruments reported in the balance sheet include money and bank account balances, receivables, account payables and borrowings. The specific applied recognition methods are disclosed in individual explanations of accounting policies for each item.

(nj) Borrowings

Borrowings are initially recognized at nominal value decreased by transaction costs, which equals the fair value. In future periods, borrowings are carried at amortized cost; any difference between the proceeds (minus transaction costs) and the surrender value is recognized in the statement of comprehensive income over the period of the borrowing, using the effective interest method.

Borrowings shall be classified as current liabilities unless the Company has an unconditional right to postpone the settlement of the liability by at least 12 months after the reporting date.

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

NOTE 4 – SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Trade payables

Trade payables are amounts related to purchased goods and services in the normal course of operations. A liability shall be presented as a current liability if payment is expected within one year, or as a long-term liability if it is not. Trade payables are initially recognized at fair value, and in future periods they are carried at amortized cost, namely using the effective interest method.

NOTE 5 – KEY ACCOUNTING ESTIMATES AND JUDGMENTS

The Company creates estimates and assumptions about the future. By definition, the resulting accounting estimates are rarely equal to the actual result. Estimates and assumptions that have a significant risk of causing a material adjustments of the net book value of assets and liabilities within the next financial year are described below.

Corporate income tax

The company is subject to corporate tax in the Republic of Croatia. Tax returns are subject to approval by the Tax Administration, which has the right to carry out subsequent inspections of the taxpayers' accounts over the following three years, as well as to request changes on that basis.

Property, plant and equipment life

Determining the useful life of assets is based on the historical experience with similar assets, as well as on projected changes in the economic environment, and factors related to the industry in which the Company operates. The adequacy of the estimated useful life is reviewed either annually or whenever there is an indication of significant changes in assumptions. We believe this to be an important accounting estimate given the significant proportion of assets amortized in total assets. Thus, the impact of significant changes in these assumptions could have a material impact on the Company's financial position and operating results.

Impairment of financial assets

At each reporting date, the Company estimates whether the credit risk for financial instruments has increased significantly since initial recognition. In estimates, the Company uses changes in default risk that occur during the expected life of the financial instrument instead of changing the amount of expected credit losses. In order to create an estimate, it compares the default risk for a financial instrument at the reporting date with the one at the date of initial recognition, taking into account reasonable and acceptable figures.

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

NOTE 6 – INTANGIBLE ASSETS

<i>(In EUR, without cents)</i>	Investments in borrowed assets – buildings	Total
Year ended 31 December 2023		
Opening net book amount	43,953	43,953
Additions	1,143	1,143
Depreciation charge	(13,177)	(13,177)
Closing net book amount	31,919	31,919
Balance as at 31 December 2023		
Cost	338,507	338,507
Accumulated value adjustments	(306,588)	(306,588)
Net book value	31,919	31,919
Year ended 31 December 2024		
Opening net book amount	31,919	31,919
Additions	79,383	79,383
Depreciation charge	(51,886)	(51,886)
Closing net book amount	59,416	59,416
Balance as at 31 December 2024		
Cost	417,890	417,890
Accumulated value adjustments	(358,474)	(358,474)
Net book value	59,416	59,416

The investments were made in the catering facility "Arsenal", in which the Company carries out its activities under the Business Cooperation Agreement concluded with the Parent Company, Arsenal Holdings d.o.o., Zadar.

Notes (continued)

As at 31/12/2024

*(All amounts are provided in Euro)***NOTE 7 – PROPERTY, PLANT AND EQUIPMENT**

<i>(In EUR, without cents)</i>	Land	Investments in facilities	Equipment	buildings under construction	Total
Year ended 31 December 2023					
At beginning of the year	5,894,095	33,247,270	8,731,544	343,644	48,216,553
Additions	0	54,548	1,355,367	1,480,362	2,890,277
Transfer from assets under construction	0	1,333,476	587,093	(1,575,676)	344,893
Reductions – sale, disposal	0	0	(11,421)	0	(11,421)
Depreciation charge	0	(1,295,561)	(1,680,963)	0	(2,976,524)
Closing net book amount	5,894,095	33,339,733	8,981,620	248,330	48,463,778
Balance as at 31 December 2023					
Cost	5,894,095	48,237,715	19,011,574	248,330	73,391,714
Accumulated value adjustments	0	(14,897,982)	(10,029,954)	0	(24,927,936)
Net book value	5,894,095	33,339,733	8,981,620	248,330	48,463,778
Year ended 31 December 2024					
At beginning of the year	5,894,095	33,339,733	8,981,620	248,330	48,463,778
Additions	0	87,876	784,990	366,204	1,239,070
Transfer from assets under construction	0	188,302	187,899	(225,000)	151,201
Reductions - disposal	0	0	(12,532)	0	(12,532)
Depreciation charge	0	(1,335,910)	(1,583,716)	0	(2,919,626)
Closing net book amount	5,894,095	32,280,001	8,358,261	389,534	46,921,891
Balance as at 31 December 2024					
Cost	5,894,095	48,513,894	19,627,037	389,534	74,424,560
Accumulated value adjustments	0	(16,233,893)	(11,268,776)	0	(27,502,669)
Net book value	5,894,095	32,280,001	8,358,261	389,534	46,921,891

In the process of the Company conversion, the estimated value of the Company's capital includes the estimated value of the property for which the property rights have not been resolved. The shares of equal value are mainly reserved by the Croatian Privatization Fund (Agency for State Property Management / CERP). For a part of the shares provision was cancelled, so the number of reserved shares remaining is 24,984 (see Note 14).

The buildings of Marina Kornati, Kornati hotel port and swimming pool are located at the maritime domain, and have been evaluated and entered in the Company's share capital in the conversion process. Their usage is regulated by the approved concessions. Under the Concession Agreement of the Kornati maritime domain-port of nautical tourism, the use is, for the moment, regulated for a period of 32 years, or until 2031.

In accordance with the Act on Maritime Domain and Seaports, on 17 October 2017, the Company submitted to the Government of the Republic of Croatia, through the competent

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

NOTE 7 – PROPERTY, PLANT AND EQUIPMENT (continued)

Ministry of the Sea, Transport and Infrastructure of the Republic of Croatia, a request with regard to the Kornati Marina in Biograd na Moru for modification and amendment to 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. 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 of the Republic of Croatia on 28 December 2023, in which it essentially offered: a new increased amount of investment in the maritime domain, new increased investments in the green transition, including the decarbonization and digital transformation in accordance with Regulation (EU) 2020/852 of the European Parliament and Council of 18 June 2020, on establishing a framework for facilitating sustainable investments and amending Regulation (EU) 2019/2088 EU OJ, L 198/13, suggested new amounts of concession fees with reference to the previously revalued investments in Marina Kornati with the end of 2023, in order to express the real, absolute value of investments so far, and also explained the legal matters that are important for making a positive decision, all in accordance with transitional and final provisions of the new Maritime Domain and Seaports Act (Official Gazette No.: 83/2023, hereinafter: ZPDML23), which entered into force on 29 July 2023, so that the procedures for granting and modifying concessions that were started according to the provisions of ZPDML03 have to be completed in accordance with the provisions of that Act. No decision has been rendered yet on the alleged supplemented request for an extension of the concession licence validity for Marina Kornati.

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

As at 31 December 2024 the total investment in the "Park Soline" campsite, as reported at cost, was in the amount of EUR 19,849,210.56. Of the mentioned total investment amount, EUR 7,705.36 was invested in land, EUR 11,856,793.91 in infrastructure and the construction and reconstruction of seven modernly equipped and furnished sanitary facilities and investment in the construction of buildings housing the campsite management offices, the sales and marketing department of the campsite and reception, whereas EUR 7,984,711.29 was invested in equipment, mostly the holiday mobile homes. As at 31 December 2024 a total amount of EUR 318,857.35 was invested in the "Park Soline" campsite restaurant, of which EUR 193,599.54 in the building and EUR 125,257.81 in equipment. The auto camp is spread over 200,800 m² of land, which the Company, on the basis of the Decision of the former Assembly of the Municipality of Biograd na Moru and the Contract on granting permanent use of building land, concluded with the Assembly of the Municipality of Biograd na Moru, received for permanent use for the performance of registered tourism activities. Given the above-mentioned permanent right of use, the Company has in accordance with acquired rights from the transformation and privatization process and legitimate expectations, made capital investments on the tourism land which is not estimated in the process of transformation.

The above-mentioned land, except a land plot of 779 m² and the land on which the building has been constructed, is not included in the estimated value of the Croatian Privatization Fund and is not included in the Company's share capital in the process of conversion and privatization. This confirms one of the most important outstanding issues of the procedure of conversion and privatization of enterprises in our country, and that is arranging the real owner of the construction land, which in the conversion and privatization procedure has not been estimated in the value of the capital of legal entities.

Pursuant to the Act on Tourism and Other Land Not Evaluated in the Conversion and Privatisation Process (hereinafter: the Act on Tourism Land) has submitted to the Republic of Croatia a timely request for a concession on tourism land not evaluated in the conversion and privatization process for a period

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

of 50 years (longest permitted period), based on a properly conducted conversion process and the rights from the conversion process over Soline campsite consequently belong to the Company. As a result of the ambiguity in the provisions of the Act on Tourism Land and related regulations, according to the information available to the Company, no concession contract for tourism land plots in campsites has been concluded in the Republic of Croatia since its adoption (2010). Due to unclear provisions of the Act, no decision has been rendered during its validity regarding the Company's application.

According to the above-mentioned legal basis, Park Soline campsite has been issued a decision on a four-star classification.

In May 2020, a new act on non-evaluated construction land was adopted, and thus the Act on Tourism Land 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.

On 9 February 2024, the Ordinance on the Arrangement of Leases on Parts of the Campsites Owned by the Republic of Croatia was published (Official Gazette, No 16/2024, hereinafter: the Ordinance), which entered into force on 17 February 2024. The aforementioned Ordinance prescribes the initial amounts of the unit rental fee for the parts of the campsites owned by the Republic of Croatia, as well as other criteria for determining and calculating the rental fee.

