



FINANCIAL STATEMENTS FOR THE PERIOD 01/01-31/03/2025

Biograd na Moru, April 2025



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OVERVIEW OF KEY
PERFORMANCE INDICATORS
FOR THE PERIOD 01/01-
31/03/2025

(in EUR)	I-III 2025	I-III 2024	INDEX 2025/2024
Financial indicators			
Total revenues	5.177.378,71	4.976.525,27	104,04
Operating revenues	5.088.820,57	4.976.519,69	102,26
Revenues from sales	5.041.311,65	4.842.799,71	104,10
Operating profit	944.246,27	969.353,96	97,41
EBITDA	1.032.804,41	969.359,54	106,55
EBIT	226.702,31	159.538,19	142,10
Profit	118.046,42	38.829,00	304,02
Value of assets	71.754.299,31	71.739.475,16	100,02
Capital	54.891.777,52	53.153.095,63	103,27
Total liabilities	16.862.521,79	18.586.379,53	90,73



KEY INFORMATION FOR THE PERIOD 01/01– 31/03/2025

1 The Company's operations in the first quarter of the year were marked by the growth of key financial performance indicators, i.e. total and operating revenue, while achieving a satisfactory level of profitability in its key indicators. Taking into account the low level of tourist traffic characteristic of Croatian tourism in the first quarter of the year, inflation, global macro-economic and geopolitical instability, and the still strongly pronounced labour shortage in the labour market, the Company's achievements are far more significant. By actively managing its costs, the Company maintained the growth of expenses at a lower rate compared to the growth rate of total revenue, which significantly affected the achieved business profitability in the part of the year with a lower volume of business activity. Furthermore, in the reporting period, the Company kept continuously strengthening its balance sheet and capital position through capital growth, reduction of total liabilities and the lowest ever net debt, which contributed to business stability and strengthening its financial position.

2 Total revenue amounted to EUR 5,177,378.71 with a growth rate of 4.04% compared to the same period of 2024, when it amounted to EUR 4,976,525.27, which was a result of the growth of operating and financial revenue.

Operating revenue amounted to EUR 5,088,820.57, increasing by 2.26% compared to the same period of the previous year, when it amounted to EUR 4,976,519.69, and was the result of an increase in the revenue of the camping and real-estate sectors, i.e. the City Galleria Business and Shopping Centre, by 15% and 6%, respectively. In other Company sectors, i.e. the hotel and nautical sectors as well as the destination management company Ilirija Travel, an increase in revenue was not recorded, partly due to the later holiday schedule compared to the previous business year, meaning that a part of the revenue was realised in the second quarter of the business year, which, along with the distinct seasonal nature of Croatian tourism in the first quarter and low business activity, led to a lower revenue in these sectors.

3 Total expenses amounted to EUR 5,059,332.29, recording a 2.46% increase compared to the first quarter of the previous business year, when they amounted to EUR 4,937,696.27, and are the result of an increase in operating expenses.

Operating expenses amounted to EUR 4,144,574.30, recording a 3.43% increase compared to the same period of the previous year, when they amounted to EUR

4,007,165.73, and are the result of an increase in salary costs, which in the reporting period increased by 7%, i.e. by EUR 121,801.93. The increase in salary costs is the result of the Company's continuous HR policy aimed at improving the material rights of employees, retaining qualified and professional employees and strengthening competitiveness in the labour market with an average net salary at the level of the average net salary paid in the country. Other expenses also increased at a rate of 21%, or by EUR 158,113.13, which together with labour costs in the reporting period generated an increase in operating expenses at a rate higher than the increase in operating revenue.

4 In the reporting period, business profitability was achieved in its key indicators, i.e. profit, EBITA, EBIT and operating profit, which the Company considers satisfactory. The distinct seasonality of Croatian tourism, characterised by a low level of business activity in the first quarter of the business year, the still present and pronounced inflation and the growth of labour costs as a result of the lack of qualified persons in the labour market, significantly affected the realisation of revenue and expenses, and ultimately the achieved business profitability in the reporting period.

Profit was generated in the amount of EUR 118,046.42,

increasing by EUR 79,217.42, or 204.02% compared to the first quarter of 2024, when it amounted to EUR 38,829.00. In the reporting period, EBITDA amounted to EUR 1,032,804.41, increasing by 6.55%, or EUR 63,444.87 compared to the same period in period when it amounted to EUR 969,359.54, while the EBIT for the reporting period amounted to EUR 226,702.31 EUR, increasing by 42.10%, i.e. EUR 67,164.12. Due to operating expenses increasing at a rate higher than operating revenue, which resulted in a lack of growth in operating profit, i.e. it was realised in the amount of EUR 944,246.27 and was EUR 25,107.69, or 2.59% lower compared to the same period of 2024, when it amounted to EUR 969,353.96.

5 In the first quarter, capital amounted to EUR 54,891,777.52, increasing by 3.27%, or, EUR 1,738,681.89 compared to the same period of the previous year, when it amounted to EUR 53,153,095.63, due to the increase in profits from past years and the current year.

6 In the reporting period, total liabilities amounted to EUR 16,862,521.79, decreasing by 9.27%, or EUR 1,723,857.74, compared to the same period of the previous year, when they amounted to EUR

18,586,379.53, as a result of a decrease in long-term liabilities by 16.95%.

7 Net debt, which includes both current and non-current liabilities towards banks, minus cash at bank, in hand, and deposits, amounted to EUR 610,657.35 in the reporting period, representing a decrease by 76.02%, or EUR 1,935,529.29, recording the lowest net debt of the Company achieved so far in the first quarter of the business year.

8 In the first quarter, the last price of the Company's shares, designated as ILRA, was EUR 29.60 per share, representing a 14.73% increase compared to the same period of the previous year, when the last share price was EUR 25.80, indicating that the market capitalization, expressed as the product of the last achieved share price and the number of shares, was EUR 71,439,244.80 and recorded an increase of 14.73%. or EUR 9,171,254.40.

The average share price also increased, reaching EUR 29.87 and recording an increase of 15.87% compared to the price of EUR 25.78 achieved in the same period of the previous year.

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

10 Investments in the first quarter of the business year amounted to EUR 953,935.24, and referred mostly to the hotel, camping and catering sector with the aim of raising the standards and quality of accommodation facilities and completely renovating the beach catering facility in Biograd na Moru and its market repositioning as well as shifting the concept into a modern beach club.

In the hotel sector, significant investments were directed towards the expansion of external elevators, i.e. the panoramic elevator on the north-east side of the Ilirija**** hotel, and the external elevator on the north side of the Adriatic*** hotel, where the investments are also set to include the renovation of the

hotel lobby and reception. Moreover, in the hotel sector, we continued investments in further digitalization by introducing an IP telephony system that enables the implementation of technologically advanced solutions in the field of business telecommunications and better WiFi network coverage at the hotel. With regard to the beach facility in Biograd na Moru, investments are focused on the renovation and modernization of the entire facility, including the outdoor pool and the surrounding beach area, in order to create a modern beach bar with dining and relaxation areas, a recognizable design, the ability to effectively adapt to weather conditions, and flexibility in equipment placement. Furthermore, at Sv. Filip i Jakov, investments were made in the first phase of the reconstruction of the beach facility, which structurally strengthened the building and reconstructed the entire roof, followed by the installation of the façade and exterior joinery. In the camping sector, investments were made into further infrastructural development of the campsite, i.e. the development of internal roads at the campsite, the modernization of the children's playground with new facilities, and further horticultural development of the camp.



1 ABOUT ILIRIJA D.D.

1.1 BASIC INFORMATION

ILIRIJA d.d. is a public joint stock company registered for hospitality and tourism with registered office in Biograd na Moru, Tina Ujevića 7, that has been active in the Croatian tourist market for over **68 years**. The business operations of ILIRIJA d.d. is based on the principles of corporate social responsibility as an integral part its corporate values.

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

hotel Ražnjevića dvori AD 1307, event boat “Nada”), **sports-recreational and entertainment center** (Tennis center Ilirija with 20 tennis courts and Aquatic center with hospitality facilities), and since the month of December 2016, the Company’s portfolio includes the **Commercial-Shopping Center City Galleria** in Zadar with more than 28.500m² gross area in total six floors and total 9.445,32m² net rented floor area.

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

1.2 CHRONOLOGICAL OVERVIEW OF THE COMPANY'S DEVELOPMENT

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

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

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

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

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

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

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

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

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

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

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

Year 2000 - 2025 | During this period, i.e. as at 31/03/2025, the Company invested EUR 93,716,370.55 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 185,818,501.32.

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

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

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

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

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

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

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

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

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

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

Year 2016 | On 19 December 2016, having acquired the Commercial-Shopping Center City Galleria in Zadar, the Company successfully completed and carried out the process of acquisition or buying of the real property which created a company with a wide range of economic activities, where in addition to tourism and hospital-

ity sector consisting of hotel sector, nautics, camping and destination management as core business activities, the Company partly enters the real estate segment having acquired the modern Commercial-shopping center.

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

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

1.3 COMPANY'S BODIES

1.3.1 COMPANY MANAGEMENT BOARD

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

1.3.2 SUPERVISORY BOARD

Goran Medić, President of the Supervisory Board

David Anthony Tudorović, Deputy President of the Supervisory Board

Davor Tudorović, Member of the Supervisory Board

Siniša Petrović, Member of the Supervisory Board

Darko Prebežac, Member of the Supervisory Board

1.3.3 SHAREHOLDERS' ASSEMBLY



1.4. SUBSIDIARIES

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

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

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

1.5. AFFILIATED COMPANIES

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

The parent company Arsenal Holdings d.o.o. is registered with the Commercial Court of Zadar, CRN: 060014554; the share capital is HRK 21,027,500.00, which corresponds to EUR 2,790,828.85, using the fixed conversion rate (7,53450).

