



 *Ilinija d.d.*

FINANCIAL REPORT FOR THE PERIOD 01/01 - 30/09/2023

Biograd na Moru, October 2023



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OVERVIEW OF KEY PERFORMANCE INDICATORS FOR THE PERIOD FROM 01/01-30/09/2023

in EUR	I-IX 2023	I-IX 2022	INDEX 2023/2022
Financial indicators			
Total revenues	25.527.644,05	21.524.190,20	118,60
Operating income	25.399.606,16	21.520.501,27	118,03
<i>Hospitality</i>	8.203.418,94	6.274.921,88	130,73
<i>Nautics</i>	7.426.339,68	6.510.698,40	114,06
<i>Camping</i>	7.407.143,77	6.595.702,75	112,30
<i>Real-estate</i>	1.559.252,88	1.346.636,46	115,79
<i>Other sectors and profit centres</i>	803.450,89	792.541,78	101,38
Revenues from sales	25.289.249,88	21.444.153,70	117,93
EBITDA	10.362.530,52	9.504.779,41	109,02
EBITDA margin	40,80%	44,17%	92,37
EBIT	8.139.531,49	7.594.604,69	107,18
Profit	7.771.558,85	7.274.223,15	106,84

in EUR	30/09/2023	30/09/2022	INDEX 2023/2022
Balance sheet indicators			
Net debt	1.620.375,23	3.190.905,41	50,78
Interest coverage	21,12	22,70	93,04
Capital investments	3.002.539,57	1.691.606,84	177,50
ROE	13,53%	13,17%	102,71
ROA	10,41%	10,08%	103,25
Adjusted ROCE	14,06%	17,31%	81,22

in EUR	30/09/2023	30/09/2022	INDEX 2023/2022
Indicators of the financial position			
Value of assets	74.655.202,25	72.150.216,24	103,47
Capital	57.440.564,06	55.222.785,50	104,02
Total liabilities	17.214.638,19	16.927.430,74	101,70

in EUR	I-IX 2023	I-IX 2022	INDEX 2023/2022
ACHIEVEMENTS ON THE CAPITAL MARKET			
Market capitalization	60.337.200,00	60.861.732,03	99,14
EV	61.957.575,23	57.670.826,62	107,43
EV / EBITDA	5,98	6,07	98,54
P / E	9,40	8,33	112,85
EPS	2,66	3,03	87,86
DPS	0,55	0,46	118,40

Physical indicators	I-IX 2023	I-IX 2022	INDEX 2023/2022
Hotel sector			
Number of accommodation units	435	435	100,00
Overnight stays of tourists	106.549	89.496	119,05
Occupancy days	118	99	119,19
Annual occupancy	43,15%	36,34%	118,74
Nautics			
Number of berths	805	805	100,00
Contracted vessel	732	716	102,23
Transith berth, overnight stays of vessels	7.446	8.467	87,94
Transith berth, inbound sail of vessels	2.929	2.982	98,22
Port service - number of operations	3.198	3.167	100,98
Days of work	365	365	100,00
Camping			
Number of accommodation units	1.130	1.208	93,54
Days of work	183	183	100,00
Occupancy days	114,37	101,33	112,87
<i>Mobile homes</i>	88,91	98,87	89,93
<i>Individuals</i>	56,25	42,63	131,95
<i>Fixed lease</i>	183,00	183,00	100,00
<i>Lump sum</i>	183,00	183,00	100,00
Occupancy	62,50%	55,37%	112,88
<i>Mobile homes</i>	48,59%	54,03%	89,93
<i>Individuals</i>	30,74%	23,29%	131,99
<i>Fixed lease</i>	100,00%	100,00%	100,00
<i>Lump sum</i>	100,00%	100,00%	100,00
Overnight stays of tourists	325.881	309.765	105,20

Physical indicators	I-IX 2023	I-IX 2022	INDEX 2023/2022
DMC Ilirija Travel			
Number of events	175	263	66,54
Number of people (events)	17.518	19.081	91,81
Real-estate sector			
Number of leesses	34	37	91,89
Common expenses	32	35	91,43
Common areas	26	25	104,00
Advertising space	8	8	100,00
Garage - number of parking spaces	410	410	100,00
Rented area (m2)	9.464,72	9.464,72	100,00
Number of vehicle	538.570	510.695	105,46

KEY INFORMATION FOR THE PERIOD 01/01 – 30/09/2023

1 In the reporting period, the Company generated the best operating results so far, reflected in achievements in terms of key physical performance indicators (overnight stays, arrivals, vessels on contracted berths), realisation of total and operating revenue, achieved profitability indicators, a never stronger balance sheet and capital position, and the lowest net debt levels. These record-breaking achievements of the Company significantly contributed to its stable financial situation, strengthened and never better financial and capital position reflected in the growth of its assets and capital, as well as to its high self-financing rate and high degree of liquidity.

The best achievements at the Company level are the result of an increase in business activities in key sectors along with their best achievements in terms of revenue, stemming from the increase in revenue generated by the hotel, nautical, camping and real-estate sectors, accompanied by an adequate increase in the revenue of the destination management company. At the same time, the achieved growth of profitability indicators in key sectors, also led to a significant growth of the Company's profitability indicators. Taking into account the circumstances that surrounded the business year, mainly the continuous growth of the inflation rate followed by the general increase in prices and labour costs, the fact that, despite the increase in total expenses at a rate higher than that of revenue

growth, the Company managed to achieve not only all of its optimum profitability indicators, but also its record-breaking results in terms absolute profitability, makes the Company's achievements even more significant. Moreover, the achieved operating results in terms of revenue and profitability in key sectors also represent the best and record-breaking results of those sectors since the start of their business activity.

The operating results realised in the third quarter of the business year are the result of a strong growth of tourist demand in key sectors. Special mention in this regard should be made of the hotel sector, which in previous years was most affected by the consequences of the pandemic, and its achievements in the reporting period marked a complete recovery of business activities, reflected in the physical and financial operating results, which significantly contributed to the operating results at the level of the entire Company.

2 Total revenue generated amounted to EUR 25,527,644.05, representing an increase of 19% in comparison with the same period in 2022, when it amounted to EUR 21,524,190.20, i.e. an increase in the absolute amount of EUR 4,003,453.85, which can be attributed to the growth of operating revenue at the level of all Company sectors.

Operating revenue generated amounted to EUR 25,399,606.16, representing an increase of 18% in comparison with the same period of the previous year, when it amounted to EUR 21,520,501.27. This can be attributed to the increase in sales revenue at the level of all Company sectors, especially those related to tourism, due to the growth of tourist demand in all quarters of the business year, and particularly to a significant strengthening of business activities in the pre-season, which was largely absent in some sectors in the previous year. The achieved operating results in terms of the Company's revenue resulted not only in its continuous growth but also in its best achievements, both at the level of the Company as a whole and at the level of all its key sectors.

The hotel sector, with EUR 8,203,418.94 in generated operating revenue, recorded an increase of 31% in comparison with the same period of the previous year, when the generated revenue amounted to EUR 6,274,921.88 as a result of a significant increase in the volume of business activities both in the main season and in the pre-season. The hotel sector achieved the highest revenue growth rates in comparison with other sectors, which resulted in the best operating results of the hotel sector so far for the observed period. These results at the same time contributed significantly to the increase of revenue of the entire Company.

The nautical sector recorded an increase in operating

revenue at a rate of 14%, meaning that it generated EUR 7,426,339.68 in revenue in the reporting period, compared to EUR 6,510,698.40 of revenue generated in the same period of 2022, whereby the nautical sector persisted in its continuous growth of business activities throughout the business year.

The camping sector also saw a continuation of a strong increase in operating revenue, with EUR 7,407,143.77 operating revenue generated in the reporting period, in comparison with the EUR 6,595,702.75 generated in the same period of the previous year, marking an increase in operating revenue at a rate of 12%. In the reporting period, the real-estate sector generated EUR 1,559,252.88 in revenue, whereby it recorded an increase in revenue at a rate of 16%, compared to EUR 1,346,636.46 in revenue generated in the same period of the previous year. At the same time, the destination management company Ilirija Travel, despite a reduced volume of business activities, generated EUR 784,110.23 in revenue and recorded a 2% growth.

With these operating results achieved in terms of revenue, the Company maintained a growth trend in revenue of all sectors in the third quarter of the business year as well. During this period, the operating revenue of all sectors, with the exception of the destination management company, saw strong double-digit growth rates, generating the best results of the Company in terms of both total and operating revenue.

3 Total expenses amounted to EUR 17,756,085.20,

a 25% increase compared to the same period of the previous year, when they amounted to EUR 14,249,967.05, and their increase is the result of an increase in all expenditure items, i.e. of operating expenses by 26%, depreciation by 16% and financial expenses by 15%.

The increase in total expenses was mostly, in its absolute and relative amounts, generated by an increase in operating expenses, which amounted to EUR 15,165,113.53 in the reporting period, a 26% (EUR 3,145,702.74) increase compared to the same period of the previous year, when they amounted to EUR 12,019,410.79. Operating expenses increased due to the increase in business activities at the level of all key sectors of the Company, the general increase in costs as a consequence of inflation, the rise in energy prices and continuous improvement of the employees' financial position, which resulted in an increase in labour costs and work-related costs.

Operating expenses were mostly generated due to the increase in the following items, which grew at rates higher than that of revenue growth compared to the same period of the previous year:

(1) increase in salary costs by 29%, or EUR 1,316,909.81, compared to the same period of the previous year. The increase in wage costs is a result of continuous improvement of the entitlements and financial position of employees as well as to pay a minimum net

salary corresponding to the average net salary in the Republic of Croatia. The increase in wage costs also stems from an 8% increase in the average number of employees compared to the same period of the previous year, which enabled the Company to ensure the fulfilment of preconditions for the smooth running of business activities during the year in the area of personnel management as well, despite the significant labour shortage in the Republic of Croatia, especially noticeable in the hospitality and tourism sectors.

(II) increase in certain parts of costs related to employment benefits by 211%, or by EUR 365,511.31, due to the continuous improvement of the employees' financial position, i.e. their material rights arising from employment.

(III) increase in costs related to agency commission fees by 42% or EUR 193,479.74.

(IV) a 49% or EUR 150,565.74 increase in marketing and promotion costs due to a significant increase in the Company's marketing activities, in the area of digital marketing and the further digitization of the operational processes in the Sales and Marketing departments in its tourism sector.

(V) increase in costs related to various types of rental fees by 45% or EUR 140,216.27.

(VI) increase in energy costs, namely gas, by 224% or

EUR 109,987.39.

(VII) increase in waste collection costs by 114% or EUR 91,237.61.

(VIII) increase in costs of utility fees by 57% or EUR 75,151.25.

The aforementioned costs (listed under points I to VIII), which grew at a rate higher than that of revenue growth, increased by 40%, or EUR 2,443,014.19, in comparison with the same period of the previous year, and they represent a 78% share in the increase of operating expenses, whereas all other expenses increased by 13.07%, i.e. they grew at a rate lower than that of revenue growth.

4 By the end of the third quarter of 2023, the Company achieved not only growth in terms of all key operating profitability indicators, namely operating profit, profit, EBITDA and EBIT, compared to the same period of the previous year, but also its best results so far in terms of operating profitability. The Company's results are all the more significant taking into account the business circumstances on the macroeconomic and global level, along with the still present high inflation in most European countries, including the Company's key outbound tourism markets, the rise in energy prices and utility fees, the increase in labour costs and other costs related to employment benefits, as well as the increase in other costs, all of

which contributed to growth of total expenses at a rate higher than the growth rate of total and operating revenue.

The achieved profitability indicators are for the most part the result of a strong double-digit profitability growth in the hotel, nautical and real-estate sectors, which achieved the best operating profitability results so far, followed by the high profitability of the camping sector.

Operating profit was generated in the amount of EUR 10,234,492.63, an 8% increase compared to the same period of the previous year, when it amounted to EUR 9,501,090.48, while profit before tax amounted to EUR 7,771,558.85, a 7% increase compared to the same period of the previous year, when it amounted to EUR 7,274,223.15. EBITDA was realized in the amount of EUR 10,362,530.52, i.e. it was 9% higher than in the same period of 2022, when it amounted to EUR 9,504,779.41, while EBIT was realized in the amount of EUR 8,139,531.49, constituting an increase of 7%.

5 At the end of the third quarter of the business year, the value of assets amounted to EUR 74,655,202.25, showing an increase by 3.47%, or EUR 2,504,986.01, in comparison with the same period of the previous year, when it amounted to EUR 72,150,216.24. The increase resulted from an increase in current assets by 13.07% and non-current assets by 1.21%.

6 Due to the increase in profits from previous years and profit from the current year, capital and reserves amounted to EUR 57,440,564.06, representing a 4.02%, or EUR 2,217,778.56 increase compared to the same period of the previous year, when they amounted to EUR 55,222,785.50.

7 The total liabilities for the reporting period amounted to EUR 17,214,638.19, representing a 1.70%, or EUR 287,207.45 increase compared to the same period of the previous year, when they amounted to EUR 16,927,430.74, owing to a 35.89% increase in current liabilities.

8 Net debt, which includes both current and non-current liabilities towards banks, minus cash at bank, in hand, and deposits, amounted to EUR 1,620,375.23 in the reporting period, representing a decrease by 49.22%, or EUR 1,570,530.18 compared to the same period in the previous year when it amounted to EUR 3,190,905.41. Moreover, the Company recorded the lowest net debt to date for the reporting period, i.e. nine months of the business year, continuing the trend of net debt decrease not only in comparison with 2022 but also in comparison with all previous business years. Considering the circumstances that surrounded the business year (inflation and global instability), the net debt, i.e. its decrease, points to a continuous strengthening of the Company's financial and capital stability and liquidity.

9 Own sources of funds amounted to 76.94% of the total sources of funds (equity and reserves), while other sources of financing amounted to 23.06% as at 30/09/2023. The balance sheet at the end of the third quarter of the business year shows a strong financial position of the Company reflected in the further increase in asset value, increase in capital and reserves, ability to self-finance and a continuous decrease of its net debt, recording the lowest net debt to date. The Company's strong balance sheet and capital position enables it to maintain an exceptionally high degree of financial stability, liquidity and sustainability.

10 On the capital market, the Company's ILRA share was traded in the amount of EUR 431,712.20, constituting an increase by 60.45% compared to the same period of the previous year, when the price was EUR 269,064.04. At the same time, an increase by 178.33% was recorded in the average turnover per transaction, amounting to EUR 8,810.45, while the average daily turnover amounted to EUR 21,585.61 with a growth rate of 204.85%.

The average share price amounted to EUR 24.56, representing an increase of 5.73% compared to the same period of the previous year, when the average share price amounted to EUR 23.23, which led to a proportionate increase in market capitalisation calculated by multiplying the number of shares and the average achieved price, amounting to EUR 59,275,265.28.

11 The Company released 4135 own shares, constituting 0.17% of its share capital. Own shares were released under the Share Transfer Agreement, concluded with the Company's employees in compliance with the decision of the Management Board on the allocation of own (treasury) shares to the Company's employees free of charge, as a reward for the achieved business results.

12 The General Assembly, held on 21 April 2023, adopted the Decision on the Approval of the 2022 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 2022, Decision on Granting Discharge to the Members of the Supervisory Board for the financial year 2022, and the Decision on the Appointment of the authorised auditing company "UHY RUDAN d.o.o.", Ilica 213, Zagreb, PIN (OIB): 717995390000 as the Company's auditor for 2023 by virtue of which it is to perform audit activities in 2023. Moreover, the Decision on the Adjustment of the Share Capital of the Company was adopted by increasing the share capital from the Company's assets and amending the Articles of Association of the Company for the purpose of aligning the share capital with the Companies Act and rounding off the amount of capital to a whole number on the basis of the established and audited 2022 Annual Financial Statements.

The General Assembly also adopted the Decision Amending the Decision on the Remuneration of Supervisory Board Members. Also, the Decision on the Use of Company Profit for the 2022 Financial Year was adopted, according to which the achieved net profit in the 2022 financial year (after tax) in the amount of EUR 3,117,753.76, is distributed as follows:

- EUR 1,794,045.66 into the retained profit, and
- EUR 1,323,708.10 for dividend distribution.

The General Assembly of the Company took note of the Annual Report for 2022 together with the Audit Report for 2022, Report of the Supervisory Board on the Performed Supervision of the Company's Operations for 2022, and the Management Board' Report on the Acquisition of Own Shares.

13 Pursuant to the Decision of the General Assembly of 21 April 2023, the Company paid to the shareholders a dividend in the total amount of EUR 1,323,708.10, i.e. EUR 0.55 per share. The dividend paid in 2023 is larger by EUR 206,209.59, or 18.45% compared to the dividend paid in 2022, which amounted to EUR 1,117,498.51.

14 Investments made by the Company in the first half of the year amounted to EUR 3,002,539.57, and are significantly higher than in the same period in 2022.

The investments made related to the key tourism sectors, i.e. the hotel, camping, and nautical sector as well as Ilirija Travel, in order to preserve competitiveness, and further invest in improving the quality and standards of service, and in changing the structure by segments of service provision. The largest portion of the investments related to the camping sector, where a significant renovation of the campsite was carried out, including all of the infrastructure and landscaping work in a part of the campsite and the construction of the main roads in the campsite extra zone, as well as additional refurbishing and adaptation of amenities for children, and investments in changing the structure by segments of service provision with the aim raising the overall quality and amenities of the campsite. In the hotel sector, investments are continuously focused on improving and expanding services and raising the level of quality through additional arrangement and furnishing of accommodation units, expansion of wellness services through the development of capacities for health tourism, refurbishment of hotel catering facilities by purchasing new catering equipment and other common hotel amenities. In the nautical sector, investments related to the refurbishing of the common facilities at the marina, the largest part of which referred to the complete reconstruction of the largest sanitary facility, while investments in Ilirija Travel were related to the "Nada" event boat.

15 The Company successfully completed the recertification process for 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. The Company was awarded the "Company – Friend of Health" certificate for the first time in 2018 as part of the "Living Healthy" project, and today it is one of only 25 business entities holding the certificate in the Republic of Croatia.

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 **66** 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 9.464,72m² 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 - 2023 | During this period, i.e. as at 30 September 2023, the Company invested EUR 90,941,768.35 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 166,564,544.03.

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

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

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

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

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

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

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

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

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

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

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

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

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

1.3 COMPANY'S BODIES

1.3.1 COMPANY MANAGEMENT BOARD

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

1.3.2 SUPERVISORY BOARD

Goran Medić, President of the Supervisory Board

David Anthony Tudorović, Deputy President of the Supervisory Board

Davor Tudorović, Member of the Supervisory Board

Siniša Petrović, Member of the Supervisory Board

Darko Prebežac, Member of the Supervisory Board

1.3.3 SHAREHOLDERS' ASSEMBLY

1.4 SUBSIDIARIES

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

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

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

1.5 AFFILIATED COMPANIES

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

The parent company Arsenal Holdings d.o.o. is registered with the Commercial Court 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.



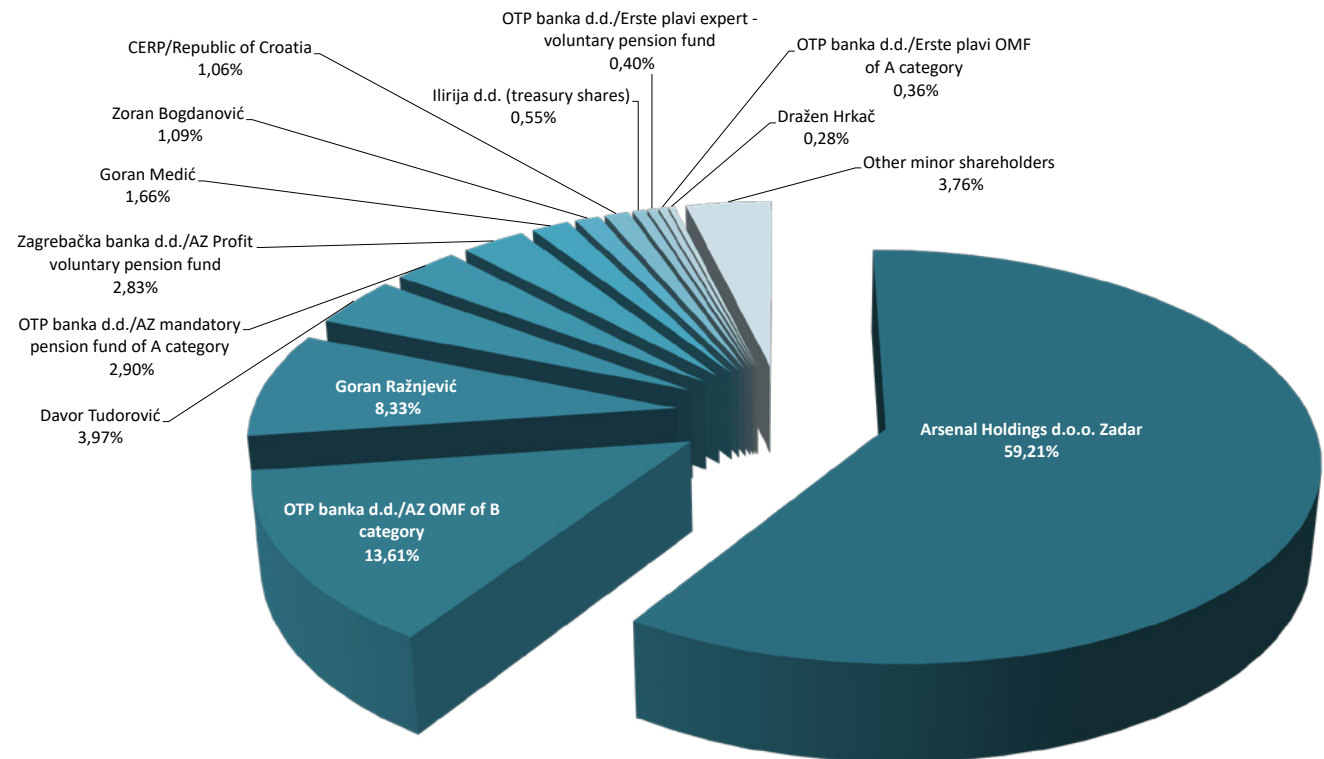
1.6 OWNERSHIP STRUCTURE OF THE COMPANY AND OVERVIEW OF TRADING IN COMPANY'S SHARES AT ZAGREB STOCK EXCHANGE

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

As at 30 September 2023, there were no significant changes in the ownership structure, while an overview of the major shareholders of the Company as at 30 September 2023 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	25.642	1,06
Ilirija d.d. (treasury shares)	13.204	0,55
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
Dražen Hrkač	6.727	0,28
Other minor shareholders	90.842	3,76
TOTAL	2.413.488	100,00

OWNERSHIP STRUCTURE OF THE COMPANY AS AT 30/09/2023



TRADING IN COMPANY'S SHARES ON THE CROATIAN CAPITAL MARKET IN THE IN THE PERIOD 01/01–30/09/2023:

(amounts in EUR)	I-IX 2023	I-IX 2022.	% of change
Total turnover	431.712,20	269.064,04	60,45%
Average share price	24,56	23,23	5,73%
Average turnover per transaction	8.810,45	3.165,46	178,33%
Average daily turnover	21.585,61	7.080,63	204,85%
Last share price	25,00	25,22	-0,87%
Market capitalization*	60.337.200,00	60.868.167,36	-0,87%
Market capitalization**	59.275.265,28	56.065.326,24	5,73%
Number of shares:	2.413.488	2.413.488	

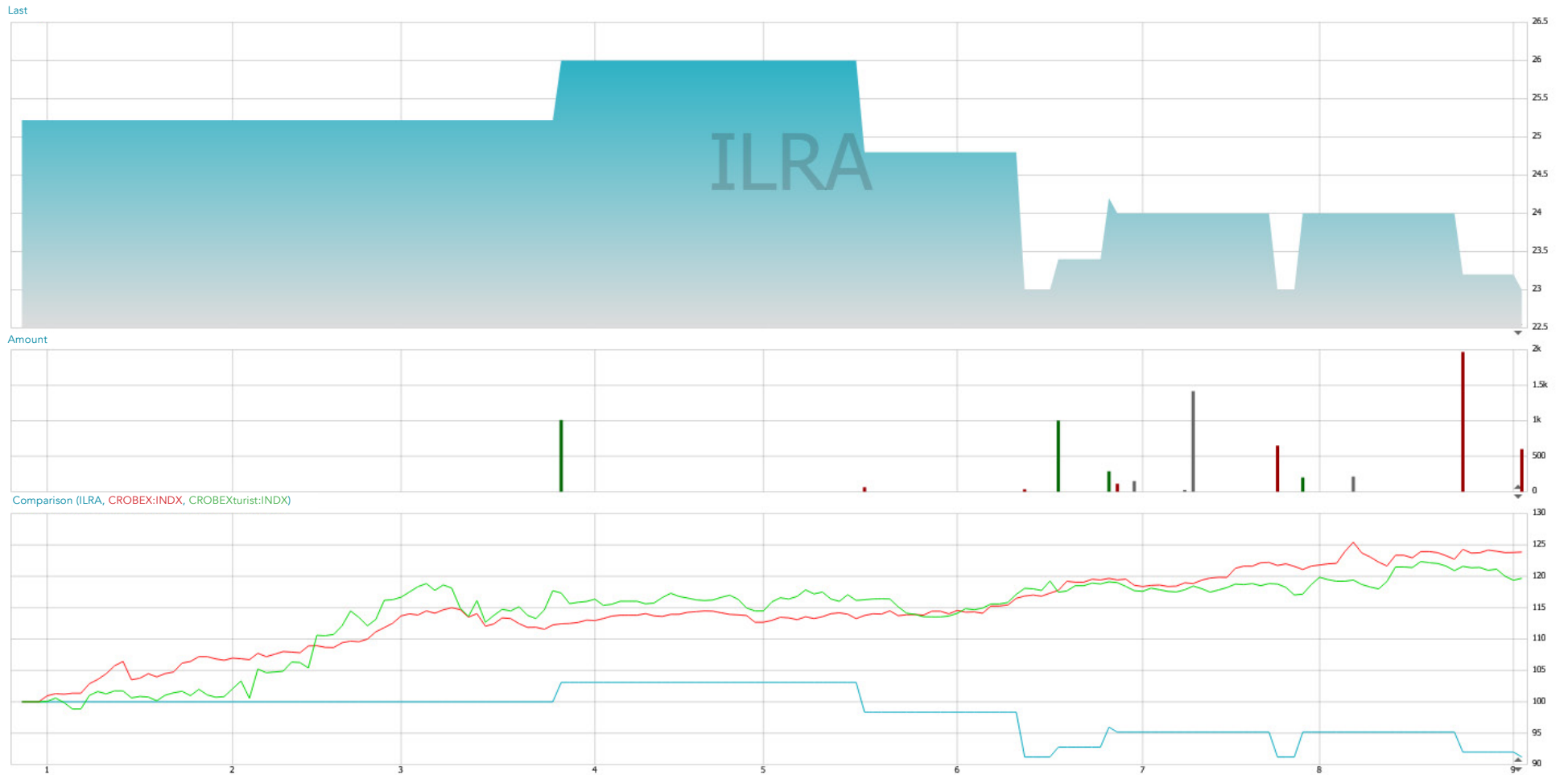
*indicated by the methodology of calculation according to the last share price multiplied with number of shares

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

ILRA shares generated a considerably larger volume of trading compared to the same period of the previous year, i.e. 17,581 shares were traded and the turnover amounted to EUR 431,712.20, namely 60,45% more than the turnover in the nine months of 2022, when 11,585 shares were traded, resulting in a turnover of EUR 269,064.04. In the first three quarters of 2023, a significantly higher average daily turnover in the amount of EUR 21,585.61 was achieved with a growth rate of +204.85% and an average turnover per transaction of EUR 8,810.45 with a growth of +178.33% compared to the same period of the previous year.