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. 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. has duly paid the aforementioned annual lease fee, which amount in accordance with the Ordinance on the Arrangement of Leases, represents 50% of the lease fee.

The Company estimated that the amount of lease fee calculated at the unit price per square meter of land will exceed 4% of the turnover in the previous year, and accordingly the amount of lease fee will represent a variable fee. In accordance with the provisions of IFRS 16, variable lease fee payments that are based solely on the revenue of the camp do not represent fixed payments and the Company has not included them in the calculation of IFRS 16 for classification and measurement purposes.

In the meantime, the Company has also regulated performing its registered tourism activity on the stated land by lease agreements concluded with Hrvatske šume and the Town of Biograd na Moru. The land lease agreement concluded by and between the company Hrvatske šume d.o.o. and Ilirija d.d. on 20 August 2004 for a period of 20 years expired on 20 August 2024, as did the land lease agreement

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

between the Town of Biograd na Moru and Ilirija d.d. concluded on 16 December 1999 for a period of 25 years, which expired on 16 December 2024. Given the fact that the aforementioned land lease agreements have expired, as well as the fact that since the entry into force of the Act (May 2020) the lease for the land comprising the Ilirija campsite has been paid to the competent Ministry on the basis of the submitted lease invoices, Ilirija d.d. has sent letters notifying Hrvatske šume d.o.o. and the Town of Biograd na Moru that they have fully fulfilled all their obligations towards them under the Lease Agreement which has ceased to be valid and will continue to pay the lease fee to the competent Ministry and the Republic of Croatia.

Over a part of the Company's buildings (Hotel Adriatic, Hotel Ilirija and Tennis Centre) with purchase value of EUR 18,018,422.86 and its land of a purchase value of EUR 3,304,968.86 are subjects to lien in favour of the commercial bank for approved loans (see Note 16).

In 2020, the commercial bank also performed the regular assessment of the value of Adriatic, Ilirija and Kornati hotels as guarantee for the loans. The estimated value of the hotels Adriatica, Ilirija and Kornati is EUR 25,436,422.00.

In 2019, the commercial bank also performed the regular assessment of the value of the "City Galleria" Business and Shopping Centre owned by the Company as guarantee for the loans for the acquisition of "City Galleria". The value is estimated at EUR 16,359,776.00.

The value of the said buildings, property and land, recorded in company accounts as the cost of acquisition decreased by the accumulated depreciation, amounts to EUR 20,859,574.96, namely EUR 20,936,623.04 less than the market value estimated by the commercial bank.

The commercial bank estimated a total value of the buildings and land subject to lien in favour of the bank for approved loans (Hotel Adriatic, Hotel Ilirija, Hotel Kornati and City Galleria) in the amount of EUR 41,796,198.00, whereas the total value of the Company's medium and long-term loans amounted to EUR 8,341,107.79 as at 31 December 2024, representing a loan share of 19,96% of the Company's total assets evaluated by the commercial bank serving as lien in favour of the bank for approved loans.

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

NOTE 8 – INVESTMENT PROPERTY

<i>(In EUR, without cents)</i>	Land	Buildings facilities	Total
Year ended 31 December 2023			
Opening net book amount	1,678,744	8,496,335	10,175,079
Additions	0	62,167	62,167
Depreciation charge	0	(249,585)	(249,585)
Closing net book amount	1,678,744	8,308,917	9,987,661
Balance as at 31 December 2023			
Cost	1,678,744	9,694,482	11,373,226
Accumulated value adjustments	0	(1,385,565)	(1,385,565)
Net book value	1,678,744	8,308,917	9,987,661
Year ended 31 December 2024			
Opening net book amount	1,678,744	8,308,917	9,987,661
Additions	0	81,326	81,326
Depreciation charge	0	(252,896)	(252,896)
Closing net book amount	1,678,744	8,137,347	9,816,091
Balance as at 31 December 2024			
Cost	1,678,744	9,775,809	11,454,553
Accumulated value adjustments	0	(1,638,462)	(1,638,462)
Net book value	1,678,744	8,137,347	9,816,091

Investment property includes the land and the building of the “City Galleria” Business and Shopping Centre in Zadar. All buildings together with the associated land are subject to lien as collateral for repayment of a loan (see note 7).

During the year, the Company had rental income from investment property in the amount of EUR 2,159,072.06 (2023: EUR 2,056,050.86), while operating expenses related to investment property amounted to EUR 1,442,955.58 (2023: EUR 1,393,002.89).

Notes (continued)

As at 31/12/2024

*(All amounts are provided in Euro)***NOTE 9 – INVESTMENTS IN SUBSIDIARIES**

<i>(In EUR, without cents)</i>	2024	2023
Ilirija Građenje d.o.o., Biograd n/m	2,405	2,405
Ilirija Nautika d.o.o., Biograd n/m	2,512	2,512
	4,917	4,917

Investments and the respective ownership are as follows:

Company name	Type of activity	Seat	Share percentage	
			2024	2023
Subsidiaries				
Ilirija Građenje d.o.o., Biograd n/m	construction, property	Croatia	100.00%	100.00%
Ilirija Nautika d.o.o., Biograd n/m	marinas	Croatia	100.00%	100.00%

NOTE 10 – INVENTORIES

<i>(In EUR, without cents)</i>	2024	2023
Raw material and materials	263,973	189,290
Small inventory and spare parts	12,189	14,208
	276,162	203,498

NOTE 11 - RECEIVABLES AND ADVANCES

<i>(In EUR, without cents)</i>	2024	2023
Domestic trade receivables	614,344	401,019
Domestic trade receivables - related parties, A. H.	0	0
Foreign trade receivables	34,667	129,332
Suspect and contested trade receivables	382,232	410,555
Advance receivables	89,277	128,710
Loans to co-owners – related parties	2,290	3,583
VAT receivables	6,106	29,779
Receivables due from employees, loans	10,293	14,611
Prepaid lease fee	538,912	0
Interest receivables	121,008	110,872
Other receivables	32,611	25,094
	1,831,740	1,253,555
Trade receivables value adjustment	(382,232)	(410,555)
	1,449,508	843,000

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

NOTE 12 - SHORT-TERM FINANCIAL ASSETS

<i>(In EUR, without cents)</i>	2024	2023
Time deposits with banks	13,000,000	12,000,000
	13,000,000	12,000,000

NOTE 13 – CASH

<i>(In EUR, without cents)</i>	2024	2023
Gyro accounts	5,828	7,393
Foreign currency accounts	0	0
Cash in hand	22,423	18,024
	28,251	25,417

NOTE 14 – SHARE CAPITAL AND OWN SHARES

<i>(In EUR, without cents)</i>	Ordinary shares	Reserved shares	Total	Own shares	Share capital less the own shares
Balance as at 31 December 2023	30,105,098	314,902	30,420,000	(137,207)	30,282,793
Balance as at 31 December 2024	30,105,098	314,902	30,420,000	(448,288)	29,971,712

As at 31 December 2024, 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.

In 2024, the Company acquired 10,450 own shares, at the cost of acquisition of EUR 311,081.00. As at 31 December 2024, the balance of own shares amounted to 15,493 shares (2023: 5,043) at investment cost of EUR 448,287.84 (2023: EUR 137,206.84).

In the process of Company conversion, by the decision of the Croatian Privatization Fund, shares with a value of DEM 2,727,000 have been reserved due to the unresolved property rights on certain properties. Since in the meantime a part of the properties was sold and for a part the ownership issue was resolved, the Croatian Privatization Fund resolutions cancelled the provision of shares for such properties, so on 31/12/2024, the number of reserved shares amounted to 24,984, or 1.0352% (2023: 1.0352%).

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

NOTE 14 – SHARE CAPITAL AND OWN SHARES (continued)

The capital ownership structure of Ilirija d.d., Biograd is as follows (in %):

	31 December 2024	31 December 2023
Arsenal Holdings d.o.o., Zadar	59.21	59.21
Ilirija d.d., Biograd na moru (own shares)	0.64	0.21
AZ mandatory pension fund	16.51	16.51
AZ voluntary pension fund	3.03	3.03
Centre for restructuring and sale (CERP)	1.05	1.06
Other shareholders	19.56	19.98
	100.00	100.00

NOTE 15 – RESERVES

<i>(In EUR, without cents)</i>	2024	2023
Legal reserves	3,195,698	3,195,698
Reserves for own shares	925,837	925,837
Other reserves	991,395	991,395
	5,112,930	5,112,930

Legal reserves are formed from the realised profit up to 5% of the Company's share capital, in accordance with the Companies Act. Legal reserves are not distributable.

Notes (continued)

As at 31/12/2024

*(All amounts are provided in Euro)***NOTE 16 – BORROWINGS**

<i>(In EUR, without cents)</i>	Approved principal	Interest rate	2024	2023
Short-term				
Erste&Steiermärkische Bank d.d., Rijeka	EUR 750,000.00	2.30%	-	450,000
Erste&Steiermärkische Bank d.d., Rijeka	EUR 331,807.02	4.10%	363,924	312,505
Erste&Steiermärkische Bank d.d., Rijeka	EUR 1,000,000.00	4.00%	801,472	-
			1,165,396	762,505
Plus: current due amounts of long-term borrowings and leasing			2,255,722	2,421,019
Total short-term portion			3,421,118	3,183,524
Mid-term and long-term				
Erste&Steiermärkische Bank d.d., Rijeka	EUR 1,680,000.00	3.00%	1,072,045	1,196,812
Erste&Steiermärkische Bank d.d., Rijeka	EUR 7,491,008.67	2.60%	4,021,751	4,524,470
Erste&Steiermärkische Bank d.d., Rijeka	EUR 6,000,000.00	2.60%	3,307,389	3,708,284
Erste&Steiermärkische Bank d.d., Rijeka	EUR 600,000.00	2.60%	-	100,224
Erste&Steiermärkische Bank d.d., Rijeka	EUR 2,000,000.00	2.25%	1,401,789	1,802,247
S - Leasing d.o.o., Zagreb	EUR 4,217,988.00		2,609,524	3,100,827
			12,412,498	14,432,864
Minus: current due amounts of long-term borrowings and leasing			(2,255,722)	(2,421,019)
Total mid-term and long-term debt			10,156,776	12,011,845
Total borrowings			13,577,894	15,195,369

Short-term borrowings

Short-term loan liabilities relate to two loans from Erste&Steiermärkische bank d.d.:

framework revolving loan under the transaction account of Erste&Steiermärkische bank d.d from 22 November 2024, up to EUR 500,000.00 with a fixed interest rate of 4.10%.

revolving loan approved on 22 November 2024, in the amount of EUR 1,000,000.00, for financing working capital, at a fixed interest rate of 4.00% p.a. The repayment date is 22 November 2025.