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

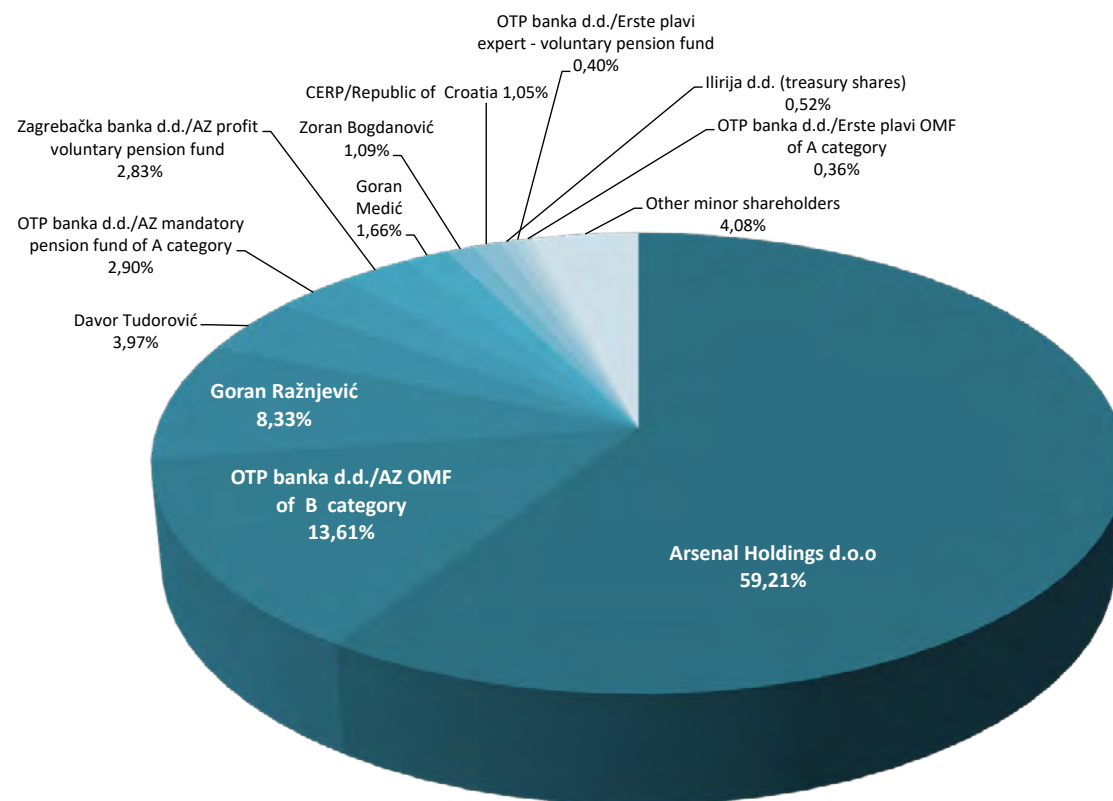
1.6 OWNERSHIP STRUCTURE OF THE COMPANY AND TRADING IN THE COMPANY'S SHARES AT THE ZAGREB STOCK EXCHANGE

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

As at 31 March 2025, there were no significant changes in the ownership structure, while an overview of the major shareholders of the Company as at 31 March 2025 is provided below.

Owners - shareholders	Number of shares	Share in %
Arsenal Holdings d.o.o. Zadar	1,429,032	59.21
OTP banka d.d./AZ OMF of B category	328,506	13.61
Goran Ražnjević	201,120	8.33
Davor Tudorović	95,744	3.97
OTP banka d.d./AZ mandatory pension fund of A category	69,898	2.90
Zagrebačka banka d.d./AZ Profit voluntary pension fund	68,200	2.83
Goran Medić	40,000	1.66
Zoran Bogdanović	26,216	1.09
CERP/Republic of Croatia	25,342	1.05
Ilirija d.d. (treasury shares)	12,563	0.52
OTP banka d.d./Erste plavi expert - voluntary pension fund	9,726	0.40
OTP banka d.d./Erste plavi OMF of A category	8,631	0.36
Other shareholders	98,510	4.08
TOTAL	2,413,488	100.00

OWNERSHIP STRUCTURE OF THE COMPANY AS AT 31/03/2025



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

(amounts in EUR)	I-III 2025	I-III 2024	% of change
Total turnover	47.492,00	14.153,60	235,55%
Average share price	29,87	25,78	15,87%
Average turnover per transaction	2.968,25	1.286,69	130,69%
Average daily turnover	3.392,29	3.538,40	-4,13%
Last share price	29,60	25,80	14,73%
Market capitalization*	71.439.244,80	62.267.990,40	14,73%
Market capitalization**	72.090.886,56	62.219.720,64	15,87%
Number of shares:	2.413.488	2.413.488	

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

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

In the reporting period, 1,590 shares of the Company were traded, resulting in turnover in the amount of EUR 47,492.00, or a 235.55% increase in turnover than in the first quarter of the previous year. Moreover, average turnover per transaction amounted to EUR 2,968.25 with a 130.69% increase, while average daily turnover amounted to EUR 3,392.29.

The last ILRA share price was EUR 29.60 per share, representing a 14.73% increase compared to the same period of the previous year, when the last share price was EUR 25.80, while the average price was EUR 29.87 and was 15.87% higher than the share price of EUR 25.78 achieved in the same period last year. At the same time, the market capitalization of the Company expressed as the product of the average share price and the number of shares amounted to EUR 72,090,886.56, representing an increase of 15.87%, or EUR 9,871,165.92, while the market capitalization, expressed as the product of the last achieved share price and the number of shares amounted to EUR 71,439,244.80, recording an increase of 14.73%, i.e. EUR 9,171,254.40.

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



1.7 COMPANY BUSINESS MODEL

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

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

ILIRIJA d.d. is one of few tourism companies in the Republic of Croatia with such a diverse offer that includes all the segments of the Adriatic or Mediterranean tourism offer in its portfolio (hotel, nautical and camping sectors), additionally strengthened by the destination management company Ilirija Travel and the real-estate sector. With regards to such a diverse portfolio, it is worth noting that the Company manages all business processes (management and operations) within the sector or facility.

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

1.8 BRANDS OF THE COMPANY



BIOGRAD
BOAT SHOW

Donat
BEACH BAR

ARSENAL
ZADAR

City Galleria

2 CORPORATE STRATEGY AND GOVERNANCE

2.1 VISION, MISSION AND FUNDAMENTAL VALUES

Vision - is to permanently secure position among the 3 leading tourism companies in the region of the North Dalmatia and among the 20 leading tourism companies in the Republic of Croatia in the key segments of the Croatian tourism offer (hotel sector, nautics and camping), be and stay the leader of the tourism and economic development of our region and destinations such as Biograd na Moru, Zadar and Sv. Filip i Jakov thereby developing the whole year's business by offering the complementary and selective forms of tourism offer in the destinations where we conduct business.

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

Fundamental values:

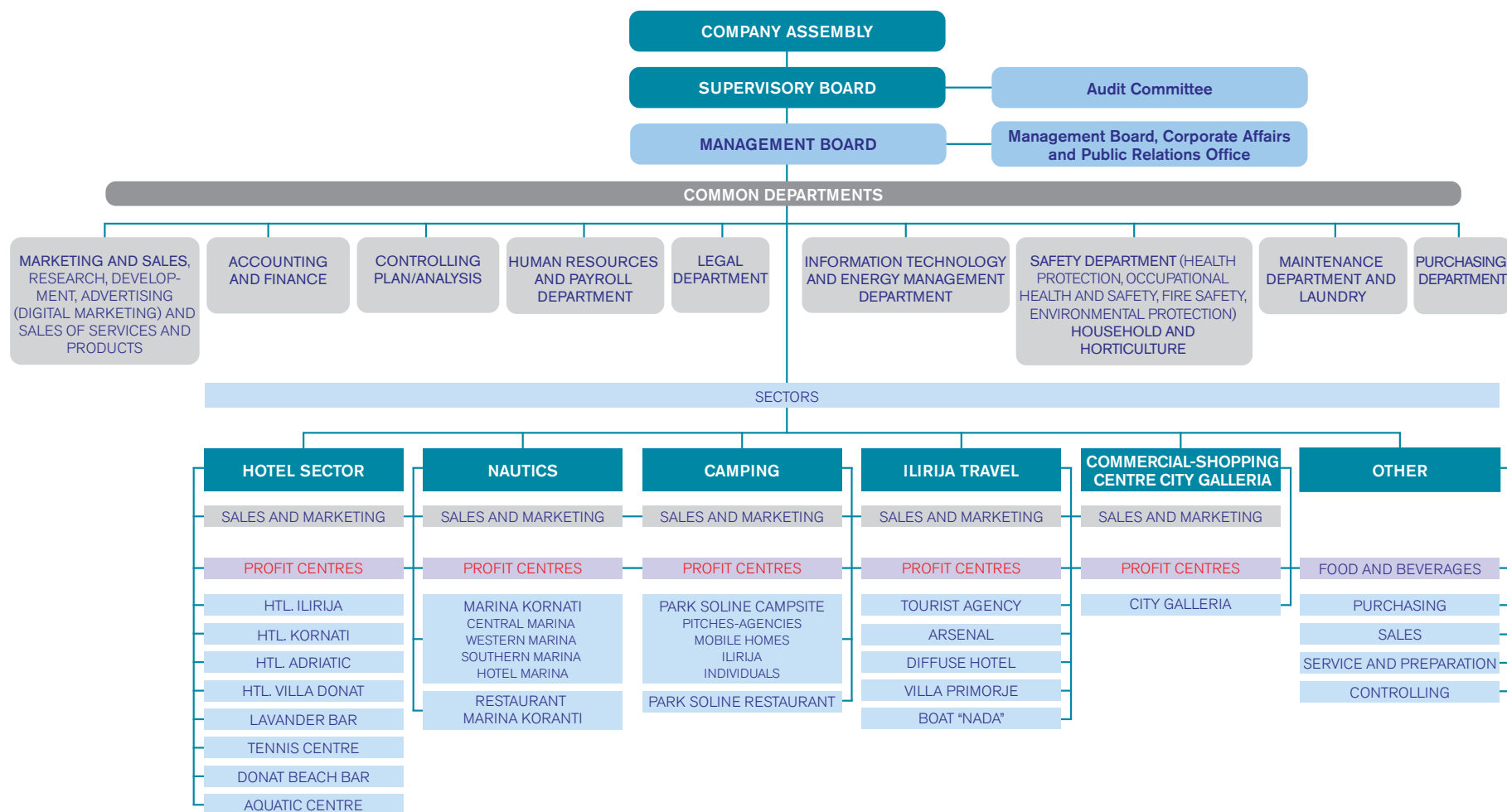
Respect and integrity – equality of treatment and attitude towards all our stakeholders constitute the basic values of our Company.

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

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

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

2.2 ORGANIZATIONAL STRUCTURE



2.3 RISKS AND RISK MANAGEMENT

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

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

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

The company recognizes the following types of risks

in its operations:

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

1 Economic and financial risks

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

significantly affects the Company's exposure to currency and price risks. More precisely, with the adoption of the aforementioned decisions/regulations at the level of the European Union and the Republic of Croatia, the Company is no longer exposed to currency and price risks.

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

certain customers may entail credit risk, depending on the level of turnover realised with certain customers and the general state of liquidity in the country. Trade receivables are reported with reference to real values. The Company actively monitors and manages trade receivables, at the same time taking especially into account the difficult macroeconomic situation, and applying measures of collection in instalments; and, if necessary, eventually undertaking measures of enforced collection, including by activating security instruments for the purpose of collection of its claims. An adjustment of the value of trade receivables is indicated when there is objective evidence that the Company will not be able to collect all of its claims in accordance with the agreed terms. Apart from the aforementioned, the Company has no exposure to any other significant credit risk.

Liquidity management implies maintaining a sufficient amount of money in order to settle the Company's liabilities. One of the primary Company goals in the challenging business environment caused by unfavourable macroeconomic environment is to maintain its current liquidity. The Company is, therefore, undertaking activities to diversify its existing and secure new financing sources if necessary, it is trying to

minimise and optimise all of its operating costs, and is willing to and capable of actively cooperating with all significant creditors by settling the liabilities they had at the time when challenging business conditions materialised.