The last share price in the third quarter of 2023 amounted to EUR 25.00 per share, which is 0.87% lower than the last share price achieved in the same period of the previous year, which amounted to EUR 25.22. The Company's market capitalization, calculated by multiplying the last share price in the observed period and the amount of issued shares, amounted to EUR 60,337,200.00, while the market capitalization calculated by multiplying the average share price and the amount of shares amounted to EUR 59,275,265.28 and increased by 5.73% compared to the same period of the previous year.

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



1.7 COMPANY BUSINESS MODEL

The Company has been present on the domestic and international tourism 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 297 special events for 29,830 persons were organised in 2022
- **Real-estate segment** – Commercial-shopping center City Galleria in Zadar, one of the two largest shopping centers in the Zadar region

ILIRIJA d.d. is one of few tourism companies in the Republic of Croatia with such a diverse offer that includes all the segments of the Adriatic or Mediterranean tourism offer in its portfolio (hotel sector, nautical sector and camping), additionally strengthened by the destination management company Ilirija Travel and the real-estate sector. With such a diverse portfolio, 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. More than six decades of market presence and the related know-how allow the Company to maximise its economic, financial, market and human potentials, and by **developing a complementary and integrated product through the destination management company, the Company strives to achieve one of its strategic goals – year-round business operations of its tourism sectors**, with an emphasis on the hotel sector and camping, 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, i.e. the wider community. Moreover, through the destination management company, the Company also contributes to the development and recognizability of the destination by organising events and by offering contents and programs it organises in its own facilities.

1.8 BRANDS OF THE COMPANY



BIOGRAD
BOAT SHOW

Donat
BEACH BAR

ARSENAL
ZADAR

City Galleria

2 CORPORATE STRATEGY AND GOVERNANCE

2.1 VISION, MISSION AND FUNDAMENTAL VALUES

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

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

Fundamental values:

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

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

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

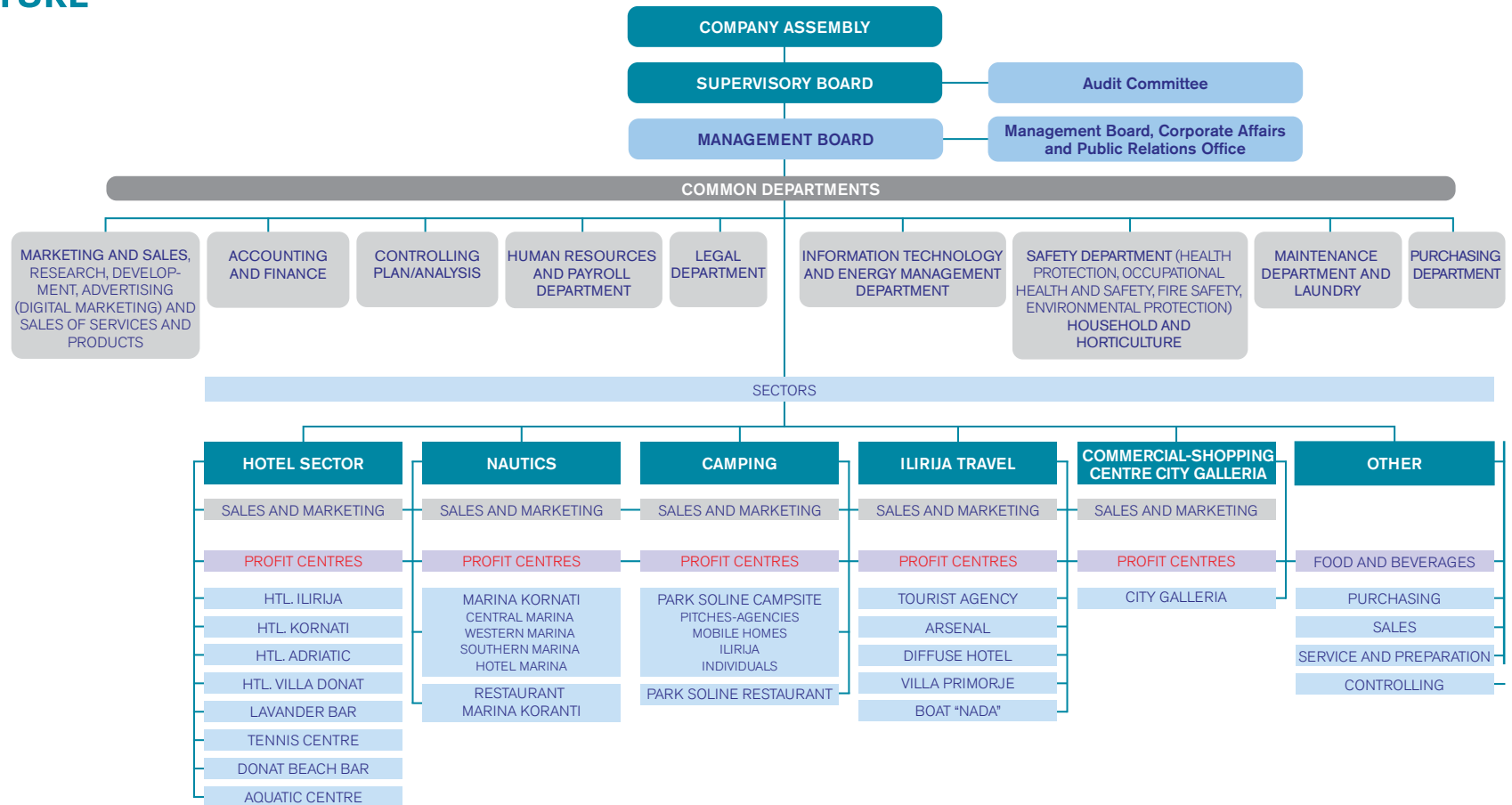
Sustainability and responsibility – in business, investment, relationship with its employees, business partners, clients (guests), local, regional and regional community, shareholders and day-to-day operations by integrating the economic, social aspects and environmental protection aspects into decision-making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

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

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



2.2 ORGANIZATIONAL STRUCTURE



2.3 RISKS AND RISK MANAGEMENT

The Company assesses 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 risks for the Company;
- 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. Also, the negative

aspects of exchange rate differences for loans taken out in euros will no longer pose a 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 challenging business environment caused by an 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 minimize and optimize 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 significant and unpredictable growth of strong inflationary pressures 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), led to geopolitical instability and to 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 average annual inflation rate, measured by the Consumer Price Index, in September 2023 was 6.7% higher compared to September 2022. The Company is mostly exposed to inflationary pressures through the increase in food and beverage prices and the purchase of other goods. As for the increase in energy costs (primarily the cost of electricity as the primary energy product), the Company managed to protect itself from significant increases in electricity prices in time, namely with a multi-year contract, which mitigated the impact of the increase in electricity prices on total operating costs. The very intense increase in food and beverage costs constitutes a strong generator of inflation growth and at the same time accounts for a significant share of the operating expenses and significantly affects the prices of services in the hospitality and tourism industry. Therefore, by actively monitoring food and beverage prices and cooperating with key suppliers, the Company strives to minimize such prices as much as possible, i.e. ensure stability and security of the supply along with the highest possible procurement cost control. On the other hand, through dynamic daily management of accommodation unit prices, it aims to achieve the maximum level of competitiveness possible, as well as intense and systematic demand monitoring, and a quick and strong response to market trends, while at the same time striving for a timely response to potentially negative challenges and impacts such as inflation.

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

2 Regulatory risks:

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

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

Tourism land – unresolved issue

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

in camp-sites that were not evaluated and entered into the value of social capital in the transformation and privatization process (so called Parts of 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.

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 (hereinafter: ZPDML) on 17 October 2017 the Company submitted to the Government of the Republic of Croatia, through the competent Ministry of the Sea, Transport and Infrastructure of the Republic of Croatia, an application 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 re-

cent 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. The mentioned application is yet to be decided on. 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 system, needs to establish whether the decision on the concession or the agreement related to it may be changed without conducting a new procedure for granting the conces-

sion, in order not to violate the principle of market competition with other concessionaires in the Republic of Croatia.

As regards the Ilirija-Kornati Hotel Port in Biograd na Moru, the Company delivered to the Republic of Croatia (Zadar County) on 19 January 2011 a request with detailed explanations for an extension of the concession licence validity for a period of 20 years, but the competent authority of the regional self-government unit has not reached a decision on this Request by Ilirija d.d. Furthermore and with regard to the above, in February 2015, the Company once again, pursuant to Article 22 of the Maritime Domain and Seaports Act (new investment), submitted a request to the Zadar County regarding an extension of the concession licence validity for the Ilirija-Kornati Hotel Port, for a period of 30 years in total, but a decision has not been made regarding this request by Ilirija d.d.

As regards a beach facility with an outdoor swimming pool in Biograd na Moru, the Company submitted to the concession licence grantor, Zadar County, a request for an extension of the concession licence validity for a total of 30 years (until 2028) with all the necessary documentation, back on 20 October 2008 (before the expiry of the concession licence). 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 affect on complex matters in the area of legal investments in the maritime domain before and after the conversion, evaluation and entering in the share capital of former social enterprises, as well as on acquired legal and legitimate expectations of companies who perform legal activities in maritime domains.

3 Tourism activity risks

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

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

(i) the unresolved issue of ownership since the moment of conversion, that is, property-legal, physical planning-urban and economic use and utilization of the construction tourism land in campsites and around hotels,

(II) inadequately resolved or unresolved issue of conversion on the maritime domain, i.e. issues regarding acquired rights, legitimate investments and legitimate expectations in the maritime domain, having in mind, in particular, the contracted permanent right of use of the maritime domain, while companies which took part in the conversion process, as is the case with our Company, carry out economic activity on the maritime domain, contrary to the provisions of Article 49 and Article 50 of the Constitution,

(III) VAT rate on services in tourism and hotel industry is much higher than in competitive countries, which consequently makes Croatian tourism less competitive, hinders and slows down further investments both in the construction of new accommodation facilities and in improvement of the existing services and standards, affects new employment and salaries in tourism and hospitality,

(IV) insurmountable obstacles regarding existing bureaucracy, administrative barriers, frequent changes of regulations,

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

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

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

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

(IX) skilled labour shortages were significantly pronounced in 2022 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 rec-

ognized 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 global COVID-19 pandemic, which has had an extremely negative impact on business entities in almost all industries, albeit the most severely affected ones are certainly the travel industry, tourism and hospitality, all of which form an integral part of the Company's core business. 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 Com-

pany 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, the share of which additionally increased in the last two years due to the global COVID-19 pandemic and a lack of tourism turnover from remote markets (America, Asia). This turnover could be significantly reduced in case the Russian-Ukrainian crisis, that is, the war, spreads across Ukrainian borders and causes major 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 recognized as climate impact risks requiring an interdisciplinary approach and management. Although the Company's activities are still not covered by the Taxonomy Regulation because these are low-carbon activities or activities that do not cause significant pollution, 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 recognized 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 poten-

tial 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 environment, and it undertakes a number of activities aimed at preserving its core business objectives (economic viability and security, financial stability, preservation of the Company's fixed assets and capital, and preservation of the Company's business operations and activities), as it did in previous years, namely based on: (I) commercial resilience – based on the Company's ability to

quickly and efficiently adapt to the current market circumstances of doing business by adjusting its marketing and sales activities in all Company sectors, (II) operational resilience – based on the ability to adjust operational business processes to the current circumstances whilst maintaining maximum service and amenity quality and minimising possible negative effects, and (III) financial resilience – based on the Company's ability to maintain financial stability of the business system by maintaining liquidity, assets and business activity through the realisation of revenue ensuring the Company's business stability until key global and macroeconomic uncertainty factors end.

3 BUSINESS CAPACITIES OF THE COMPANY AND ADDITIONAL FACILITIES

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





3.1 HOTEL SECTOR

Hotel sector capacity consists of 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 (hotel Villa Donat***/****), mainly classified as four star hotels.

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

As part of Ilirija Resort there is a conference center that consists of 8 halls with a total capacity to accommodate 30 to 250 persons, and there is also a magnificent garden with terraces ideal for banquets, receptions and entertainment, outdoor swimming pools, beach and from May 2018, an indoor swimming pool.

ILIRIJA RESORT – HOTEL & VILLAS

Hotel Ilirija the largest hotel in Ilirija Resort classified as a four-star hotel, with a capacity of 157 rooms and 326 beds, and includes a restaurant with 200 seats, a terrace with 70 and aperitif bar with 50 seats. It is located the along the coast, close to the old town, surrounded by magnificent nature, sea and pinewood, as well as many amenities.

Hotel Kornati classified as a four star hotel, with the capacity of 106 rooms and 230 beds, a restaurant with the capacity for 220 persons, a terrace for 50 persons and a bar for 40 persons, by its design and atmosphere is linked to and associated with the most beautiful Croatian national park – Kornati. Kornati Hotel is a unique for its connection with the Nautical tourism port Hotel port Ilirija - Kornati, which is located in the very center of Biograd with a beach right next to the hotel.

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

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





3.2 NAUTICAL SECTOR

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

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

Marina Kornati has received numerous awards, notably the Special Award as part of "XVI Tourism Flower - Quality for Croatia 2012", organised by the Croatian Chamber of Commerce and the Croatian Radio and Television, as the best marina in the category 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 "Large Marina" category. 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, organised by the Croatian Chamber of Commerce and Croatian Radiotelevision, it ranked 2nd in the "Large Marina" category. The nautical patrol of the Jutarnji list newspaper awarded Marina Kornati a special recognition for its outstanding contribution to the organisation and success of the nautical patrol, and in 2021, it awarded the marina a recognition for its outstanding contribution to the development of the nautical tourism during the COVID-19 pandemic.

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 24 years in a row.



3.3 CAMPSITE "PARK SOLINE"

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" campsite 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 campsite 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 2022 amounted to approximately EUR 30 million and owing to these investments the number of overnight stays increased from 4,556 in 1996 to 312,057 in 2022. The value of own investments 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 amounts to approximately EUR 40 million.



Ilija d.d.

3.4 ILIRIJA TRAVEL

Ilirija Travel – destination management company:

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

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

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

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

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

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

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



3.5 HOSPITALITY

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

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

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

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



3.6 ADDITIONAL AMENITIES

Manifestations: Biograd Boat Show is 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 organized 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 organize 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 organized 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, Turkey, 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 centers, 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. From its early beginnings the event has brought together all representatives of the nautical industry and tourism, government institutions, major organizations in tourism and nautics as well as professional associations.

Thanks to the partnership with all relevant entities, the Biograd Boat Show has united "4 fairs in one", namely the Biograd Boat Show (an exhibition fair), Days of Croatian Nautics (a congress fair), Croatia Charter Expo (a leading charter fair), and Biograd B2B (a business fair), thus profiling itself as a national congress of the Croatian nautical industry and tourism.

In 2022, the fair (which marked its twenty-fourth anniversary) was attended by over 300 registered exhibitors, with 300 vessels at sea and on land and over 40 premier vessels, while over 100 registered charter companies, agencies and brokers actively participated in the charter fair with over 400 accredited participants.

Sports facilities:

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





3.7 CITY GALLERIA BUSINESS AND SHOPPING CENTER

City Galleria Business and Shopping Center 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, 9,464.72 m² of net rentable area, as well as ancillary rooms and corridors. As at 30 September 2023, the occupancy of the centre amounted to 95,62% 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, specialized shops, clothing and electronics stores, service amenities, restaurant facilities, 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 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.

4 KEY PHYSICAL PERFORMANCE INDICATORS OF THE COMPANY

In the nine months of 2023, the Company continued its uninterrupted growth and strengthening its business activities across all sectors in key physical performance indicators, at the same time generating a significant increase in financial indicators, i.e. operating revenue. The business year was marked by further strengthening of the tourist demand, especially in the hotel sector, which considerably contributed to the overall operating results of the Company through an increase in the volume of business activities in all three quarters of the business year compared to the same period of the previous year and were further strengthened by the continuous growth of business activities of other sectors. Therefore, the achieved financial operating results, generated through the increase of business activities at the level of the hotel, camping and nautical sectors, with a simultaneous increase in activities in the real-estate sector and the destination management company Ilirija Travel, resulted in the best operating results of the Company so far, ending with the third quarter of the business year.

A strong double-digit increase of key physical performance indicators in the hotel sector, whereby the 31,324 arrivals and 106,549 overnight stays realised represents an increase of 42% in arrivals and 19% in overnight stays compared to the same period in 2022, resulted in the best financial results of the hotel sector so far.

In the nine months of the current business year, revenue in the amount of EUR 8,203,418.94 was generated, including the revenue of the profit centres operating within the hotel sector, which is an increase of 30.73% compared to the same period of the previous year, when total revenue amounted to EUR 6,274,921.88. As a result, revenue per room increased by 10.10%, amounting to EUR 160.08 in the reporting periods, which partially also resulted from the more significant strengthening of individual sales channels and direct booking. Taking into consideration the significantly earlier opening of facilities and the strengthening of activities in the pre-season, which was more or less absent in the previous year, the occupancy of hotel capacities also increased to 43.15%, while the number of days of occupancy increased from 99 days to 118 days.

The reporting period of the camping sector, i.e. the "Park Soline" campsite, was marked by continuous growth of tourist demand, resulting in the increase of both physical and financial performance results, that is, in the best overall operating results of the camping sector in the accommodation segment. Having recorded 49,228 arrivals with a growth rate of 10.48%, 325,881 overnight stays were achieved or 5.20% more compared to the same period of the previous business year. Moreover, the occupancy of campsite accommodation units based on availability

amounts to 62.50% compared to 55.37% in the same period of the previous year, which is an increase of 12.88%, while at the same time 114.37 occupancy days were realised compared to 101.33 days in the previous year. An increase of physical indicators generated a revenue in the amount of EUR 6,682,019.08 in most market segments, which in comparison to the same period in 2022, when the revenue amounted to EUR 5,927,495.94, saw a 13% increase, and they also grew in all market segments at rates of at least 4% to a maximum of 26%.

In the reporting period, the accommodation segment of the nautical sector, i.e. Marina Kornati, continued increasing its financial operating results generated through the growth of the key market indicator, i.e. vessels at contractual berth. The best operating results so far were achieved in the area of revenue, amounting to EUR 6,689,342.00 and are 14% higher in the reporting period compared to the same period of the previous year as a result of an increase in revenue of all key segments of Marina Kornati. Vessels at contracted berths, as the most significant business line of Marina Kornati, with 732 concluded contracts for individual and charter vessels, achieved a 2% increase compared to the same period of 2022, when contracts were concluded for 716 vessels. Revenue from contracted berths amounting to EUR 5,061,519.00 is 15% higher compared

to the same period of the previous year, constituting 73% of the revenue of the marina and generating in most part the increase of revenue of the entire Marina Kornati. In the daily berths segment, i.e. arrival and overnight stays of vessels in transit, 2,929 arrivals and 7,446 overnight stays of vessels were realised, which is less than in the same period of the previous year, having a considerable impact on their extended stay at the sea. Despite the lack of growth in physical performance indicators in the transit berth segment, this did not affect the revenue, which amounted to EUR 415,610.00 with a growth rate of 14%. Moreover, the port service grew by 1% in physical indicators with 3,198 performed operations, i.e. 4% in revenue, while other segments of Marina Kornati continued their uninterrupted growth in the area of revenue, including the nautical fair and manifestations, parking and business cooperation revenue.

In the first months of 2023, 175 events were held through the system of the destination management company Ilirija Travel, as an integrated and complementary product, with 17,518 participating visitors and a generated revenue of EUR 1,237,849.21, including the revenue in other profit centres of the Company, which is a 1% increase compared to EUR 1,226,891.34 of revenue from the same period in 2022. Although the physical indicators are lower (number of events and

number of persons), the revenue has increased since the average number of persons per event increased and higher-value events were realised with additional services, which compensated for the lack of growth of physical indicators.

The key market indicator in the real estate sector (through the City Galleria Business and Shopping Centre) continued increasing, as did the revenue. In the reporting period, with a high rate of capacity occupancy of 95.62% and a strong increase in all revenue items, revenue was generated in the amount of EUR 1,559,252.88, representing a 16% increase.

4.1. HOTEL SECTOR

After last year's lifting of the pandemic countermeasures, resulting in a significant growth of the hotel sector after two years, in the first nine months of 2023 the sector operated without restrictions, which reflected on the general operations and especially the strengthening of the pre-season. This is also evidenced by the physical and financial performance indicators. In such conditions, out of the four hotels, the largest hotel operated constantly, and all three hotels in Biograd na Moru (Ilirija, Kornati and Adriatic) were open from the end of March / beginning of April, while Villa Donat Hotel in Sveti Filip i Jakov opened on 1 July, thus approaching the pre-pandemic numbers of the days of availability.

Operating and financial results in the reporting period significantly improved compared to the same period of the previous year, when the hotel sector recorded 22,044 guests and 89,496 overnight stays, representing an increase of 42% in arrivals and 19% in overnight stays, i.e. there were 31,324 guest arrivals and 106,549 overnight stays. This should also be attributed to the previous, significantly larger decline in the hotel sector, both in the country and in our Company due to the pandemic. Although the physical turnover from the record year 2019 was not yet reached, the shortfall in overnight stays was compensated by successful revenue results compared to the same period in previous years. Thanks to the above results, the board revenue of the hotel sector increased by 31.48%, i.e. from EUR 5,795,825.54 in the nine months of 2022 to current EUR 7,620,083.73. This also surpassed the annual turnover of the hotel

sector of last year by 17.64%. The total revenue of the hotel sector, including the revenue of other profit centres operating within the hotel sector, amount to EUR 8,203,418.94 and are 30.73% higher compared to the same period of the previous year when they amounted to EUR 6,274,921.88.

Significant achievements in increasing the revenue by means of individual sales channels should also be noted, especially by means of online and direct bookings, as well as walk-in guests, more notable during peak season, when the number of overnight stays is the highest. Thus, the average revenue per room increased from EUR 134.30 to EUR 148.70, which is significantly higher than EUR 107.31 recorded in 2019.

After a significant change in the structure of sales channels during the pandemic and nine months in 2022, when a more balanced relationship between the sales channels was achieved, we recorded further strong growth of individual direct sales, with a decline in the allotment segment. 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 leisure, as well as business travel, conferences and similar events. The individual placement thus exceeded half of all sales channels (50.4%) compared to 34.2% in the previous year, followed by sales to groups with 31.6%, while the allotment was almost halved to 15%, and the fixed lease (3%) remained at a symbolic level.

As in previous years, domestic guests made up the most significant share in the hotel sector with 24.53%, and the large growth of 29% should be attributed to a significantly longer pre-season and the continued return of groups. We recorded a 10% decline in our second most important market - Slovenia, a slight decline of 3% in the German market, growth of 7% for Austria, a decline of 6% for Slovakia, but also the opening and strengthening of a number of other previously under-represented markets such as the markets of Bosnia and Herzegovina, France, the Netherlands and the USA, with an exceptional return of the South Korean market.

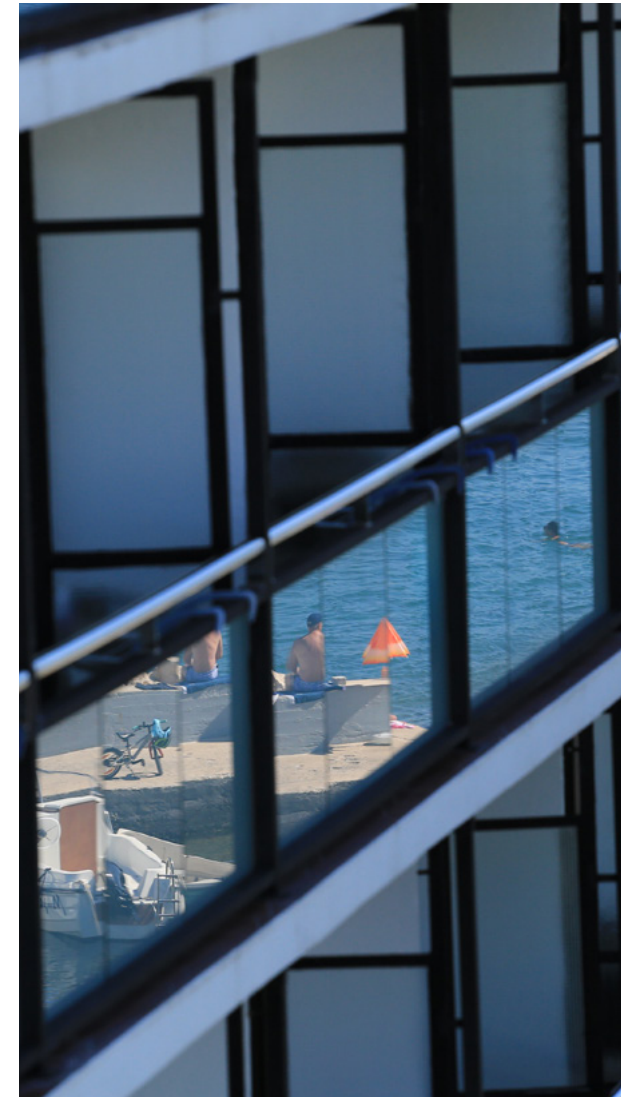
Market share in the nine months of 2023 – the Croatian market is close to reaching a quarter of all overnight stays, Slovenia and Germany have a share of 10.3% and 10.1%, respectively, Austria is at 8.64%, and the previously mentioned countries recording significant growth such as Bosnia and Herzegovina, France, and the Netherlands are now at 4.9% and 3.5% and 3.4% of all overnight stays, respectively. The fact that the first 10 countries cover 70% of overnight stays represents the dispersion of risk by opening turnover with a large number of markets, including the long-haul, i.e. intercontinental markets.