Mid-term and long-term borrowings

Mid-term and long-term loan liabilities relate to four loans from Erste&Steiermärkische bank d.d.:

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

NOTE 16 – BORROWINGS (CONTINUED)

- loan approved on 26 February 2016, in the amount of EUR 1,680,000.00, as an investment loan from the loan support program for the tourism sector in cooperation with the Croatian Bank for Reconstruction and Development, for the reconstruction of the Kornati marina in Biograd na Moru. The loan is to be repaid in 60 quarterly instalments in the amount of EUR 27,991.59, the last instalment being due on 30 June 2034. The loan balance as at 31 December 2024 amounted to EUR 1,063,682.23.

loan approved on 25 May 2016, in the amount of EUR 7,491,008.67, to refinance the existing long-term loan. The loan is to be repaid in 60 quarterly instalments in the amount of EUR 124,850.14, the last instalment being due on 01 October 2032. The loan balance as at 31 December 2024 amounted to EUR 3,995,204.70.

- loan approved on 29 November 2016, in the amount of EUR 6,000,000.00, for the purchase of the City Galleria Business and Shopping Centre building in Zadar. The loan is to be repaid in 180 quarterly instalments in the amount of EUR 33,333.33, the last instalment being due on 1 March 2033. The loan balance as at 31 December 2024 amounted to EUR 3,300,000.27.

Loan repayment is secured with financial instruments, and by registering a lien - mortgage on property of the Company (the building of the “City Galleria” Business and Shopping Centre with the associated land) in favour of the commercial bank (see Note 7).

- loan approved on 19 May 2021, in the amount of EUR 2,000,000.00, was utilised in full on 17 March 2022. The first loan instalment becomes due on 31 July 2023. The loan is to be repaid in 20 equal quarterly instalments in the amount of EUR 100,000.00, the last instalment being due on 30 April 2028. The loan balance as at 31 December 2024 amounted to EUR 1,393,589.47.

The liability to S-leasing d.o.o., Zagreb relates to the liabilities under 56 financial leasing contracts to purchase equipment, which are to be repaid in equal monthly annuities. The interest rates on all contracts are fixed, of which 34 contracts have an interest rate of 3.15%, and 3 contracts have an interest rate of 2.90%, 11 contracts have an interest rate of 5.75%, 2 contracts have an interest rate of 5.93%, 1 contract has an interest rate of 5.57%, 1 contract has an interest rate of 5.51%, 1 contract has an interest rate of 5.24%, and 3 contracts have an interest rate of 5.75%. Liabilities under these financial leasing contracts are due from 2023 to 2030.

The repayment schedule for long-term borrowings for the next five years is as follows:

(In EUR, without cents)

2025	2,436,882
2026	2,185,026
2027	2,019,046
2028	1,656,147
2029	1,361,216
after 2030	2,754,181
	12,412,498

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

NOTE 17 – PROVISIONS

<i>(In EUR, without cents)</i>	2024	2023
Provisions per initiated legal proceedings	154,107	154,107
	154,107	154,107

NOTE 18 - TRADE AND OTHER PAYABLES

<i>(In EUR, without cents)</i>	2024	2023
Trade payables	1,600,491	1,796,090
Trade payables - Group, Arsenal Holdings, TCZ	38,217	2,014
Payables under received advances	57,251	11,293
Residence tax	65,465	11,546
Fee for the use of maritime domain	26,907	24,918
Advances from individual guests	91,054	170,159
Advances from agencies	299,578	235,473
Dividend payables	11,732	10,627
Employee payables	379,461	365,138
Liabilities to the government	261,368	235,923
Corporate income tax receivables	210,457	219,215
Other payables	88,906	14,051
	3,130,887	3,096,447

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

NOTE 19 – SEGMENT REPORTING

For the primary reporting format the business segments are determined based on risks and rates of return of the Company, which is primarily influenced by the differences in services which they offer to the market. Secondary information are reports according to geographical segments. Business segments are organized and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that offers different services to different markets. They are recorded based on the information that is internally prepared for the Management Board, which is also the chief operating decision-maker.

The portfolio of the Company consists of the Adriatic, Ilirija and Kornati hotels and Villa Donat, Marina Kornati with the Ilirija-Kornati Hotel Port, the “Park Soline” campsite, 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, Aquatic Centre and hospitality facilities.

The Company’s management activities are divided into the hotel segment (sector), the nautical segment, the camping segment, Ilirija travel and the City Galleria.

The hotel business segment includes the operations of the Adriatic Ilirija and Kornati hotels and Villa Donat, Lavander Bar, Aquatic Centre, Tennis Centre and Biffe Beach.

The nautical business segment includes the operations of the Kornati Marina, the Ilirija-Kornati Hotel Port, the Marina Kornati restaurant and the “Biograd Boat Show” nautical fair.

The camping business segment includes the operations of the “Park Soline” campsite and the “Park Soline” restaurant.

The Ilirija travel business segment includes the operations of the Tourist Agency, the “Nada” event boat, agritourism, Villa Primorje and Arsenal.

The City Galleria business segment includes rental services in the business and shopping centre.

Business segments

The following tables present revenue and profit and certain assets and liabilities of the Company per business segments, i.e. sectors:

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

<i>Year ended 31 December 2024 (In EUR, without cents)</i>	Hotel sector	Nautical sector	Camping sector	Ilirija Travel	City Galleria	Total
Revenue	9,681,498	8,995,995	7,690,958	1,506,198	2,145,733	30,020,382
Revenue from leases – the Group, Arsenal Holdings					2,040	2,040
Total revenue	9,681,498	8,995,995	7,690,958	1,506,198	2,147,773	30,022,422
Result						
Segment result	(166,149)	3,323,544	1,734,517	(936,261)	606,153	4,561,804
Net financial expenses	34,780	33,152	(104,414)	(4,534)	(86,744)	(127,760)
Profit before tax	(131,369)	3,356,696	1,630,103	(940,795)	519,409	4,434,044
(i) Cost of corporate income tax	(25,419)	649,507	315,418	(182,040)	100,504	857,970
Net profit for the year	(105,950)	2,707,189	1,314,685	(758,755)	418,905	3,576,074
<i>For the year ended on 31/12/2024 (in EUR, without cents) As at 31/12/2024</i>	Hotel sector	Nautical sector	Camping sector	Ilirija Travel	City Galleria	Total
Assets and liabilities						
Segment assets	23,834,110	14,488,634	16,300,338	4,848,568	10,938,735	70,410,385
Non-allocated assets						1,145,851
Total assets						71,556,236
Segment liabilities	1,014,673	2,033,863	3,001,471	106,771	3,568,598	9,725,376
Non-allocated liabilities						6,927,055
Corporate income tax receivables						210,457
Total liabilities						16,862,888
Other segment details						
Capital investments:						
Non-allocated						150,026
Property, plant and equipment	335,087	115,745	630,529	87,748		1,169,109
Intangible assets				190,728		190,728
Investment property					83,264	83,264
Depreciation of property, plant and equipment	1,069,001	365,869	1,140,873	213,451		2,789,194
Non-allocated depreciation						111,657
Total property, plant and equipment depreciation						2,900,851
Depreciation of intangible assets				51,886		51,886
Depreciation of investment property					271,671	271,671

Notes (continued)

As at 31/12/2024

*(All amounts are provided in Euro)***NOTE 19 – SEGMENT REPORTING (continued)**

<i>Year ended 31 December 2023 (In EUR, without cents)</i>	Hotel sector	Nautical sector	Camping sector	Ilirija Travel	City Galleria	Total
Revenue	8,929,053	8,374,583	7,458,287	1,055,035	2,029,265	27,846,223
Revenue from leases – the Group, Arsenal Holdings					2,040	2,040
Total revenue	8,929,053	8,374,583	7,458,287	1,055,035	2,031,305	27,848,263
Result						
Segment result	(161,770)	3,055,049	1,770,784	(931,893)	585,430	4,317,600
Net financial expenses	(4,466)	(8,894)	(128,062)	(3,161)	(102,600)	(247,183)
Profit before tax	(166,236)	3,046,155	1,642,722	(935,054)	482,830	4,070,417
(i) Cost of corporate income tax	(32,300)	591,872	319,183	(181,682)	93,814	790,887
Net profit for the year	(133,936)	2,454,283	1,323,539	(753,372)	389,016	3,279,530
<i>For the year ended on 31/12/2023 (in EUR, without cents) As at 31/12/2023</i>	Hotel sector	Nautical sector	Camping sector	Ilirija Travel	City Galleria	Total
Assets and liabilities						
Segment assets	24,240,662	14,017,171	16,613,227	4,606,133	11,043,679	70,520,872
Non-allocated assets						1,039,318
Total assets						71,560,190
Segment liabilities	977,738	2,194,192	3,471,899	85,960	3,941,101	10,670,890
Non-allocated liabilities						7,555,818
Corporate income tax receivables						219,215
Total liabilities						18,445,923
Other segment details						
Capital investments:						
Land - unallocated						31,981
Property, plant and equipment	855,035	409,022	1,594,321	234,671		3,093,049
Intangible assets				42,093		42,093
Investment property					62,956	62,956
Depreciation of property, plant and equipment	1,029,717	370,690	1,254,585	201,873		2,856,865
Non-allocated depreciation						102,402
Total property, plant and equipment depreciation						2,959,267
Depreciation of intangible assets				13,177		13,177
Depreciation of investment property					266,841	266,841

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

The total assets of the Company and capital investments in assets are in the Republic of Croatia.