The continuous growth of strong inflationary pressures primarily caused by increases in the prices of primary energy products (oil, gas, electricity), which subsequently spread to consumer goods and services (especially food and beverages), along with the current geopolitical instability essentially generated strong inflation impacts not only on business entities of European Union countries, but also on their society in general. If they remain strong, inflationary pressures could affect purchasing power and new demand generation, and slow down economic activities in the euro area. In the Republic of Croatia, the prices of goods and services for personal consumption, measured by the consumer price index, were on average 3.2% higher in March 2025 than in March 2024. As for the energy costs, primarily electricity as the primary energy source, the Company managed to protect itself from significant increases in electricity prices in time, namely with a multi-year contract, which mitigated the impact of the increase in electricity prices

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

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

2 Regulatory risks:

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

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

Tourism land – unresolved issue

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

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

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

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

ment of Leases, represents 50% of the lease fee.

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

tion Land, it meets the requirements stipulated by the Act for exercising the right to lease construction land in the Campsite for a period of 50 years.

Maritime domain

The Company is a concessionaire of the Kornati nautical tourism port in Biograd na Moru (hereinafter: Marina Kornati) for a period of 32 years, counting from 13 January 1999, and in accordance with Article 22 of the Act on Maritime Domain and Seaports (Official Gazette Nos 153/2003, 100/04, 141/06, 38/09, 123/11 and 56/16, hereinafter referred to as: ZPDML 2003) on 17 October 2017 the Company submitted to the Government of the Republic of Croatia, through the competent Ministry of the Sea, Transport and Infrastructure of the Republic of Croatia, a request for modification and amendment of the Decision on Concession and the Concession Agreement, that is, for extending the term of the concession by a period of 50 years, i.e. until the year 2049 (extension of the concession term if new investments are economically feasible for it), primarily considering the same or similar cases from the recent Croatian practice where, upon an application for the extension of the concession term submitted by other companies engaging in nautical tourism and competing with Ilirija d.d., the conces-

sion term for marinas was extended to them by a period of 50 years.

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

In the meantime, on 02 November 2021, the Company received a statement from the Ministry of Finance of the Republic of Croatia, as a body which, along with the competent Ministry of the Sea, Transport and Infrastructure of the Republic of Croatia, is involved in the procedures for extending the terms of concessions, in which they essentially point out that in order to conduct the procedure for extending the concession agreement, the competent Ministry of the Sea, Transport and Infrastructure, while

looking at the problems of the nautical tourism system, needs to establish whether the decision on the concession or the agreement related to it may be changed without conducting a new procedure for granting the concession, in order not to violate the principle of market competition with other concessionaires in the Republic of Croatia.

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

L 198/13, in the total amount of new investments of: EUR 5,705,066.00, for which the Company has mostly obtained valid building permits and which ensure orderly and legal performance of marina activities with regard to existing technical, technological and environmental requirements for operation in the period until the expiry of the concession. Also, the Company proposed new amounts of concession fees with reference to previous revalued investments in Marina Kornati, which, in the period from 2000 until the end of 2023, amounted in total: EUR 16,013,277.44, all in order to show the actual absolute value of the investments to date, and the Company also explained the legal issues relevant for making a positive decision, in accordance with the transitional and final provisions of the new Act on Maritime Domain and Seaports (Official Gazette no. 83/2023, hereinafter: ZPDML23), which entered into force on 29 July 2023, so that the procedures for granting and modifying concessions that were started according to the provisions of ZPDML03 have to be completed in accordance with the provisions of that Act. No decision has been rendered yet on the alleged supplemented request for an extension of the concession licence validity for Marina Kornati.

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

On 24 June 2022, the Company published on its website and on the website of the Zagreb Stock Exchange the research paper of Assoc. Prof. Iva Tuhtan Grgić, PhD, from the Faculty of Law in Rijeka "Acquired rights and legitimate expectations of former holders of the right of use of the maritime domain for an indefinite period as well as for a limited period for as long as economic activity is being carried out", which precisely on the example of Ilirija d.d. addressed the issues of legal capital investments on the maritime domain, conversion of socially-owned enterprises that had part of their assets on the maritime domain, issues of acquired rights and legitimate expectations of former holders of the right of use of the maritime domain, and conversion of the right of use into a time-limited concession. In particular, as it is stated in the aforementioned research paper, the companies that had the permanent right of use of the maritime domain, acquired on the basis of final administrative decisions of municipal assemblies, had indisputably acquired rights and legitimate expectations that they would be able to use these rights in the future under the same conditions under which they were acquired. However, by decisions adopted on the basis of the legislation in force at the time, the aforementioned right of permanent use of the maritime domain was subsequently

converted into the right of economic exploitation of the maritime domain based on a time-limited concession. This violated the interests of companies, shareholders and acquirers of shares in these companies, by grossly encroaching on the acquired rights and legitimate expectations that they will be able to use the acquired rights within the same scope as when they acquired them, and those same rights are protected by the provisions of the Constitution of the Republic of Croatia (Articles 48(1) and 49(2) and (4)) and Article 1 of Protocol No. 1 to the Convention for the Protection of Human Rights and Fundamental Freedoms.

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

3 Tourism activity risks

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

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

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

took part in the conversion process, as is the case with our Company, carry out economic activity on the maritime domain, contrary to the provisions of Article 49 and Article 50 of the Constitution,

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

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

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

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

(VII) cancellation of previously acquired rights in urban and spatial plans through conversion of use primarily

of construction and tourism land for other non-commercial and non-economic purposes,

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

(IX) skilled labour shortages were significantly pronounced in 2025 in the Republic of Croatia, namely at the level of most economic activities, and with a special emphasis on hospitality and tourism taking into account the seasonal nature of Croatian tourism, as well as the fact that it is an extremely labour-intensive industry; therefore, skilled labour shortages (with a special emphasis on occupations in high demand) could affect the success of the peak season, and thus ultimately of the entire business year.

Bearing in mind all of the above, the Company has recognized risks pertaining to the said skilled labour shortages, and it undertakes a series of activities to retain working-age, highly qualified and professional employees at all levels for business operations, namely with the aim of retaining full employment, raising the level and quality of services, and achieving smooth operation of business processes through activities aimed at improving the financial standing of

employees, investing in their education, and further developing human resources by hiring young, highly educated persons from different professions.

4 Global risks and the macroeconomic environment

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

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

Health risk

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

transmissible infectious diseases and the threatening consequences of their spread.

Geopolitical risk

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

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

Climate impact risk

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

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

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

Climate change, which has a significant impact on the tourism industry globally, also poses a potential risk to the Company in terms of significantly increasing the incidence of extreme weather conditions (storms, hurricanes, etc.), as well as strengthening their intensity and unpredictability, and can cause extraordinary and unpredictable damage and threats for its business. Temperature variability, i.e. dangerous heat waves, reduce the attractiveness of our offer in holiday capacities. This directly affects arrivals and quality of stay. Rising sea levels put the infrastructure in the immediate vicinity of the coast at risk. The same also applies to the marina, arranged beaches, and beach facilities. Unpredictable windstorms or hurricane-force winds can cause direct damage to almost all our capacities. The Company pays maximum attention to overcoming such sudden and extreme climate and weather conditions by ensuring preventive, technical and spatial, as well as functional and organisational elimination of sudden and accidental risks of any nature to the highest degree possible. Other business risks, such as large-scale fires, accidental pollution of the coastal and marine aquarium, which are all beyond the Company's control but may potentially jeopardise the Company's business safety, are the circumstanc-

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

Macroeconomic environment

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

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

Information system security with a particular focus on cybersecurity

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



3 BUSINESS CAPACITIES OF THE COMPANY AND ADDITIONAL FACILITIES

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





3.1 HOTEL SECTOR

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

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

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

and as of May 2018, an indoor pool.

ILIRIJA RESORT – HOTEL & VILLAS

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

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

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

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

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





3.2 NAUTICAL SECTOR

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

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

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

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

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

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





3.3 CAMPING SECTOR

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

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

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

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

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

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



3.4 ILIRIJA TRAVEL

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

Event ship „Nada“ a 36-metre multifunctional yacht with a capacity for 180 persons, with a restaurant, kitchen and bar provides guests with excellent services pertaining to food and beverages during navigation. Congresses, seminars, special events, unique business meetings, gala receptions and banquets, unique weddings, exclusive day and night cruises and incentive events are only some of the exciting amenities that the “Nada” event boat offers, while adapting to the individual requirements of clients.

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

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

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

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



3.5 HOSPITALITY

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

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

The Donat beach bar is located in the building-magazine within the protected cultural and historical unit of the town of Sv. Filip i Jakov, which is also entered in the Register of Cultural Goods of the Republic of Croatia. Today, it is categorised as a beach bar / cocktail bar with a capacity for 140 persons.

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



3.6 ADDITIONAL FACILITIES

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

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

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

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

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

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

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

Sports facilities:

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





City Galleria Ilirija d.d.

CineStar
CINEMAS

telemach

PEPCO

GYM
YOU

SPAR

SALE

3.7 CITY GALLERIA BUSINESS AND SHOPPING CENTRE

City Galleria Business and Shopping Centre is located in a heavily residential area in the immediate centre of Zadar. It is one of the two largest shopping centres in town and the wider Zadar region, completed and opened to the public in October 2008, with a total gross surface area of more than 28,500 m² spread over a total of six floors (two garage and four retail floors). The gross surface area of the centre consists of the associated underground garage with a total surface area of 10,863.50 m², 9,445.32 m² of net rentable area, as well as ancillary rooms and corridors. As at 31 March 2025, the occupancy of the centre amounted to 99.76% of total capacities.

The centre features the following facilities: an underground car garage with more than 400 parking spaces on two floors, an outdoor and indoor market, a supermarket, speciality shops, clothing and sports stores, service amenities, cafes, office spaces and 6 multiplex cinema halls.

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

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

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

4 KEY PHYSICAL PERFORMANCE INDICATORS OF THE COMPANY

In the first quarter of the business year, the Company was significantly more active in the nautical and real-estate sectors, which are characterised by year-round business activity, while other tourism sectors (hotel, camping and the destination management company Ilirija Travel) were significantly more active in the second, third and fourth quarters of the business year, with a focus on the growth of the pre- and post-season activities.

In the nautical sector, with regard to accommodation, namely Marina Kornati, revenue amounted to EUR 2,096,162.00, which, compared to the same period of the previous year, when revenue amounted to EUR 2,117,535, representing a slight decrease of 1%. Although in the reporting period there was an increase in revenue from vessels at contracted berth, a key market indicator of Marina Kornati that generates the largest part of the revenue of the entire sector, by 6%, or EUR 108,989.00, the absence of revenue from other items, primarily revenue from port services and daily berths, was reflected in the overall revenue of Marina Kornati. In the part of the physical performance indicators, there were 289 vessels at contracted berth compared to 296 vessels, representing a decrease of 2%, which did not affect

the decrease in revenue from the contracted berths, while the transit berth in the part of vessel arrivals achieved a slight growth even though the vessels stayed in the marina for a shorter time, which resulted in the underperformance of the overnight stays segment. Also, the port services recorded 637 vessel lifting/lowering activities, compared to 722 activities in the same period of the previous year.

In the reporting period, the real estate sector, i.e. the City Galleria Business and Shopping Centre, generated revenue in the amount of EUR 529,729.41, which compared to the first quarter of the previous business year, represents a 6% growth, generated mostly by the growth of lease revenue, accompanied by the growth of other revenue items.

4.1 NAUTICAL SECTOR – MARINA KORNATI

The nautical sector, i.e. Marina Kornati, despite the usual low level of business activity characteristic of the first quarter of the business year, where, with lower realisation in some of the key physical indicators of business, realised revenue at the same level compared to the same period of the previous year.