In proportion to the distribution of (un)availability of facilities and capacities, the Ilirija Hotel facility no longer dominates to the same extent in overnight stays, although it is still high at 44%, while the Kornati and Adri-

atic hotels are at 24% and 22%, respectively, and Villa Donat Hotel is currently at a 10% share. This places the hotel occupancy at 32% on average, but at 61% according to the days of availability, and the number of days of occupancy increased from 99 to 118.

The average number of guest stays was 3.40 days, decreasing from 4.06 days last year in the same period. The reason for this decrease are more intense activities in the pre-season with the usual shorter stays and arrival of more groups than usually in this period, which confirms the average days of stay per facility, i.e. the number is lower in the Ilirija and Kornati hotels (3.12 and 3.15 respectively), which were also opened in the post-season. The monthly average occupancy of all four hotels was 43.15%, while 91.03% was achieved in August and 83.54% in July, whereas September was at 72.74%.

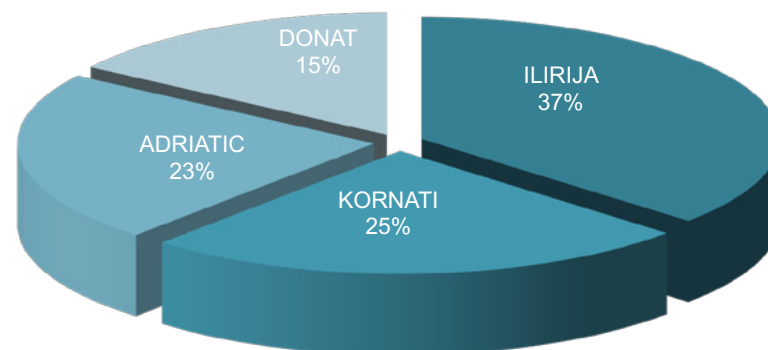
In the upcoming period, i.e. the last quarter of the business year, the Company expects the growth trend in the hotel sector to continue in relation to the previous year.



Hotel sector capacities

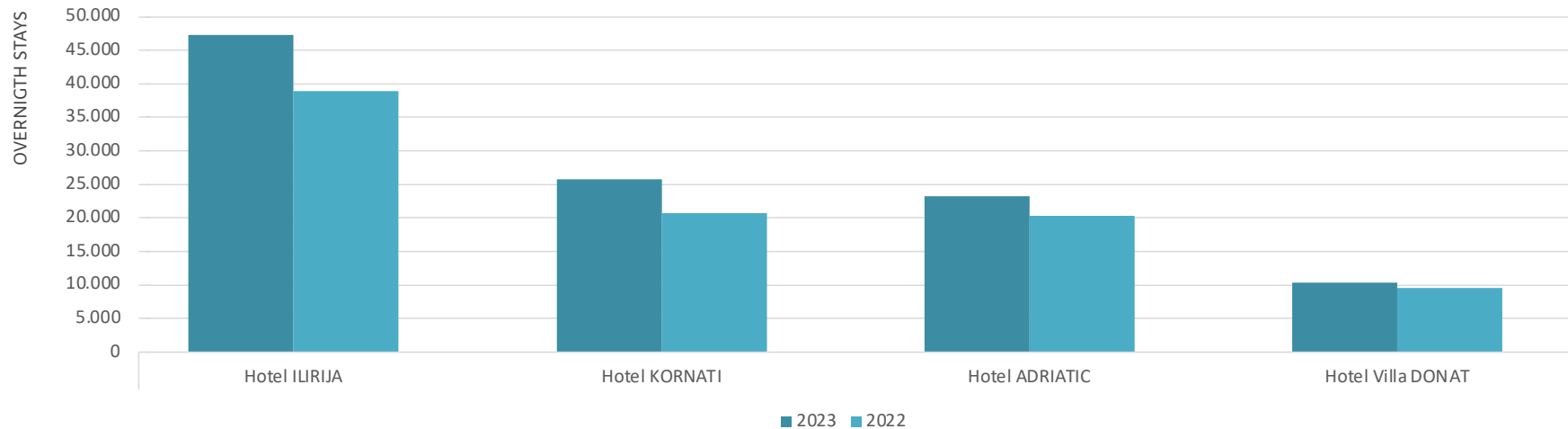
ILIRIJA D.D.	NUMBER OF ROOMS			NUMBER OF BEDS		
	2023	2022	INDEX 2023/2022	2023	2022	INDEX 2023/2022
ILIRIJA	157	157	1,00	326	326	1,00
KORNATI	106	106	1,00	230	230	1,00
ADRIATIC	100	100	1,00	210	210	1,00
DONAT	72	72	1,00	144	144	1,00
TOTAL	435	435	1,00	910	910	1,00

% Share of individual hotel (number of beds)

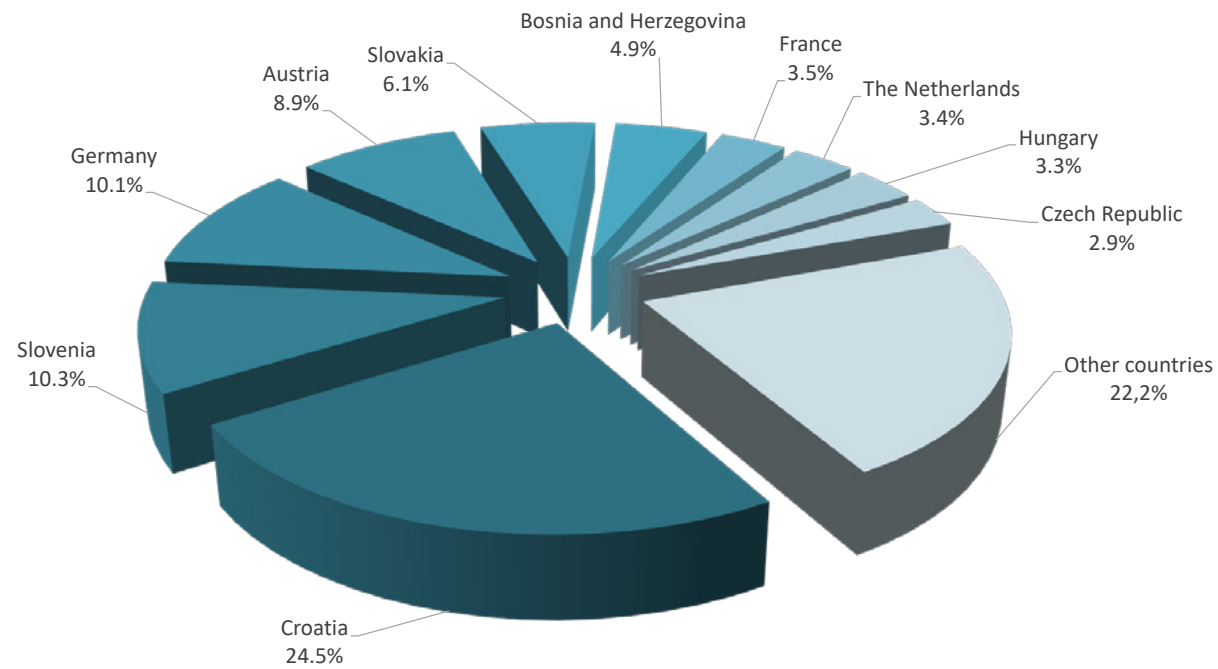


Overview and comparison of realised arrivals and overnight stays from 01/01/2023 to 30/09/2023 with the same period in 2022

HOTEL SECTOR						
PROFIT CENTER	ARRIVALS		INDEX	OVERNIGHT STAYS		INDEX
	2023	2022	2023/2022	2023	2022	2023/2022
Hotel ILIRIJA	15.156	10.050	151	47.300	38.903	122
Hotel KORNATI	8.186	5.907	139	25.750	20.669	125
Hotel ADRIATIC	5.572	4.144	134	23.192	20.329	114
Hotel Villa DONAT	2.410	1.943	124	10.307	9.595	107
TOTAL	31.324	22.044	142	106.549	89.496	119



Graph of realised overnight stays by outbound markets for the period from 01/01/2023 to 30/09/2023



Occupancy rate for the period from 01/01/2023 to 30/09/2023 and a comparison with the same period in 2022

Percentage share

MONTH	ILIRIJA					KORNATI					ADRIATIC					DONAT					GRAND TOTAL				
	Room total	2023	%	2022	%	Room total	2023	%	2022	%	Room total	2023	%	2022	%	Room total	2023	%	2022	%	Room total	2023	%	2022	%
JANUARY (I)	4.867	333	6,84%	107	2,20%	3.286	253	7,70%	226	6,88%	3.100	55	1,77%	0	0,00%	2.232	0	0,00%	0	0,00%	13.485	641	4,75%	333	2,47%
FEBRUARY (II)	4.396	0	0,00%	0	0,00%	2.968	344	11,59%	250	8,42%	2.800	0	0,00%	0	0,00%	2.016	0	0,00%	0	0,00%	12.180	344	2,82%	250	2,05%
MARCH (III)	4.867	1.266	26,01%	532	10,93%	3.286	39	1,19%	16	0,49%	3.100	0	0,00%	0	0,00%	2.232	0	0,00%	0	0,00%	13.485	1.305	9,68%	548	4,06%
APRIL (IV)	4.710	2.938	62,38%	2.393	50,81%	3.180	948	29,81%	467	14,69%	3.000	31	1,03%	0	0,00%	2.160	0	0,00%	0	0,00%	13.050	3.917	30,02%	2.860	21,92%
MAY (V)	4.867	2.572	52,85%	2.160	44,38%	3.286	1.369	41,66%	1.249	38,01%	3.100	1.244	40,13%	511	16,48%	2.232	0	0,00%	71	3,18%	13.485	5.185	38,45%	3.991	29,60%
JUNE (VI)	4.710	3.432	72,87%	2.517	53,44%	3.180	1.880	59,12%	1.230	38,68%	3.000	1.508	50,27%	1.253	41,77%	2.160	0	0,00%	515	23,84%	13.050	6.820	52,26%	5.515	42,26%
JULY (VII)	4.867	4.179	85,86%	3.489	71,69%	3.286	2.747	83,60%	2.227	67,77%	3.100	2.650	85,48%	2.484	80,13%	2.232	1.689	75,67%	1.425	63,84%	13.485	11.265	83,54%	9.625	71,38%
AUGUST (VIII)	4.867	4.380	89,99%	4.058	83,38%	3.286	2.913	88,65%	2.358	71,76%	3.100	2.915	94,03%	2.783	89,77%	2.232	2.068	92,65%	1.675	75,04%	13.485	12.276	91,03%	10.874	80,64%
SEPTEMBER (IX)	4.710	3.491	74,12%	3.438	72,99%	3.180	2.544	80,00%	2.423	76,19%	3.000	2.010	67,00%	2.094	69,80%	2.160	1.447	66,99%	1.204	55,74%	13.050	9.492	72,74%	9.159	70,18%
TOTAL	42.861	22.591	52,71%	18.694	43,62%	28.938	13.037	45,05%	10.446	36,10%	27.300	10.413	38,14%	9.125	33,42%	19.656	5.204	26,48%	4.890	24,88%	118.755	51.245	43,15%	43.155	36,34%

Occupancy days

MONTH	ILIRIJA					KORNATI					ADRIATIC					DONAT					GRAND TOTAL				
	Room total	2023	Days in 2023	2022	Days in 2022	Room total	2023	Days in 2023	2022	Days in 2022	Room total	2023	Days in 2023	2022	Days in 2022	Room total	2023	Days in 2023	2022	Days in 2022	Room total	2023	Days in 2023	2022	Days in 2022
JANUARY (I)	4.867	333	2	107	1	3.286	253	2	226	2	3.100	55	1	0	0	2.232	0	0	0	0	13.485	641	1	333	1
FEBRUARY (II)	4.396	0	0	0	0	2.968	344	3	250	2	2.800	0	0	0	0	2.016	0	0	0	0	12.180	344	1	250	1
MARCH (III)	4.867	1.266	8	532	3	3.286	39	0	16	0	3.100	0	0	0	0	2.232	0	0	0	0	13.485	1.305	3	548	1
APRIL (IV)	4.710	2.938	19	2.393	15	3.180	948	9	467	4	3.000	31	0	0	0	2.160	0	0	0	0	13.050	3.917	9	2.860	7
MAY (V)	4.867	2.572	16	2.160	14	3.286	1.369	13	1.249	12	3.100	1.244	12	511	5	2.232	0	0	71	1	13.485	5.185	12	3.991	9
JUNE (VI)	4.710	3.432	22	2.517	16	3.180	1.880	18	1.230	12	3.000	1.508	15	1.253	13	2.160	0	0	515	7	13.050	6.820	16	5.515	13
JULY (VII)	4.867	4.179	27	3.489	22	3.286	2.747	26	2.227	21	3.100	2.650	27	2.484	25	2.232	1.689	23	1.425	20	13.485	11.265	26	9.625	22
AUGUST (VIII)	4.867	4.380	28	4.058	26	3.286	2.913	27	2.358	22	3.100	2.915	29	2.783	28	2.232	2.068	29	1.675	23	13.485	12.276	28	10.874	25
SEPTEMBER (IX)	4.710	3.491	22	3.438	22	3.180	2.544	24	2.423	23	3.000	2.010	20	2.094	21	2.160	1.447	20	1.204	17	13.050	9.492	22	9.159	21
TOTAL	42.861	22.591	144	18.694	119	28.938	13.037	123	10.446	99	27.300	10.413	104	9.125	91	19.656	5.204	72	4.890	68	118.755	51.245	118	43.155	99

Monthly comparison of revenue/overnight stays of Ilirija Resort hotels for the period from 01/01/2023 to 30/09/2023 and a comparison with the same period in 2022

MONTH	GENERATED REVENUES			OVERNIGHT STAYS			AVERAGE PRICE (EUR)		
	2023	2022	INDEX 2023/2022	2023	2022	INDEX 2023/2022	2023	2022	INDEX 2023/2022
JANUARY	157.466,87	81.186,18	193,96	1.027	559	183,72	153,33	145,23	105,57
FEBRUARY	42.029,48	21.659,45	194,05	544	430	126,51	77,26	50,37	153,38
MARCH	145.561,19	44.341,48	328,27	2.476	937	264,25	58,79	47,32	124,23
APRIL	370.845,42	196.454,94	188,77	7.419	5.597	132,55	49,99	35,10	142,41
MAY	574.451,97	392.268,96	146,44	9.048	6.466	139,93	63,49	60,67	104,65
JUNE	882.651,20	635.418,78	138,91	13.024	10.867	119,85	67,77	58,47	115,90
JULY	1.885.976,52	1.491.435,65	126,45	27.132	23.184	117,03	69,51	64,33	108,05
AUGUST	2.261.789,96	1.992.069,06	113,54	28.712	26.239	109,42	78,78	75,92	103,76
SEPTEMBER	1.299.311,12	940.991,04	138,08	17.167	15.217	112,81	75,69	61,84	122,39
OCTOBER	0,00	427.738,96	0,00	0	6.772	0,00	#DIV/0!	63,16	#DIV/0!
NOVEMBER	0,00	168.684,99	0,00	0	2.336	0,00	#DIV/0!	72,21	#DIV/0!
DECEMBER	0,00	85.483,88	0,00	0	1.947	0,00	#DIV/0!	43,91	#DIV/0!
TOTAL	7.620.083,73	6.477.733,37	117,64	106.549	100.551	105,97	71,52	64,42	111,01
30/09	7.620.083,73	5.795.825,54	131,48	106.549	89.496	119,05	71,52	64,76	110,43

Revenue per sold room by 30/09/23 - hotels	148,70 €
Revenue per sold room by 30/09/22 - hotels	134,30 €

Revenue per sold room - 2023 - hotel sector	160,08 €
Revenue per sold room - 2022 - hotel sector	145,40 €

Selected profit centers within the hotel sector

Lavender	2023	2022	INDEX 2023/2022
31/12		164.500,69	
30/09	171.932,61	153.366,98	112,11

Aquatic center	2023	2022	INDEX 2023/2022
31/12		251.483,50	
30/09	333.080,04	250.667,61	132,88

Tennis center	2023	2022	INDEX 2023/2022
31/12		75.907,30	
30/09	69.561,56	68.160,16	102,06

Beach bar "Donat"	2023	2022	INDEX 2023/2022
31/12		8.440,73	
30/09	8.761,00	6.901,59	126,94

Hotel sector total

TOTAL	2023	2022	INDEX 2023/2022
31/12		6.978.065,59	
30/09	8.203.418,94	6.274.921,88	130,73

REVENUE BY ACTIVITIES

Hotel service revenue amounts to EUR 7,620,083.73 and is 31.48% higher than in the same period in 2022.

Other revenue of the hotel sector including the revenue realised in selected profit centres, was generated in the amount of EUR 583,335.21, which is an average increase by 29%.

The total revenue of the hotel sector amounts to EUR 8,203,418.94 and is 30.73% higher compared to the same period of the previous year.

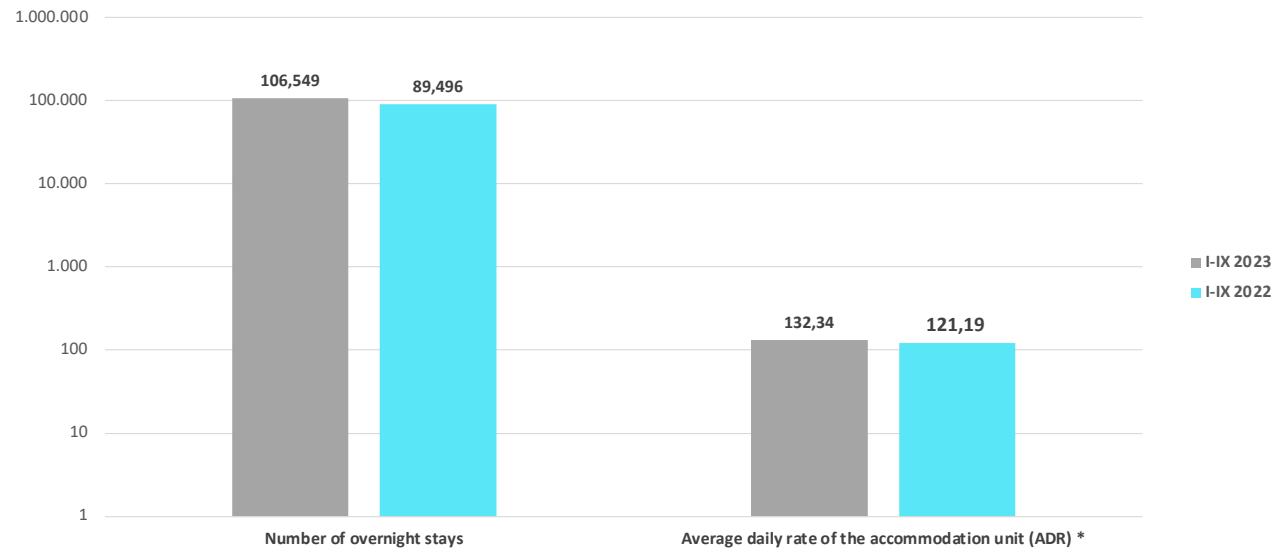


Summary of key market indicators of the hotel sector

The hotel sector of the Company generated a revenue of EUR 8,203,418.94, marking an increase of 30.73% compared to the revenue of EUR 6,274,921.88 in the same period of 2022, as a result of a considerable increase in key physical and market performance indicators. Thus, compared to the nine months of 2022, the number of overnight stays increased by 19.05%, and the occupan-

cy of accommodation units increased by 18.75% in 2023. At the same time, the average price increased by 9.20% compared to the same period of 2022, while the revenue per accommodation unit based on availability increased by 29.67% compared to the same period of the previous business year.

Number of overnight stays and average daily rate of the accommodation unit (ADR) in the hotels of Ilirija d.d. in the period I-IX 2023 I-IX 2022



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

Key market indicators of the hotel sector of Ilirija d.d.

	I-IX 2023	I-IX 2022	2023/2022
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	96.242	79.901	20,45%
Number of accommodation units sold	46.041	38.265	20,32%
The occupancy of accommodation units based on a total number of days in a period (%)	46,46%	38,61%	20,32%
Occupancy rate of the accommodation units on an open days basis (%)	60,59%	60,35%	0,39%
Financial results (in EUR):			
Average daily rate of the accommodation unit (ADR) *	134,96	124,18	8,68%
Revenue per accommodation unit (RevPAR) on a total number of days basis in period **	62,70	47,95	30,77%
Revenue per accommodation unit (RevPAR) on an open days basis **	81,77	74,94	9,11%
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	10.307	9.595	7,42%
Number of accommodation units sold	5.204	4.890	6,42%
The occupancy of accommodation units based on a total number of days in a period (%)	26,48%	24,88%	6,42%
Occupancy rate of the accommodation units on an open days basis (%)	78,56%	64,68%	21,46%
Financial results (in EUR):			
Average daily rate of the accommodation unit (ADR) *	109,08	97,76	11,58%
Revenue per accommodation unit (RevPAR) on a total number of days basis in period **	28,88	24,32	18,74%
Revenue per accommodation unit (RevPAR) on an open days basis **	85,70	63,24	35,52%
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	106.549	89.496	19,05%
Number of accommodation units sold	51.245	43.155	18,75%
The occupancy of accommodation units based on a total number of days in a period (%)	43,15%	36,34%	18,75%
Occupancy rate of the accommodation units on an open days basis (%)	62,03%	60,74%	2,12%
Financial results (in EUR):			
Average daily rate of the accommodation unit (ADR) *	132,34	121,19	9,20%
Revenue per accommodation unit (RevPAR) on a total number of days basis in period **	57,11	44,04	29,67%
Revenue per accommodation unit (RevPAR) on an open days basis **	82,08	73,61	11,51%

Notes:

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

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

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

4.2 NAUTICAL SECTOR - MARINA KORNATI

In the nine months of 2023, Marina Kornati achieved the best financial operating results to date, generating revenue in the amount of EUR 6,689,342.00, i.e. 14% higher compared to the same period in 2022 when revenue amounted to EUR 5,886,319.00. Revenue growth in the reporting period was achieved in key revenue items, i.e. revenue from contractual berths in the amount of EUR 5,061,519.00 increased by 15% compared to the same period in 2022, when they amounted to EUR 4,410,968.00, while daily berth revenue grew by 14% from EUR 364,440.00 in the same period of the previous year to EUR 415,610.00 in the reporting period. Port service revenue generated in the amount of EUR 375,863.00 grew by 4%, while parking revenue was EUR 406,352.00 and grew by 22%. Revenue from business cooperation generated in the amount of EUR 390,084.00 increased by 13%. Under the item concerning the nautical fair and events, there was a significant revenue growth at the rate of 34%, amounting to revenue of EUR 287,372,00. The only decrease in revenue was recorded in the item concerning other revenue due to the decline in revenue of other services that are included in the group other revenue, which accounts for only 1% of the total revenue of Marina Kornati, making its decline negligible.

The achievements of Marina Kornati are partly the result of adjusting the price list as well as improved organization of business activities and operational processes, which has resulted in the preservation and stability of existing business activities and their further growth, especially in terms of key physical performance indicators, i.e. contracted berths.

Marina Kornati performed business activities in the following segments:

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

In the nine months of 2023, in the part of the vessels at contracted berths, the most significant physical performance indicators of Marina Kornati, a total of 732 contracts on the use of berths were concluded, of which 417 for individual vessels and 315 for charter vessels, which is an increase of 2% compared to the same period of the previous year when 716 berths were contracted. The most significant growth was achieved in the part of charter vessels which grew by 5%, while the number of indi-



vidual vessels at contracted berths remained at the same level. This significantly affected the generated contracted berth revenue, which amounted to EUR 5,061,519.00 and is higher by 15%, accounting for 73% of the total revenue of Marina Kornati. Other than being a result of the increase in the price of individual vessels, the revenue growth is partly due to the better organization of the port, where the technical and operational sector coordinates berths with the aim of utilising them to the fullest extent.

In the segment of transit vessels, there were 2,929 arrivals of transit vessels in the reporting period

of 2023, which is at the same level as the corresponding period of the previous business year. At the same time, there were 7,446 overnight stays of transit vessels, with that number being 8,467 in the same period of 2022, i.e. 12% higher, due to the fact that the 2023 season had extremely favourable weather conditions, which significantly affects the number of transit overnight stays in the marina. Consequently, in the reporting period, the average number of overnight stays of vessels was lower, where one sailed transit vessel achieves an average of 2.54 overnight stays per arrival, while the average in the nine months of 2022 was 2.83 overnight stays. In the reporting period, 3,198 port

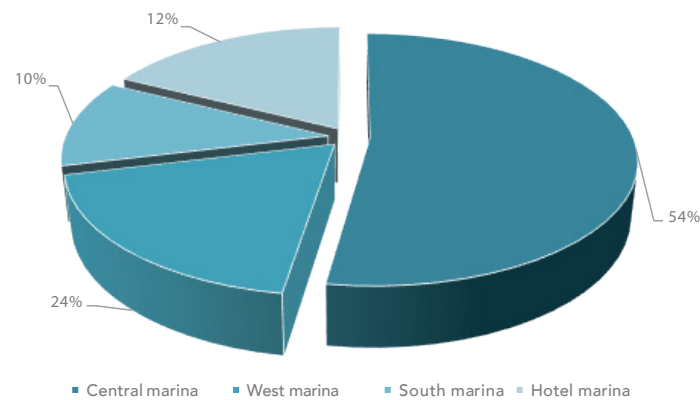
service operations were carried out (vessel lifting, lowering and washing), representing an increase by 1% compared to the same period in 2022, when 3,167 port service operations were carried out.

In the first nine months of the business year, the operating results of Marina Kornati maintained continuous growth, primarily financial, accompanied and generated by the growth of key physical indicators, i.e. contracted berth vessels, which maintained the stability and growth of business activities from the first half of the business year with the expected further increase in activities in the last quarter of the business year.