Revenue – per geographical area

Sales revenues may also differ according to the geographical affiliation of customers.

<i>(In EUR, without cents)</i>	2024	2023
Domestic sales revenue	25,756,658	22,500,284
Domestic sales revenue - Group, Arsenal Holdings	2,040	2,040
Revenues from sales abroad	4,263,724	5,345,939
	30,022,422	27,848,263

Domestic sales revenues also include foreign trade receivables in domestic agency arrangements.

NOTE 20 - OTHER OPERATING REVENUE

<i>(In EUR, without cents)</i>	2024	2023
Revenue from previous years	96,186	-
Exchange office commission fee	158	325
Insurance damages collected	29,615	44,083
Revenue from joint financing	61,424	60,614
Discounts	92,714	53,814
Other revenue	49,013	40,710
	329,110	199,546

NOTE 21 - COST OF RAW MATERIAL, MATERIALS AND ENERGY

<i>(In EUR, without cents)</i>	2024	2023
Raw materials and materials consumed	2,797,769	2,674,514
Energy	1,088,253	1,134,308
Small inventory	260,279	237,527
	4,146,301	4,046,349

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

NOTE 22 - COST OF SERVICES

<i>(In EUR, without cents)</i>	2024	2023
Transport, telephone, postal fees	328,432	255,161
Repairs and maintenance	1,184,737	968,728
Cost of fairs	18,161	21,608
Leases	965,536	655,418
Rents - Group, Arsenal Holdings, TC	242,087	242,087
Rents - related party, natural person	39,024	38,823
Promotion costs	736,547	684,135
Promotion costs - Group, Arsenal Holdings	479	413
Municipal utility services	753,442	763,879
Utility and water fees	363,312	345,103
Other services	60,086	46,116
	4,691,843	4,021,471

NOTE 23 - STAFF COSTS

<i>(In EUR, without cents)</i>	2024	2023
Net salaries	5,286,723	4,717,933
Taxes and contributions from/on salaries	3,477,162	3,175,267
Key management rewards	285,657	74,764
Taxes and contributions from/on key management award	161,464	18,863
Other regulatory disbursements	1,572,813	1,491,002
	10,783,819	9,477,829

At the end of the year the number of staff employed by the Company was 306 (2023: 312). This is the number of employees based on actual working hours (whole number) at the end of the tax period.

Gross salaries and compensation of key management in 2024 amounted to EUR 481,111.83 (2023: EUR 455,773.09).

Notes (continued)

As at 31/12/2024

*(All amounts are provided in Euro)***NOTE 24 - OTHER OPERATING EXPENSES**

<i>(In EUR, without cents)</i>	2024	2023
Agency fees	401,461	336,524
Intellectual services (lawyer, notary and other)	31,054	24,622
Entertainment programme organisation	332,882	231,091
Commissions and fees	744,600	756,878
Security services	285,464	245,762
Entertainment expenses	261,291	165,968
Insurance premiums	165,232	146,573
Memberships, taxes and contributions	115,717	106,199
Bank and payment transaction charges	56,497	50,846
Concessions	231,607	215,831
Donations, sponsorships	68,632	104,640
Deficits	25,187	11,421
Subsequently identified expenses from previous years	45,794	16,319
Write-off of uncollected trade receivables for which legal proceedings or forced collection are initiated	52,102	-
Other	125,837	532,601
	2,943,357	2,945,275

NOTE 25 - NET FINANCIAL EXPENSES

<i>(In EUR, without cents)</i>	2024	2023
Financial revenues		
Foreign exchange gains	0	119
Interest income	334,461	238,812
Total financial revenue	334,461	238,931
Financial expenses		
Foreign exchange losses	0	(1,286)
Interest expenses	(455,361)	(478,250)
Other financial expenses	(6,860)	(6,577)
Total financial expenses	(462,221)	(486,113)
Net financial expenses	(127,760)	(247,182)

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

NOTE 26 - CORPORATE INCOME TAX

Corporate income tax is calculated in accordance with Croatian legislation. Tax rate on taxable income is 18% (2023: a 18%). As at 31 December 2024, the corporate income tax liability amounted to EUR 857,969.63 (2023: EUR 790,887.36).

Adjustment of the Company's effective tax expense per income statement with statement of comprehensive income and taxation at the statutory rate is detailed in the table below:

<i>(In EUR, without cents)</i>	31 December 2024	31 December 2023
Profit before tax	4,434,044	4,070,418
Tax calculated at a rate of 18%	798,128	732,675
Tax effect of net expenses non-deductible for tax purposes	59,842	58,212
Tax effect of net income not subject to tax		-
Tax liability	857,970	790,887
Benefit under the Investment Promotion Act	-	-
Final tax liability	857,970	790,887

NOTE 27 - EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year, excluding the average number of ordinary shares purchased by the Company and held as own shares (Note 14).

	2024	2023
Net profit attributable to shareholders <i>(in EUR)</i>	3,576,074	3,279,530
Weighted average number of issued ordinary shares	2,398,282	2,404,310
Basic earnings per share <i>(in EUR)</i>	1.49	1.37

Notes (continued)

As at 31/12/2024

*(All amounts are provided in Euro)***NOTE 28 - CASH GENERATED FROM OPERATIONS**

Adjustment of profit with cash generated from operations as follows:

<i>(In EUR, without cents)</i>	2024	2023
Profit before tax	4,434,044	4,070,418
Adjustment for:		
Depreciation of intangible assets (Note 6)	51,886	13,177
Property, plant and equipment depreciation (Note 7)	2,919,626	2,976,524
Depreciation of investment property (Note 8)	252,896	249,585
Sold and disposed intangible assets (Note 7)	(25,187)	(11,421)
Distribution of own shares (Note 14)	-	(291,407)
Corporate income tax paid	(866,728)	(942,641)
Other adjustments	78,662	173,823
Changes in working capital:		
- trade receivables	(118,660)	(269,620)
- other receivables	59,822	138,674
- inventories	(72,664)	(13,725)
- trade payables	(113,437)	489,960
- liabilities to the government	136,823	(113,898)
- employee payables	26,055	35,737
- other payables	0	9
Cash inflow generated from operations	6,763,138	6,505,195

NOTE 29 - RELATED PARTY TRANSACTIONS

The Company majority owner is Arsenal Holdings d.o.o., Zadar, which owns 59.21% share in the Company. Transactions with related parties, in addition to the aforementioned, include transactions with Trgovinski centar Zadar d.o.o., which is a member of the "Arsenal Holdings" group and which is owned by the same owner as well as the co-owners of the Company - natural persons and the Management Board and key management. Related party transactions, in the normal course of its operations, include purchase and sale of goods under market conditions, as well as services, loans and gross salaries of key management and supervisory board compensation.

Year-end balances resulting from related party transactions that are included in the balance sheet are as follows:

<i>(In EUR, without cents)</i>	2024	2023
Domestic trade receivables (Note 11)	-	-
Other receivables from co-owners (Note 11)	2,290	3,583
Trade payables (Note 18)	38,217	2,014

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

During the year the Company had the following related party transactions which are reflected in the income statement:

<i>(In EUR, without cents)</i>	2024	2023
Service revenues (Note 19)	2,040	2,040
Rents (Note 22)	281,111	280,910
Promotion (Note 22)	479	413
Gross salaries of key management (Note 23)	481,112	455,773
Service contract (net)	56,649	29,916
Supervisory Board	160,573	171,497

NOTE 30 – RISK MANAGEMENT

During its regular business operations, the Company is exposed to interest rate, currency, and credit risks. The policy for managing risks connected to short-term and long-term financing of clients, managing funds and debts and liabilities can be summarised as follows:

Interest rate risk

Interest rate risk refers to risk of changes in the value of future cash flows of a financial instrument due to changes in market interest rates.

The Company's exposure to risk of changes on the interest rate market is primarily linked to received loans and granted deposits and loans.

Due to the fact that the Company uses the borrowings with both fixed and, to a lesser extent, variable interest rate, it is subject to minimal risk of variable interest rates.

Credit risk

Financial assets that may potentially expose the Company to credit risk are cash and trade receivables. Trade receivables pertaining to certain customers may entail credit risk, depending on the level of turnover realised with certain customers and the general state of liquidity in the country. Trade receivables are reported with reference to real values. 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 risk

The Management Board is responsible for liquidity risk management, as it sets out an appropriate framework for managing the liquidity risk, in order to manage short-term, mid-term, and long-term financing and liquidity requirements.

With regard to the liquidity risk, the Company's policy is to maintain adequate funds or to have funds at its disposal from loans for future liabilities.

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

The Company uses the following basic models for measuring the liquidity risk and based on the results it implements measures for liquidity risk management:

- Budgetary projections
- Cash flow projections
- Fund source analysis
- Maturity mismatch analysis of the statement of financial position.

Prudent liquidity management implies maintaining a sufficient amount of money in order to settle the Company's liabilities. The Finance Department monitors the level of liquidity on a regular basis. The Company has been carrying out activities to optimise all of its operating costs and minimise them to essential and indispensable costs, and actively cooperates with all significant creditors to settle current liabilities.

Tabular analysis of the liquidity risk

The following tables show the maturity of the Company's liabilities presented in the statement of financial position at the end of the period.

<i>(In EUR, without cents)</i>	Weighted average effective interest rate %	Up to 1 month	From 1 to 3 mos	From 3 mos to 3 yr	Over 1 yr	Total
2023						
Interest-free	-	1,809,396	0	0	0	1,809,396
Interest	3.09%	265,294	530,587	2,387,643	12,011,845	15,195,369
		2,074,690	530,587	2,387,643	12,011,845	17,004,765
2024						
Interest-free	-	1,695,959	0	0	0	1,695,959
Interest	3.09%	285,093	570,186	2,565,839	10,156,776	13,577,894
		1,981,052	570,186	2,565,839	10,156,776	15,273,853

The tables are based on undiscounted cash outflows per financial liability as at their maturity date. The tables show cash flows per principal.

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

The following tables show the maturity of the Company's financial assets presented in the statement of financial position at the end of the period, confirming the non-existence of the liquidity risk.