The physical indicators of Marina Kornati's business are realized 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 reporting period, 289 berth use agreements were concluded, of which 275 for individual vessels and 14 for charter vessels. In total, in the first three months of 2025, 2% less berth contracts were concluded compared to the first quarter of the previous year, when there were 296 vessels with contracted berths. The decrease in the number of vessels on the contracted berth did not affect the realised financial result of the vessels at contracted berth, the key physical item of Marina Kornati accounting for the largest

share of its revenue, given that the contracted vessels are of longer length.

In the part of realised physical turnover of transit vessels, i.e. the entry of vessels in transit, it was slightly higher compared to the first quarter of the previous year. At the same time, the overnight stays of transit vessels decreased by 52%, which had an effect on the decrease of revenue from transit berths. In the port service segment, 637 operations were realised, representing a 12% decrease compared to the realisation in the same period of 2024, when the port service realised 722 operations.

As at the end of the first quarter of 2025, Marina Kornati generated revenue in the amount of EUR 2,096,162.00, representing a decrease of 1% compared to the first quarter of the previous year, when EUR 2,117,535.00 of revenue was generated. The most significant part of the revenue of Marina Kornati is the revenue stemming from the contracted berths realised in the amount of EUR 1,952,515.00 and representing 93% of its total revenue. Moreover, revenue from daily, i.e. transit berths in relation to the same period recorded a decrease of 10% compared to the same period of the previous year, while revenue from port service decreased by 20%.

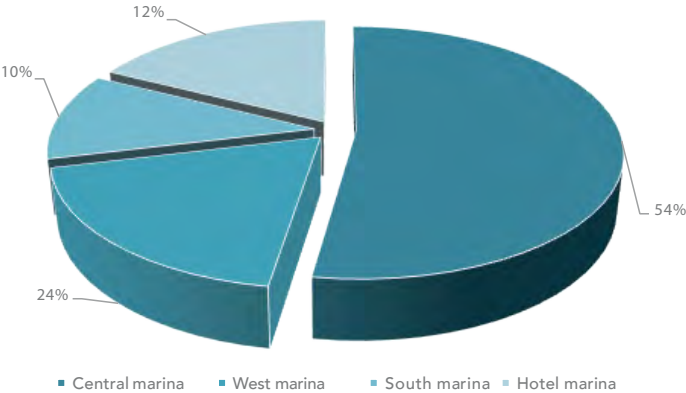
The first quarter of the financial year 2025 was as expected, given the Easter holiday which were approximately one month later than the previous year and the usual increase in business activities in the upcoming period as well as continued announcements for bookings regarding contractual berths, the Company expects further growth of physical and, consequently, financial operating results in the second and third 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
West marina	262	190	0	190
South marina	180	80	0	80
Hotel marina	450	100	0	100
TOTAL	1.815	735	70	805

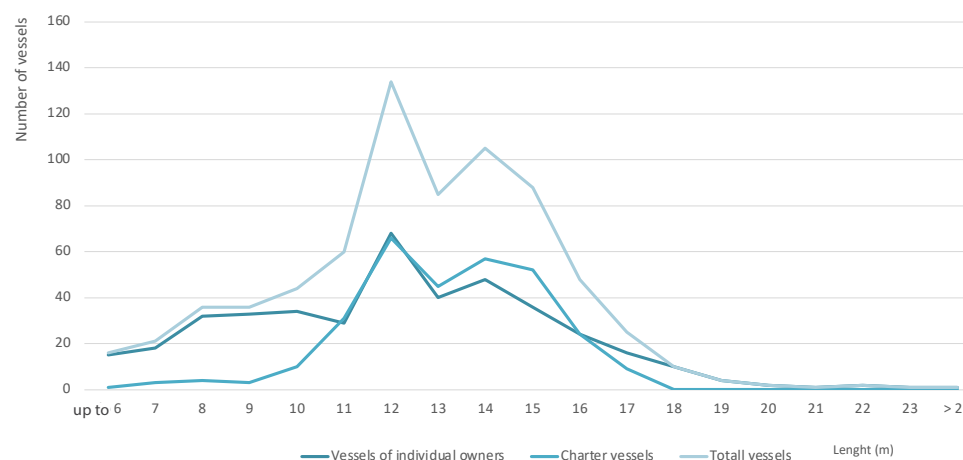
% Share of individual marina (number of berths)



Vessels on berth contract in the period 01/01-31/03/2025 and comparison with the same period in 2024

Purpose	Type of berth	Position of berth	01/01-31/03	% Total	01/01-31/03	% Total	Index
			2025	Vessels	2024	Vessels	2025/2024
Vessel of individual owners	Annual berth in the sea	Central aquatorium	217	75	213	72	102
		South aquatorium	28	10	29	10	97
		Western aquatorium	1	0	1	0	100
	Annual berth on the land	Hotel port	26	9	22	7	118
		Marina land	2	1	3	1	67
	Seasonal berth in the sea	Marina aquatorium	0	0	2	1	0
		Hotel port	1	0	0	0	#DIV/0!
	Total individual vessels:		275	95	270	91	102
Charter vessels	Annual berth in the sea	Central aquatorium	0	0	12	4	0
		South aquatorium	1	0	0	0	#DIV/0!
		Western aquatorium	13	4	13	4	100
		Hotel port	1	0	1	0	100
	Total charter vessels:		14	5	26	9	54
	Total vessels		289	100	296	100	98

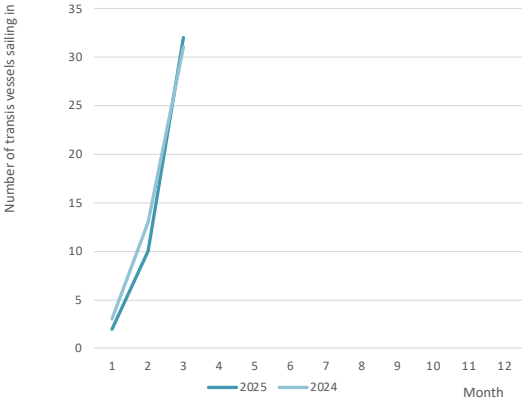
Vessels at contractual berth from 01/01 – 31/03/2025



Transit berth – inbound vessels sailing into the port in the period 01/01-31/03/2025 and comparison with the same period in 2024

Individually monthly				Cumulatively monthly		
2025	2025	2024	INDEX	2025	2024	INDEX
Month	2025/2024			2025/2024		
1	2	3	67	2	3	67
2	8	10	80	10	13	77
3	22	18	122	32	31	103
4	0	0		0	0	
5	0	0		0	0	
6	0	0		0	0	
7	0	0		0	0	
8	0	0		0	0	
9	0	0		0	0	
10	0	0		0	0	
11	0	0		0	0	
12	0	0		0	0	
Total	2025	32				
Total	2024	31				
Index	2025/2024	103				

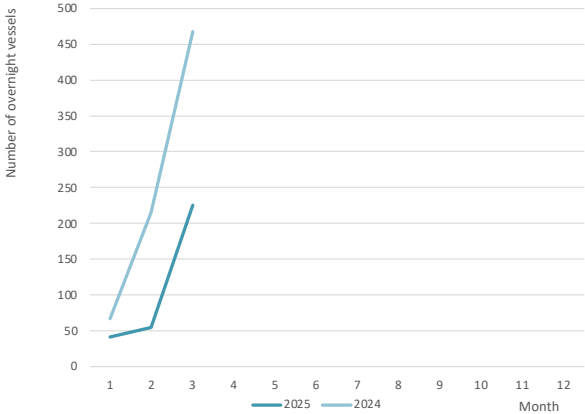
Sailing in of transit vessels by months (cumulatively)



Transit berth – vessel overnight stays in the period 01/01-31/03/2025 and comparison with the same period in 2024

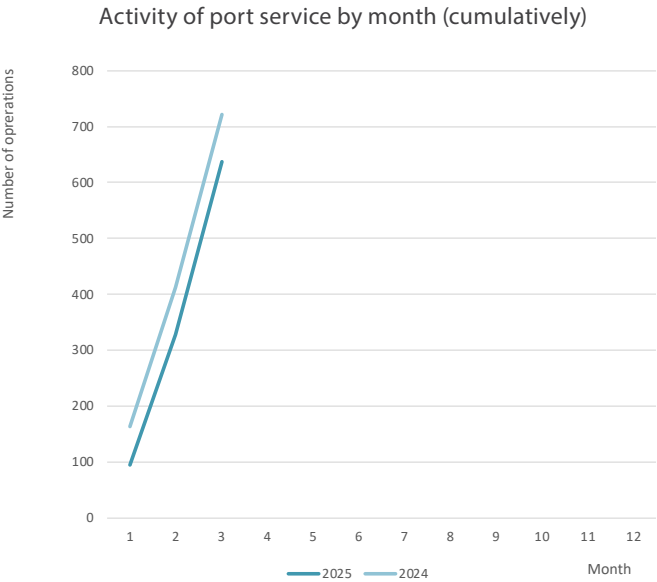
Individually monthly				Cumulatively monthly		
2025	2025	2024	INDEX	2025	2024	INDEX
Month	2025/2024			2025/2024		
1	42	67	63	42	67	63
2	13	148	9	55	215	26
3	170	253	67	225	468	48
4	0	0		0	0	
5	0	0		0	0	
6	0	0		0	0	
7	0	0		0	0	
8	0	0		0	0	
9	0	0		0	0	
10	0	0		0	0	
11	0	0		0	0	
12	0	0		0	0	
Total	2025	225				
Total	2024	468				
Index	2025/2024	48				

Overnight stay of transit vessel by month (cumulatively)



Activity of port service in the period 01/01-31/03/2025 and comparison with the same period in 2024

Individually monthly				Cumulatively monthly		
2025	2025	2024	INDEX	2025	2024	INDEX
Month	2025/2024			2025/2024		
1	94	163	58	94	163	58
2	234	250	94	328	413	79
3	309	309	100	637	722	88
4	0	0		0	0	
5	0	0		0	0	
6	0	0		0	0	
7	0	0		0	0	
8	0	0		0	0	
9	0	0		0	0	
10	0	0		0	0	
11	0	0		0	0	
12	0	0		0	0	
Total	2025	637				
Total	2024	722				
Index	2025/2024	88				



Revenue generated by the Marina Kornati for the period 01/01-31/03/2025 individually by months and comparison with the same period in 2024

REVENUES OF MARINA KORNATI 2025 INDIVIDUALLY BY MONTHS (in EUR)																
Revenue positions		Months 2025												2025	2024	Index
		1	2	3	4	5	6	7	8	9	10	11	12	CUMULAT.	Total	2025/2024
I	Daily berths	2.029 €	2.009 €	13.699 €										17.737 €	19.764 €	90
II	Contracted berth with accessories	815.130 €	955.387 €	181.998 €										1.952.515 €	1.843.526 €	106
III	Port service	14.200 €	37.882 €	46.786 €										98.868 €	123.059 €	80
IV	Vehicle parking	248 €	592 €	2.063 €										2.903 €	4.529 €	64
V	Other services	10.009 €	9.917 €	4.213 €										24.139 €	126.657 €	19
VI	Business cooperation													0	0	#DIV/0!
VII	Boat fair and events													0	0	#DIV/0!
TOTAL :		841.616 €	1.005.787 €	248.759 €										2.096.162 €	2.117.535 €	99

REVENUES OF MARINA KORNATI 2024 INDIVIDUALLY BY MONTHS (in EUR)																
Revenue positions		Months 2024												2024		
		1	2	3	4	5	6	7	8	9	10	11	12	Cummulat.		
I	Daily berths	2.078 €	7.392 €	10.294 €										19.764 €		
II	Contracted berth with accessories	544.623 €	1.053.373 €	245.530 €										1.843.526 €		
III	Port service	26.207 €	46.000 €	50.852 €										123.059 €		
IV	Vehicle parking	206 €	576 €	3.747 €										4.529 €		
V	Other services	1.895 €	7.471 €	117.291 €										126.657 €		
VI	Business cooperation													0		
VII	Boat fair and events													0		
TOTAL :		575.009 €	1.114.812 €	427.714 €										2.117.535 €		

4.2 CITY GALLERIA BUSINESS AND SHOPPING CENTRE

City Galleria Business and Shopping Centre is located in a heavily populated residential area in the immediate centre of Zadar, just a ten-minute walk from the old town. Due to the good location of the building and the fact it is surrounded by some of the main city roads, the City Galleria Business and Shopping Centre is exceptionally easy to spot and allows easy access to a large number of local residents and foreign visitors.