Marina Kornati capacities

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

% Share of individual marina (number of berths)



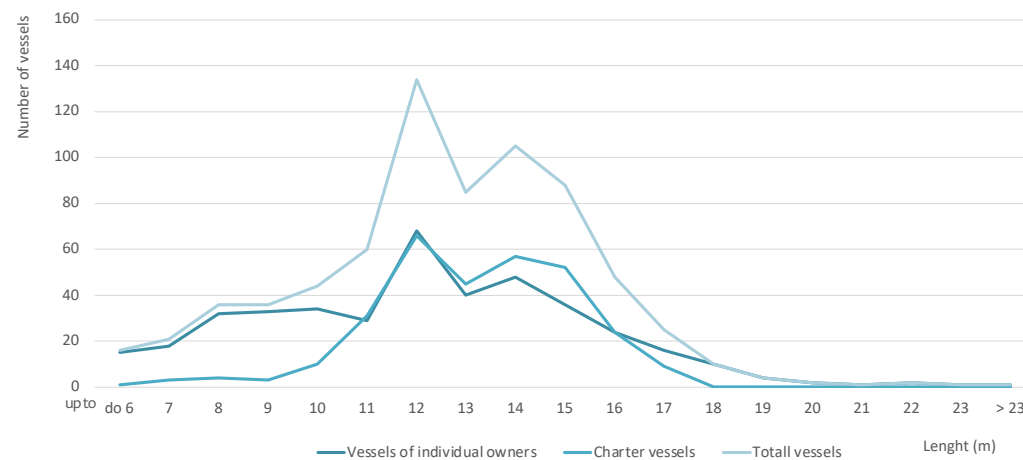
Cumulative overview of physical turnover of Marina Kornati for the period from 01/01/2023 to 30/09/2023 and a comparison with the same period in 2022

		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			
Contract-based berth-charter	Contracted vessel	0	0	5	282	298	308	312	314	315			
TOTAL Contract-based berth	Contracted vessel	98	254	317	641	680	703	716	725	732			
Transit berth-sailing in port	Sailing in port	5	19	40	217	551	1.047	1.721	2.531	2.929			
Transit berth-overnight stay of vessels	Boat/day	117	218	392	1.047	1.878	2.973	4.684	6.609	7.446			
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			

		2022 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	104	259	296	348	387	402	409	412	417			
Contract-based berth-charter	Contracted vessel	0	1	8	276	291	295	296	299	299			
TOTAL Contract-based berth	Contracted vessel	104	260	304	624	678	697	705	711	716			
Transit berth-sailing in port	Sailing in port	8	19	41	134	403	898	1.604	2.398	2.982			
Transit berth-overnight stay of vessels	Boat/day	141	328	603	1.122	1.776	2.885	4.971	7.328	8.467			
Transit berth-overnight stay of vessel crew	Overnight stay of a person												
Port service	Operation	124	357	659	1.023	1.493	1.950	2.422	2.876	3.167			

Vessels on berth contract in the period from 01/01/2023-30/09/2023 and comparison with the same period in 2022

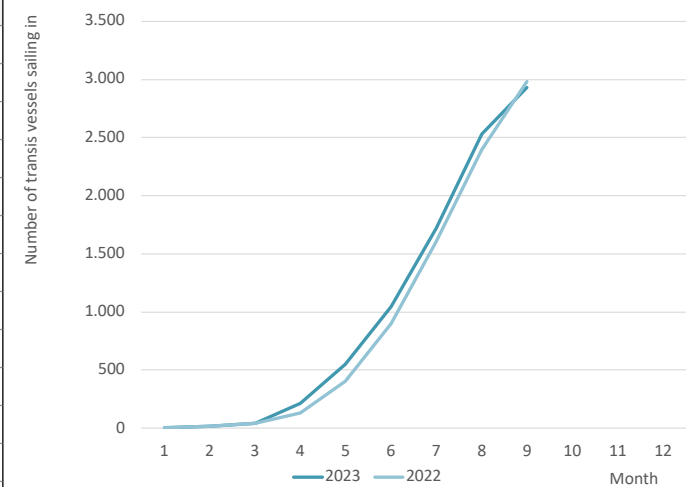
Purpose	Type of berth	Position of berth	01/01-30/09	% Total	01/01-30/09	% Total	Index
			2023	Vessels	2022	Vessels	
Vessel of individual owners	Annual berth in the sea	Central aquatorium	270	37	283	40	95
		South aquatorium	38	5	38	5	100
		Western aquatorium	2	0	1	0	200
		Hotel port	36	5	29	4	124
	Annual berth on the land	Marina land	5	1	7	1	71
	Seasonal berth in the sea	Marina aquatorium	29	4	37	5	78
		Hotel port	37	5	22	3	168
	Total individual vessels:			417	57	417	58
Charter vessels	Annual berth in the sea	Central aquatorium	117	16	118	16	99
		South aquatorium	0	0	0	0	#DIV/0!
		Western aquatorium	198	27	181	25	109
		Hotel port	0	0	0	0	#DIV/0!
	Total charter vessels:			315	43	299	42
Total vessels			732	100	716	100	102



Transit berth-inbound vessels in the period from 01/01/2023-30/09/2023 and comparison with the same period in 2022

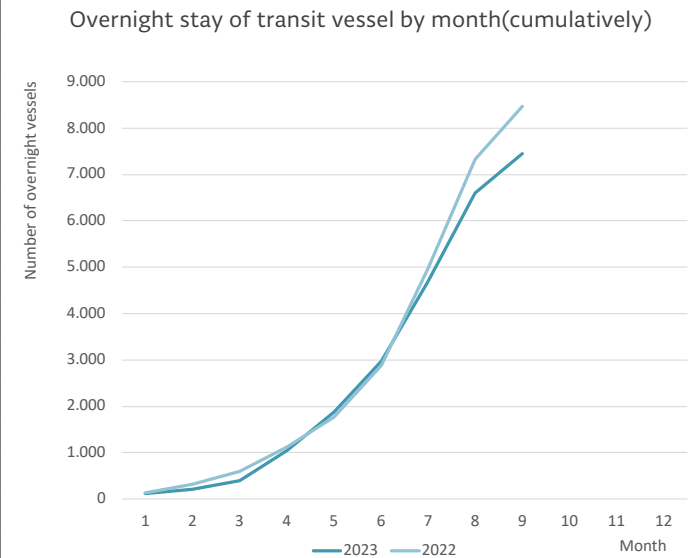
2023	Individually monthly			Cumulatively monthly		
	2023	2022	INDEX	2023	2022	INDEX
Month	2023/2022			2023/2022		
1	5	8	63	5	8	63
2	14	11	127	19	19	100
3	21	22	95	40	41	98
4	177	93	190	217	134	162
5	334	269	124	551	403	137
6	496	495	100	1.047	898	117
7	674	706	95	1.721	1.604	107
8	810	794	102	2.531	2.398	106
9	398	584	68	2.929	2.982	98
10			#DIV/0!			#DIV/0!
11			#DIV/0!			#DIV/0!
12			#DIV/0!			#DIV/0!
Total:	2023	2.929				
Total:	2022	2.982				
Index	2023/2022	98				

Sailing in of transit vessels by months (cumulatively)



Transit berth - overnight stay of vessel in the period from 01/01/2023-30/09/2023 and comparison with the same period in 2022

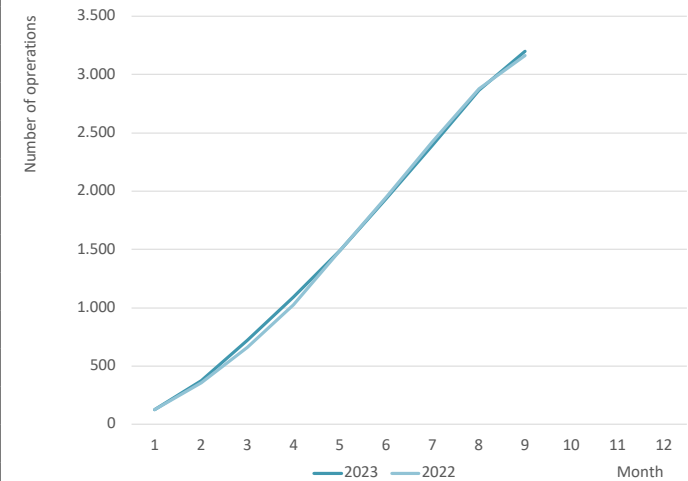
2023	Individually monthly			Cumulatively monthly		
	2023	2022	INDEX	2023	2022	INDEX
Month	2023/2022			2023/2022		
1	117	141	83	117	141	83
2	101	187	54	218	328	66
3	174	275	63	392	603	65
4	655	519	126	1.047	1.122	93
5	831	654	127	1.878	1.776	106
6	1.095	1.109	99	2.973	2.885	103
7	1.711	2.086	82	4.684	4.971	94
8	1.925	2.357	82	6.609	7.328	90
9	837	1.139	73	7.446	8.467	88
10			#DIV/0!			#DIV/0!
11			#DIV/0!			#DIV/0!
12			#DIV/0!			#DIV/0!
Total:	2023	7.446				
Total:	2022	8.467				
Index	2023/2022	88				



Activities of port service in the period from 01/01/2023-30/09/2023 and comparison with the same period in 2022

2023	Individually monthly			Cumulatively monthly		
	2023	2022	INDEX	2023	2022	INDEX
Month	2023/2022			2023/2022		
1	127	124	102	127	124	102
2	248	233	106	375	357	105
3	344	302	114	719	659	109
4	375	364	103	1.094	1.023	107
5	399	470	85	1.493	1.493	100
6	446	457	98	1.939	1.950	99
7	455	472	96	2.394	2.422	99
8	473	454	104	2.867	2.876	100
9	331	291	114	3.198	3.167	101
10			#DIV/0!			#DIV/0!
11			#DIV/0!			#DIV/0!
12			#DIV/0!			#DIV/0!
Total:	2023	3.198				
Total:	2022	3.167				
Index	2023/2022	101				

Activity of port service by month (cumulatively)



Revenue generated by Marina Kornati for the period from 01/01/2023 to 30/09/2023 separate by months and a comparison with the same period in 2022

REVENUES OF MARINA KORNATI 2023 SEPARATE BY MONTHS (in EUR)																	
Revenue positions		Months 2023												2023	2022	Index	
		1	2	3	4	5	6	7	8	9	10	11	12				CUMULAT.
I	Daily berths	2.250	3.707	7.415	20.227	54.457	82.918	91.835	106.061	46.740					415.610	364.440	114
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					5.061.519	4.410.968	115
III	Port service	14.231	42.319	48.986	60.214	58.775	52.585	40.227	35.555	22.971					375.863	362.125	104
IV	Vehicle parking	200	642	1.341	20.959	48.336	71.725	93.095	84.442	85.613					406.352	333.722	122
V	Other services	184	436	1.117	4.856	14.186	3.911	3.813	6.216	5.194					39.913	68.814	58
VI	Business cooperation				194.485	2.200		193.399							390.084	346.250	113
VII	Boat fair and events					1.580	11.129	37.114	73.004	164.545					287.372	214.419	134
	TOTAL :	701.307	958.555	344.907	1.703.420	345.543	327.699	1.877.997	371.022	346.264				6.976.714	6.100.738	114	

REVENUES OF MARINA KORNATI 2022 SEPARATE BY MONTHS (in EUR)																	
Revenue positions		Months 2022												2022			
		1	2	3	4	5	6	7	8	9	10	11	12		CUMULAT.		
I	Daily berths	4.253	5.029	11.314	16.379	29.532	62.194	76.669	91.824	66.886					364.440		
II	Contracted berth with accessories	603.686	904.909	223.067	1.201.915	152.354	77.993	1.172.132	57.127	17.786					4.410.968		
III	Port service	11.489	36.628	43.515	52.458	66.737	53.790	42.870	33.186	21.451					362.125		
IV	Vehicle parking	274	307	1.448	17.931	43.659	58.346	80.100	66.704	64.953					333.722		
V	Other services	588	1.675	9.221	5.903	5.196	7.408	10.524	11.565	16.735					68.814		
VI	Business cooperation	0	0	0	172.603			173.647	0	0					346.250		
VII	Boat fair and events	0	0	0	1.499	741	896	23.290	83.976	104.018					214.419		
	TOTAL :	620.290	948.548	288.566	1.468.688	298.219	260.627	1.579.231	344.381	291.830					6.100.738		

Revenue generated by Marina Kornati for the period from 01/01/2023 to 30/09/2023 cumulative by months and a comparison with the same period in 2022

REVENUES OF MARINA KORNATI 2023 CUMULATIVE BY MONTHS (in EUR)														
Revenue positions		Months 2023											% of total revenues	
		1	2	3	4	5	6	7	8	9	10	11		12
I	Daily berths	2.250	5.957	13.372	33.599	88.056	170.974	262.809	368.870	415.610				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				73
III	Port service	14.231	56.550	105.536	165.750	224.525	277.110	317.337	352.892	375.863				5
IV	Vehicle parking	200	842	2.182	23.141	71.477	143.202	236.297	320.739	406.352				6
V	Other services	184	620	1.737	6.593	20.779	24.690	28.503	34.719	39.913				1
VI	Business cooperation		0	0	194.485	196.685	196.685	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				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				100

REVENUES OF MARINA KORNATI 2022 CUMULATIVE BY MONTHS (in EUR)														
Revenue positions		Months 2022											% of total revenues	
		1	2	3	4	5	6	7	8	9	10	11		12
I	Daily berths	4.253	9.282	20.596	36.975	66.507	128.701	205.729	297.553	364.440				6
II	Contracted berth with accessories	603.686	1.508.595	1.731.662	2.933.577	3.085.931	3.163.924	4.336.055	4.393.182	4.410.968				72
III	Port service	11.489	48.118	91.633	144.091	210.828	264.618	307.488	340.674	362.125				6
IV	Vehicle parking	274	581	2.029	19.960	63.619	121.965	202.065	268.769	333.722				5
V	Other services	588	2.263	11.484	17.387	22.583	29.991	40.514	52.079	68.814				1
VI	Business cooperation	0	0	0	172.603	172.603	172.603	346.250	346.250	346.250				6
VII	Boat fair and events	0	0	0	1.499	2.240	3.136	26.425	110.401	214.419				4
TOTAL :		620.290	1.568.838	1.857.404	3.326.092	3.624.311	3.884.938	5.464.527	5.808.908	6.100.738				100

Summary of key market indicators of Marina Kornati performance

In 2023, the nautical sector of the company achieved the best operating results ending with the third quarter of the business year. The greatest revenue was achieved in the accommodation segment, i.e. Marina Kornati, which also expects the best financial results so far at the level of the entire business year of 2023, considering that the financial performance results as well as key physical results are recording continued growth.

Key physical performance results, vessels at contracted berths, constituting 73% of the revenue of Marina Kornati, achieved a growth of 2.23% compared to the same period of 2022. This achievement was also followed by the growth of the financial performance result, i.e. revenue from contracted berths, generated in the amount of EUR 5,061,519.00, an increase of 14.75% compared to the same period in 2022, when it amounted to EUR 4,410,968.00.

It should also be mentioned that other market segments also achieved an increase in operating revenue compared to the same period of the previous year, including: parking services, whose revenue amounted to EUR 406,352.00 with a 21.76% increase, transit berth with a revenue of EUR 415,610.00 achieved a growth of 14.04%, revenue from business cooperation amounted to EUR 390,084.00 and increased by 12.66%, while the service revenue amounted to EUR 375,863.00 and increased by 3.79%.



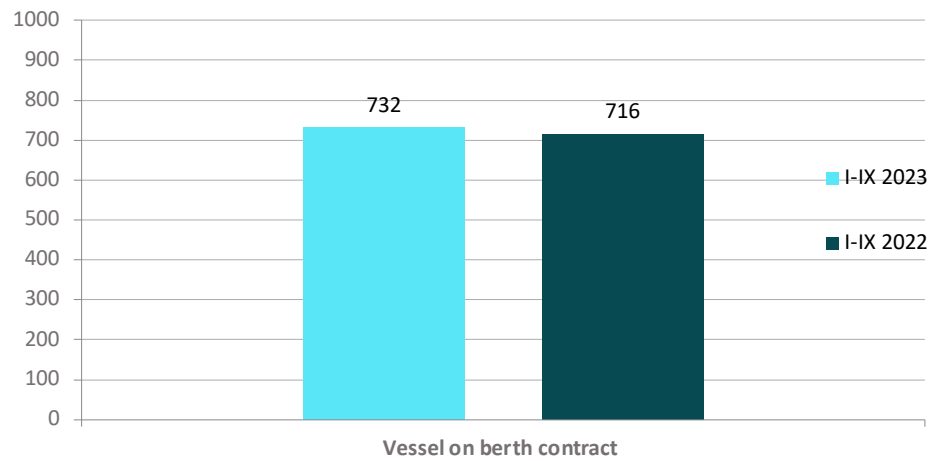
Key market indicators of Marina Kornati

	I-IX 2023	I-IX 2022	2023/2022
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	732	716	2,23%
Number of overnight stays (vessels having tranzit berth)	7.446	8.467	-12,06%
Number of servive operations executed	3.198	3.167	0,98%
Numbe of parking places	500	500	0,00%
Number of bussiness cooperation agreements	49	49	0,00%
Financial results			
Total operating revenue of the marina (in EUR):	6.689.342,00	5.886.319,00	13,64%
Berth contract:			
Revenue from berth contracts	5.061.519,00	4.410.968,00	14,75%
Aver. revenue per berth contract	6.914,64	6160,57	12,24%
Share in the total operating revenue of the marina	75,67	74,94	0,97%
Transit berth:			
Revenue from the transit berth	415.610,00	364.440 kn	14,04%
Aver. revenue per overnight stay (transit berth)	55,82	43,04	29,68%
Share in the total operating revenue of the marina	6,2%	6,2%	0,35%
Servicing:			
Revenue from servicing	375.863,00	362.125,00	3,79%
Aver. revenue per serv. operation	117,53	114,34	2,79%
Share in the total operating revenue of the marina	5,6%	6,2%	-8,67%
Parking:			
Revenue from parking	406.352,00	333.722,00	21,76%
Aver. revenue per parking space	812,70	667,44	21,76%
Share in the total operating revenue of the marina	6,1%	5,7%	7,15%
Business cooperation:			
Revenue from business cooperation	390.084,00	346.250,00	12,66%
Aver. revenue from business cooperation	7.960,90	7.066,33	12,66%
Share in the total operating revenue of the marina	5,8%	5,9%	-0,86%

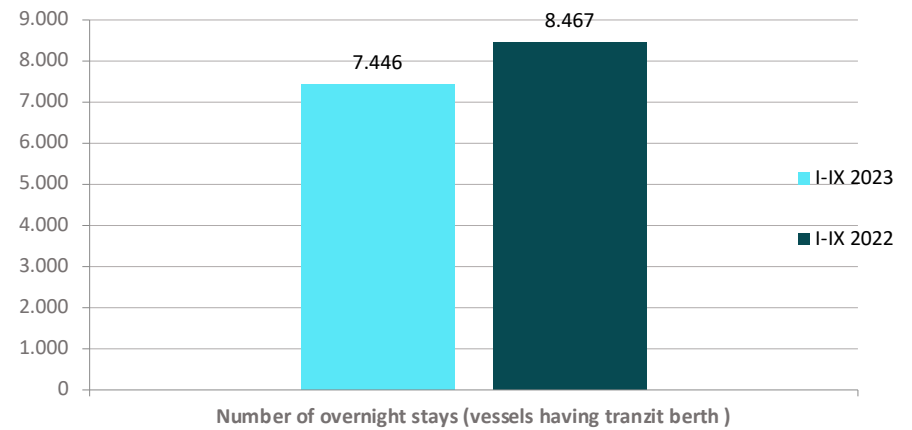
Notes:

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

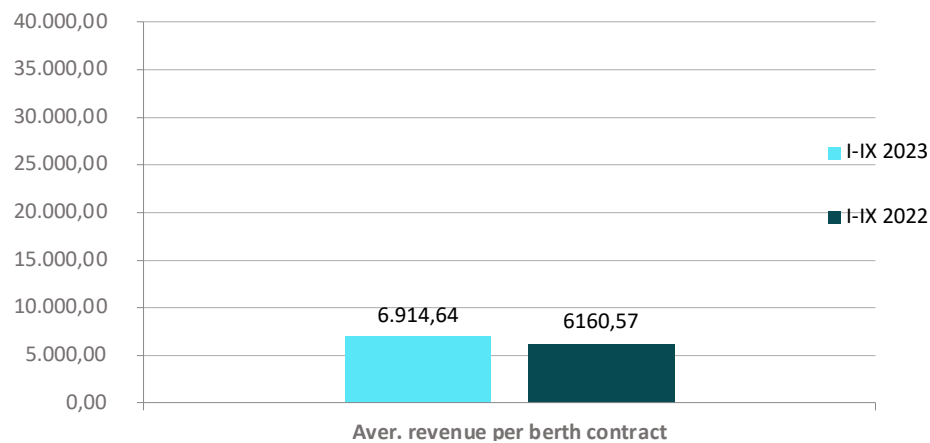
No. of vessels per berth contract in the Marina Kornati in the period I-IX 2023 and I-IX 2022



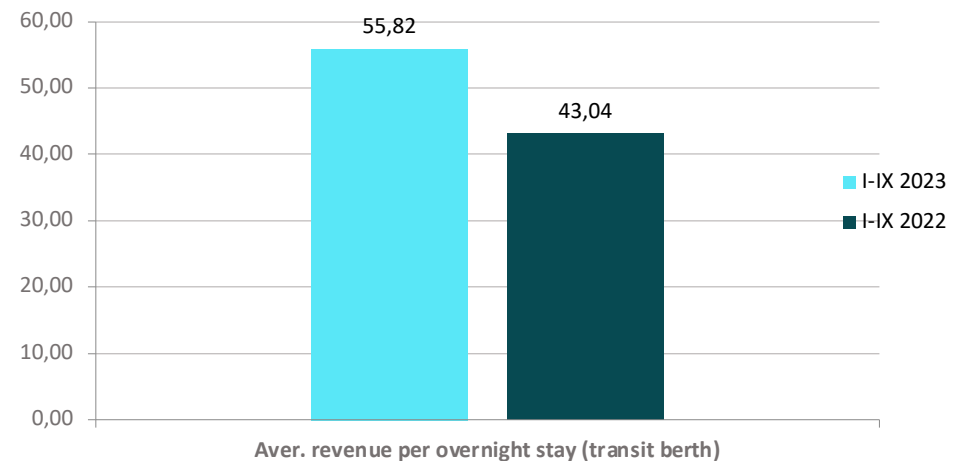
No. of overnight stay transits vessel in Marina Kornati in the period I-IX 2023 and I-IX 2022



Average revenues earned per berth contract in Marina Kornati in the period I-IX 2023 and I-IX 2022



Average revenues earned per overnight stay transit vessel in Marina Kornati in the period I-IX 2023 and I-IX 2022



4.3 CAMPING SECTOR – CAMPSITE “PARK SOLINE”

In the nine months of 2023, the camping sector recorded 49,228 arrivals, which represents a 10.48% increase compared to the same period in the previous year. In line with the above, an increased number of arrivals also resulted in an increase in the number of overnight stays. A total of 325,881 overnight stays were recorded, representing a 5.20% increase relative to the same period in 2022.

Three segments of campsite operations (lump sum guests, allotment and mobile homes) recorded an increase in arrivals and overnight stays. The allotment market segment recorded an increase in arrivals by 2.43%, while overnight stays were at the same level as in the same period of the previous year, as a result of which agency guests stayed in the campsite for an average of 7.86 days in the reporting period. The lump sum market segment realised an increase of 23.65% in arrivals and of 18.64% in overnight stays compared to the same nine-month period of 2022. The aforementioned increase is mostly a consequence of an increase in the number of leased lump-sum spots, an increase in the lump-sum price and a favourable schedule of bank holidays in June (the Slovenian and the Croatian market account for the largest share in lump-sum guests). In the first nine months of this year, the market segment of mobile homes recorded an increase of 10.15% in

arrivals and 2.97% in overnight stays compared to the same period of the previous year, and the largest share of this increase occurred in June, consisting of the Slovenian and Croatian markets, and in the main season. Individuals as a market segment realised 98.94% in arrivals and 93.99% in overnight stays compared to the arrivals and overnight stays realised in the same period of the previous year.

The camping sector, i.e. the “Park Soline” campsite, recorded a growth in physical turnover, as well as in operating revenue, where generated revenue amounted to EUR 6,682,019.08, a 13% increase compared to the same period in the previous year, when they amounted to EUR 5,927,495.94. Revenue growth was generated by the growth of all market segment revenue, among which mobile home revenue grew by 11%, while individual stay revenue increased by 4% compared to the same period of the previous year. Lump sum guests recorded an increase of 26% in contractual revenue, 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, while revenue from agencies is higher by 9%.

In the structure of recorded overnight stays, the five leading markets are: (I) the Slovenian market with a

23% share of overnight stays, (II) the Czech market with a 19% share, (III) the German market with a 14% share, (IV) the Croatian market with a 12% share, and (V) the Dutch market with a 7% share.

In the mobile homes segment, guests from France, Bosnia and Herzegovina and Croatia had a strong increase in the number of overnight stays. Moreover, in the business segment of camping units, the largest increase was recorded for guests from: the Danish market, the French market and the Croatian market. At the same time, in the total overnight stays of the campsite by market segments, the lump sum prevails with a share of 34%, followed by guests in mobile homes with a share of 28%.

The increase in overnight stays, arrivals and revenue for the nine months of 2023 is the result of investments in the quality of facilities and services in the campsite and in marketing and sales activities. A large part of the investment relates to accommodation capacities, so in 2022, new luxury mobile homes were installed and the pitch division of the campsite was completely concluded in order to raise the level of accommodation for guests who arrive with tents, caravans and campers. Intensified marketing activities and strategically planned investments in key sales channels certainly contributed to the increase in

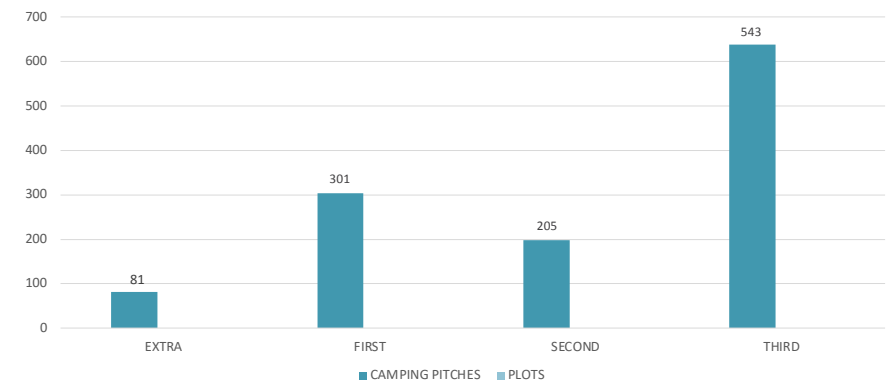
the number of overnight stays and delivery of higher financial operating results.