<i>(In EUR, without cents)</i>	Weighted average effective interest rate %	Up to 1 month	From 1 to 3 mos	From 3 mos to 1 yr	From 1 to 5 yrs	Total
2023						
Receivables and cash balances	-	868,417	0	0	0	868,417
Deposits and loans	2.70%	0	0	12,000,000	0	12,000,000
		0	0	12,000,000	0	12,868,417
2024						
Receivables and cash balances	-	1,477,760	0	0	0	1,477,760
Deposits and loans	2.75%	0	0	13,000,000	0	13,000,000
		1,477,760	0	13,000,000	0	14,477,760

The illiquidity risk, which is considered a financing risk, refers to a risk of difficulties that the Company will face when collecting funds for the timely settlement of liabilities linked to financial instruments. The Company's approach to managing liquidity is to ensure, as much as possible, its liquidity at any given moment in order to be able to timely meet its obligations, both in regular and extraordinary circumstances, without causing unacceptable losses or risking damage to the Company's reputation. The liquidity risk arises from everyday activities. Currently, the Company is not at risk of illiquidity, and current assets exceed current liabilities several times over.

Currency risk

On 12 July 2023, the Council of the European Union adopted the Decision on the adoption of the euro in Croatia on 1 January 2023, establishing that the Republic of Croatia fulfils all the requirements for the introduction of the euro as the official currency in the Republic of Croatia, as well as Council Regulation (EU) of 12 July 2023 regarding the euro conversion rate for Croatia, establishing that the conversion rate shall amount to HRK 7.53450 for one euro. In accordance with the aforementioned Decision and Regulation, the Government of the Republic of Croatia adopted the Decision on the announcement of the introduction of the euro as the official currency in the Republic of Croatia, setting out that the euro shall become the official monetary unit and legal tender in the Republic of Croatia on 1 January 2023. The introduction of the euro as the official currency in the Republic of Croatia significantly affects the Company's exposure to currency and price risks.

Regulatory risk

The Company is exposed to changes in tax and other regulations within the legal system of the Republic of Croatia. In particular, this applies to the regulations pertaining to the maritime domain and tourist land, in which domain the Company has made significant long-term investments crucial for its business, while not all rights guaranteed by the Constitution from the field of protection of capital investments referred to in Art. 48 and 49 of the Constitution of the Republic of Croatia, of which the Company informs the regulatory and investment public multiple times in its regular annual and quarterly business and financial reports.

Notes (continued)

As at 31/12/2024

(All amounts are provided in Euro)

NOTE 31 – CONTINGENT LIABILITIES

The Company is a party to several legal proceedings, but the Management Board does not expect losses that would significantly impact property, ownership status and operations of the Company.

Upon order of the Company, a bank guarantee was issued in favour of Hrvatske šume d.o.o., Zagreb, for the amount of EUR 66,361 with a validity period until 15 July 2024, as well as a bank guarantee in favour of the Ministry of Sea, Transport and Infrastructure of the Republic of Croatia, in the amount of EUR 59,917 with a validity period until 9 April 2025.

NOTE 32 – EVENTS FOLLOWING THE REPORTING PERIOD

After 31 December 2024, until the date of approving the financial statements by the Management Board, no events occurred that would have a significant impact on the financial statements of the Company.

NOTE 33 - FINANCIAL STATEMENTS AUTHORISATION

The Company Management Board adopted the financial statements and authorised their issuing on 26 February 2025.

Signed on behalf of the Company's Management Board



Goran Ražnjević, member of the
Management Board

Appendix "Standard annual financial reports"

As at 31/12/2024

(All amounts are provided in Euro)

Based on the Ordinance on the Structure and Content of Annual Financial Statements of 20 October 2016 (OG 95/2016, 144/2020), the following tables show financial in accordance with the mentioned Ordinance (income statement, including the statement of comprehensive income, statement of financial position (balance sheet))

Balance sheet of ILIRIJA d.d.

Submitter: Ilirija d.d. TIN: 05951496767				
Item	ADP code	No Notes	Previous year (net)	Current year (net)
1	2	3	4	5
ASSETS				
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001		0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002		58,488,275	56,802,315
I INTANGIBLE ASSETS (ADP 004 to 009)	003	6	31,919	59,416
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		31,919	59,416
II TANGIBLE ASSETS (ADP 011 to 019)	010		58,451,439	56,737,982
1 Land	011	7	5,894,095	5,894,095
2 Buildings	012	7	33,339,733	32,280,001
3 Plant and equipment	013	7	8,981,620	8,358,261
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	7	42,547	0
7 Tangible assets in preparation	017	7	205,783	389,534
8 Other tangible assets	018		0	0
9 Investment property	019	8	9,987,661	9,816,091
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020		4,917	4,917
1 Investments in holdings (shares) of undertakings within the group	021	9	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 Trade receivables	034		0	0
4 Other receivables	035		0	0

Appendix "Standard annual financial reports"

As at 31/12/2024

(All amounts are provided in Euro)

Balance sheet of ILIRIJA d.d. (continued)

As at 31 December 2024

Submitter: Ilirija d.d. TIN: 05951496767				
Item	ADP code	No Notes	Previous year (net)	Current year (net)
1	2	3	4	5
V DEFERRED TAX ASSETS	036		0	0
C) CURRENT ASSETS (ADP 038+046+053+063)	037		13,071,915	14,215,009
I INVENTORIES (ADP 039 to 045)	038	10	203,498	276,162
1 Raw material and materials	039		203,498	276,162
2 Production under construction	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	11	843,000	910,596
1 Receivables from undertakings within the group	047		0	0
2 Receivables from companies linked by virtue of participating interests	048		0	0
3 Trade receivables	049		530,351	649,011
4 Receivables from employees and members of the undertaking	050		20,399	16,458
5 Receivables from government and other institutions	051		39,082	24,824
6 Other receivables	052		253,168	220,303
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	12	12,000,000	13,000,000
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. given to companies linked by virtue of participating interests	059		0	0
7 Investments in securities	060		0	0
8 Loans, deposits, etc. given	061		12,000,000	13,000,000
9 Other financial assets	062		0	0
IV CASH AT BANK AND IN HAND	063	13	25,417	28,251
D) PREPAID EXPENSES AND ACCRUED INCOME	064	11	0	538,912
E) TOTAL ASSETS (ADP 001+002+037+064)	065		71,560,190	71,556,236
F) OFF-BALANCE SHEET ITEMS	066		0	0

Appendix "Standard annual financial reports"

As at 31/12/2024

(All amounts are provided in Euro)

Balance sheet of ILIRIJA d.d. (continued)

As at 31 December 2024

Submitter: Ilirija d.d. TIN: 05951496767				
Item	ADP code	No Notes	Previous year (net)	Current year (net)
1	2	3	4	5
LIABILITIES				
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	067	14	53,114,266	54,693,348
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		4,975,723	4,664,642
1 Legal reserves	071		3,195,698	3,195,698
2 Reserves for own shares	072		925,837	925,837
3 Treasury shares and holdings (deductible item)	073		137,207	448,288
4 Statutory reserves	074		0	0
5 Other reserves	075		991,395	991,395
IV REVALUATION RESERVES	076		0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077		0	0
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078		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		14,049,818	15,643,437
1 Retained profit	084		14,049,818	15,643,437
2 Loss brought forward	085		0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086		3,279,530	3,576,074
1 Profit for the business year	087		3,279,530	3,576,074
2 Loss for the business year	088		0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089		0	0
B) PROVISIONS (ADP 091 to 096)	090	17	154,1080	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

Appendix "Standard annual financial reports"

As at 31/12/2024

(All amounts are provided in Euro)

Balance sheet of ILIRIJA d.d. (continued)

As at 31 December 2024

Submitter: Ilirija d.d. TIN: 05951496767				
Item	ADP code	No Notes	Previous year (net)	Current year (net)
1	2	3	4	5
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097		12,011,845	10,156,776
1 Liabilities to undertakings within the group	098		0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099		0	0
3 Liabilities to companies linked by virtue of participating interests	100		0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101		0	0
5 Liabilities for loans, deposits, etc.	102		0	0
6 Liabilities to banks and other financial institutions	103	16	12,011,845	10,156,776
7 Payables under advances	104		0	0
8 Trade payables	105		0	0
9 Liabilities for securities	106		0	0
10 Other non-current liabilities	107		0	0
11 Deferred tax liability	108		0	0
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109		5,874,339	6,161,373
1 Liabilities to undertakings within the group	110		0	38,217
2 Liabilities for loans, deposits, etc. of undertakings within the group	111		0	0
3 Liabilities to companies linked by virtue of participating interests	112		0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113		0	0
5 Liabilities for loans, deposits, etc.	114		0	0
6 Liabilities to banks and other financial institutions	115	16	3,183,524	3,421,118
7 Payables under advances	116	18	11,293	57,251
8 Trade payables	117	18	1,798,103	1,600,491
9 Liabilities for securities	118		0	0
10 Employee payables	119	18	365,138	379,461
11 Taxes, contributions and similar liabilities	120	18	516,281	653,103
12 Liabilities arising from the share in the result	121	18	0	11,732
13 Liabilities arising from fixed assets held for sale	122		0	0
14 Other current liabilities	123		0	0
E) ACCRUALS AND DEFERRED INCOME	124	18	405,632	390,631
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125		71,560,190	71,556,236
G) OFF-BALANCE SHEET ITEMS	126		0	0

Appendix "Standard annual financial reports"

As at 31/12/2024

(All amounts are provided in Euro)

Income statement of ILIRIJA d.d.