The business results achieved in the first quarter of 2025 show a stable and continuous growth of key market indicators in that period. Business revenue of the City Galleria Centre generated through lease of commercial premises, common costs, use of common parts of the centre, lease of advertising space, garage revenue and lease of Phase 1 commercial premises amounted to EUR 526,663.42. Other operating revenue relating to insurance claims amounted to EUR 3,065.99 in the relevant period, which brings the total generated revenue in 2025 to EUR 529,729.41. Total revenue generated in the first quarter of 2024 amounted to EUR 500,709.28, which represents growth of 5.80% compared to the same period of 2025.

In the category of revenue from the lease of commercial premises in the observed period in comparison

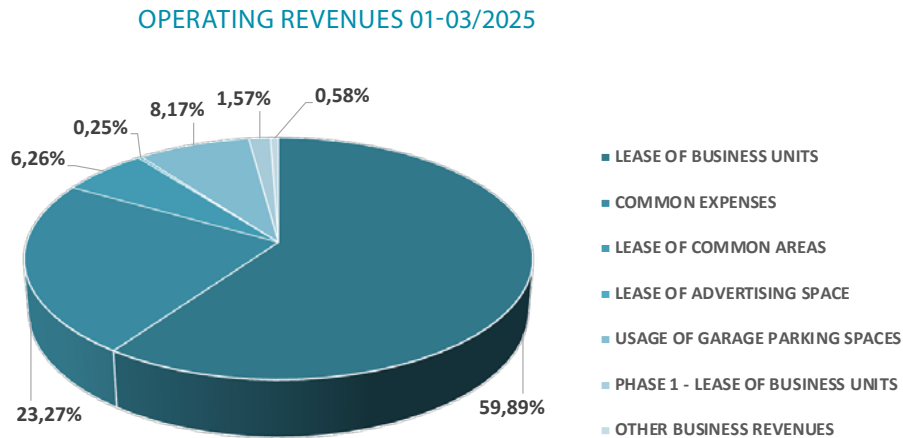
to 2024, an increase of 6.12% was recorded, while revenue from common costs recorded an increase of 2.94%. The category of revenue from the use of common areas of the Centre increased by 11.25% compared to the results achieved in the first three months of 2024. Revenue from the lease of advertising space remained at the same level compared to the same period of the previous year, while the category of parking revenue recorded an increase of 5.51%. Operating revenue from the lease of business premises in the neighbouring Phase 1 of the Centre recorded an increase of 3.66% in the first quarter of 2025 compared to the same period of 2024.

In the first quarter of 2025, the number of vehicles using the public underground garage of the Centre amounted to 184,711 vehicles, while in the same period of 2024, the number amounted to 181,667 vehicles, representing an increase of 1.68%. In addition to the shown increase in revenue followed by an increase in the number of visitors, there was also an increase in the length of parking time in the garage of the City Galleria Centre.

Business revenue of the City Galleria Business and Shopping Centre in Zadar for the period 01/01-31/03/2025 and a comparison with the same period in 2024

DESIGNATION	DESCRIPTION	NUMBER OF AC-TIVE CONTRACTS	SURFACE AREA (m²)	REVENUES 01-03/2025	%	REVENUES 01-03/2024	%	INDEX 2025/2024
1	LEASE OF BUSINESS UNITS	36	9.445,32	317.264,02 €	59,89%	298.977,66 €	59,71%	106
2	COMMON EXPENSES	34	6.648,73	123.287,09 €	23,27%	119.760,91 €	23,92%	103
3	LEASE OF COMMON AREAS	26	1.520,50	33.181,80 €	6,26%	29.827,64 €	5,96%	111
4	LEASE OF ADVERTISING SPACE	8	130,98	1.341,45 €	0,25%	1.341,45 €	0,27%	100
5	USAGE OF GARAGE PARKING SPACES	410***	10.863,50	43.274,06 €	8,17%	41.016,58 €	8,19%	106
6	PHASE 1- LEASE OF BUSINESS UNITS	6	289,96	8.315,00 €	1,57%	8.021,22 €	1,60%	104
REVENUE:				526.663,42 €	99,42%	498.945,46 €	99,65%	106
7	OTHER BUSINESS REVENUES			3.065,99 €	0,58%	1.763,82 €	0,35%	174
TOTAL REVENUE:				529.729,41 €	100,00%	500.709,28 €	100,00%	106

* Total net leasable surface area
** Total net leasable area for calculation of common expenses
*** Number of parking spaces in the garage



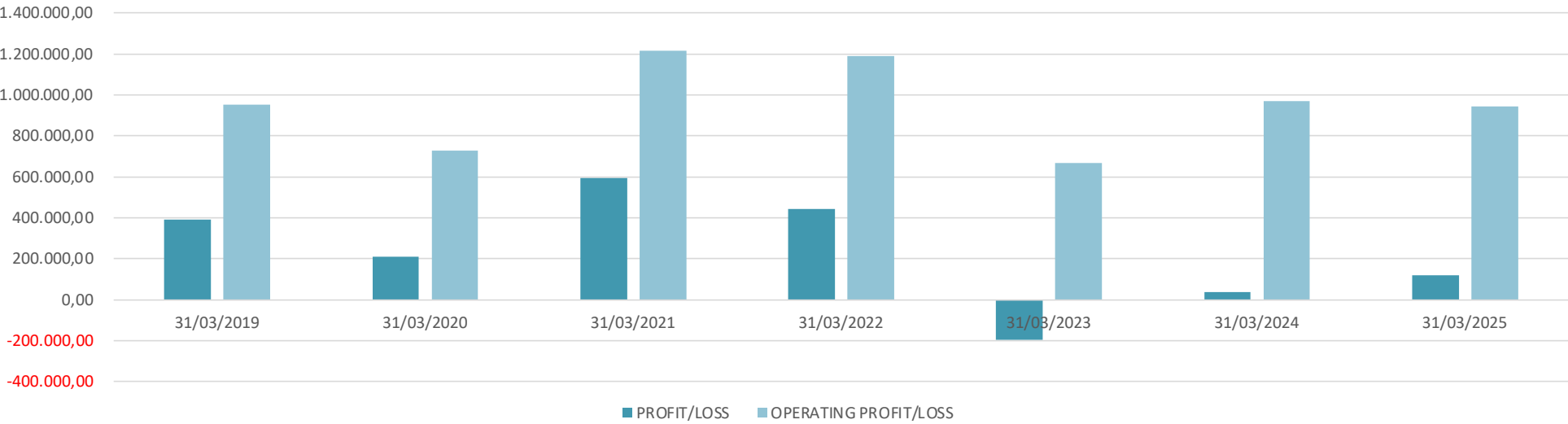
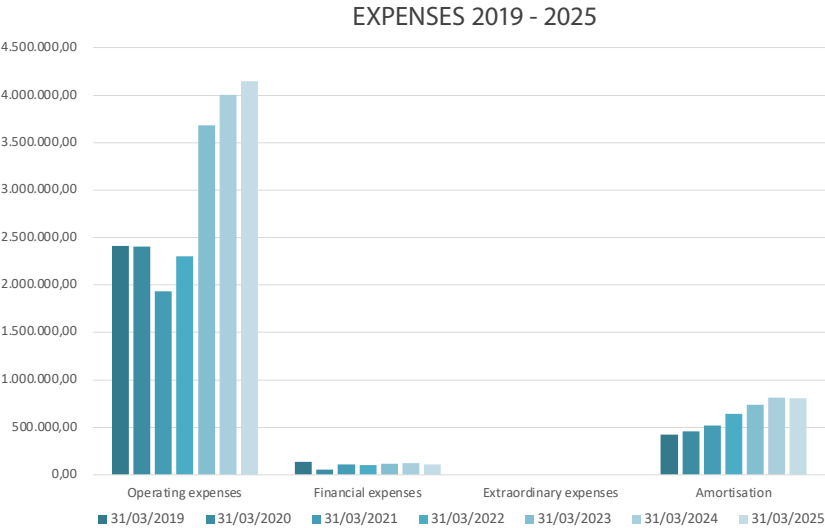
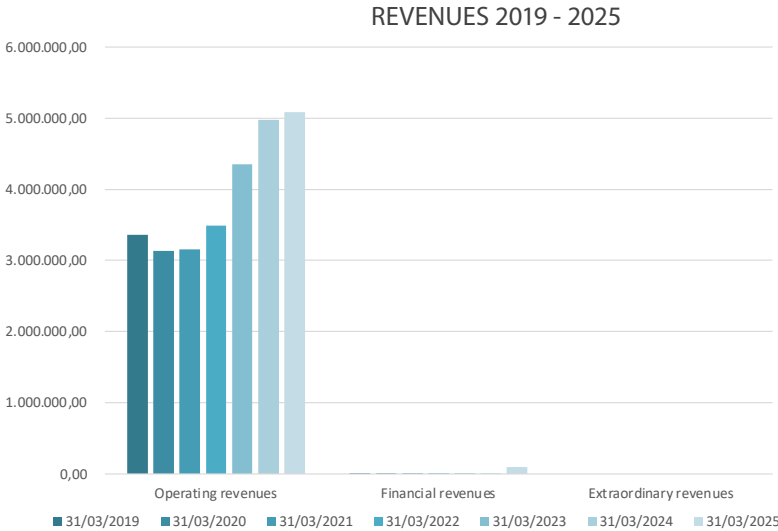
5 FINANCIAL-OPERATING RESULTS AT COMPANY LEVEL

5.1 FINANCIAL RESULTS OF THE COMPANY

Overview of financial performance for the period 01/01-31/03/2025 and a comparison with the same period from 2019 to 2024

(EUR)