In 2023, the sales and marketing activities were aimed at the most important offline (print media ADAC, DCC and Karavaning vodnik) and online campaigns (social media, website, Google Ad campaign). In the last year, marketing strategies and campaigns have been strongly focused on digital and online media campaigns, thus influencing an individualized approach to each guest and achieving better quality of service by adapting to trends, standards and market demands. The focus is on increasing direct bookings. One of the best channels for increasing direct bookings are Google AdWords campaigns. In order to achieve continuous business growth, we have planned an advertising strategy, technically precisely set up campaigns and analytics, and measured, analysed and optimized campaign parameters according to the maximum return on investment. In 2023, the campsite introduced the following digital innovations, of which we hereby highlight: a new website, an interactive map of the campsite and a revenue management system, which resulted in an increase in ADR of 8% for mobile homes and 8% for individual pitches.



Capacities of the camp "Park Soline"

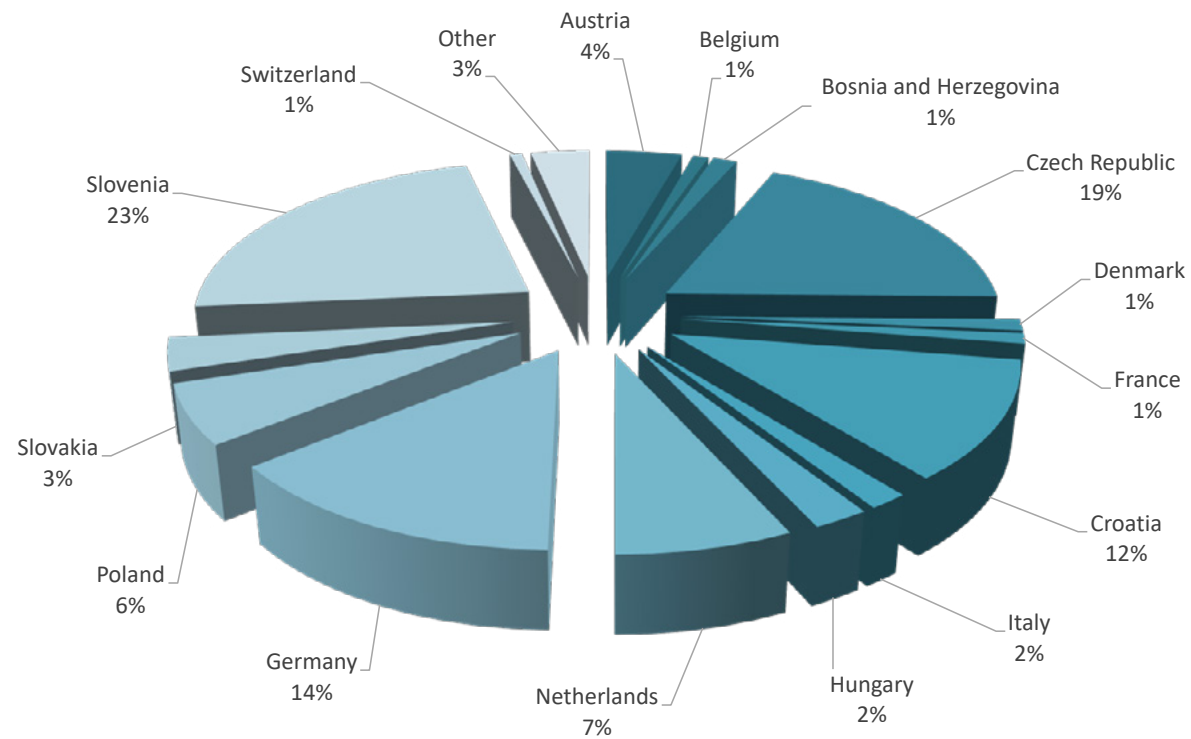
		2020	2021	2022	2023
I	EXTRA ZONE				
	CAMPING PITCHES	81	81	81	81
	CAMPING PLOTS	0	0	0	0
	TOTAL	81	81	81	81
II	FIRST ZONE				
	CAMPING PITCHES	303	303	303	301
	CAMPING PLOTS	0	0	0	0
	TOTAL	303	303	303	301
III	SECOND ZONE				
	CAMPING PITCHES	198	208	208	205
	CAMPING PLOTS	0	0	0	0
	TOTAL	198	208	208	205
IV	THIRD ZONE				
	CAMPING PITCHES	638	616	616	543
	CAMPING PLOTS	0	0	0	0
	TOTAL	638	616	616	543
Σ	GRANDTOTAL				
	CAMPING PITCHES	1220	1208	1208	1130
	CAMPING PLOTS	0	0	0	0
	TOTAL	1220	1208	1208	1130



Arrivals and overnight stays by outbound market and average days of stay for the period from 01/01/2023 to 30/09/2023 and a comparison with the same period in 2022

COUNTRY	2023		2022		INDEX 2023/2022		AVERAGE STAY (DAYS)	
	Arrivals	Overnight stays	Arrivals	Overnight stays	Arrivals	Overnight stays	2023	2022
Austria	2.312	13.995	2.425	15.170	95,34	92,25	6,05	6,26
Belgium	428	2.865	379	2.601	112,93	110,15	6,69	6,86
Bosnia and Herzegovina	905	4.435	547	2.713	165,45	163,47	4,90	4,96
Czech Republic	8.319	61.121	7.729	58.708	107,63	104,11	7,35	7,60
Denmark	487	3.650	348	2.904	139,94	125,69	7,49	8,34
France	563	3.398	412	2.420	136,65	140,41	6,04	5,87
Croatia	6.970	38.415	4.988	29.338	139,74	130,94	5,51	5,88
Italy	890	5.182	856	5.823	103,97	88,99	5,82	6,80
Hungary	1.322	7.375	1.285	7.679	102,88	96,04	5,58	5,98
Netherlands	2.804	22.911	2.546	21.467	110,13	106,73	8,17	8,43
Germany	6.121	45.982	6.416	50.441	95,40	91,16	7,51	7,86
Poland	2.786	19.312	2.335	16.352	119,31	118,10	6,93	7,00
Slovakia	1.696	10.800	1.264	8.345	134,18	129,42	6,37	6,60
Slovenia	11.291	73.400	11.143	75.040	101,33	97,81	6,50	6,73
Switzerland	436	2.236	498	2.787	87,55	80,23	5,13	5,60
Other	1.898	10.804	1.386	7.977	136,94	135,44	5,69	5,76
TOTAL	49.228	325.881	44.557	309.765	110,48	105,20	6,62	6,95

Realised overnight stays by outbound markets for the period from 01/01/2023 to 30/09/2023



Arrivals, overnight stays, and number of pitches by market segment until 30/09/2023 and a comparison with the same period in 2022

MARKET SEGMENT	2023			2022			INDEX 2023/2022			AVERAGE DAYS OF STAY	
	Arrivals	Overnight stays	Pitch	Arrivals	Overnight stays	Pitch	Arrivals	Overnight stays	Pitch	2023	2022
Allotment	6.879	54.061	147	6.716	54.007	147	102,43	100,10	100,00	7,86	8,04
Lump sum	17.409	112.625	301	14.079	94.933	264	123,65	118,64	114,02	6,47	6,74
Individuals	10.888	67.081	412	11.005	71.370	562	98,94	93,99	73,31	6,16	6,49
Mobile homes	14.052	92.114	270	12.757	89.455	235	110,15	102,97	114,89	6,56	7,01
TOTAL	49.228	325.881	1.130	44.557	309.765	1.208	110,48	105,20	93,54	6,62	6,95

Cumulative overview of daily and monthly occupancy of campsite accommodation units for the period from 01/04/2023 to 30/09/2023

MONTH	APRIL				MAY				JUNE				JULY			
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	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY
MOBILE HOMES ILIRIJA	8.010	490	6,12%	1,84	8.277	654	7,90%	2,45	8.010	3.671	45,83%	13,75	8.277	6.673	80,62%	24,99
AGENCIES	4.410	4.410	100,00%	30,00	4.557	4.557	100,00%	31,00	4.410	4.410	100,00%	30,00	4.557	4.557	100,00%	31,00
LUMP SUM	9.030	9.030	100,00%	30,00	9.331	9.331	100,00%	31,00	9.030	9.030	100,00%	30,00	9.331	9.331	100,00%	31,00
INDIVIDUALS PITCHES STANDARD MARE, COMFORT AND STANDARD III ZONE	10.380	717	6,91%	2,07	10.726	940	8,76%	2,72	10.380	2.833	27,29%	8,19	10.726	6.064	56,54%	17,53
INDIVIDUALS CAMPING STANDARD IV ZONE	1.980	6	0,30%	0,09	2.046	5	0,24%	0,08	1.980	135	6,82%	2,05	2.046	1.057	51,66%	16,02
INDIVIDUALS TOTAL	12.360	723	5,85%	1,75	12.772	945	7,40%	2,29	12.360	2.968	24,01%	7,20	12.772	7.121	55,75%	17,28
TOTAL	33.810	14.653	43,34%	13,00	34.937	15.487	44,33%	13,74	33.810	20.079	59,39%	17,82	34.937	27.682	79,23%	24,56

MONTH	AUGUST				SEPTEMBER				TOTAL 2023				TOTAL 2022					
SEGMENT	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	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 %	DAYS OF OCCUPANCY
MOBILE HOMES ILIRIJA	8.277	7.988	96,51%	29,92	8.010	4.264	53,23%	15,97	270	48.861	23.740	48,59%	88,91	235	43.005	23.235	54,03%	98,87
AGENCIES	4.557	4.557	100,00%	31,00	4.410	4.410	100,00%	30,00	147	26.901	26.901	100,00%	183,00	147	26.901	26.901	100,00%	183,00
LUMP SUM	9.331	9.331	100,00%	31,00	9.030	9.030	100,00%	30,00	301	55.083	55.083	100,00%	183,00	264	48.312	48.312	100,00%	183,00
INDIVIDUALS PITCHES STANDARD MARE, COMFORT AND STANDARD III ZONE	10.726	7.403	69,02%	21,40	10.380	2.614	25,18%	7,55	346	63.318	20.571	32,49%	59,45	383	70.089	22.009	31,40%	57,46
INDIVIDUALS CAMPING STANDARD IV ZONE	2.046	1.220	59,63%	18,48	1.980	179	9,04%	2,71	66	12.078	2.602	21,54%	39,42	179	32.757	1.947	5,94%	10,88
INDIVIDUALS TOTAL	12.772	8.623	67,51%	20,93	12.360	2.793	22,60%	6,78	412	75.396	23.173	30,74%	56,25	562	102.846	23.956	23,29%	42,63
TOTAL	34.937	30.499	87,30%	27,06	33.810	20.497	60,62%	18,19	1130	206.241	128.897	62,50%	114,37	1208	221.064	122.404	55,37%	101,33

MONTH	INDEX 2023/2022				
SEGMENT	NUMBER OF ACCOMMODATING UNITS	"MAXIMUM POSSIBLE PITCHES DAYS"	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY
MOBILE HOMES ILIRIJA	114,89	114	102	89,93%	89,93
AGENCIES	100	100	100	100,00%	100,00
LUMP SUM	114,02	114	114	100,00%	100,00
INDIVIDUALS PITCHES STANDARD MARE, COMFORT AND STANDARD III ZONE	90,34	90	93	103,47%	103,47
INDIVIDUALS CAMPING STANDARD IV ZONE	36,87	37	134	362,68%	362,36
INDIVIDUALS TOTAL	73,31	73	97	131,97%	131,94
TOTAL	93,54	93	105	112,87%	112,87

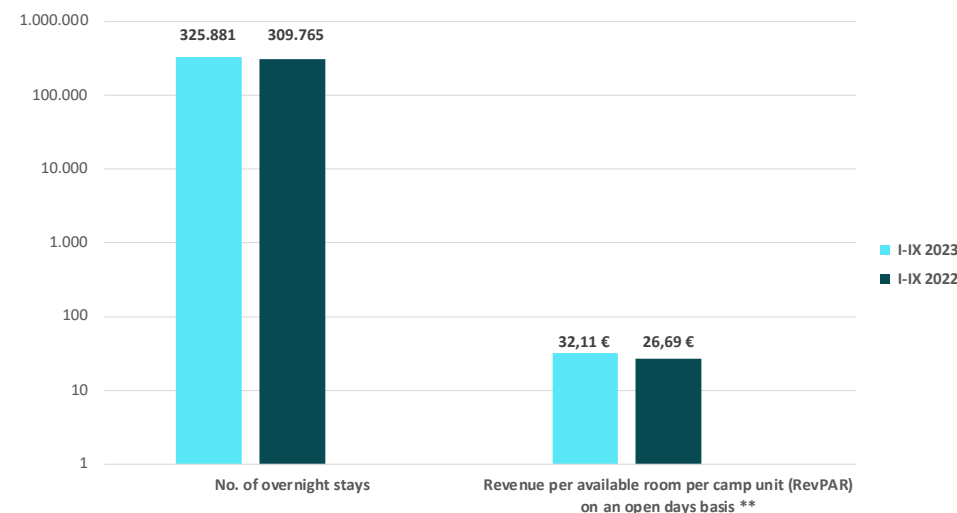
Campsite revenue for the period from 01/01/2023 to 30/09/2023 and a comparison with the same period in 2022

SEGMENT		2022					2023			INDEX	
		GENERATED IN 2022			GENERATED PRIOR 30/09/2022		GENERATED PRIOR 30/09/2023			2023/2022	
		NO.OF PITCHES	OVERNIGHT STAYS	REVENUES	REALIZED OVERNIGHT STAYS	REVENUES	NO.OF PITCHES	REALIZED OVERNIGHT STAYS	REVENUE	OVERNIGHT STAYS	REVENUES
1	MOBILE HOMES	235	89.506	2.865.566,70 €	89.455	2.854.172,87 €	270	92.114	3.158.438,63 €	103	111
2	AGENCIES	147	54.446	503.734,17 €	54.007	503.734,17 €	147	54.061	547.256,65 €	100	109
3	INDIVIDUALS	562	71.909	1.157.487,05 €	71.370	1.146.604,43 €	412	67.081	1.188.478,54 €	94	104
4	LUMP SUM	264	96.196	1.193.701,71 €	94.933	1.188.237,19 €	301	112.625	1.496.084,94 €	119	126
5	OTHER SERVICES	-	-	249.425,68 €	-	234.747,28 €	0		291.760,32 €	#DIV/0!	124
TOTAL:		1208	312.057	5.969.915,31 €	309.765	5.927.495,94 €	1130	325.881	6.682.019,08 €	105	113

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

In the first nine months of 2023, the Company camping sector, consisting of the “Park Soline” campsite and the “Park Soline” restaurant, recorded a significant increase compared to the previous year, both according to physical and financial indicators. An increase of 5.20% of overnight stays was recorded compared to the same period of 2022, as well as an increase of 12.30% in terms of financial targets. Compared to the same period in the previous year, the “Park Soline” campsite recorded a higher number of guest arrivals and overnight stays, which resulted in the 12.57% increase in capacity occupancy, a 6.87% increase in the average price, and a 20.31% increase in accommodation revenue per campsite unit, on the basis of campsite unit occupancy with regard to days of availability. This improvement in key market indicators is a result of increased marketing activities and strategically planned investments in key sales channels. Investments made in improving the quality of accommodation units has also definitely contributed to the increase of the achieved overnight stays.

Number of overnight stays and revenue from accommodation per camp unit in the campsite "Park Soline" in the period I-IX 2023 and I-IX 2022



Notes:

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

Key market indicators of the campsite Park Soline

	I - IX 2023	I - IX 2022	2023/2022
Accommodation capacities:			
Number of camping units	1.130	1.208	-6,46%
Number of guests	3.390	3.624	-6,46%
Physical turnover:			
No. of overnight stays	325.881	309.765	5,20%
No. of sold camp units	128.897	122.404	5,30%
Annual occupancy rate of the camp units (%)	31,25%	27,76%	12,57%
Occupancy rate of the units on an open days basis (%)	62,33%	55,37%	12,57%
Financial results (in EUR):			
Average daily rate of the camp unit (ADR)*	51,51	48,20	6,87%
Revenue per available room per camp unit (RevPAR) on a basis of 365 days **	16,10	13,38	20,31%
Revenue per available room per camp unit (RevPAR) on an open days basis **	32,11	26,69	20,31%

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).

4.4 CITY GALLERIA BUSINESS AND SHOPPING CENTER

The City Galleria Business and Shopping Centre is located in the immediate city 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. Thanks to its unique architectural concept and diverse range of amenities and services, the City Galleria Centre has become a place where the daily life of citizens takes place.

As at 30 September 2023, the occupancy of the centre amounted to 95.62% of all capacities, that is, 34 commercial lease agreements were active, with a surface area range from 9,80 m² to 1.836 m². The commercial premises occupancy rate in Phase 1 for the same period was 100.00%. Taking into account the total net area of the commercial premises in Phases 1 and 2 of the facility, amounting to 9,754.68 m², the current total occupancy rate is 95.75%.

Operating revenue of the City Galleria Centre, generated in the nine months of 2023 through lease of commercial premises, common costs, use of common areas of the centre, lease of advertising space, garage revenue and lease of commercial premises in

Phase 1 of the Centre, amounted to EUR 1,536,853.74. Other operating revenue relating to insurance claims amounted to EUR 22,399.14 in the relevant period, which brings the total generated revenue in the first nine months of 2023 to EUR 1,559,252.88. Total revenue generated in the same period of the previous year amounted to EUR 1,346,636.45 (calculated at the fixed conversion rate), which represents an increase of 15.79% in the current year.

Revenue from leasing commercial premises in the reporting period of 2023 amounted to EUR 922,584.38, which amounts to an increase of 12.97% compared to the same period in 2022. Revenue from common costs is EUR 350,371.63, an increase of 14.73%. The category of revenue from the use of common areas of the centre amounted to EUR 102,361.77, a 18.12% increase compared to the results achieved in the same period in 2022. Revenue from the lease of advertising space amounted to EUR 4,024.43, a 8.21% increase compared to the first nine months of 2022. The operation of the garage of the facility generated EUR 136,024.79, which represents a growth of 24.60% compared to the same period of the previous financial year. Operating revenue from the lease of commercial premises in the neighbouring Phase 1 of the Centre in the first nine months of 2023 amounted to

EUR 21,486.74, representing a significant 37.87% increase compared to the same period in 2022 when it amounted to EUR 15,584.44 (calculated according to fixed conversion rate).

In the first nine months of 2023, the number of vehicles using the public underground garage of the centre amounted to 538,570 vehicles, while in the same period of the previous year the number amounted to 510,695 vehicles. The said result constitutes a 5.46% increase in the reporting year. In addition to the shown increase in revenue and the number of visitors of the garage in the relevant period of the current year compared to the same period of the previous business year, there was also an increase in the time spent in the garage by users.



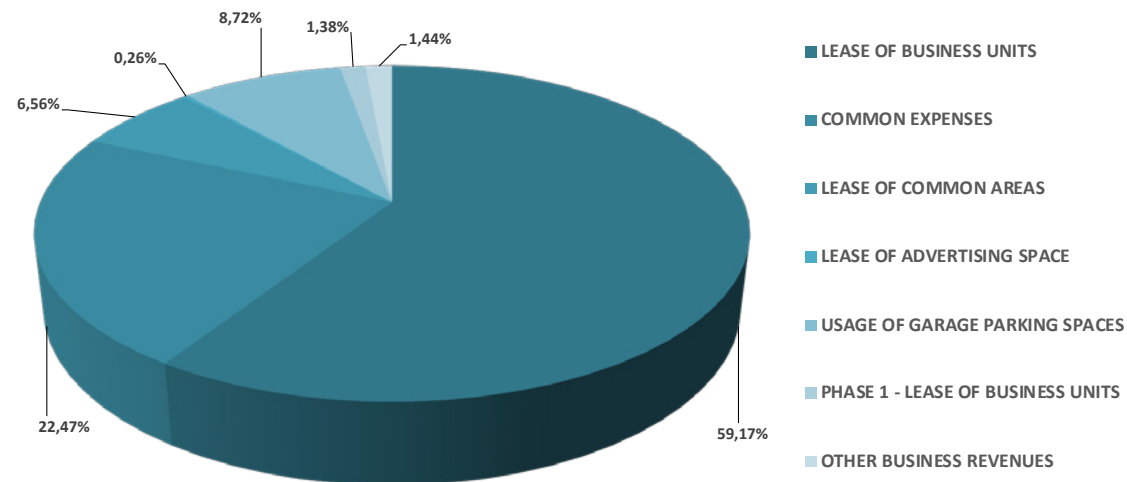
Operating revenue of the City Galleria Business and Shopping Centre in Zadar for the period from 01/01/2023 to 30/09/2023 and a comparison with the same period in 2022

DESIGNATION	DESCRIPTION	NUMBER OF ACTIVE CONTRACTS	SURFACE AREA m ²	REVENUES 01-09/2023	%	REVENUES 01-09/2022	%	INDEX 2023/2022
1	LEASE OF BUSINESS UNITS	34	9.464,72	€ 922.584,38	59,17%	€ 816.642,90	60,64%	113
2	COMMON EXPENSES	32	6.668,13	€ 350.371,63	22,47%	€ 305.374,80	22,68%	115
3	LEASE OF COMMON AREAS	26	1.533,50	€ 102.361,77	6,56%	€ 86.658,53	6,44%	118
4	LEASE OF ADVERTISING SPACE	8	130,98	€ 4.024,43	0,26%	€ 3.719,01	0,28%	108
5	USAGE OF GARAGE PARKING SPACES	410***	10.863,50	€ 136.024,79	8,72%	€ 109.170,65	8,11%	125
6	PHASE 1- LEASE OF BUSINESS UNITS	6	289,96	€ 21.486,74	1,38%	€ 15.584,44	1,16%	138
PRIHODI:				€ 1.536.853,74	98,56%	€ 1.337.150,33	99,30%	115
7	OTHER BUSINESS REVENUES			€ 22.399,14	1,44%	€ 9.486,12	0,70%	236
TOTAL REVENUES				€ 1.559.252,88	100,00%	€ 1.346.636,45	100,00%	116

* total net leasable surface area

** total net leasable area for calculation of common expenses

*** number of parking spaces in garage



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

The City Galleria Business and Shopping Centre achieved positive operating results in the first nine months of 2023, with a visible growth of key market indicators. Despite the uncertainties in terms of political and security turmoil on the continent that occurred in 2022, as well as their economic consequences on the disposable income of the population and their purchasing power, including the increase in operating costs, the revenue achieved in the observed period represents the best recorded financial results of the Centre so far.

The total rentable area of the facility is 9,464.72 m². By purchasing the commercial premises in the neighbouring Phase 1 of the Zadar Shopping Centre facility, the Company secured an additional 289.96 m² of commercial space for lease, which increased the total rentable area of all commercial spaces owned by ILIRIJA d.d. to 9,754.68 m². On 30 September 2023, a total of 34 commercial lease agreements were active, i.e. the occupancy rate was 95.62% of the indicated net rentable area of the Centre, while the commercial premises occupancy rate in Phase 1 was 100%.

Most of the revenue of the City Galleria Business and Shopping Centre comes from commercial leasing. The average lease per square metre of active commercial premises during the period observed was EUR 10.83/m² per month. Other revenue was based on ca-

lculating common costs (calculated for the area of 6,668.13 m²), leasing and commercial use of common areas of the Business and Shopping Centre (1,533.50 m² in total), collection of single parking fees and leasing of parking spaces in the underground garage of the Centre (total area of 10,863.50 m²), leasing of business premises in Phase 1 of the facility (total area of 289.96 m²), and, in the smallest share, leasing advertising space on the façade of the Centre (total area of 130.98 m²). Total revenue generated during the first nine months of 2023 increased by 15.79% relative to the same period of the previous year.

The public underground garage of the Centre has a total of 410 parking spaces, and its occupancy in the nine-month period of 2023 shows a 5.46% increase relative to the same period of the previous year, with 538,570 vehicles, while the occupancy in the same period of 2022 was 510,695 vehicles. The garage revenue from single parking fees; monthly, weekly, and daily tickets; annual subscriptions and leased parking spaces in the observed period of 2023 amounted to a total of EUR 136,024.79, and an average garage revenue per parking space amounted to EUR 331.77, representing an increase of as much as 24.60% compared to the same period of the previous year.



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

PERIOD	I-IX 2023	I-IX 2022	2023/2022
Commercial capacities:			
Premises - floor area (m ²)	9.464,72	9.464,72	0%
Shared costs - floor area (m ²)	6.668,13	6.668,13	0%
Common areas - floor area (m ²)	1.533,50	1.509,00	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	34	37	-8%
Shared costs - number of active contracts	32	35	-9%
Common areas - number of active contracts	26	25	4%
Advertising space - number of active contracts	8	8	0%
Garage - number of parking spaces	410	410	0%
Garage - turnover of vehicles	538.570	510.695	5%
Financial results (in EUR):			
Average monthly rent earned per m ² of premises (AMR)*	10,83	9,59	13%
Average rent earned per m ² of premises for the period	97,48	86,28	13%
Average revenue from the garage per parking space for the period**	331,77	266,27	25%

Notes:

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

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

4.5 ILIRIJA TRAVEL

In the nine months of 2023, through the system and organisation of DMC Ilirija Travel, along with other profit centres of the Company, 175 events, including individual events, special programmes, incentives, congresses, conferences, weddings, excursions, regattas and concerts were held, with a total of 17,518 guests. A total of EUR 1,237,849.21 was generated, including revenue in other profit centres of the Company, which is an increase of 1% compared to EUR 1,226,891.34 in the same period in 2022, after an increase of as much as 220% in 2022.

The pre-season has already marked the full return of activities and the return of special-travel groups, which combine business and leisure, as well as the return of all types of gatherings, which then applied to all nine months of the business year. Consequently, in the nine months of 2023, slightly fewer events took place compared to the same period of the previous year, but there was an increase in the average number of participants per event. The return of the full pre-season, i.e. year-round business, was significant in this segment of the Company's business because Ilirija Travel, with its DMC agency, fleet, the Arsenal multifunctional facility, the "Nada" event boat, agritourism, Villa Primorje, and MICE and tailor-made offer, forms the backbone of the expansion of the

Company's season with offers of complementary forms of tourism and special-interest tourism. This complementarity is particularly significant in the pre- and post-season, and following the lifting of pandemic countermeasures, business in this segment of the Company's services has recovered, although not equally in all types of events and services due to reduced consumption of additional services caused by the intensive increase in the cost of living in the guests' countries.