for the period from 01/01/2024 to 31/12/2024

Submitter: Ilirija d.d. TIN: 05951496767				
Item	ADP code	No Notes	Previous year (net)	Current year (net)
1	2	3	4	5
I OPERATING INCOME (ADP 128 to 132)	127		28,047,809	30,351,532
1 Income from sales with undertakings within the group	128	19	2,040	2,040
2 Sales revenue (outside the group)	129	19	27,846,223	30,020,381
3 Income from the use of own products, goods and services	130	20	4,455	10,643
4 Other operating income with undertakings within the group	131		0	0
5 Other operating income (outside the group)	132	20	195,091	318,468
II OPERATING EXPENSES (ADP 134+135+139+143 to 145+148+155)	133		23,730,209	25,789,728
1 Changes in inventories of work in progress and finished goods	134		0	0
2 Material costs (ADP 136 to 138)	135		8,067,820	8,838,144
a) Costs of raw materials and materials	136	21	4,046,349	4,146,301
b) Costs of goods sold	137		0	0
c) Other external costs	138	22	4,021,471	4,691,843
3 Staff costs (ADP 140 to 142)	139	23	7,893,200	8,763,885
a) Net salaries and wages	140		4,717,933	5,286,723
b) Costs of taxes and contributions from salaries	141		2,054,077	2,232,439
c) Contributions on salaries	142		1,121,190	1,244,723
4 Depreciation	143	6.7	3,239,285	3,224,408
5 Other costs	144	24	3,979,260	4,657,089
6 Value adjustments (ADP 146+147)	145		0	0
a) fixed assets other than financial assets	146		0	0
b) current assets other than financial assets	147		0	0
7 Provisions (ADP 149 to 154)	148		0	0
a) Provisions for pensions, termination benefits and similar obligations	149		0	0
b) Provisions for tax liabilities	150		0	0
c) Provisions for ongoing legal cases	151		0	0
d) Provisions for renewal of natural resources	152		0	0
e) Provisions for warranty obligations	153		0	0
f) Other provisions	154		0	0
8 Other operating expenses	155	24	550,644	306,202

Appendix "Standard annual financial reports"

As at 31/12/2024

(All amounts are provided in Euro)

Income statement of ILIRIJA d.d. (continued)**for the period from 01/01/2024 to 31/12/2024**

Submitter: Ilirija d.d. TIN: 05951496767				
Item	ADP code	No Notes	Previous year (net)	Current year (net)
1	2	3	4	5
III FINANCIAL INCOME (ADP 157 to 166)	156	25	238,931	334,461
1 Income from investments in holdings (shares) of undertakings within the group	157		0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	158		0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	159		0	0
4 Other interest income from operations with undertakings within the group	160		0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	161		0	0
6 Income from other long-term financial investments and loans	162		0	0
7 Other interest income	163		238,812	334,461
8 Exchange rate differences and other financial income	164		119	0
9 Unrealised gains (income) from financial assets	165		0	0
10 Other financial revenue	166		0	0
IV FINANCIAL EXPENSES (ADP 168 to 174)	167	25	486,114	462,221
1 Interest expenses and similar expenses with undertakings within the group	168		0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	169		0	0
3 Interest expenses and similar expenses	170		478,251	448,924
4 Exchange rate differences and other expenses	171		1,286	6,437
5 Unrealised losses (expenses) from financial assets	172		0	0
6 Value adjustments of financial assets (net)	173		0	0
7 Other financial expenses	174		6,577	6,860
V SHARE IN PROFIT FROM COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTERESTS	175		0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	176		0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTERESTS	177		0	0
VIII SHARE IN LOSS OF JOINT VENTURES	178		0	0
IX TOTAL INCOME (ADP 127+156+175+176)	179		28,286,740	30,685,993
X TOTAL EXPENDITURE (ADP 133+167+177+178)	180		24,216,323	26,251,949
XI PRE-TAX PROFIT OR LOSS (ADP 179-180)	181		4,070,417	4,434,044
1 Pre-tax profit (ADP 179-180)	182		4,070,417	4,434,044
2 Pre-tax loss (ADP 180-179)	183		0	0
XII CORPORATE INCOME TAX	184	26	790,887	857,970
XII PROFIT OR LOSS FOR THE PERIOD (ADP 181-184)	185		3,279,530	3,576,074
1 Profit for the period (ADP 181-184)	186		3,279,530	3,576,074
2 Loss for the period (ADP 184-181)	187		0	0

9.8 2024 ANNUAL FINANCIAL STATEMENTS

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	01/01/2024	to	31/12/2024
Year:	2024		
Annual financial statements			
Registration number (MB):	03311953	Issuer's home Member State code:	CROATIA
Entity's registration number (MBS):	060032302		
Personal identification number (OIB):	05951496767	LEI:	74780000VOGH8Q3K5K76
Institution code:	1271		
Name of the issuer:	ILIRIJA d.d. BIOGRAD NA MORU		
Postcode and town:	23210	BIOGRAD NA MORU	
Street and house number:	TINA UJEVIĆA 7		
E-mail address:	ilirija@zd.t-com.hr		
Web address:	www.ilirijabiograd.com		
Number of employees (end of the reporting period):"	306		
Consolidated report:	KN	(KN-not consolidated/KD-consolidated)	
Audited:	RD	(RN-not audited/RD-audited)	
Names of subsidiaries (according to IFRS):		Registered office:	MB:
Bookkeeping firm:		(Yes/No)	
			(name of the bookkeeping firm)
Contact person:	ZORKA STRPIĆ		
	(only name and surname of the contact person)		
Telephone:	023/383178		
E-mail address:	zorkas@ilirijabiograd.com		
Audit firm:	UHY RUDAN d.o.o. ZAGREB		
	(name of the audit firm)		
Certified auditor:			
	(name and surname)		

BALANCE SHEET			
Balance as at 31/12/2024			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	58.488.275	56.802.315
I INTANGIBLE ASSETS (ADP 004 to 009)	003	31.919	59.416
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	31.919	59.416
II TANGIBLE ASSETS (ADP 011 to 019)	010	58.451.439	56.737.982
1 Land	011	5.894.095	5.894.095
2 Buildings	012	33.339.733	32.280.001
3 Plant and equipment	013	8.981.620	8.358.261
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	42.547	0
7 Tangible assets in preparation	017	205.783	389.534
8 Other tangible assets	018	0	0
9 Investment property	019	9.987.661	9.816.091
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	13.071.915	14.215.009
I INVENTORIES (ADP 039 to 045)	038	203.498	276.162
1 Raw materials and consumables	039	203.498	276.162

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	843.000	910.596
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	530.351	649.011
4 Receivables from employees and members of the undertaking	050	20.399	16.458
5 Receivables from government and other institutions	051	39.082	24.824
6 Other receivables	052	253.168	220.303
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	12.000.000	13.000.000
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	12.000.000	13.000.000
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	25.417	28.251
D) PREPAID EXPENSES AND ACCRUED INCOME	064	0	538.912
E) TOTAL ASSETS (ADP 001+002+037+064)	065	71.560.190	71.556.236
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	53.114.266	54.693.348
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	4.975.723	4.664.642
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	-137.207	-448.288
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	14.049.818	15.643.437

1 Retained profit	084	14.049.818	15.643.437
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	3.279.530	3.576.074
1 Profit for the business year	087	3.279.530	3.576.074
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	12.011.845	10.156.776
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	12.011.845	10.156.776
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	6.028.447	6.315.481
1 Liabilities towards undertakings within the group	110	0	38.217
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	3.183.524	3.421.118
7 Liabilities for advance payments	116	11.293	57.251
8 Liabilities towards suppliers	117	1.798.103	1.600.491
9 Liabilities for securities	118	0	0
10 Liabilities towards employees	119	365.138	379.461
11 Taxes, contributions and similar liabilities	120	516.281	653.103
12 Liabilities arising from the share in the result	121	0	11.732
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	0	0
E) ACCRUALS AND DEFERRED INCOME	124	405.632	390.631
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	71.560.190	71.556.236
G) OFF-BALANCE SHEET ITEMS	126	0	0

STATEMENT OF PROFIT OR LOSS			
for the period 01/01/2024 to 30/09/2024			
			in EUR
Submitter: ILIRIJA d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
I OPERATING INCOME (ADP 002 to 006)	001	28.047.809	30.351.532
1 Income from sales with undertakings within the group	002	2.040	2.040
2 Income from sales (outside group)	003	27.846.223	30.020.381
3 Income from the use of own products, goods and services	004	4.455	10.643
4 Other operating income with undertakings within the group	005	0	0
5 Other operating income (outside the group)	006	195.091	318.468
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	23.730.209	25.789.728
1 Changes in inventories of work in progress and finished goods	008	0	0
2 Material costs (ADP 010 to 012)	009	8.067.820	8.838.144
a) Costs of raw materials and consumables	010	4.046.349	4.146.301
b) Costs of goods sold	011	0	0
c) Other external costs	012	4.021.471	4.691.843
3 Staff costs (ADP 014 to 016)	013	7.893.200	8.763.885
a) Net salaries and wages	014	4.717.933	5.286.723
b) Tax and contributions from salary costs	015	2.054.077	2.232.439
c) Contributions on salaries	016	1.121.190	1.244.723
4 Depreciation	017	3.239.285	3.224.408
5 Other costs	018	3.979.260	4.657.089
6 Value adjustments (ADP 020+021)	019	0	0
a) fixed assets other than financial assets	020	0	0
b) current assets other than financial assets	021	0	0
7 Provisions (ADP 023 to 028)	022	0	0
a) Provisions for pensions, termination benefits and similar obligations	023	0	0
b) Provisions for tax liabilities	024	0	0
c) Provisions for ongoing legal cases	025	0	0
d) Provisions for renewal of natural resources	026	0	0
e) Provisions for warranty obligations	027	0	0
f) Other provisions	028	0	0
8 Other operating expenses	029	550.644	306.202
III FINANCIAL INCOME (ADP 031 to 040)	030	238.931	334.461
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0
4 Other interest income from operations with undertakings within the group	034	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0
6 Income from other long-term financial investments and loans	036	0	0
7 Other interest income	037	238.812	334.461
8 Exchange rate differences and other financial income	038	119	0
9 Unrealised gains (income) from financial assets	039	0	0
10 Other financial income	040	0	0
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	486.114	462.221
1 Interest expenses and similar expenses with undertakings within the group	042	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0
3 Interest expenses and similar expenses	044	478.251	448.924
4 Exchange rate differences and other expenses	045	1.286	6.437
5 Unrealised losses (expenses) from financial assets	046	0	0
6 Value adjustments of financial assets (net)	047	0	0