DESCRIPTION	31/03/2019	31/03/2020	31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025	Index 2025/2024
Operating revenues	3.361.901,67	3.132.055,58	3.149.755,38	3.491.442,82	4.346.282,86	4.976.519,69	5.088.820,57	102,26
Financial revenues	1.850,75	1.209,97	581,16	1.038,12	114,55	5,58	88.558,14	1.587.063,44
Extraordinary revenues	0,00	0,00	0,00	0,00	0,00	0,00	0,00	#DIV/0!
TOTAL REVENUES	3.363.752,42	3.133.265,55	3.150.336,53	3.492.480,94	4.346.397,41	4.976.525,27	5.177.378,71	104,04
Operating expenses	2.410.174,03	2.404.788,30	1.932.059,95	2.301.098,70	3.680.561,33	4.007.165,73	4.144.574,30	103,43
Financial expenses	136.869,00	56.773,48	106.299,67	101.704,60	119.219,88	120.709,19	108.655,89	90,01
Extraordinary expenses	0,00	0,00	0,00	0,00	0,00	0,00	0,00	#DIV/0!
Amortisation	424.609,99	461.296,00	520.062,85	644.774,49	741.049,19	809.821,35	806.102,10	99,54
TOTAL EXPENSES	2.971.653,02	2.922.857,78	2.558.422,46	3.047.577,78	4.540.830,40	4.937.696,27	5.059.332,29	102,46
PROFIT/LOSS	392.099,40	210.407,77	591.914,07	444.903,16	-194.432,99	38.829,00	118.046,42	304,02
OPERATING PROFIT/LOSS	951.727,64	727.267,28	1.217.695,43	1.190.344,12	665.721,53	969.353,96	944.246,27	97,41
EBITDA	953.578,39	728.477,25	1.218.276,59	1.191.382,25	665.836,08	969.359,54	1.032.804,41	106,55



1

Total operating revenue in the first quarter of 2025 amounted to EUR 5,177,378.71, representing an increase of 4.04% compared to the same period of 2024, when it amounted to EUR 4,976,525.27.

Operating revenue for the period observed amounted to EUR 5,088,820.57 and, compared to the same period of the previous year when it amounted to EUR 4,976,519.69, it has increased by 2.26% due to an increase in revenue from sales.

Revenue from sales amounted to EUR 5,041,311.65, representing an increase of 4.10% compared to the same period of the previous business year when it amounted to EUR 4,842,799.71, due to a 2% increase in revenue from sales on the domestic market and a 46% increase in revenue from sales on the foreign market. Revenue from sales represented 99.06% of operating revenue and 97.37% of total revenue.

2

Total expenses amounted to EUR 5,059,332.29 compared to the same period of 2024, when they amounted to EUR 4,937,696.27, and recorded an increase of 2.46%, due to increase in operating expenses.

Operating expenses in the period observed amounted to EUR 4,144,574.30, making them higher by EUR 137,408.57 or by 3.43% compared to the first quarter of the previous business year, when they amounted to EUR 4,007,165.73, due to a 7% increase in salary costs and a 21% increase in other costs.

3

Operating profit from business activities, for the first quarter of 2025 amounted to EUR 944,246.27, which is a decrease of 2.59% compared to the same period of 2024, when it amounted to EUR 969,353.96.

Profit in the reporting period amounted to EUR 118,046.42, increasing by EUR 79,217.42, compared to the same period of 2024, when it amounted to EUR 38,829.00.

EBITDA, i.e. earnings before depreciation, interest and taxes, was generated in the amount of EUR 1,032,804.41, and showed a 6.55% increase compared to the same period of 2024, when it amounted to EUR 969,359.54.

EBIT, i.e. earnings before financing expenses was realised in the amount of EUR 226,702.31, recording an increase of 42.10 %, i.e. EUR 67,164.12 compared to

the same period of 2024, when it amounted to EUR 159,538.19.

In the first quarter of the business year, the Company achieved growth in key profitability indicators, i.e. growth in profit, EBITDA and EBIT compared to the same period of the previous year. The achieved profitability in the reporting period was the result of continuous increase in revenue, total and operating, accompanied by a slowdown in the growth rate of total and operating expenses compared to the previous year. Total revenue increased at a rate of 4.04%, while at the same time total expenses increased at a rate of 2.46%, which enabled the Company to achieve significant growth in profit, followed by growth in EBITDA and EBIT. Furthermore, the increase in operating revenue at a rate of 2.26%, followed by an increase in operating expenses by 3.43%, resulted in a lack of growth in operating profit. The Company considers the achieved business profitability in the first quarter to be satisfactory, taking into account the seasonal nature of Croatian tourism, whose more significant business activities will follow in the second and third quarters of the business year, followed by the continued presence of strong inflationary pressures, and the growth in employee material rights expressed through the growth in salary costs.

Financial statements of the Company as at 31/03/2025 and a comparison with 2023 and 2024

(EUR)

REVENUES	2023	2024	INDEX 2024/2023	2025	INDEX 2025/2024
Revenue on the domestic market	4.120.981,85	4.615.699,12	112	4.709.599,87	102
Revenues on foreign market	196.574,33	227.100,59	116	331.711,78	146
Other operating revenues	28.726,68	133.719,98	465	47.508,92	36
OPERATING REVENUES	4.346.282,86	4.976.519,69	115	5.088.820,57	102
FINANCIAL REVENUES	114,55	5,58	5	88.558,14	1.587.063
EXTRAORDINARY REVENUES	0,00	0,00	#DIV/0!	0,00	#DIV/0!
TOTAL REVENUES	4.346.397,41	4.976.525,27	114	5.177.378,71	104
EXPENSES					
Raw material and material costs	518.268,63	482.178,70	93	458.628,70	95
Costs of services	801.988,29	968.216,94	121	849.260,45	88
Gross pays	1.609.424,92	1.794.693,05	112	1.916.494,98	107
Other expenses	750.879,49	762.077,04	101	920.190,17	121
TOTAL EXPENSES	3.680.561,33	4.007.165,73	109	4.144.574,30	103
AMORTISATION	741.049,19	809.821,35	109	806.102,10	100
FINANCIAL EXPENSES	119.219,88	120.709,19	101	108.655,89	90
EXTRAORDINARY EXPENSES	0,00	0,00	#DIV/0!	0,00	#DIV/0!
TOTAL EXPENSES	4.540.830,40	4.937.696,27	109	5.059.332,29	102
PROFIT/LOSS	-194.432,99	38.829,00	-20	118.046,42	304
OPERATING PROFIT/LOSS	665.721,53	969.353,96	146	944.246,27	97
EBITDA	665.836,08	969.359,54	146	1.032.804,41	107

REVENUE BY ACTIVITIES:

The hotel sector realised revenue in the amount of EUR 494,664.66, which is 2% lower compared to the same period of 2024, when it amounted to EUR 506,085.06, as a result of a different holiday schedule compared to the previous business year, which will cause part of the business activities to take place in the second quarter of the business year.

The nautical sector realised revenue in the amount of EUR 2,132,852.98, which is 2% lower compared to the same period of 2024, when it amounted to EUR 2,171,513.52, due to the lack of revenue in the accommodation sector, namely Marina Kornati, accompanied by the lack of revenue in the catering sector.

The camping sector generated revenue of EUR 1,695,534.58, up 15% compared to the same period last year, when it amounted to EUR 1,469,566.75, generated entirely by the increase in revenue in the accommodation sector, namely the "Park Soline" campsite, through the increase in revenue from lump sum leases.

The real-estate sector, namely the City Galleria Business and Shopping Centre, generated revenue in the amount of EUR 529,729.41, which was 6% higher than the same period of 2024, when it amounted to EUR 500,709.28, and was the result of the increase in revenue from all key revenue items, the increase of which in absolute terms was mostly generated by the increase in revenue from the lease of business premises.

The destination management company and other profit centres achieved revenue in the amount of EUR 236,038.94, which was, compared to the same period of the previous year when revenue was realised in the amount of EUR 328,645.08, less by 28.18% due to the absence of revenue realised through the profit centres of the destination management company Ilirija Travel.

GRAND TOTAL: Operating revenue per activity amounted to EUR 5,088,820.57, representing an increase of 2.26% compared to the same period of 2024.

5.2 FINANCIAL POSITION OF THE COMPANY

FUNDAMENTAL FINANCIAL INDICATORS
OF ASSETS, CAPITAL, LIABILITIES AND OPERATING RESULTS OF THE COMPANY
AS AT 31/03/2025

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

1 VALUE OF ASSETS

The value of the Company assets as at 31/03/2025 amounted to EUR 71,754,299.31, representing an increase of EUR 14,824.15 compared to the same period of 2024, when it amounted to EUR 71,739,475.16.

The value of the Company assets increased from EUR 41,721,447.03 in the same period of 2015 by EUR 30,032,852.28, or 71.98% to EUR 71,754,299.31.

2 TOTAL LIABILITIES

Company's total liabilities amounted to EUR 16,862,521.79, showing a decrease of EUR 1,723,857.74, or 9.27% compared to the same period of 2024, when they amounted to EUR 18,586,379.53, as a result of a decrease in long-term liabilities related to the settlement of long-term loan

liabilities and long-term financial leasing.

Total liabilities of the Company as at 31 March 2025 were lower by EUR 1,064,266.04, or 5.94%, compared to total liabilities of the Company as at 31 March 2015, when they amounted to EUR 17,926,787.83.

3 CAPITAL AND RESERVES

Capital and reserves of the Company as at 31/03/2025 amounted to EUR 54,891,777.52, recording an increase of EUR 1,738,681.89, or 3.27% due to an increase in profit from previous years and profit from current year compared to the same period in 2024 when they amounted to EUR 53,153,095.63.

Comparing capital and reserves of the Company as at 31 March 2025, they increased by EUR 31,097,118.33 or

130.69% compared to the same period in 2015, when they amounted to EUR 23,794,659.19.

4 NET DEBT

Net debt as at 31 March 2025 amounted to EUR 610,657.35, constituting a decrease of 76.02%, or EUR 1,935,529.29, compared to the previous year, when it amounted to EUR 2,546,186.64, making it the lowest net debt the Company has ever had in a first quarter of year.

This is also a 95.5%, or EUR 12,969,046.74, decrease compared to the same period of 2015, when the net debt amounted to HRK 13,579,704.09.

5 TOTAL REVENUE

The Company's total revenue amounted to EUR 5,177,378.71, increasing by EUR 200,853.44, or 4.04% compared to EUR 4,976,525.27 for the same period in 2024, as a result of an increase in the sales revenue on the domestic and foreign market.

Total revenue of the Company, compared to the same period of 2015 when it amounted to EUR 2,358,211.25, increased by EUR 2,819,167.46, or 119.55%.

6 OPERATING PROFIT

Operating profit of the Company was generated in the amount of EUR 944,246.27, representing a decrease of EUR 25,107.69, or 2.59% compared to the same period of 2024, when it amounted to EUR 969,353.96.

Comparing the operating profit generated in the first quarter of 2025 compared to the same period in 2015, when it amounted to EUR 631,672.49, a 49.48% increase can be seen.

7 EBITDA

EBITDA was realised in the amount of EUR 1,032,804.41, increasing by 6.55%, or EUR 63,444.87 compared to EUR 969,359.54 for the same period in 2024.

The realised EBITDA in the reporting period increased by EUR 398,693.98, or 62.87% compared to the first quarter of 2015, when it amounted to EUR 634,110.43.