In all components of the complementary offer, many domestic, European, and international companies have again organised regional gatherings, events, presentations, regattas, and prize trips for their customers or employees, partly using our services as well. The Arsenal multimedia facility, the backbone of social events in Zadar and the greater region, returned to normal operations at the beginning of the year, which was not the case before, so after last year's extremely strong revenue growth, growth continued now at a normalized rate of 10%. The "Nada" event boat has returned to business as usual, serving special groups and tailor-made programs, even if it has not achieved its usual full scope so far. Growth is certainly visible in the business of the agritourism complex with a heritage diffuse hotel in the hinterland, both as

accommodation and for special events, with the hotel being increasingly recognized as a desirable wedding venue by international guests as well. Therefore, after a strong three-digit growth in the same period in 2022, in the nine months of 2023, a strong continuous growth of business activities was maintained at a rate of 27%. Thus, this business year, with the sustained growth of business activities, has been the most successful one since the opening of the facility. In the traditional excursions and special events segment, after a significant recovery in demand in the previous two and in the reporting period, the agency continued recording a slight growth in business activities at the rate of 1%. The regattas, centred around Marina Kornati, were also partially held again, as well as congresses and similar events combining business and leisure, usually accompanied by a copious use of such ancillary facilities and programs offered by the hotel facilities and other components of the Company's offer.

The course of the year so far has indicated continued growth in demand, which is why the Company expects to strengthen its business activities in the segment of the complementary offer and special events as the post-season continues, i.e. in the fourth quarter of the business year.



Realised events in the period from 01/01/2023 to 30/09/2023 and comparison with the same period in 2022

	Number of events			Number of guests			Total REVENUE		
	2023	2022	INDEX 2023/2022	2023	2022	INDEX 2023/2022	2023	2022	INDEX 2023/2022
TOTAL	175	263	67	17518	19081	92	1.237.849,21 €	1.226.891,34 €	101

5 FINANCIAL OPERATING RESULTS AT COMPANY LEVEL

5.1 FINANCIAL OPERATING RESULTS OF THE COMPANY BY SECTORS

5.1.1 HOTEL SECTOR

(in EUR)	I-IX 2023	I-IX 2022	2023/2022
HOTEL SECTOR - BIOGRAD			
Operating revenues	7.577.708,41	5.757.821,57	31,61%
Revenues from board services	6.213.883,68	4.751.835,50	30,77%
TRevPAR *	20.875,23	15.861,77	31,61%
Operating costs **	5.118.790,29	3.755.391,89	36,31%
Gross operating profit (GOP) ***	2.458.918,12	2.002.429,68	22,80%
GOP per accommodation unit	6.773,88	5.516,34	22,80%
GOP margin****	32,4%	34,8%	-6,69%
Capital investments	656.486,54	548.745,07	19,63%
HOTEL SECTOR - SV. FILIP I JAKOV			
Operating revenues	625.710,53	517.100,31	21,00%
Revenues from board services	567.667,21	478.065,84	18,74%
TRevPAR *	8.690,42	7.181,95	21,00%
Operating costs **	434.073,81	351.711,16	23,42%
Gross operating profit (GOP) ***	191.636,72	165.389,15	15,87%
GOP per accommodation unit	2.661,62	2.297,07	15,87%
GOP margin****	30,6%	32,0%	-4,24%
Capital investments	115.442,23	3.417,05	3278,42%
HOTEL SECTOR - TOTAL ILIRIJA d.d.			
Operating revenues	8.203.418,94	6.274.921,88	30,73%
Revenues from board services	6.781.550,89	5.229.901,34	29,67%
TRevPAR *	18.858,43	14.425,11	30,73%
Operating costs **	5.552.864,10	4.107.103,05	35,20%
Gross operating profit (GOP) ***	2.650.554,84	2.167.818,83	22,27%
GOP per accommodation unit	6.093,23	4.983,49	22,27%
GOP margin****	32,3%	34,5%	-6,48%
Capital investments	771.928,77	552.162,12	39,80%

In the nine months of 2023, the hotel sector generated a revenue of EUR 8,203,418.94, which represents a 30.73% increase compared to the nine months of 2022. At the same time, operating costs of the hotel sector increased by 35.20% in comparison to the previous year.

It should be noted that there was a significant increase in revenue per accommodation unit (RevPAR) with regard to days of availability – 11.51%, i.e. EUR 82.08 in this year's nine months compared to EUR 73.61 in the same period last year.

A considerable increase of revenue compared to the same period last year was a result of lifting the counter-pandemic measures and reviving travel starting as soon as the year started, i.e. during the pre-season, leading to the considerable strengthening of the Company's business activities in the hotel sector, and to a lesser extent to an increase in prices.

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 2,650,554.84, constituting an increase of 22.27% compared to 2022. The GOP per accommodation unit equals EUR 6,093.23, while the GOP margin decreased significantly by 6.48%.

Notes:

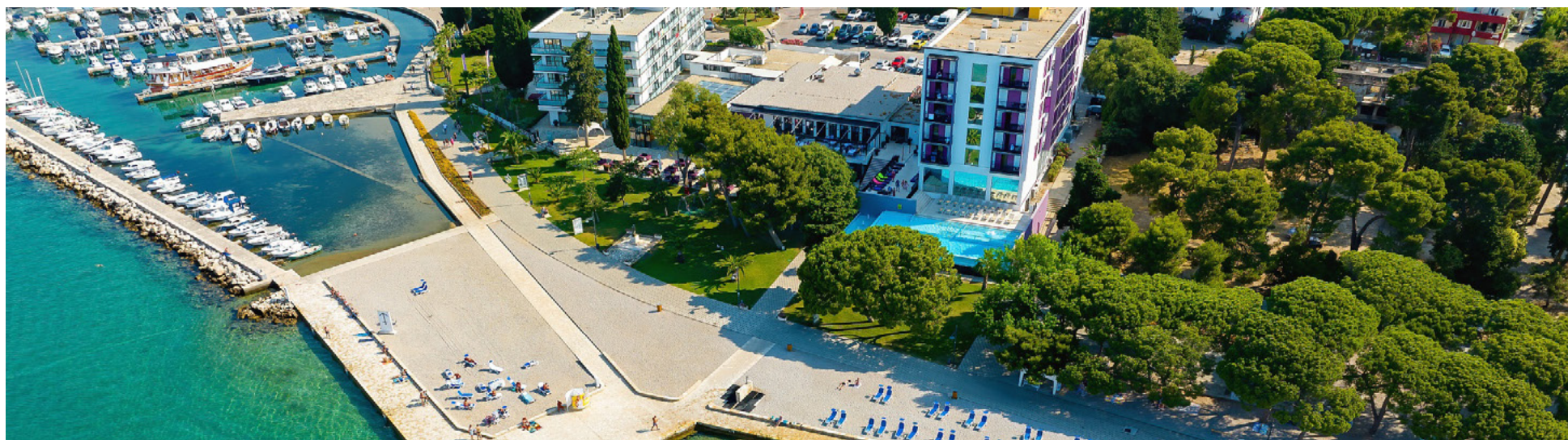
The hotel sector in Biograd includes the hotels Ilirija, Adriatic and Kornati, Lavender bar and Aquatic center and entertainment and sports center, while the hotel sector in Sv. Filip Jakov refers to the hotel Villa Donat.

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

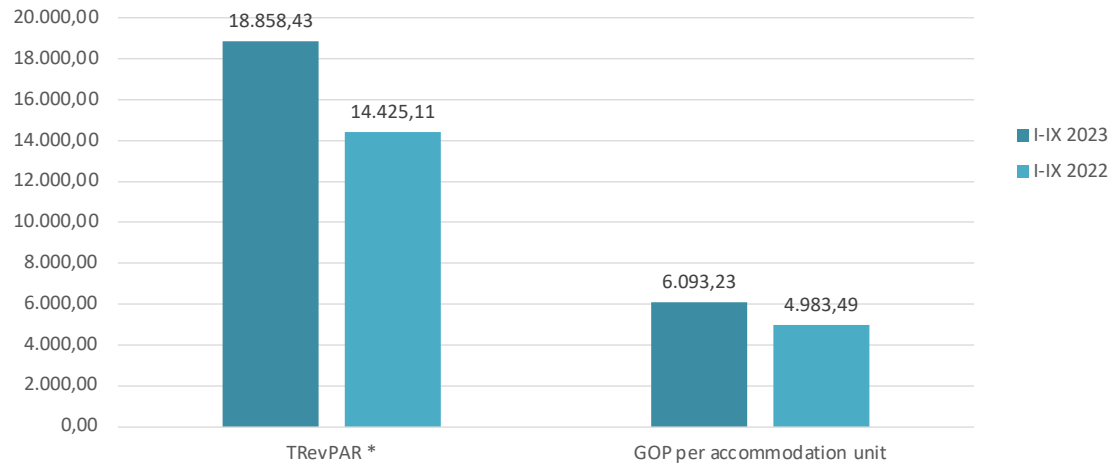
** Operating costs include the costs of raw material and material, costs of services, gross pays and other operating costs, not including the depreciation, financial expenses and extraordinary expenses.

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

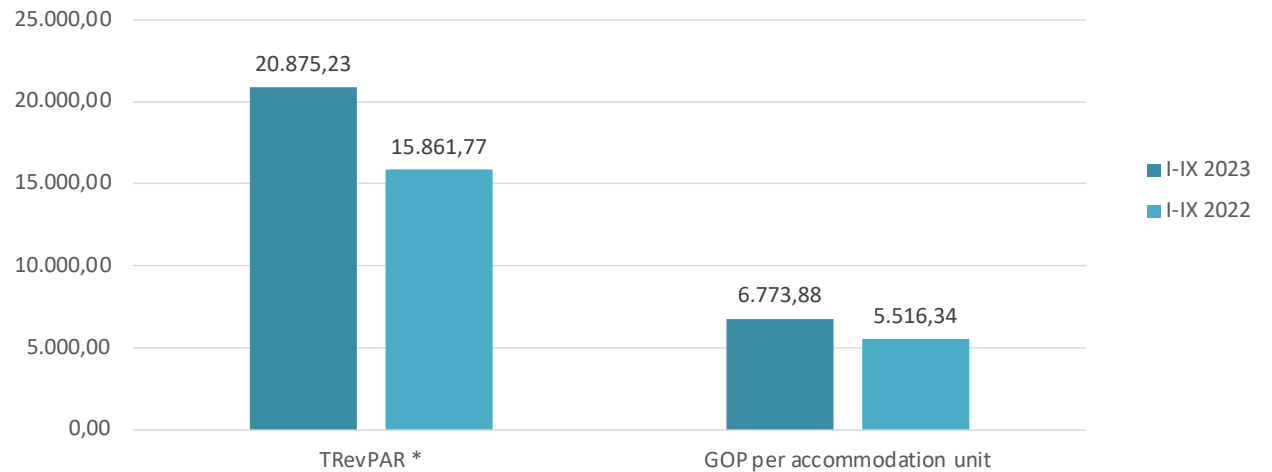
**** GOP margin is calculated by correlating the amount of GOP before the allocation of costs of common services and operating revenues.



Total revenues per accommodation unit (TrevPAR) and GOP per accommodation unit in the hotel sector od Ilirija d.d. in the period I-IX 2023 and I-IX 2022



Total revenues per accommodation unit (TrevPAR) and GOP per accommodation unit in the hotels in Biograd in the period I-IX 2023 and I-IX 2022



Notes:

* TRevPAR denotes the total operating revenue of the hotel industry divided by a number of physical accommodation units.

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

5.1 FINANCIAL OPERATING RESULTS OF THE COMPANY BY SECTORS

5.1.2 NAUTICAL SECTOR

Marina Kornati, "Marina Kornati" restaurant and the nautical fair represent segments or profit centres of the Company's nautical sector.

The revenue by segments of the nautical sector, ending with the third quarter of 2023, is as follows:

- Marina Kornati – EUR 6,689,342.00
- "Marina Kornati" restaurant – EUR 449,625.00
- Nautical fair – EUR 287,372.00

In the nine-month period of 2023, the nautical sector generated a total revenue of EUR 7,426,339.00.

The most significant contribution to the generation of revenue, as well as share therein, of the Company's entire nautical sector is the revenue generated by Marina Kornati. In the nine months of the current business year, it was realised in the amount of EUR 6,689,342.00 with a growth rate of 14% achieved compared to the same period of 2022, representing the highest revenue generated thus far. The increase in Marina Kornati's revenue is due to an increase in the revenue from contractual berths, which equalled EUR 5,061,519.00 in the reporting period, representing a 15% increase in comparison to the same period of 2022. Apart from contractual berths, all other revenue items also increased: daily berths by 14%, port service by 4%, parking revenue

by 22% and business cooperation by 13%. In addition to Marina Kornati, other segments of the nautical sector achieved revenue growth, i.e. the revenue of the nautical fair recorded an increase of 34%, as well as the revenue of the Marina Kornati restaurant, with a growth rate of 10 %.

The substantial increase in operating revenue across all nautical sector segments was accompanied by an increase in the gross operating profit, which amounted to EUR 4,920,568.00 for the entire nautical sector and represented a 13% increase compared to the same period of the previous year. The increase in the gross operating profit was accompanied by an increase in the GOP per berth, which equals EUR 6,113.00 in the reporting period, and an increase in the GOP margin, which equals 66%.

Key financial indicators of Marina Kornati

(in EUR)	I-IX 2023	I-IX 2022	2023/2022
NAUTICS TOTAL			
Operating revenues	7.426.339	6.510.698	14%
Operating revenues per berth	9.225	8.088	14%
Operating costs*	2.505.771	2.168.403	16%
GOP **	4.920.568	4.342.295	13%
GOP per berth	6.113	5.394	13%
GOP margin ***	66%	67%	-1%
Capital investments	388.186	203.551	91%
MARINA KORNATI			
Operating revenues	6.689.342	5.886.319	14%
Operating revenues per berth	8.310	7.312	14%
Operating costs*	1.876.315	1.601.216	17%
GOP **	4.813.027	4.285.103	12%
GOP per berth	5.979	5.323	12%
GOP margin ***	72%	73%	-1%
RESTAURANT OF MARINA KORNATI			
Operating revenues	449.625	409.960	10%
Operating costs*	454.583	404.847	12%
GOP **	-4.958	5.113	-197%
GOP margin ***	-1%	1%	-188%
BOAT SHOW			
Operating revenues	287.372	214.419	34%
Operating costs*	174.873	162.340	8%
GOP **	112.499	52.079	116%
GOP margin ***	39%	24%	61%

Notes:

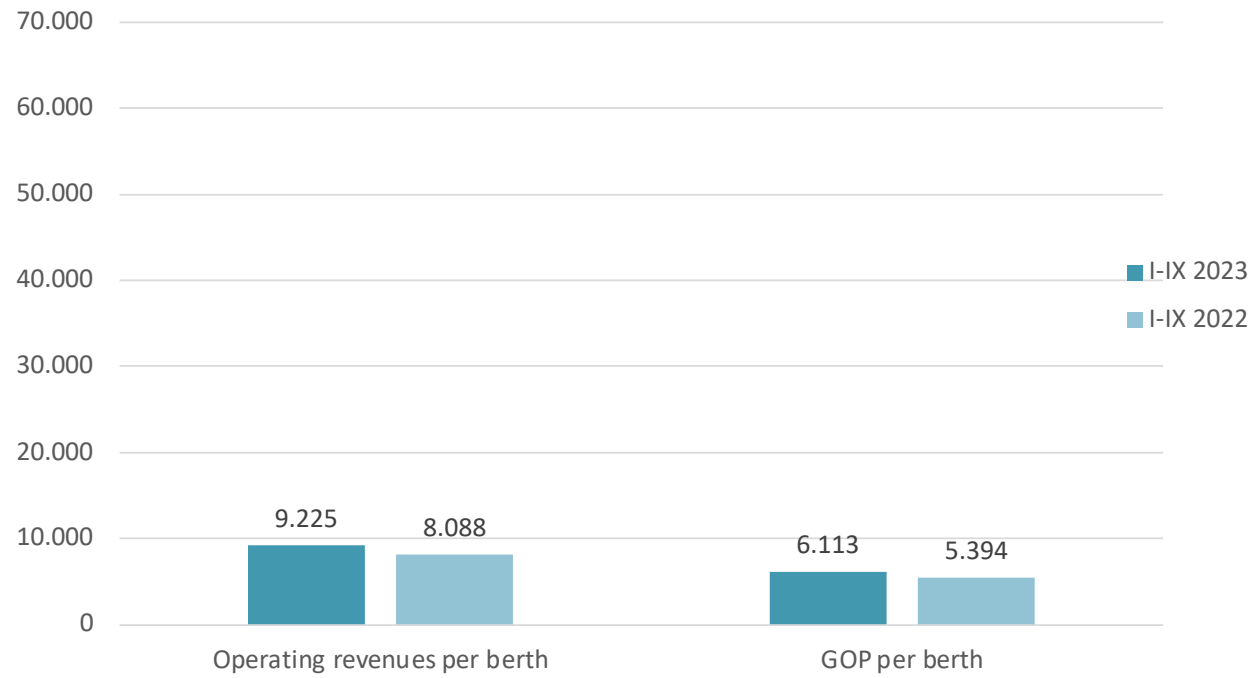
The Nautics of Ilirija d.d. consists of three business units Marina Kornati, Boat Show and restaurant of "Marina Kornati".

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

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

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

Total operating revenue and GOP per berth of Nautics of Ilirija d.d. in the period I-IX 2023 and I-IX 2022



5.1 FINANCIAL OPERATING RESULTS OF THE COMPANY BY SECTORS

5.1.3 CAMPING SECTOR

(in EUR)	I - IX 2023	I - IX 2022	2023/2022
CAMPING TOTAL			
Operating revenue	7.407.143,77	6.595.702,75	12,30%
TRevPAR *	6.554,99	5.460,02	20,05%
Operating costs**	2.813.433,11	2.255.655,85	24,73%
GOP ***	4.593.710,66	4.340.046,90	5,84%
GOP per accommodation unit	4.065,23	3.592,75	13,15%
GOP margin ****	62,0%	65,8%	-5,75%
Capital investments	1.507.189,40	627.953,07	140,02%
CAMPSITE PARK SOLINE			
Operating revenue	6.682.019,08	5.927.495,94	12,73%
TRevPAR *	5.913,29	4.906,87	20,51%
Operating costs**	2.205.802,01	1.699.349,61	29,80%
GOP ***	4.476.217,07	4.228.146,33	5,87%
GOP per accommodation unit	3.961,25	3.500,12	13,17%
GOP margin ****	67,0%	71,3%	-6,09%
RESTAURANT OF THE PARK SOLINE CAMPSITE			
Operating income	725.124,69	668.206,81	8,52%
Operating costs**	607.631,10	556.306,24	9,23%
GOP ***	117.493,59	111.900,57	5,00%
GOP margin ****	16,2%	16,7%	-3,24%

Notes:

The campsite includes the accommodation and restaurant in the Park Soline Campsite.

* TRevPAR - Total revenue per camp unit denotes total operating revenue of the camping (or the campsite) divided by a number of physical camp units.

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

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

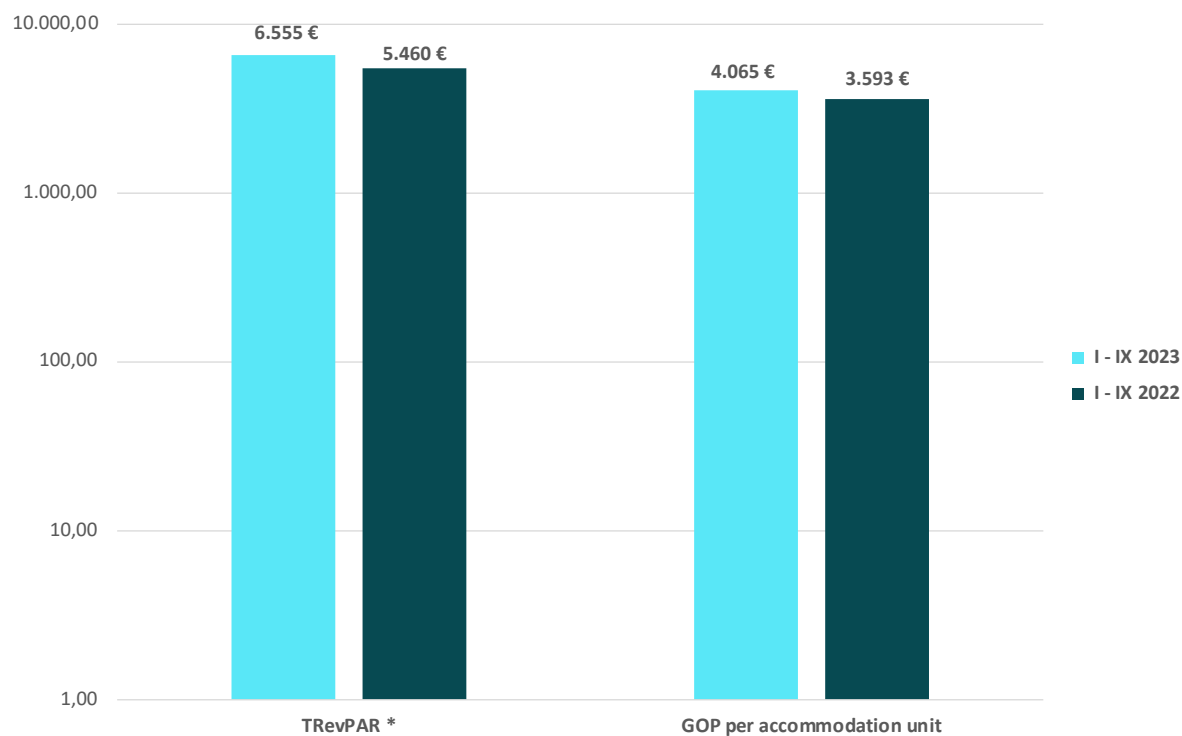
**** GOP margin is calculated by correlating the amount of GOP of camping / campsite / restaurant before the allocation of costs of common services and operating revenues.

In nine months of 2023, the Company's camping sector generated revenue in the amount of EUR 7,407,143.77, representing a 12.30% increase compared to the nine months of the previous year. There was primarily an increase in the revenue from lump-sum guests (growth rate of 26%), an increase in revenue from private mobile homes (growth rate of 11%), an increase in revenue from fixed lease (growth rate of 9%), and an increase in the revenue from individual guests (growth rate of 4%), while at the same time, restaurant revenue increased by 9%.

The operating costs of the entire campsite increased by 25% compared to the same period of 2022 due to an increase in maintenance costs by 68.20%, advertising and promotion costs of 37.00%, municipal utility services of 32.50% and labour costs of 26.53%. This increase of costs occurred during an increase in capacity occupancy, strengthening of sales and marketing activities of the camping sector, increase in labour costs due to the improvement of the financial standing of employees and due to the increase of the price of utility services.

In the first nine months of 2023, a total of EUR 1,507,189.40 of capital investments was invested in improving competitiveness and the quality of services, which is 40.04% more than the same period of 2022.

TrevPAR and GOP of the camping per camp unit of the campsite "Park Soline" in the period I-IX 2023 and I-IX 2022



Notes:

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

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

5.1 FINANCIAL OPERATING RESULTS OF THE COMPANY BY SECTORS

5.1.4 CITY GALLERIA BUSINESS AND SHOPPING CENTRE

(in EUR)	I-IX 2023	I-IX 2022	2023/2022
Operating revenues	1.559.252,88	1.346.636,46	15,79%
Operating costs*	752.307,63	708.401,29	6,20%
GOP **	806.945,25	638.235,17	26,43%
GOP margin ***	51,75%	47,39%	9,19%
Capital investments	789,62	51.395,80	-98,46%

The operating revenue of the City Galleria Business and Shopping Centre generated in the first nine months of 2023 through the lease of commercial premises, common costs, the use of common areas of the centre, the lease of advertising space and revenue from the garage amounted to EUR 1,536,853.74. When we include other operating revenue in the amount of EUR 22,399.14, total operating revenue of the Centre amount to EUR 1,559,252.88. In comparison to the same period of 2022, the aforementioned revenue represents an increase of 15.79%, surpassing even the results achieved in 2019 as the last year with regular business processes.

The operating costs of the City Galleria Business and Shopping Centre, which do not include depreciation, financial expenses and extraordinary costs, amounted to EUR 752,307.63 in the first three quarters

of 2023. The operating costs recorded a growth of 6.20% compared to the same period of 2022, when they amounted to EUR 708,401.29. 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 806,945.25 before the allocation of common service costs, which represents a 51.75% margin.