7 Other financial expenses	048	6,577	6,860
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	28,286,740	30,685,993
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	24,216,323	26,251,949
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	4,070,417	4,434,044
1 Pre-tax profit (ADP 053-054)	056	4,070,417	4,434,044
2 Pre-tax loss (ADP 054-053)	057	0	0
XII INCOME TAX	058	790,887	857,970
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	3,279,530	3,576,074
1 Profit for the period (ADP 055-059)	060	3,279,530	3,576,074
2 Loss for the period (ADP 059-055)	061	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
1 Pre-tax profit from discontinued operations	063	0	0
2 Pre-tax loss on discontinued operations	064	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0
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	0	0
1 Pre-tax profit (ADP 068)	069	0	0
2 Pre-tax loss (ADP 068)	070	0	0
XVII INCOME TAX (ADP 058+065)	071	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0
1 Profit for the period (ADP 068-071)	073	0	0
2 Loss for the period (ADP 071-068)	074	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)			
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	075	0	0
1 Attributable to owners of the parent	076	0	0
2 Attributable to minority (non-controlling) interest	077	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)			
I PROFIT OR LOSS FOR THE PERIOD	078	3,279,530	3,576,074
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	0	0
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	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
4 Actuarial gains/losses on the defined benefit obligation	084	0	0
5 Other items that will not be reclassified	085	0	0
6 Income tax relating to items that will not be reclassified	086	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	0	0
1 Exchange rate differences from translation of foreign operations	088	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0

6 Changes in fair value of the time value of option	093	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0
8 Other items that may be reclassified to profit or loss	095	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)	097	0	0
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	3,279,530	3,576,074
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
1 Attributable to owners of the parent	100	0	0
2 Attributable to minority (non-controlling) interest	101	0	0

STATEMENT OF CASH FLOWS - indirect method			
for the period 01/01/2024 to 31/12/2024			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	4.070.417	4.434.044
2 Adjustments (ADP 003 to 010):	002	3.615.828	3.337.928
a) Depreciation	003	3.239.285	3.224.408
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-11.421	-25.187
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	-238.812	-334.461
e) Interest expenses	007	478.251	455.360
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	1.168	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	147.357	413.122
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	7.686.245	8.167.286
3 Changes in the working capital (ADP 013 to 016)	012	251.967	-82.061
a) Increase or decrease in short-term liabilities	013	133.993	49.440
b) Increase or decrease in short-term receivables	014	131.699	-58.837
c) Increase or decrease in inventories	015	-13.725	-72.664
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	7.938.212	8.085.225
4 Interest paid	018	-490.376	-455.360
5 Income tax paid	019	-942.641	-866.728
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	6.505.195	6.763.137
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	127.920	334.461
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	127.920	334.461
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-3.475.895	-1.593.128
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-1.328.416	-1.000.000
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	-4.804.311	-2.593.128
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-4.676.391	-2.258.667
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	2.592.181	1.400.000

4 Other cash receipts from financing activities	038	291.408	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	2.883.589	1.400.000
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-2.499.865	-2.882.645
2 Cash payments for dividends	041	-1.319.601	-1.684.806
3 Cash payments for finance lease	042	-769.210	-1.023.104
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	-199.279	-311.081
5 Other cash payments from financing activities	044	0	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	-4.787.955	-5.901.636
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-1.904.366	-4.501.636
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	-75.562	2.834
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	100.979	25.417
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)	050	25.417	28.251

STATEMENT OF CASH FLOWS - Direct method			
for the period 01/01/2024 to 31/12/2024			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 the 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 from 01/01/2024 to 31/12/2024

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	30.412.964	389.195	3.195.698	925.837	229.335	0	998.431	0	0	0	0	0	0	15.373.527	3.279.530	54.345.847	0	54.345.847	
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	30.412.964	389.195	3.195.698	925.837	229.335	0	998.431	0	0	0	0	0	0	15.373.527	3.279.530	54.345.847	0	54.345.847	
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
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	7.036	0	0	0	0	0	-7.036	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	199.279	0	0	0	0	0	0	0	0	0	0	-199.279	0	-199.279	
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	-1.323.709	-1.323.709	0	-1.323.709		
21 Other distributions and payments to members/shareholders	21	0	0	0	0	-291.407	0	0	0	0	0	0	0	1.794.046	-1.794.046	291.407	0	291.407		
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	0	0	0	0	0	0	0	-3.117.754	3.117.754	0	0	0		
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
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	14.049.819	3.279.529	53.114.266	0	53.114.266		
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	7.036	0	0	0	0	0	-7.036	0	0	0	0	0	0	0	0	0	0	0	
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	7.036	0	0	0	0	0	-7.036	0	0	0	0	0	0	0	0	0	0	0	
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	0	0	-92.128	0	0	0	0	0	0	0	-1.323.708	-1	-1.231.581	0	-1.231.581		

Current period																			
1 Balance on the first day of the current business year	28	30.420.000	389.195	3.195.698	925.837	137.207	0	991.395	0	0	0	0	0	0	17.329.348	0	53.114.266	0	53.114.266
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 (re-stated) (AOP 28 to 30)	31	30.420.000	389.195	3.195.698	925.837	137.207	0	991.395	0	0	0	0	0	0	17.329.348	0	53.114.266	0	53.114.266
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3.576.074	3.576.074	0	3.576.074
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	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 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	311.081	0	0	0	0	0	0	0	0	0	0	-311.081	0	-311.081
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	-1.685.911	0	-1.685.911	0	-1.685.911
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	0	3.279.530	0	3.279.530	0	3.279.530
22 Carryforward per annual plan	49	0	0	0	0	0	0	0	0	0	0	0	0	0	-3.279.530	0	-3.279.530	0	-3.279.530
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	448.288	0	991.395	0	0	0	0	0	0	15.643.437	3.576.074	54.693.348	0	54.693.348
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 do 52)	53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3.576.074	3.576.074	0	3.576.074
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	0	0	311.081	0	0	0	0	0	0	0	0	-1.685.911	0	-1.996.992	0	-1.996.992

9.9 STATEMENTS BY THE COMPANY REPRESENTATION

ILIRIJA d.d.

BIOGRAD NA MORU

Biograd na Moru, 12/02/2024

Statement made by the persons responsible for the preparation of the financial statements for the period from 01/01/2024–31/12/2024

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 - December of 2024 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 31/12/2024, 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 31/12/2024.

Financial statements for the period from 01/1/2024 - 31/12/2024 are audited.

Accounting Manager:

Zorka Strpić



Management Board:

Goran Ražnjević



ILIRIJA dioničko društvo
za ugostiteljstvo i turizam
Biograd na Moru

9.10 DECISION ON CREATING THE ANNUAL FINANCIAL STATEMENTS



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www.ilirijabiograd.com

MANAGEMENT BOARD

Number: 18/2025

In Biograd na Moru, 26 February 2025

Pursuant to Articles 250a, 300a and 300b of the Companies Act ("Official Gazette" No 152/11 – consolidated text, 111/12, 68/13, 110/15, 40/19, 34/22, 114/22, 18/23, 130/23 and 136/24), Articles 462 and 463 of the Capital Market Act, the Management Board of ILIRIJA d.d. Biograd na moru, Tina Ujevića 7, Biograd na Moru, PIN: 05951496767 (hereinafter: the Company) on 26 February 2025 adopted the following

DECISION ON CREATING THE ANNUAL FINANCIAL STATEMENTS AND DRAFT DECISION ON UTILIZATION OF PROFIT

- I. The Company's Management Board hereby creates the Annual Financial Statements of the Company for 2024 (non-consolidated) consisting of the following:
 - Statement of Financial Position (balance sheet);
 - Income Statement;
 - Statement of Comprehensive Income;
 - Cash Flow Statement;
 - Statement of Changes in Equity; and
 - Notes to the Financial Statements.
- II. The 2024 Annual Financial Statements of the Company were reviewed by the selected audit company UHY Rudan d.o.o., Ilica 213, Zagreb (hereinafter: the Auditor) and the Auditor's Report forms an integral part of the 2024 Annual Financial Statements of the Company.
- III. The Company's Management Board hereby creates the 2024 Annual Statement of the Company (non-consolidated) consisting of the following:
 1. 2024 Annual Financial Statements of the Company (non-consolidated);
 2. Report on the Application of Corporate Governance Code
 3. Management Report / Management Board Annual Report on the Company's Status
 4. Statements by the Company Representation;
 5. Company's auditor report for 2024
- IV. The Company Management Board hereby defines the Decision on Proposed Profit Allocation for 2024 in the total amount of: EUR 3,576,074.33, so the profit shall be allocated as follows:
 - EUR 1,655,334.33 into the retained profit, and
 - EUR 1,920,740.00 for dividend distribution.



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- V. This Decision, along with the 2024 Annual Financial Statement of the Company (non-consolidated), shall be referred to the Supervisory Board of the Company for consideration, i.e. approval.
- VI. The Company Management Board shall convene the General Assembly of the Company following the approval of the 2024 Annual Financial Statements of the Company and adoption of related corresponding decisions by its Supervisory Board.

ILIRIJA d.d.
Supervisory Board Goran Ražnjević

9.11 DECISION ON APPROVING THE ANNUAL FINANCIAL STATEMENTS



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SUPERVISORY BOARD

Number: 19/2025

In Biograd na Moru, 26 February 2025

Pursuant to Articles 300c and 300d of the Companies Act ("Official Gazette" No 152/11 – consolidated text, 111/12, 68/13, 110/15, 40/19, 34/22, 114/22, 18/23, 130/23 and 136/24) and the Management Board Decision No: 18/2025 of 26 February 2025, the Supervisory Board of ILIRIJA d.d., at its session held on 26 February 2025, adopted the following:

DECISION ON APPROVING THE ANNUAL FINANCIAL STATEMENTS AND THE DRAFT DECISION ON UTILIZATION OF PROFIT

- I. The Company Supervisory Board hereby approves the 2024 Annual Statement of the Company (non-consolidated) consisting of the following:
 1. 2024 Annual Financial Statements of the Company (non-consolidated) – statement of financial position (balance sheet), income statement, statement of comprehensive income, cash flow statement, statement of changes in equity and notes to the financial statements
 2. Statement on the Application of Corporate Governance Code
 3. Management Report / Management Board Annual Report on the Company's Status
 4. Statements by the Company Representation;
 5. Company's auditor report for 2024
- II. Following the approval by the 2024 Annual Statement of the Company (non-consolidated) by its Supervisory Board, the 2024 Annual Financial Statements of the Company are deemed created by the Company Management Board and Supervisory Board.
- III. The Company Supervisory Board agrees with the proposal of the Company Management Board that the General Assembly of the Company adopt the decision on the allocation of the net profit generated in 2024 in the total amount of EUR 3,576,074.33 as follows:
 - EUR 1,655,334.33 into the retained profit,
 - EUR 1,920,740.00 for dividend distribution.