8 PROFIT

The Company's profit in the reporting period amounted to EUR 118,046.42, increasing by EUR 79,217.42, or 204.02%, compared to the first quarter of 2024, when it amounted to EUR 38,829.00.

Profit realised in the first quarter of 2025, compared to the profit generated in the same period of 2015, which amounted to EUR 188,750.95, has increased by EUR 70,704.53, or 37.46%.



CUMULATIVE COMPARATIVE OVERVIEW

of basic indicators as well as assets, capital, liability and operating results of the Company as at 31/03/2025
and for the same period from 2015 to 2024

YEAR	TOTAL LIABILITIES	CAPITAL	VALUE OF ASSETS	NET DEBT	REVENUES	OPERATING PROFIT	EBITDA	PROFIT	ANNUAL DIVIDEND
1	2	3	4	5	6	7	8	9	10
31/03/2025	16.862.521,79	54.891.777,52	71.754.299,31	610.657,35	5.177.378,71	944.246,27	1.032.804,41	118.046,42	0,00
31/03/2024	18.586.379,53	53.153.095,63	71.739.475,16	2.546.186,64	4.976.525,27	969.353,96	969.359,54	38.829,00	0,00
31/03/2023	20.269.479,47	50.959.048,92	71.228.528,39	5.790.375,29	4.346.397,41	665.721,53	665.836,08	-194.432,99	0,00
31/03/2022	18.129.091,48	49.584.858,50	67.713.949,98	7.190.651,45	3.492.480,94	1.190.344,12	1.191.382,25	444.903,16	0,00
31/03/2021	17.223.677,77	46.789.076,13	64.012.753,90	11.305.697,28	3.150.336,53	1.217.695,43	1.218.276,59	591.914,07	0,00
31/03/2020	17.767.745,05	46.231.162,22	63.998.907,27	13.025.640,04	3.133.265,55	727.267,28	728.477,25	210.407,77	0,00
31/03/2019	18.367.927,94	43.441.606,74	61.809.534,68	14.753.272,11	3.363.752,42	951.727,64	953.578,39	392.099,40	1.117.255,56
31/03/2018	18.199.248,31	39.720.649,22	57.919.897,53	15.709.207,68	3.155.081,09	954.094,25	957.038,87	440.640,03	958.423,25
31/03/2017	18.773.473,32	36.944.660,40	55.718.133,72	16.030.884,25	2.742.821,94	839.399,54	842.507,83	355.117,90	798.532,09
31/03/2016	13.117.248,76	29.067.715,29	42.184.964,06	8.885.823,22	2.428.318,58	731.142,04	735.215,25	349.662,61	655.272,15
31/03/2015	17.926.787,83	23.794.659,19	41.721.447,03	13.579.704,09	2.358.211,25	631.672,49	634.110,43	188.750,95	496.488,15

Statement of the Company's financial position as at 31/03/2025
and compared to 31/12/2024

		31/03/2025	31/12/2024	Index
		UNAUDITED	AUDITED	
A	FIXED ASSETS	56.950.147,87	56.802.314,73	100,26
B	CURRENT ASSETS	14.804.151,44	14.753.921,41	100,34
A+B	TOTAL ASSETS	71.754.299,31	71.556.236,14	100,28
C	SHORT-TERM LIABILITIES	6.615.972,67	6.706.112,10	98,66
D	LONG-TERM LIABILITIES	10.246.549,12	10.156.775,58	100,88
E	TOTAL LIABILITIES	16.862.521,79	16.862.887,68	100,00
F	TOTAL SHARE CAPITAL AND RESERVES	54.891.777,52	54.693.348,46	100,36
E+F	TOTAL CAPITAL AND LIABILITIES	71.754.299,31	71.556.236,14	100,28

OPERATING AND OTHER COSTS

Operating expenses for the first quarter of 2025 amounted to EUR 4,144,574.30 and were 3.43% higher compared to the same period of the previous business year, when they amounted to EUR 4,007,165.73, due to an increase in the gross salary cost and other business costs.

FINANCIAL EXPENSES

Financial expenses in the period observed amount to EUR 108,655.89, and they have decreased by 9.99% compared to the first quarter of 2024, when they amounted to EUR 120,709.19.

LIQUIDITY

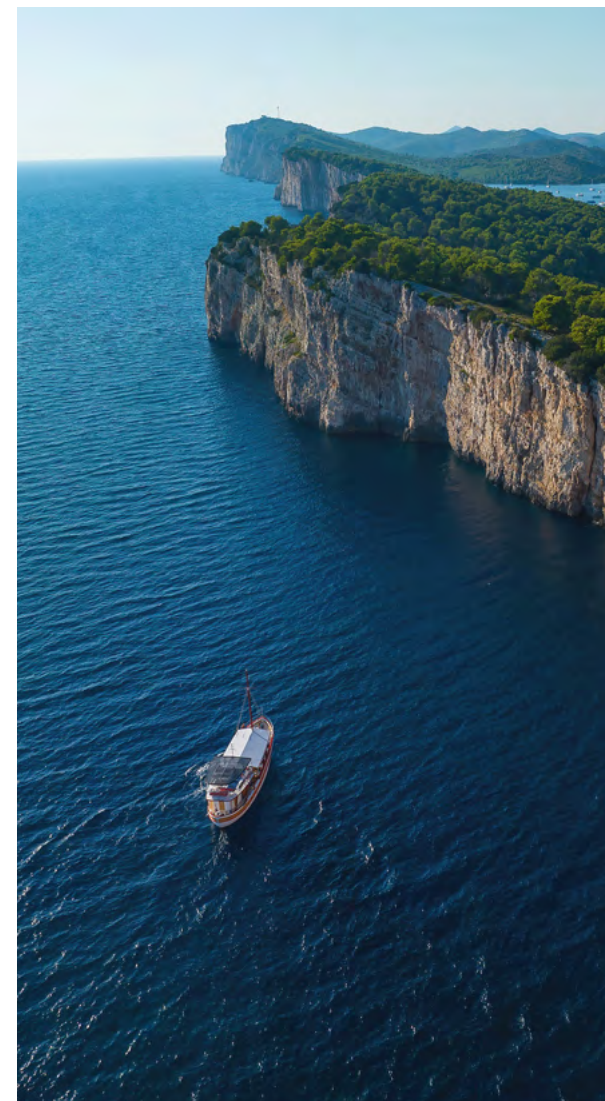
In the reporting period, the Company fully and properly maintained current liquidity and settled its liabilities towards the suppliers, the bank, the state, the employees, etc. in a timely manner and within the deadlines. The Company secured a sufficient amount of liquid assets to settle its liabilities,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

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

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

COLLECTION OF FUTURE REVENUE

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



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

6.1 SIGNIFICANT EVENTS

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

In the reporting period, the Company held 1722 own shares, constituting 0.071% of the share capital.

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

6.2 POST-BALANCE SHEET EVENTS

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

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

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

The dividend per share amounts to EUR 0.80.

6.3 LEGAL MATTERS

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

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

17 January 2024. Under the said decision of the Supreme Court of the Republic of Croatia, the claimant (the Town of Biograd na Moru) exhausted all the legal remedies for challenging the ownership rights of Ilirija d.d., and the Company successfully established the lawful acquisition of the ownership rights of Ilirija Tennis Centre real property in Biograd na Moru, covering an area of 48,705 m².

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

aforementioned ruling of the Supreme Court of the Republic of Croatia within the legal deadline.

- The ruling of the County Court in Zadar No. 6 GŽ-751/16-2 of 13 June 2017 reversed the sentence of the Municipal Court in Zadar, Permanent Service in Biograd na Moru, of January 2016, and rejected the claim of the town of Biograd na Moru as unfounded. By said claim, the town of Biograd na Moru requested that the Forest Land Lease Agreement concluded between Ilirija d.d. and Hrvatske šume d.o.o. Zagreb, Forest Administration, Split Branch, be declared null and void. Thus, the dispute was finally disposed of in favour of Ilirija d.d., and given the fact that the land in question is tourist land not assessed in the process of conversion and privatization, Ilirija d.d. has already, within the legal deadline, submitted a request to the Government of the Republic of Croatia through the Ministry of Tourism of the Republic of Croatia, for a concession on the co-owned part of the Republic of Croatia, for the use of the "Park Soline" campsite for 50 years. In the meantime, in May 2020, the new Act on Non-Evaluated Construction Land came into force, thus repealing the Act on Tourism and Other Construction Land Not Evaluated in the Conversion and Privatisation Process. The new Act on Non-Eval-

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

In the meantime, on 1 April 2022 the Company, in accordance with Article 18 of the Act on Non-Evaluated Construction Land, obtained from the Centre for Restructuring and Sales the Certificate of Conformity of the Geodetic Survey Report, which confirms the conformity of the "Park Soline Campsite Geodetic Survey Report with the decision of the Croatian Privatisation Fund of 12 July 1996, by which the real property concerned was evaluated in the process of conversion

of the socially-owned enterprise “Ilirija” Biograd na Moru. Furthermore, in April 2023, based on the ruling of the Commercial Court in Zadar, adopted in the procedure of correcting the registration of ownership rights, which was confirmed by the ruling of the High Commercial Court of the Republic of Croatia, the Republic of Croatia was registered in its entirety as the owner of the land plot with a surface area of 41 537 m² which is located within the Park Soline campsite. Namely, until that time, the Town of Biograd na Moru was registered as the land registry owner of the said land plot within the campsite.

- The predecessor of the Company was allotted the maritime domain for permanent use by the Municipal Assembly of Biograd na Moru for the purpose of constructing a sport port or marina (1976) and an outdoor swimming pool with a beach facility (1986) in Biograd na Moru. In accordance with the valid building and operating permits, the Company built the Ilirija-Kornati hotel port (1977–1979) and an outdoor swimming pool with beach facilities (1988), and these investments were evaluated and entered in the value of the capital of Ilirija d.d. during the conversion process. The aforementioned permanent right to use the maritime domain was replaced in 1998 with a limited period

concession, and in accordance with the Decisions of the Zadar County on the award of the concession on the maritime domain, the Maritime Domain Concession Agreement was concluded for the purpose of commercial use of the special purpose port - nautical tourism port for a period of 12 years (until 2011) as well as the Maritime Domain Concession Agreement for the purpose of commercial use of the outdoor swimming pool for a period of 10 years (until 2008). Prior to the expiry of the concession for the nautical tourism port – the Ilirija-Kornati hotel port and the outdoor swimming pool with a beach facility, Ilirija d.d. submitted the applications for the extension of the term of the concession by 20 years, i.e. to a total of 30 years. The competent authority has not decided on these applications to this day. Until the decision on the applications for the extension of the term of concession Ilirija d.d. has been regularly paying the fee for the use of maritime domain to the budget of the Republic of Croatia.

- During the conversion process, the property Dražice – Mini Golf was evaluated and entered in the value of the capital of the Company for the part with a surface area of 9,752 m², the part which Ilirija d.d. has been using uninterruptedly for the purposes of a parking

lot and an entertainment and animation centre, and accordingly holds in its possession, while for the rest of the land of approximately 46,000 m² an application for a concession has been submitted. The dispute between Ilirija d.d. and the Town of Biograd na Moru before the Commercial Court in Zadar regarding the right of ownership is pending. The Republic of Croatia has joined the proceedings. No first-instance ruling has been rendered in this case.