Notes:

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

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

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

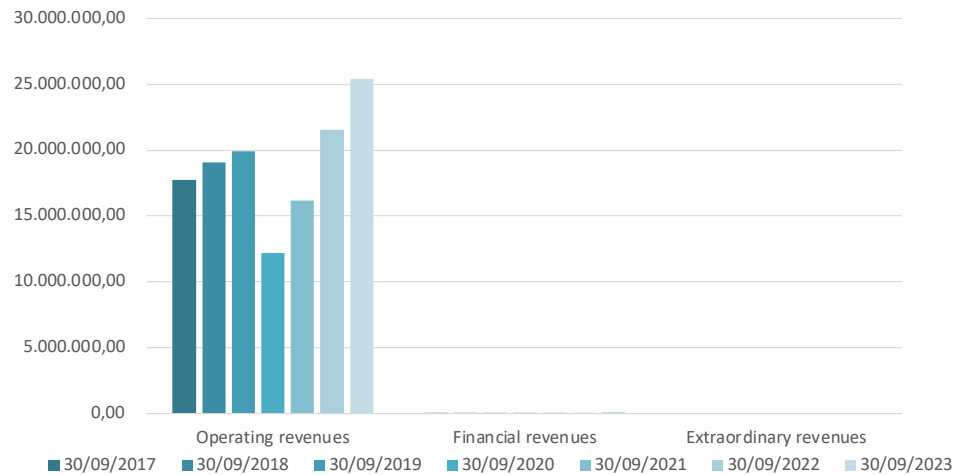
5 FINANCIAL PERFORMANCE RESULTS AT COMPANY LEVEL:

5.1 FINANCIAL PERFORMANCE OF THE COMPANY

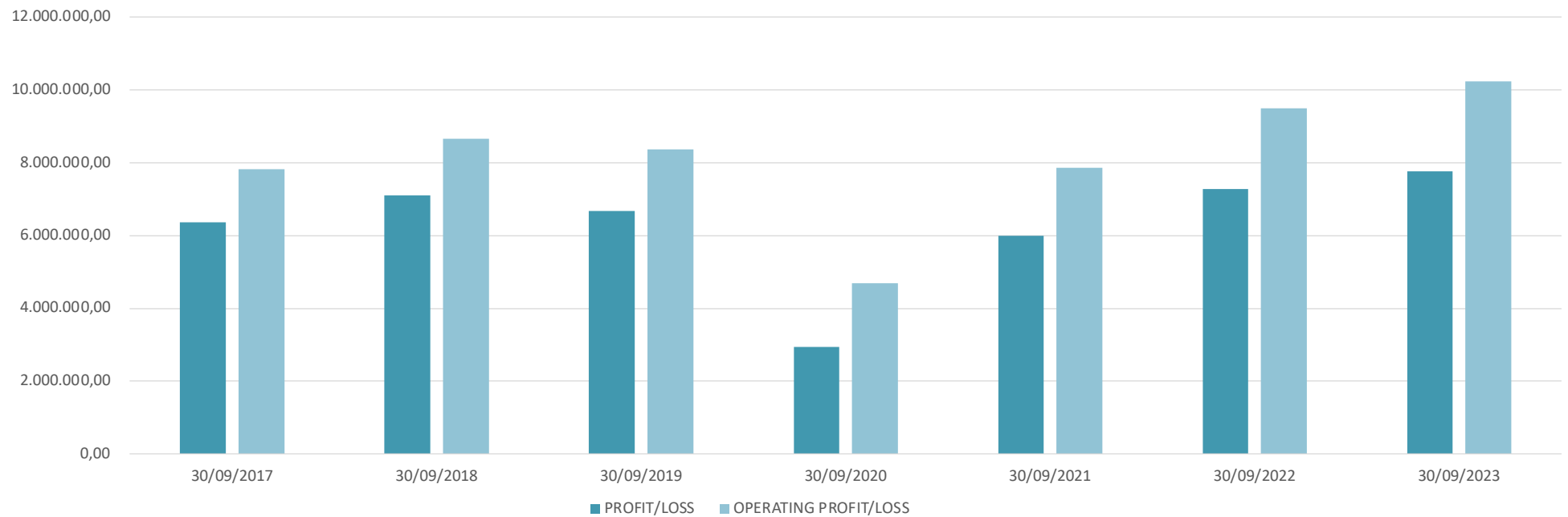
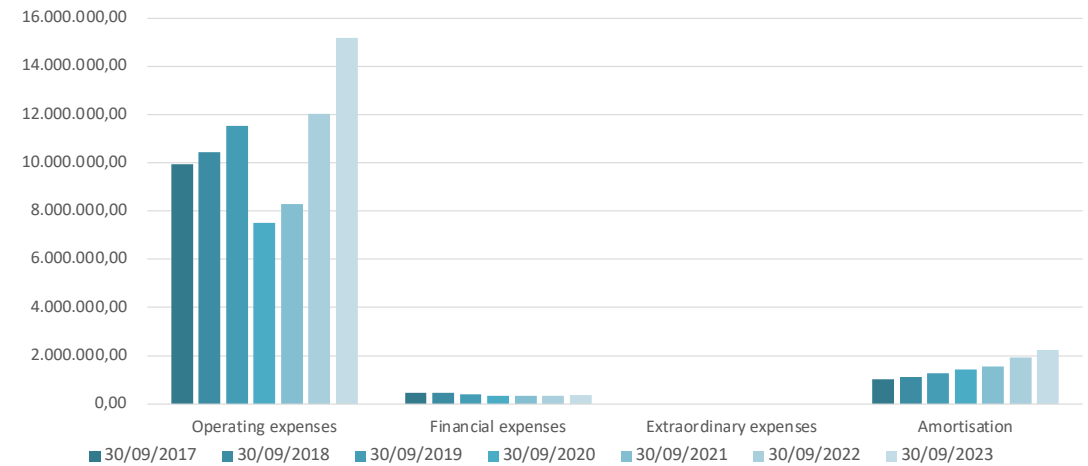
Overview of financial performance for the period from 01/01 to 30/09/2023 and a comparison with the same period from 2017 to 2022

DESCRIPTION	30/09/2017	30/09/2018	30/09/2019	30/09/2020	30/09/2021	30/09/2022	30/09/2023	"Index 2023/2022"
Operating revenues	17.742.914,76	19.078.420,73	19.888.367,12	12.207.524,67	16.169.777,00	21.520.501,27	25.399.606,16	118,03
Financial revenues	17.349,48	23.721,92	6.772,37	12.186,95	2.209,16	3.688,93	128.037,89	3.470,87
Extraordinary revenues	0,00	0,00	0,00	0,00	0,00	0,00	0,00	#DIV/0!
TOTAL REVENUES	17.760.264,23	19.102.142,64	19.895.139,49	12.219.711,62	16.171.986,16	21.524.190,20	25.527.644,05	118,60
Operating expenses	9.927.082,46	10.428.930,82	11.531.141,35	7.520.053,57	8.302.253,44	12.019.410,79	15.165.113,53	126,17
Financial expenses	445.504,01	451.619,97	411.433,92	348.119,37	327.038,53	320.381,54	367.972,64	114,85
Extraordinary expenses	0,00	0,00	0,00	0,00	0,00	0,00	0,00	#DIV/0!
Amortisation	1.015.345,61	1.110.439,63	1.273.829,98	1.415.439,56	1.549.956,66	1.910.174,72	2.222.999,03	116,38
TOTAL EXPENSES	11.387.932,09	11.990.990,41	13.216.405,26	9.283.612,50	10.179.248,63	14.249.967,05	17.756.085,20	124,60
PROFIT/LOSS	6.372.332,15	7.111.152,23	6.678.734,23	2.936.099,12	5.992.737,52	7.274.223,15	7.771.558,85	106,84
OPERATING PROFIT/LOSS	7.815.832,29	8.649.489,91	8.357.225,77	4.687.471,09	7.867.523,56	9.501.090,48	10.234.492,63	107,72
EBITDA	7.833.181,77	8.673.211,82	8.363.998,14	4.699.658,05	7.869.732,71	9.504.779,41	10.362.530,52	109,02

REVENUES 2017 - 2023



EXPENSES 2017 - 2023



1

Total revenue at the end of the third quarter amounted to EUR 25,527,644.05, constituting an increase of 18.60% compared to the same period of the previous year, when it amounted to EUR 21,524,190.20, as a result of an increased operating, i.e. sales revenue.

Operating revenue was realised in the amount of EUR 25,399,606.16 and recorded an increase of 18.03%, or EUR 3,879,104.89 compared to the same period of the previous year when they amounted to EUR 21,520,501.27 as a result of a significant increase in revenue at the level of all sectors of the Company, especially tourism, where revenue achieved double-digit growth rates owing to an increase in the scope of business activities.

Revenue from sales amounted to EUR 25,289,249.88, representing an increase of 17.93% compared to the same period of 2022 when it amounted to EUR 21,444,153.69, due to a 20% increase in revenue from sales on the foreign market and a 17% increase in revenue from sales on the domestic market. Revenue from sales represented 99.57% of operating revenue and 99.07% of total revenue.

2

Total expenses amounted to EUR 17,756,085.20 and, compared to the same period of the previous year, they showed a 24.60% increase due to an increase in operating expenses by 26.17%, depreciation by 16.38% and financial expenses by 14.85%.

Operating expenses amounted to EUR 15,165,113.53, representing an increase by 26.17% or by EUR 3,145,702.74 in comparison with the same period of 2022, and they can be attributed to an increase in all cost groups, namely other costs by 41%, external services costs by 25%, wage costs by 29%, raw materials, materials and energy costs by 13%, whereby the largest increase in expenses was generated by wage costs in absolute terms. The growth of operating expenses is a consequence of a significant increase in the volume of business activities in the tourist sectors, on the one hand, while on the other hand, it is a consequence of a significant increase in costs, especially with regard to a significant increase in salary expenses as a result of improving employees' material rights and at the same time increasing their number in view of the increase in the volume of business activities.

3

Operating profit was generated in the amount of EUR 10,234,492.63, constituting an increase of 7.72% or by EUR 733,402.15 compared to the same period of 2022.

Profit for the reporting period amounted to EUR 7,771,558.85, which is an increase of 6.84% or by EUR 497,335.70 compared to the same period of 2022, as a result of considerable growth in total revenue due to a strong increase in the scope of business activities.

EBITDA, i.e. earnings before depreciation, interest and taxes, has been generated in the amount of EUR 10,362,530.52, and shows a 9.02% increase or by EUR 857,751.11 compared to the same period of 2022.

EBIT, i.e. earnings before interest and taxes was realized in the amount of EUR 8,139,531.49, recording an increase of 7.18%, or EUR 544,926.80 compared to the same period of 2022.

All key operating profitability indicators (operating profit, EBITDA, EBIT and profit) are the best so far, compared not only to the same period in 2022 but also to previous years, as regards their absolute amount. The circumstances of the business year, primarily the general increase in prices due to inflation, the rise in energy prices (gas) and the significant labour shortage in the hospitality sector, significantly affected the increase in costs related to wages and other employment benefits, which in absolute terms generated the largest portion of the increase in operating costs, whereby the expenses increased at a rate higher than the rate of revenue increase. The achievement of operating profitability, or rather the achievement of the best operating results so far in terms of profitability in all its key indicators for nine months of the business year, especially taking into account the aforementioned circumstances, enables the Company to express its satisfaction with the achieved profitability results.

Financial report of the Company as at 30/09/2023 and a comparison with the same period of 2022 and 2021

REVENUES	2021	2022	INDEX 2022/2021	2023	INDEX 2023/2022
Revenue on the domestic market	12.868.496,86	17.169.732,60	133	20.174.388,10	117
Revenues on foreign market	2.577.518,96	4.283.313,52	166	5.143.795,21	120
Other operating revenues	723.761,18	67.455,15	9	81.422,85	121
OPERATING REVENUES	16.169.777,00	21.520.501,27	133	25.399.606,16	118
FINANCIAL REVENUES	2.209,16	3.688,93	167	128.037,89	3.471
EXTRAORDINARY REVENUES	0,00	0,00	#DIV/0!	0,00	#DIV/0!
TOTAL REVENUES	16.171.986,16	21.524.190,20	133	25.527.644,05	119
EXPENSES					
Raw material and material costs	1.815.917,97	2.975.060,02	164	3.351.061,91	113
Costs of services	1.701.379,95	2.282.291,92	134	2.846.442,72	125
Gross pays	3.323.378,92	4.589.475,53	138	5.906.385,34	129
Other expenses	1.461.576,61	2.172.583,32	149	3.061.223,56	141
TOTAL EXPENSES	8.302.253,44	12.019.410,79	145	15.165.113,53	126
AMORTISATION	1.549.956,66	1.910.174,72	123	2.222.999,03	116
FINANCIAL EXPENSES	327.038,53	320.381,54	98	367.972,64	115
EXTRAORDINARY EXPENSES	0,00	0,00	#DIV/0!	0,00	#DIV/0!
TOTAL EXPENSES	10.179.248,63	14.249.967,05	140	17.756.085,20	125
PROFIT/LOSS	5.992.737,52	7.274.223,15	121	7.771.558,85	107
OPERATING PROFIT/LOSS	7.867.523,56	9.501.090,48	121	10.234.492,63	108
EBITDA	7.869.732,71	9.504.779,41	121	10.362.530,52	109

REVENUE BY ACTIVITIES:

The **hotel sector** generated EUR 8,203,418.94 in revenue in the reporting period, representing a 31% increase compared to the same period in the previous year, when the revenue amounted to EUR 6,274,921.88, and this increase can be attributed to a significant increase in the volume of business activities both in the main season and in the pre-season, which was largely absent in the previous year.

The **nautical sector** generated EUR 7,426,339.68 in revenue, a 14% increase compared to the same period of the previous year, when they amounted to EUR 6,510,698.40, a result of an increase in revenue in all segments, i.e. in vessel accommodation i.e. Marina Kornati, by 14 %, in nautical fair by 34 % and in hospitality by 10 %.

The **camping sector** generated EUR 7,407,143.77 in revenue, a 12% increase compared to the revenue generated in the same period of the previous year, when it amounted to EUR 6,595,702.75, mostly due to increased revenue in the accommodation segment, i.e. the "Park Soline" campsite (13% increase), and the hospitality segment (9% increase).

The **real-estate sector** – City Galleria Business and Shopping Centre generated EUR 1,559,252.88 in revenue, whereby it recorded a 16% increase compared to

the same period in the previous year, when the generated revenue amounted to EUR 1,346,636.46, owing to the growth of revenue in all of its key revenue items.

The **destination management company and other profit centres** generated revenue in the amount of EUR 803,450.89 (a 1% increase), and are the result

of an increase in business activities through a higher number of organised events of a larger value.

GRAND TOTAL: Operating revenue by activities amounted to EUR 25,399,606.16, representing an increase of 18% compared to the same period of 2022, when it amounted to EUR 21,520,501.27.



5.2 FINANCIAL POSITION OF THE COMPANY



FUNDAMENTAL FINANCIAL INDICATORS OF THE POSITION OF THE COMPANY AS AT 30/09/2023

Since the table providing an overview of the Company's key indicators covers the period of 2023–2013 (eleven years), the realised described indicators are also listed in absolute amounts and growth rates.

1

The value of the Company assets as at 30/09/2023 amounted to EUR 74,655,202.25, representing an increase of EUR 2,504,986.01 compared to the same period of 2022, when it amounted to EUR 72,150,216.24.

In the same period of 2013, the value of the Company assets was EUR 40,916,513.89, and increased by EUR 33,738,688.36 or 82.46%, and amounted to EUR 74,655,202.25.

2

Total liabilities amounted to EUR 17,214,638.19, increasing by EUR 287,207.45, or 1.70% compared to EUR 16,927,430.74 for the same period in 2022, as a result of an increase in current liabilities of the Company.

Total liabilities of the Company as at 30 September 2023 were higher by EUR 108,719.80, or 0.64%, compared to total liabilities of the Company as at 30 September 2013, when they amounted to EUR 17,105,918.39.

3

Equity and reserves as at 30/09/2023 amounted to EUR 57,440,564.06, representing an increase of EUR 2,217,778.56, or 4.02%, compared to the same period of 2022, when they amounted to EUR 55,222,785.50.

Comparing equity and reserves of the Company as at 30 September 2023, they increased by EUR 33,629,968.57 or 141.24% compared to the same the same period in 2013, when they amounted to EUR 23,810,595.49.

4

Net debt as at 30/09/2023 amounted to EUR 1,620,375.23, constituting a decrease of 49.22%, or EUR 1,570,530.18, compared to the same period of the previous year, when it amounted to EUR 3,190,905.41.

This is also a EUR 12,119,361.53 decrease compared to the same period of 2013, when the net debt amounted to EUR 13,739,736.76.

5

Total revenue amounted to EUR 25,527,644.05, recording an increase of EUR 4,003,453.85 or 18.60% compared to the same period in 2022, when they amounted to EUR 21,524,190.20.

Total revenue of the Company, compared to the same period of 2013 when it amounted to EUR 14,322,370.94, increased by EUR 11,205,273.11, or 78.24%.

6

The Company realized an operating profit in the amount of EUR 10,234,492.63, which is EUR 733,402.15, or 7.72% more compared to the same period of 2022, when it amounted to EUR 9,501,090.48, as a result of the growth in operating revenue.

Comparing the operating profit generated in the nine months of 2023 and the one from the same period of 2013, when it amounted to EUR 5,840,873.26, a 75.22% increase can be seen.

7

EBITDA was realised in the amount of EUR 10,362,530.52, increasing by 9.02%, or EUR 857,751.11 compared to EUR 9,504,779.41 for the same period in 2022.

The realised EBITDA in the reporting period increased by EUR 4,870,272.45, or 88.68% compared to the same period of 2013, when it amounted to EUR 5,492,258.07.

8

The Company's profit in the reporting period amounted to EUR 7,771,558.85, increasing by EUR 497,335.70, or 6.84% compared to the same period of the previous business year, when it amounted to EUR 7,274,223.15. Profit realised until 30 September 2023, compared to the profit generated in the same period of 2013, which amounted to EUR 4,335,884.45, has increased by EUR 3,435,674.40, or 79.24%.

9

A dividend in the amount of EUR 1,323,708.10 was paid to shareholders, an increase of EUR 206,209.59 (18.45%) compared to that paid in 2022, when it amounted to EUR 1,117,498.51.

The Company allocated 166.61%, or EUR 827,219.95, more for dividend distribution in 2023 compared to the dividend paid to shareholders in 2013, when it amounted to EUR 496,488.15.

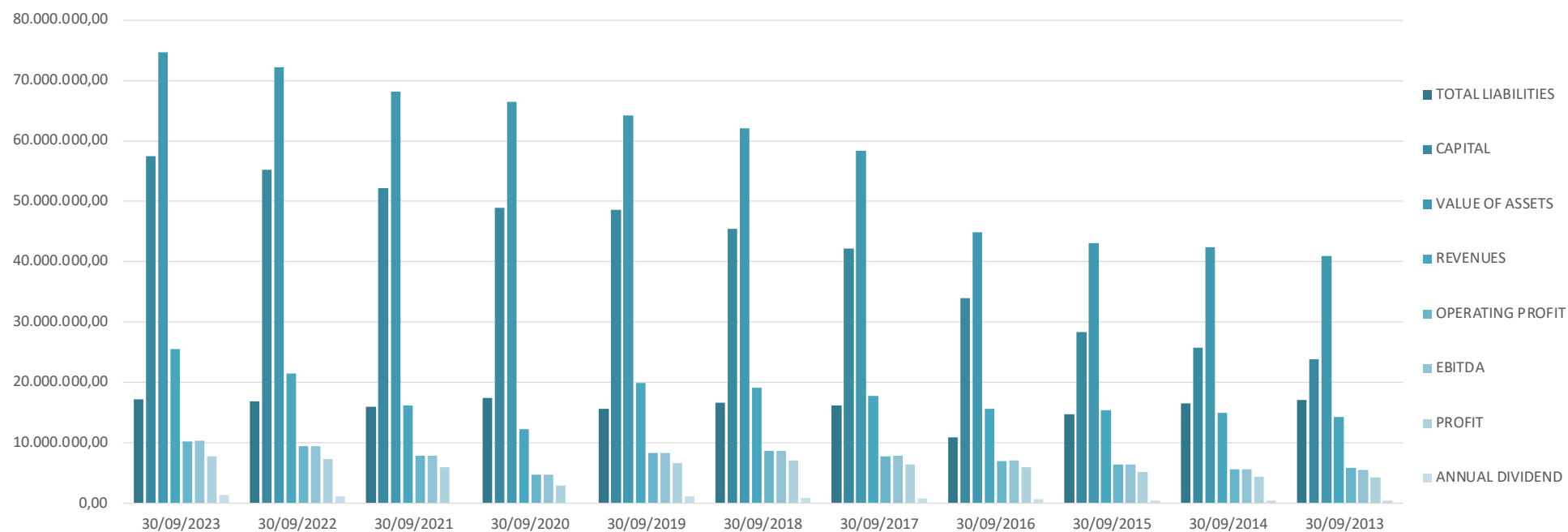
In the period from 2013 until 30/09/2023, the shareholders were paid a total of EUR 7,460,154.11 for dividends.

CUMULATIVE COMPARATIVE OVERVIEW

of fundamental operating results, as well as asset, capital and liability indicators of the Company as at 30/09/2023,
and for the same period of the years 2013–2022

YEAR	TOTAL LIABILITIES	CAPITAL	VALUE OF ASSETS	NET DEBT	REVENUES	OPERATING PROFIT	EBITDA	PROFIT	ANNUAL DIVIDEND
1	2	3	4	5	6	7	8	9	10
30/09/2023	17.214.638,19	57.440.564,06	74.655.202,25	1.620.375,23	25.527.644,05	10.234.492,63	10.362.530,52	7.771.558,85	1.323.708,10
30/09/2022	16.927.430,74	55.222.785,50	72.150.216,24	3.190.905,41	21.524.190,20	9.501.090,48	9.504.779,41	7.274.223,15	1.117.498,51
30/09/2021	16.008.491,98	52.189.899,58	68.198.391,56	6.153.218,91	16.171.986,16	7.867.523,56	7.869.692,90	5.992.737,52	0,00
30/09/2020	17.496.343,12	48.956.853,57	66.453.196,69	10.429.304,35	12.219.711,62	4.687.471,09	4.699.658,05	2.936.099,12	0,00
30/09/2019	15.664.553,30	48.582.947,13	64.247.500,44	12.006.534,02	19.895.139,49	8.357.225,77	8.363.998,14	6.678.734,23	1.117.255,56
30/09/2018	16.649.712,29	45.445.773,75	62.095.486,05	14.415.685,49	19.102.142,64	8.649.489,91	8.673.211,82	7.111.152,23	958.423,25
30/09/2017	16.254.476,94	42.163.342,56	58.417.819,51	14.883.209,34	17.760.264,23	7.815.832,29	7.833.181,77	6.372.332,15	798.532,09
30/09/2016	10.923.862,35	33.990.666,20	44.914.528,58	8.678.646,82	15.623.749,46	6.935.796,17	7.118.437,11	5.944.541,55	655.272,15
30/09/2015	14.695.174,60	28.348.670,14	43.043.844,74	10.962.461,21	15.476.629,40	6.374.978,26	6.397.537,07	5.238.364,28	496.488,15
30/09/2014	16.590.363,23	25.806.641,62	42.397.004,85	12.725.994,90	14.935.660,55	5.643.967,04	5.617.576,74	4.399.283,43	496.488,15
30/09/2013	17.105.918,39	23.810.595,49	40.916.513,89	13.739.736,76	14.322.370,94	5.840.873,26	5.492.258,07	4.335.884,45	496.488,15

A graph of fundamental operating results, as well as asset, capital and liability indicators of the Company as at 30/09/2023, and for the same period of the years 2013 –2022



Statement of the Company's financial position as at 30/09/2023
and compared to 31/12/2022

		30/09/2023	31/12/2022	Index
		UNAUDITED	AUDITED	
A	FIXED ASSETS	59.078.359,31	58.440.502,29	101,09
B	CURRENT ASSETS	15.576.842,94	11.674.389,90	133,43
A+B	TOTAL ASSETS	74.655.202,25	70.114.892,19	106,48
C	SHORT-TERM LIABILITIES	2.889.111,17	5.523.030,42	52,31
D	LONG-TERM LIABILITIES	14.325.527,02	13.525.545,65	105,91
E	TOTAL LIABILITIES	17.214.638,19	19.048.576,07	90,37
F	TOTAL SHARE CAPITAL AND RESERVES	57.440.564,06	51.066.316,12	112,48
E+F	TOTAL CAPITAL AND LIABILITIES	74.655.202,25	70.114.892,19	106,48

OPERATING AND OTHER COSTS

Operating expenses for the first three quarters of 2023 amounted to EUR 15,165,113.53 and are higher by 26.17% compared to the same period of the previous business year, when they amounted to EUR 12,019,410.79, due to an increase in operating expenses caused by an increase in the gross salary cost and costs of raw materials, materials and energy, costs of outsourced services and other operating costs.

In absolute amounts, what contributed most to increased operating expenses were costs related to salaries and other employment benefits, which increased by 29.00% compared to the same period in the previous year. An increase in costs related to salaries and other employment benefits was the result of improving the financial position of the employees and to simultaneously increase the number of employees so as to ensure smooth business operations and achieve quality of service, having in mind a significant shortage in qualified hospitality and tourism workers.

FINANCIAL EXPENSES

Financial expenses in the reporting period amounted to EUR 367,972.64 and they have increased by 14.85% compared to the same period of 2022, when they amounted to EUR 320,381.54.

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 July 2023, the Company concluded a Short-Term Limit Agreement with the commercial bank Erste&Steiermärkische Bank d.d. for the amount of EUR 2,000,000.00, which will secure a short-term credit limit for the duration of 2023 and the first half of 2024 for the purpose of maintaining current liquidity.

COLLECTION OF CURRENT AND FUTURE REVENUE

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

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

6.1 SIGNIFICANT EVENTS

At its session held on 24 February 2023, the Management Board of the Company adopted the Company's Q4 2022 financial statements (unaudited, unconsolidated), the Annual Report and the 2022 annual financial statements (audited, unconsolidated). Also, at the session of the Supervisory Board held on the same day, the Company's Annual Report, 2022 annual financial statements (audited, unconsolidated) were adopted and draft decisions were established, which were sent to the General Assembly for adoption.

The Company released 4135 own shares, constituting 0.17% of its share capital. Own shares were released under the Share Transfer Agreement, concluded with the Company's employees in compliance with the Decision on the allocation of own (treasury) shares to the Company's employees free of charge as a reward for the business results achieved in 2019.

The General Assembly of the Company, held on 21 April 2023, took note of the Annual Report for 2022 together with the Audit Report for 2022, Report of the Supervisory Board on the Performed Supervision of the Company's Operations for 2022, and the Management Board's Report on the Acquisition of Own Shares. The General Assembly adopted the Decision on the Approval of the 2022 Report on the Remuneration of Management Board and Supervi-

sory Board Members, the Decision on Granting Discharge to the Company's Management Board for the financial year 2022, Decision on Granting Discharge to the Members of the Supervisory Board for the financial year 2023, and the Decision on the Appointment of the authorised auditing company "UHY RUDAN d.o.o.", Ilica 213, Zagreb, PIN: 717995390000 as the Company's Auditor for 2023 717995390000. Moreover, the Decision on the Adjustment of the Share Capital of the Company was adopted by increasing the share capital from the Company's assets and amending the Articles of Association of the Company for the purpose of aligning the share capital with the Companies Act and rounding off the amount of capital to a whole number on the basis of the established and audited 2022 Annual Financial Statements. Consequently, the share capital was increased from EUR 30,412,964.36 by EUR 7,035.64 to EUR 30,420,000.00. The share capital was increased from the Company's assets by converting other reserves in the amount of EUR 7,035.64, into the share capital of the Company without issuing new shares in proportion to the increase in the share of all issued shares in the share capital of the Company. The General Assembly adopted the Decision Amending the Decision on the Remuneration of Supervisory Board Members on the basis of which each member of the Supervisory Board is entitled to a fixed monthly remuneration for their work in the

Supervisory Board of the Company in the net amount of EUR 1,350.00. Also, the Decision on the Use of Company Profit for the 2022 Financial Year was adopted, according to which the achieved net profit in the 2022 financial year (after tax) in the amount of EUR 3,117,753.76, is distributed as follows:

- EUR 1,794,045.66 into the retained profit, and
- EUR 1,323,708.10 for dividend distribution.