President of the Supervisory Board
Goran Medić

9.12 SUPERVISORY BOARD'S REPORT ON PERFORMED SUPERVISION OF CONDUCTING THE COMPANY'S BUSINESS FOR THE YEAR 2024



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SUPERVISORY BOARD

Number: 16/2025

According to Article 263, paragraph 3, Article 300.c and Article 499 of the Companies' Act (Official Gazette no. 111/1993, 34/1999, 121/1999, 52/2000, 118/2003, 107/2007, 146/2008, 137/2009, 111/2012, 125/2011, 68/2013, 110/2015, 40/2019,34/22,114/22, 18/23, 130/23 and 136/24 – hereinafter referred to as: the Companies' Act), the Supervisory Board of the company Ilirija d.d. for hospitality and tourism, Tina Ujevića 7, Biograd na Moru (hereinafter referred to as: the Company), has adopted the following

SUPERVISORY BOARD'S REPORT ON PERFORMED SUPERVISION OF CONDUCTING THE COMPANY'S BUSINESS FOR THE YEAR 2024

- I. The Supervisory Board of the Company was constituted on 22nd December, 1995 and has five (5) members elected for a term of 4 (four) years. The Members of the Supervisory Board as of 31st December, 2024 were: Goran Medić (President), David Anthony Tudorović (Deputy President), Davor Tudorović, Siniša Petrović and Darko Prebežac.
- II. During the year 2024, 7 (seven) meetings of the Supervisory Board were held. All members of the Supervisory Board participated in the meetings of the Supervisory Board. During 2024, the Supervisory Board regularly received written reports on the business operations and other reports, including Management Board's Decisions, reviewed by the Supervisory Board in accordance with regulations, the Articles of Association and the Company's bylaws. The Supervisory Board also discussed the business plans and reports on the Company's business operations, as well as information about the current business operations and the position of the Company.

At the meeting held on 26th February, 2024, the Supervisory Board approved, among other things, the Annual Report and the Annual Financial Statements of the Company for the year 2023 (audited, unconsolidated), adopted the Report on remuneration received by the members of the Supervisory Board and Management Board for the year 2023, the Report on Transactions with Related Companies for the year 2023, determined the draft decision on granting approval to the Management Board for the acquisition of treasury shares, made the decision on approval of the current Remuneration Policy for the members of the Management Board, and made other decisions related to the Annual General Shareholders' Assembly of the Company.

At the meeting held on 26th April, 2024, the Supervisory Board approved, among other things, the Corporate Governance Code for the year 2023 (Compliance Questionnaire for Issuers of Shares, Governance Practices Questionnaire)

At the meeting held on 24th July, 2024, the Supervisory Board received, among other things, the information regarding the publicly published Sustainability Annual Report of Ilirija d.d. for year 2023.



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At the meeting held on 19th September, 2024, the Supervisory Board made, among other things, a decision on the dismissal and election of members of the Supervisory Board to align the Supervisory Board members' term of offices, so in accordance with this decision and the decision of the General Shareholders' Assembly of the Company, the constitutive meeting of the Supervisory Board was held on 25th October, 2025, at which Mr. Goran Medić was re-elected President, and Mr. David Anthony Tudorović was elected Vice President.

- III. The Supervisory Board of the Company established the Audit Committee, which performed tasks within its jurisdiction in accordance with legal regulations and the Rules of Procedure of the Audit Committee. In 2024, the Audit Committee operated in a composition of 3 (three) members, namely: David Anthony Tudorović (President), Goran Medić (Deputy) and Darko Prebežac (Member). In 2024, one meeting of the Audit Committee was held. The Supervisory Board received the report by the Audit Committee regarding the drafting and preparation of the Annual Report for the year 2023, and provided the Audit Committee's recommendation for the selection of the Company's auditor for the year 2024. The Audit Committee also carried out all other activities in accordance with relevant legal regulations and internal bylaws of the Company, and provided appropriate support to the Supervisory Board with its proposals and recommendations.
- IV. The Supervisory Board did, with its decisions and conclusions adopted at the meetings, influence the business policy of the Company, the Management Board of the Company to conduct business operations duly, diligently and in the interest of the Company. The Management Board of the Company cooperated very intensively with the Supervisory Board and successfully managed the Company. In accordance with its powers and authority, the Supervisory Board carried out the supervision and examined the Company's business records and documents, thus gaining a comprehensive overview of the overall business operations of the Company. It was presented key figures on the assets, financial position and business performance, i.e. turnover, result, the company's assets, equity, the company's solvency and indebtedness. In addition to the presented comprehensive reports and with the supervision of conducting the Company's business operations performed during the year, we have gained confidence that this Company complies with the laws of the Republic of Croatia, the company's bylaws and the decisions of the General Assembly. The financial statements for the fiscal year 2024 have been prepared in accordance with the balances in the company's business records and reveal the proper balances of the company's assets, the company's equity and operating results.
- V. The Supervisory Board reviewed the Company's Annual Report for the year 2024 which consists of: Annual Financial Statements of the Company for 2024 - Statement of financial position (balance sheet), Profit and loss account, Statement of comprehensive income, Statement of cash flows, Statement of changes in equity, Notes to the financial statements and Statement on the application of the Corporate governance Code, Management Representation Letter //Management Board's Report on the position of the Company, Auditor's report of the Company for 2024 and Statements by the persons in charge.

The Supervisory Board has no objections to the Annual Report of Ilirija d.d. for the year 2024 and to the Company Auditor's Report for the year 2024. Pursuant to the foregoing, the Supervisory Board gives its consent to the Annual Report of the Company for the year 2024 and



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the Annual Report of the Company for the year 2024 is thus deemed to be determined by the Management Board and the Supervisory Board.

- VI. The Supervisory Board examined the report prepared by the Management Board on relations with related companies for the year 2024 and an independent auditor's report expressing reasonable assurance on the report on relations with related companies for the year 2024 prepared by the company UHY Rudan d.o.o. The Supervisory Board has no objection to the statement made by the Management Board stating that the Company, considering the circumstances known at the time when the legal transactions mentioned in the report were being undertaken, received appropriate consideration and that these transactions caused no harm to the Company and that no objections are raised to the results of the audit of the report on the relations with related companies stated in the independent auditor's report and therefore, in accordance with Article 499 of the Companies' Act, the Supervisory Board adopts the Company auditor's statement from the said report in a way as follows:
- a.) The allegations made in the report on the relations with related companies for 2024 are correct in all significant respects;
 - b.) In the legal transactions stated in the Report on the relations with related companies for 2024, considering the circumstances known at the time when the transactions were being undertaken, the value of the Company's consideration was not, in all significant respects, inappropriately high.
- VII. The Supervisory Board has independently assessed its effectiveness and composition, as well as the effectiveness and composition of its committees and the individual performance of its members. External assessors were not engaged in this process; instead, the evaluation was led by the President of the Supervisory Board, conducted internally through discussions and consultations with the other members of the Supervisory Board. The Supervisory Board concludes that it has effectively supervised the running of the Company's affairs, successfully cooperated with the Management Board, persons in charge, and the Company's expert units, that contributed to the efficient functioning of the Supervisory Board and the performance of its tasks within its scope of jurisdiction in a way that they prepared all materials that the Management Board submitted to the Supervisory Board on a timely manner and at a high quality level. Furthermore, the Supervisory Board concludes that all members of the Supervisory Board utilize their experience, knowledge and education to the greatest extent to ensure that the Supervisory Board performs its function as effectively as possible, thereby contributing to the business operations and protection of the Company's interests. Given the above, the Supervisory Board believes there is no need for changes in its size and composition, nor has any need for improvements in the functioning and preparation of the board meetings been identified. The Supervisory Board has taken note of the Conclusion of the Management dated 14th February, 2025, regarding the effectiveness of the Management Board in 2024.
- VIII. The Supervisory Board of the Company accepted the proposal made by the Management Board to the General Shareholders' Assembly at its meeting held on 26th February 2025 that the net profit generated in 2024 (after tax) in the amount of **EUR 3,279,530.22** should be allocated in the way as follows: the retained earnings **EUR 1,655,334.33**, and for dividend payment: **EUR 1,920,740.00**.



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- IX. The Supervisory Board has finally assessed the effectiveness of the cooperation between the Supervisory Board and the Management Board and concludes that their mutual cooperation is good, that the Management Board provides adequate and appropriate support to the members of the Supervisory Board in fulfilling their duties in a way that the Management Board timely delivers all information, reports, proposals and other materials related to the Company's business operations, in accordance with applicable legal regulations and the internal bylaws of the Company. As a result, the Supervisory Board assesses the work of the Management Board and the Company's performance in 2024 as successful. In accordance with Article 5.3 of the Remuneration Policy for the members of the Management Board, the Supervisory Board determines that the business objectives and results for 2024, as defined by the adopted business plan of the Company, have been fully accomplished, and that the Company's results exceeded the forecasted results. The Supervisory Board emphasizes the good cooperation of the Supervisory Board with the Management Board of the Company, which successfully managed the company during the past period.

In Biograd na Moru, 26th February 2025

President of the Supervisory Board
Goran Medić



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

Aquatic Center

Tennis Center

Restaurant Park Soline

Camp "Park Soline"

ILIRIJA D.D.

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