In the reporting period, the Company acquired 2,323 own shares, designated as ILRA, which constitute 0.10% of the share capital. Following this acquisition, the Company owns 13204 own shares, constituting 0.55% of the share capital.



6.2 LEGAL MATTERS

• The Ilirija Tennis Centre real property in Biograd na Moru, under the cadastral plot no. 3232, in the Cadastral Municipality of Biograd na Moru, with a 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-in-

stance 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.

• 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 will file 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 Gž751/16-2 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 Privatization 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 Privatization 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 va-

lue 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 in 2011 and 2015 the applications for the extension of the term of the concession on the hotel port Ilirija-Kornati, and in 2008 on the outdoor swimming pool with a beach facility, by 20 years, i.e. to a total of 30 years (as described in Chapter 2.3. Risks and risk management). 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.



6.3 INVESTMENTS IN 2023

In the reporting period, EUR 3,002,539.57 were invested at the Company level, which is considerable growth compared to the same period in 2022, when investments amounted to EUR 1,691,606.84. The investments made related to the Company's key tourism sectors, i.e. the hotel, camping, and nautical sector as well as Ilirija Travel, part of which was started already in the fourth quarter of the previous financial year, in order to preserve competitiveness, further investment in improving the quality and standards of service, and in changing the structure by segments of service provision.

The largest portion of the investments related to the camping sector, where a significant renovation of the campsite was carried out, including all of the infrastructure and landscaping work and the construction of the main roads in the campsite extra zone, as well as additional refurbishing and adaptation of amenities for children, and investments in changing the structure by segments of service provision with the aim raising the overall quality and amenities of the campsite. In the hotel sector, investments are continuously focused on improving and expanding services and raising the level of quality through additional arrangement and furnishing of accommodation units, expansion of wellness services through the development of capacities for health tourism, refurbishment of hotel catering facilities by purchasing new catering equipment and other common hotel amenities, while at the same time, roof repair works were completed, including a complete replacement of the waterproofing system. Furthermore, at the Kornati **** Hotel, roof repair works were completed with a complete replacement of the waterproofing system, the replacement of part of the exterior woodwork with more energy efficient ones and the decoration of the hotel lobby. In the nautical sector, investments related to the refurbishing of the common facilities at the marina, the largest part of which referred to the complete reconstruction of the largest sanitary facility, including the replacement of all installations, placement of new floor and wall coverings, and equipping with modern sanitary equipment, while investment in Ilirija Travel were related to the "Nada" event boat.

6.4 NON-OPERATING ASSETS

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

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

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

Land plot, Polača: The Company owns a building site of approximately 2.5 acres in Polača, located along the state road, which connects Biograd with the local motorway (regional importance). The site is equipped with basic communal infrastructure and Ilirija d.d. plans to use it to build a dry marina, which would be functionally connected with the existing nautical capacities owned by Ilirija d.d., but only if the existing concessions and the right of economic exploitation of the maritime domain within the existing nautical tourism ports owned by the Company are extended beforehand.

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

6.5 OTHER

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

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

MERGERS AND ACQUISITIONS

There were no mergers and acquisitions.

7 BUSINESS EXPECTATIONS IN 2023

As an industry, world tourism experienced a strong recovery in 2022, namely after two years of significant stagnation due to the unprecedented travel crisis caused by the COVID-19 pandemic. An even stronger recovery was experienced by tourism as an industry in most European countries. This especially applies to the tourist season of all Mediterranean countries, including Croatian tourism.

With such favourable and optimistic positive trends for tourism as an industry, and thus also for the Company, the Company is more than optimistic when it comes to its 2023 business. The business expectations for 2023 are based on the assumption of no limiting circumstances related to the year-round business activities of all sectors and profit centres of the Company, i.e. a complete recovery of market demand and its intense growth in the pre-season (which was virtually non-existent in 2022 due to the global COVID-19 pandemic and the Russian-Ukrainian war), as well as further growth of the volume of business activities in peak and late season and their complete recovery.

The Company takes as its starting point the fact that Croatian tourism recorded a strong recovery in 2022 (mainly generated by activities in peak and late season), ultimately almost returning to the physical operating results (arrivals and overnight stays) from 2019 and achieving a significant financial turnover growth. Moreover, the Company is of the opinion that, in addition to the strong desire to travel, the key European outbound markets for Croatian tourism still possess sufficient purchasing power to generate demand (especially in peak season) at least at the 2022 level.

The main determinants of the 2023 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.

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 2023:

- a) increase in demand evidenced by the growth in terms of all key physical business performance indicators at the level of all sectors of the Company,
- b) significant increase in operating revenue at the level of all sectors and profit centres, i.e. at the level of the entire Company,
- c) generating EBITDA, or its share in the total revenue, in line with the tourism industry standards; and
- d) growth of other profitability indicators (profit, EBIT).

Moreover, the Company stresses that it is aware of objective and actual limiting circumstances and challenges that could to a certain extent affect the realisation of business expectations for 2023, including the existing global geopolitical instability as a direct consequence of the Russian invasion of Ukraine, the continuation of strong inflationary pressures, the unfavourable macro-economic environment, labour shortage, and an

intense increase in labour costs, as well as food, beverage, and energy costs. The aforementioned circumstances and challenges (most of which are of a global nature) can affect tourism-related transactions, namely by reducing them due to a limited possibility of smooth year-round business activities in the tourism sectors of the Company, as well as a decrease in demand and purchasing power.



8 NOTES

The Company has all the permits required for the performance of its activities, such as the decisions on categorization 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



FINANCIAL STATEMENTS FOR THE PERIOD 01/01/- 30/09/2023

Annex 1

ISSUER'S GENERAL DATA

Reporting period: 01/01/2023 to 30/09/2023
 Year: 2023
 Quarter: 3

Quarterly financial statements

Registration number (MB): 03311953 Issuer's home Member State code: HRVATSKA
 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): 399
 Consolidated report: KN (KN-not consolidated/KD-consolidated)
 Audited: RN (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: STRPIĆ ZORKA
 (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 30/09/2023			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	58.440.499	59.078.359
I INTANGIBLE ASSETS (ADP 004 to 009)	003	43.953	31.412
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	43.953	31.412
II TANGIBLE ASSETS (ADP 011 to 019)	010	58.391.629	59.042.030
1 Land	011	5.894.094	5.894.095
2 Buildings	012	33.247.269	32.293.567
3 Plant and equipment	013	8.731.544	9.232.050
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	184.304	42.547
7 Tangible assets in preparation	017	159.339	1.591.501
8 Other tangible assets	018	0	0
9 Investment property	019	10.175.079	9.988.270
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	11.674.387	15.576.843
I INVENTORIES (ADP 039 to 045)	038	189.772	260.063
1 Raw materials and consumables	039	189.772	260.063
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	712.052	2.077.725
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	260.731	1.545.390
4 Receivables from employees and members of the undertaking	050	20.562	31.323
5 Receivables from government and other institutions	051	253.289	488.034
6 Other receivables	052	177.470	12.978
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	10.671.584	12.127.537
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	10.671.584	12.127.537
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	100.979	1.111.518
D) PREPAID EXPENSES AND ACCRUED INCOME	064	0	0
E) TOTAL ASSETS (ADP 001+002+037+064)	065	70.114.886	74.655.202
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	51.066.313	57.440.564
I INITIAL (SUBSCRIBED) CAPITAL	068	30.412.964	30.420.000
II CAPITAL RESERVES	069	389.194	389.195
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	4.890.630	4.809.992
1 Legal reserves	071	3.195.698	3.195.698
2 Reserves for treasury shares	072	925.836	925.837
3 Treasury shares and holdings (deductible item)	073	-229.335	-302.938
4 Statutory reserves	074	0	0
5 Other reserves	075	998.431	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	12.255.772	14.049.818
1 Retained profit	084	12.255.772	14.049.818
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	3.117.753	7.771.559
1 Profit for the business year	087	3.117.753	7.771.559
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	0	0
1 Provisions for pensions, termination benefits and similar obligations	091	0	0
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	0	0
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	0	0

C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	13.525.545	14.325.527
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	13.525.545	14.325.527
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	5.264.753	2.667.482
1 Liabilities towards undertakings within the group	110	0	0
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	2.831.638	406.366
7 Liabilities for advance payments	116	11.285	33.329
8 Liabilities towards suppliers	117	1.308.142	886.743
9 Liabilities for securities	118	0	0
10 Liabilities towards employees	119	329.401	457.194
11 Taxes, contributions and similar liabilities	120	630.180	729.743
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	154.107	154.107
E) ACCRUALS AND DEFERRED INCOME	124	258.275	221.629
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	70.114.886	74.655.202
G) OFF-BALANCE SHEET ITEMS	126	0	0

STATEMENT OF PROFIT OR LOSS					
for the period 01/01/2023 to 30/09/2023					
in EUR					
Submitter: ILIRIJA d.d.					
Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	21.520.501	12.383.856	25.399.606	14.241.135
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	21.478.567	12.363.445	25.318.497	14.201.293
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	0	0	0	0
5 Other operating income (outside the group)	006	41.934	20.411	81.109	39.842
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	13.929.585	6.493.288	17.388.112	7.588.581
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	5.257.352	2.622.202	6.197.505	2.933.528
a) Costs of raw materials and consumables	010	2.975.060	1.623.611	3.351.062	1.727.389
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	2.282.292	998.591	2.846.443	1.206.139
3 Staff costs (ADP 014 to 016)	013	4.589.475	1.955.789	5.906.385	2.368.456
a) Net salaries and wages	014	2.787.548	1.182.266	3.527.695	1.409.206
b) Tax and contributions from salary costs	015	1.149.759	495.765	1.539.718	623.018
c) Contributions on salaries	016	652.168	277.758	838.972	336.232
4 Depreciation	017	1.910.175	630.374	2.222.999	740.975
5 Other costs	018	2.164.368	1.280.296	2.898.088	1.541.314
6 Value adjustments (ADP 020+021)	019	0	0	0	0
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	0	0	0	0
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	8.215	4.627	163.135	4.308
III FINANCIAL INCOME (ADP 031 to 040)	030	3.689	1.383	128.038	127.922
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	0	0
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	0	0	127.924	127.922
8 Exchange rate differences and other financial income	038	3.689	1.383	114	0
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	0	0
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	320.382	109.091	367.973	121.174
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0

2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0
3 Interest expenses and similar expenses	044	312.937	107.970	367.812	121.135
4 Exchange rate differences and other expenses	045	7.445	1.121	161	39
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	0	0	0	0
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	21.524.190	12.385.239	25.527.644	14.369.057
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	14.249.967	6.602.379	17.756.085	7.709.755
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	7.274.223	5.782.860	7.771.559	6.659.302
1 Pre-tax profit (ADP 053-054)	056	7.274.223	5.782.860	7.771.559	6.659.302
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
XII INCOME TAX	058	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	7.274.223	5.782.860	7.771.559	6.659.302
1 Profit for the period (ADP 055-059)	060	7.274.223	5.782.860	7.771.559	6.659.302
2 Loss for the period (ADP 059-055)	061	0	0	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	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	0	0
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0	0	0
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	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	0	0
1 Attributable to owners of the parent	076	0	0	0	0
2 Attributable to minority (non-controlling) interest	077	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	7.274.223	5.782.860	7.771.559	6.659.302
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	0	0	0	0
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0

4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	0	0	0	0
1 Exchange rate differences from translation of foreign operations	088	0	0	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)	097	0	0	0	0
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	7.274.223	5.782.860	7.771.559	6.659.302
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	0	0	0	0
1 Attributable to owners of the parent	100	0	0	0	0
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method			
for the period 01/01/2023 to 30/09/2023			
			in EUR
Submitter: ILIRIJA d.d.			
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	7.274.223	7.771.559
2 Adjustments (ADP 003 to 010):	002	2.169.285	2.719.010
a) Depreciation	003	1.910.175	2.222.999
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	0
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	0	128.038
e) Interest expenses	007	259.110	367.973
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	0	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	0
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	9.443.508	10.490.569
3 Changes in the working capital (ADP 013 to 016)	012	-673.212	1.230.660
a) Increase or decrease in short-term liabilities	013	-992.247	763.067
b) Increase or decrease in short-term receivables	014	254.967	456.353
c) Increase or decrease in inventories	015	64.068	11.240
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	8.770.296	11.721.229
4 Interest paid	018	-259.110	-324.837
5 Income tax paid	019	-787.258	-834.448
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	7.723.928	10.561.944
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	0
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	0	0
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	0	0
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-1.269.771	-3.002.540
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-4.673.822	-1.328.416
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	-250.279	-141.758
IV Total cash payments from investment activities (ADP 028 to 032)	033	-6.193.872	-4.472.714
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-6.193.872	-4.472.714
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	1.990.842	800.000
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	1.990.842	800.000
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-1.083.405	-2.578.000
2 Cash payments for dividends	041	-1.110.805	-1.319.404
3 Cash payments for finance lease	042	-599.738	-681.202
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	-162.834
5 Other cash payments from financing activities	044	0	-1.137.251

VI Total cash payments from financing activities (ADP 040 to 044)	045	-2.793.948	-5.878.691
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-803.106	-5.078.691
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	726.950	1.010.539
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	495.915	100.979
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	1.222.865	1.111.518

STATEMENT OF CASH FLOWS - direct method			
for the period 01/01/2023 to 30/09 /2023			
in EUR			
Submitter: ILIRIJA d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	0	0
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	0	0
4 Cash receipts from tax refund	004	0	0
5 Other cash receipts from operating activities	005	0	0
I Total cash receipts from operating activities (ADP 001 to 005)	006	0	0
1 Cash payments to suppliers	007	0	0
2 Cash payments to employees	008	0	0
3 Cash payments for insurance premiums	009	0	0
4 Interest paid	010	0	0
5 Income tax paid	011	0	0
6 Other cash payments from operating activities	012	0	0
II Total cash payments from operating activities (ADP 007 to 012)	013	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	014	0	0
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	0	0
2 Cash receipts from sales of financial instruments	016	0	0
3 Interest received	017	0	0
4 Dividends received	018	0	0
5 Cash receipts from the repayment of loans and deposits	019	0	0
6 Other cash receipts from investment activities	020	0	0
III Total cash receipts from investment activities (ADP 015 to 020)	021	0	0
1 Cash payments for the purchase of fixed tangible and intangible assets	022	0	0
2 Cash payments for the acquisition of financial instruments	023	0	0
3 Cash payments for loans and deposits	024	0	0
4 Acquisition of a subsidiary, net of cash acquired	025	0	0
5 Other cash payments from investment activities	026	0	0
IV Total cash payments from investment activities (ADP 022 to 026)	027	0	0
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	028	0	0
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	029	0	0
2 Cash receipts the from issue of equity financial instruments and debt financial instruments	030	0	0
3 Cash receipts from credit principals, loans and other borrowings	031	0	0
4 Other cash receipts from financing activities	032	0	0
V Total cash receipts from financing activities (ADP 029 to 032)	033	0	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	0	0
2 Cash payments for dividends	035	0	0
3 Cash payments for finance lease	036	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	037	0	0
5 Other cash payments from financing activities	038	0	0
VI Total cash payments from financing activities (ADP 034 to 038)	039	0	0
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 +039)	040	0	0
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)	042	0	0
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	0	0
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)	044	0	0

STATEMENT OF CHANGES IN EQUITY

for the period from 01/01/2023 to 30/09/2023

in EUR

Item	ADP code	Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Attributable to owners of the parent								Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent	Minority (non-controlling) interest	Total capital and reserves
									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							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	"18 (3 to 6 - 7 + 8 to 17)"	19	20 (18+19)		
Previous period																					
1 Balance on the first day of the previous business year	01	30.412.964	389.195	3.195.698	925.837	155.441	0	998.431	0	0	0	0	0	0	13.373.271	0	49.139.955	0	49.139.955		
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	155.441	0	998.431	0	0	0	0	0	0	13.373.271	0	49.139.955	0	49.139.955		
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7.274.223	7.274.223	0	7.274.223		
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
18 Redemption of treasury shares/holdings	18	0	0	0	0	73.894	0	0	0	0	0	0	0	0	0	0	-73.894	0	-73.894		
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	-1.117.499	0	-1.117.499	0	-1.117.499		
21 Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	0	0	0	0	0	0	0	1.825.295	0	1.825.295	0	1.825.295		
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	0	0	0	0	0	0	0	0	-1.825.295	0	-1.825.295	0	-1.825.295		
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	30.412.964	389.195	3.195.698	925.837	229.335	0	998.431	0	0	0	0	0	0	12.255.772	7.274.223	55.222.785	0	55.222.785		
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																					
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7.274.223	7.274.223	0	7.274.223		
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	0	0	73.894	0	0	0	0	0	0	0	0	-1.117.499	0	-1.191.393	0	-1.191.393		
Current period																					

1 Balance on the first day of the current business year	28	30.412.964	389.195	3.195.698	925.837	229.335	0	998.431	0	0	0	0	0	0	15.373.526	0	51.066.316	0	51.066.316
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the current business year (restated) (AOP 28 to 30)	31	30.412.964	389.195	3.195.698	925.837	229.335	0	998.431	0	0	0	0	0	0	15.373.526	0	51.066.316	0	51.066.316
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7.771.559	7.771.559	0	7.771.559
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	40	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	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	45	0	0	0	0	160.769	0	0	0	0	0	0	0	0	0	0	-160.769	0	-160.769
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	-1.323.708	0	-1.323.708	0	-1.323.708
21 Other distributions and payments to members/shareholders	48	0	0	0	0	-87.166	0	0	0	0	0	0	0	0	1.794.046	0	1.881.212	0	1.881.212
22 Carryforward per annual plane	49	0	0	0	0	0	0	0	0	0	0	0	0	0	-1.794.046	0	-1.794.046	0	-1.794.046
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	302.938	0	991.395	0	0	0	0	0	0	14.049.818	7.771.559	57.440.564	0	57.440.564
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	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 CURRENT PERIOD (ADP 32 to 52)	53	7.036	0	0	0	0	0	-7.036	0	0	0	0	0	0	0	7.771.559	7.771.559	0	7.771.559
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	0	0	73.603	0	0	0	0	0	0	0	0	-1.323.708	0	-1.397.311	0	-1.397.311

NOTES TO THE FINANCIAL STATEMENTS – TFI-POD

(made for quarterly periods)

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

PIN: 05951496767

Reporting period: 01/01 – 30/09/2023**A. Notes on the Company's financial position:****Non-current assets**

The non-current asset value amounted to EUR 59,078,359.31, constituting an increase of EUR 637,860.01 compared to the value as at 31 December 2022, when it amounted to EUR 58,440,499.30. An amount of EUR 3,002,539.57 was invested in all sectors of the Company during the reporting period of 2023.

Current assets

The current asset value amounted to EUR 15,576,842.94 and increased by EUR 3,902,455.87 or 33.43 % compared to the value as at 31 December 2022, when it amounted to EUR 11,674,387.07. The largest portion of the increase in current assets was achieved by cash inflows from customers.

Short-term liabilities

Short-term liabilities amounted to EUR 2,889,111.17, recording a decrease of EUR 2,375,642.16, or 54.87% compared to the balance as at 31 December 2022, when they amounted to EUR 5,264,753.33.

Non-current liabilities

Non-current liabilities amounted to EUR 14,325,527.02, recording an increase of EUR 799,981.37, or 5.92% compared to the balance as at 31 December 2022, when they amounted to EUR 13,525,545.65.

Equity and reserves

Equity and reserves equalled EUR 57,440,564.06, representing an increase of EUR 6,374,251.91, or 12.49% compared to the balance as at 31 December 2022, when they amounted to EUR 51,066,312.15.

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

Total revenue generated as at 30 September 2023 amounted to EUR 25,527,644.05, representing an increase of 18.60% of the total revenue as at 30 September 2022, when it amounted to EUR 21,524,190.20.

Total expenses

Total expenses as at 30 September 2023 amounted to EUR 17,756,085.20, representing an increase of 24.60% of the total expenses as at 30 September 2022, when it amounted to EUR 14,249,967.05.

Operating profit

The operating profit generated as at 30 September 2023 amounted to EUR 10,234,492.63, constituting a decrease of 7.72% of the operating profit generated as at 30 September 2022, when it amounted to EUR 9,501,090.48

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

C. Statement on the application of the same accounting policies during the preparation of the statement as at 30 September 2023 and the last revised annual statement as at 31 December 2022.

D. In the observed reporting period of 2023, operating revenue in the amount of EUR 25,399,606.16 was generated, which constitutes a 18.03% increase compared to the same period of the previous year, when it amounted to EUR 21,520,501.27. The Company's business activities are seasonal. The Company generates most of its revenue in summer. The Company generates revenue in the hotel, nautical, camping and real-estate sectors and the destination management company DMC Ilirija Travel. The hotel sector generates most of its revenue in summer.

In the observed reporting period of 2023, the hotel sector generated revenue in the amount of EUR 8,203,418.94, which constitutes an increase of EUR 1,928,497.06, or 30.74% compared to the same period of the previous year, when it amounted to EUR 6,274,921.88.

In the observed reporting period of 2023, the nautical sector generated revenue in the amount of EUR 7,426,339.68, constituting an increase of EUR 915,641.28, or 14.07% compared to the same period of the previous year, when it amounted to EUR 6,510,698.40. The majority of the revenue was generated by annual berth fees.

In the observed reporting period of 2023, the camping sector generated revenue in the amount of EUR 7,407,143.77 constituting an increase of EUR 811,441.02, or 12.31% compared to the same period of the previous year, when it amounted to EUR 6,595,702.75. The most significant revenue was realised from mobile homes, fixed-lease camping pitches and plots.

In the reporting period of 2023, revenue from the real estate sector, i.e. the City Galleria Business and Shopping Centre amounted to EUR 1,559,252.88, representing an increase of EUR 212,616.42 or 15.79% compared to the same period of the previous year, when it amounted to EUR 1,346,636.46.

In the reporting period observed, i.e. as at 30 September 2023 the Company did not receive any grants.

As at 30 September 2023, the operating costs amounted to EUR 15,165,113.53, recording an increase of EUR 3,145,702.74, or 26.17% compared to the same period of 2022, when they amounted to EUR 12,019,410.79. Financial expenses in the reporting period amounted to EUR 367,972.64, and they have increased by 14.85% compared to the same period of the previous year, when they amounted to EUR 320,381.54. The depreciation charge for the reporting period of 2023 amounted to EUR 2,222,999.03, which is a 16.38% increase compared to the same period of 2022, when it amounted to EUR 1,910,174.72.

Total expenses amounted to EUR 17,756,085.20, recording an increase of 24.60% compared to the same period of the previous year, when they amounted to EUR 14,249,967.05. Operating profit, i.e. profit from business activities, for the reporting period of 2023 amounted to EUR 10,234,492.63, which is an increase of 7.72% compared to the same period of the previous year, when it amounted to EUR 9,501,090.489. EBITDA, i.e. earnings before depreciation, interest and taxes, was generated in the amount EUR 10,362,530.52, and showed a 9.02% increase compared to the same period of the previous year. EBIT, i.e. earnings before interest and taxes was realized in the amount of EUR 8,139,531.49, recording an increase of 7.18%, or EUR 544,926.80 compared to the same period of the previous year. For the period observed, profit was realised in the amount of EUR 7,771,558.85, representing an increase of EUR 497,335.70, or 6.84% compared to the same period of the previous year.

Additional clarifications of individual items can be found in the Company comments, which comprise an integral part of the statement as at 30 September 2023.

E. There were no significant changes.

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

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

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

Point 4 The majority of the revenue was generated on the domestic market in the amount of EUR 20,174,701.40 and the foreign market in the amount of EUR 5,143,795.21, while other revenue was generated in the amount of EUR 81,109.55. Operating revenues were generated as follows; the hotel sector EUR 8,203,418.94, the nautical sector EUR 7,426,339.68, the camping sector EUR 7,407,143.77, City Galleria EUR 1,559,252.88. Revenue from other activities, i.e. profit centres, including Ilirija Travel, and hospitality, has been realised in the amount of EUR 803,450.89. Total expenses amounted to EUR 17,756,085.20. Operating expenses amounted to EUR 15,165,113.53. Most of them were incurred in connection to the cost of raw material, other materials and energy, accounting for EUR 3,351,061.91; outsourcing costs, accounting for EUR 2,846,442.72 other operating costs, accounting for EUR 3,061,223.56; and staff costs, accounting for EUR 5,906,385.34.

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

Point 6 Average number of employees in the period from 01/01-30/ September 2023 was 374.

Point 7 The employee cost presented in the income statement amounted to EUR 5,906,385.34 (net salary being EUR 3,527,695.17, contributions from salaries being EUR 999,127.24, the salary tax and surtax being EUR 540,590.76, and the contributions to salaries being EUR 838,972.17). Due to the restrictions of the form, which does not include Other Employee Costs, e.g. travel expenses, severance pay, etc., this amount is supplemented by said costs of EUR 236,634.27, which brings the total employee cost to EUR 6,143,019.61. The Company does not capitalise the salary costs.

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

Point 10 As at 30 September 2023, 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.

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

REPRESENTATION LETTER BY PERSONS RESPONSIBLE FOR THE PREPARATION OF FINANCIAL STATEMENTS

ILIRIJA d.d.
BIOGRAD NA MORU

Biograd na Moru, 20/10/2023

Statement by the persons responsible for the preparation of the financial statements for the period from 1 January 2023 to 30 September 2023

Pursuant to Articles 403–410 of the Capital Market Act, we hereby state that the Financial statements of Ilirija d.d. Biograd na Moru, Tina Ujevića 7, PIN: 05951496767 for the period from January to September 2023 are prepared in accordance with the International Financial Reporting Standards and pursuant to the Croatian Accounting Act. The financial statements provide realistic and objective data on the Company's financial position as at 30 September 2023, its business results and cash flow in accordance with the International Financial Reporting Standards.

The Company's Management report contains a legitimate representation of its results and position as at 30 September 2023.

The financial statements for the period from 01/01 to 30/09/2023 have not been audited.

Accounting Manager::
Zorka Strpić

Management Board:
Goran Ražnjević



ILIRIJA dioničko društvo
za ugostiteljstvo i turizam
Biograd na Moru





Ražnjevića Dvori

City Galleria

Arsenal Zadar

Vila Donat

Vila Primorje

Event Ship Nada

Marina Kornati

Restoran Marina Kornati

Ilirija Travel

Hotel Kornati

Hotel Ilirija

Hotel Adriatic

Hotelska Marina

Aquatic Centar

Tenis Centar

Restoran Park Soline

Kamp "Park Soline"

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