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

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

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



6.4 INVESTMENTS IN 2025

Investments in the first quarter of the business year amounted to EUR 953,935.24, and referred mostly to the hotel, camping and catering sector with the aim of raising the standards and quality of accommodation facilities and completely renovating the beach catering facility in Biograd na Moru and its market repositioning as well as shifting the concept into a modern beach club.

In the hotel sector, significant investments were made in the expansion of external elevators, i.e. the panoramic elevator on the north-east side of the Ilirija**** hotel, and the external elevator on the north side of the Adriatic*** hotel. This would ensure better communication within both hotels, and, through the use of modern architectural solutions, the hotels themselves would look more presentable. At the Adriatic hotel, the hotel lobby and reception will be renovated at the same time as the elevator expansion, with the aim of raising the level and quality of the its standards. Moreover, in the hotel sector, we continued investments in further digitalization by introducing an IP telephony system that enables the implementation of technologically advanced solutions in the field of business telecommunications and better WiFi network coverage at the hotel.

With regard to the beach facility in Biograd na Moru, investments are focused on the renovation and modernization of the entire facility, including the outdoor pool and the surrounding beach area, in order to create

a modern beach bar with dining and relaxation areas, a recognizable design, the ability to effectively adapt to weather conditions, and flexibility in equipment placement. The investment also covers the modernisation of the kitchen and purchase of new equipment with the aim of raising the level of the catering facility from a bistro to a restaurant with an associated furnished terrace. Furthermore, the area of the pool and the rubble mound is to be developed as a beach area, the sanitary facilities are to be reconstructed and the entire area is to be developed in terms of horticultural landscaping.

The Company started its investment cycle and launched the first phase of the reconstruction of the beach facility in Sv. Filip i Jakov into a high-standard catering facility. In the first phase of the reconstruction of the building, a historic building under the protection of the Conservation Department in Zadar, works were performed that structurally strengthened the building and reconstructed the entire roof. The installation of the façade and exterior joinery is to follow.

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

6.5 NON-OPERATING ASSETS

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

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

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

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

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

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

6.6 OTHER

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

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

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

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

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

Mergers and acquisitions

There were no mergers and acquisitions.

7 BUSINESS EXPECTATIONS IN 2025

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

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

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

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

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

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

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

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

Company and further developing its year-round business activities,

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

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

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

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

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

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



8 NOTES

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

Goran Ražnjević,
President of the Management Board

ILIRIJA dioničko društvo
za ugostiteljstvo i turizam
Biograd na Moru



FINANCIAL STATEMENTS FOR THE PERIOD 01/01-31/03/2025

Annex 1

ISSUER'S GENERAL DATA

Reporting period: 01/01/2025 to 31/03/2025

Year: 2025

Quarter: 1.

Annual financial statements

Registration number (MB): 03311953 Issuer's home Member State code: CROATIA

Entity's registration number (MBS): 060032302

Personal identification number (OIB): 05951496767 LEI: 74780000VOGH8Q3K5K76

Institution code: 1271

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

Postcode and town: 23210 BIOGRAD NA MORU

Street and house number: TINA UJEVIĆA 7

E-mail address: ilirija@zd.t-com.hr

Web address: www.ilirijabiograd.com

Number of employees (end of the reporting period): 293

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: ZORKA STRPIĆ
(only name and surname of the contact person)

Telephone: 023/383178

E-mail address: zorkas@ilirijabiograd.com

Audit firm: UHY RUDAN d.o.o. ZAGREB
(name of the audit firm)Certified auditor:
(name and surname)

BALANCE SHEET

Balance as at 31/03/2025

in EUR

Submitter:ILIRIJA d.d. BIOGRAD NA MORU

Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	56.802.315	56.950.148
I INTANGIBLE ASSETS (ADP 004 to 009)	003	59.416	70.374
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	0	0
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	0
6 Other intangible assets	009	59.416	70.374
II TANGIBLE ASSETS (ADP 011 to 019)	010	56.737.982	56.874.857
1 Land	011	5.894.095	5.894.095
2 Buildings	012	32.280.001	31.946.024
3 Plant and equipment	013	8.358.261	8.325.104
4 Tools, working inventory and transportation assets	014	0	0
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	389.534	956.767
8 Other tangible assets	018	0	0
9 Investment property	019	9.816.091	9.752.867
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	4.917	4.917
1 Investments in holdings (shares) of undertakings within the group	021	4.917	4.917
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. given to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	0	0
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	0	0
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	0	0
V DEFERRED TAX ASSETS	036	0	0
C) CURRENT ASSETS (ADP 038+046+053+063)	037	14.215.009	14.269.730
I INVENTORIES (ADP 039 to 045)	038	276.162	312.315
1 Raw materials and consumables	039	276.162	312.315

2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	0	0
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	910.596	594.617
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	649.011	343.229
4 Receivables from employees and members of the undertaking	050	16.458	15.365
5 Receivables from government and other institutions	051	24.824	37.993
6 Other receivables	052	220.303	198.030
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	13.000.000	13.340.714
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	13.000.000	13.000.000
9 Other financial assets	062	0	340.714
IV CASH AT BANK AND IN HAND	063	28.251	22.084
D) PREPAID EXPENSES AND ACCRUED INCOME	064	538.912	534.421
E) TOTAL ASSETS (ADP 001+002+037+064)	065	71.556.236	71.754.299
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	54.693.348	54.891.777
I INITIAL (SUBSCRIBED) CAPITAL	068	30.420.000	30.420.000
II CAPITAL RESERVES	069	389.195	389.195
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	4.664.642	4.745.025
1 Legal reserves	071	3.195.698	3.195.698
2 Reserves for treasury shares	072	925.837	925.837
3 Treasury shares and holdings (deductible item)	073	-448.288	-367.905
4 Statutory reserves	074	0	0
5 Other reserves	075	991.395	991.395
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	15.643.437	19.219.511

1 Retained profit	084	15.643.437	19.219.511
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	3.576.074	118.046
1 Profit for the business year	087	3.576.074	118.046
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	154.108	154.108
1 Provisions for pensions, termination benefits and similar obligations	091	0	0
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	154.108	154.108
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	0	0
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	10.156.776	10.246.549
1 Liabilities towards undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. to companies within the group	099	0	0
3 Liabilities towards companies linked by virtue of participating interest	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities towards banks and other financial institutions	103	10.156.776	10.246.549
7 Liabilities for advance payments	104	0	0
8 Liabilities towards suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	0	0
11 Deferred tax liability	108	0	0
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	6.161.373	6.041.445
1 Liabilities towards undertakings within the group	110	38.217	1.134
2 Liabilities for loans, deposits, etc. to companies within the group	111	0	0
3 Liabilities towards companies linked by virtue of participating interest	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities towards banks and other financial institutions	115	3.421.118	3.163.011
7 Liabilities for advance payments	116	57.251	46.938
8 Liabilities towards suppliers	117	1.600.491	1.690.709
9 Liabilities for securities	118	0	0
10 Liabilities towards employees	119	379.461	382.782
11 Taxes, contributions and similar liabilities	120	653.103	701.593
12 Liabilities arising from the share in the result	121	11.732	55.278
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	0	0
E) ACCRUALS AND DEFERRED INCOME	124	390.631	420.420
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	71.556.236	71.754.299
G) OFF-BALANCE SHEET ITEMS	126	0	0

STATEMENT OF PROFIT OR LOSS

for the period 01/01/2025-31/03/2025

in EUR

Submitter: ILIRIJA d.d. BIOGRAD NA MORU

Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	4.976.519	4.976.519	5.088.821	5.088.821
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	4.842.800	4.842.800	5.041.312	5.041.312
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	133.719	133.719	47.509	47.509
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	4.816.987	4.816.987	4.950.677	4.950.677
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	1.450.396	1.450.396	1.307.889	1.307.889
a) Costs of raw materials and consumables	010	482.179	482.179	458.629	458.629
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	968.217	968.217	849.260	849.260
3 Staff costs (ADP 014 to 016)	013	1.794.693	1.794.693	1.916.495	1.916.495
a) Net salaries and wages	014	1.083.794	1.083.794	1.149.412	1.149.412
b) Tax and contributions from salary costs	015	455.888	455.888	494.737	494.737
c) Contributions on salaries	016	255.011	255.011	272.346	272.346
4 Depreciation	017	809.821	809.821	806.102	806.102
5 Other costs	018	749.915	749.915	702.864	702.864
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	12.162	12.162	217.327	217.327
III FINANCIAL INCOME (ADP 031 to 040)	030	6	6	88.558	88.558
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	88.558	88.558
8 Exchange rate differences and other financial income	038	6	6	0	0
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	0	0
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	120.709	120.709	108.656	108.656
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	120.709	120.709	108.656	108.656
4 Exchange rate differences and other expenses	045	0	0	0	0
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	4.976.525	4.976.525	5.177.379	5.177.379
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	4.937.696	4.937.696	5.059.333	5.059.333
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	38.829	38.829	118.046	118.046
1 Pre-tax profit (ADP 053-054)	056	38.829	38.829	118.046	118.046
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	38.829	38.829	118.046	118.046
1 Profit for the period (ADP 055-059)	060	38.829	38.829	118.046	118.046
2 Loss for the period (ADP 059-055)	061	0	0	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066				
2 Discontinued operations loss for the period (ADP 065-062)	067				
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					

XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)	068				
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071				
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072				
1 Profit for the period (ADP 068-071)	073				
2 Loss for the period (ADP 071-068)	074				
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	075	0	0	0	0
1 Attributable to owners of the parent	076	0	0	0	0
2 Attributable to minority (non-controlling) interest	077	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	38.829	38.829	118.046	118.046
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	38.829	38.829	118.046	118.046
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	0	0	0	0
1 Attributable to owners of the parent	100	0	0	0	0
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method			
for the period 01/01/2025 to 31/03/2025			in EUR
Submitter: ILIRIJA d.d BIOGRAD NA MORU			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	38.829	118.046
2 Adjustments (ADP 003 to 010):	002	930.530	914.757
a) Depreciation	003	809.821	806.102
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	0
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	0	0
e) Interest expenses	007	120.709	108.655
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	969.359	1.032.803
3 Changes in the working capital (ADP 013 to 016)	012	31.738	38.268
a) Increase or decrease in short-term liabilities	013	283.193	366.762
b) Increase or decrease in short-term receivables	014	-206.575	-315.979
c) Increase or decrease in inventories	015	48.753	41.835
d) Other increase or decrease in working capital	016	-93.633	-54.350
II Cash from operations (ADP 011+012)	017	1.001.097	1.071.071
4 Interest paid	018	81.396	78.853
5 Income tax paid	019	185.457	198.030
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	1.267.950	1.347.954
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	-503.082	-953.935
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-503.082	-953.935
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-503.082	-953.935
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	150.000	200.000
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	150.000	200.000
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-384.997	-324.850
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	-345.060	-275.336
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	0	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	-730.057	-600.186
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-580.057	-400.186
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	184.811	-6.167
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	25.417	28.251
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)	050	210.228	22.084

STATEMENT OF CASH FLOWS - Direct method			
for the period 01/01/2025 to 31/03/2025			in EUR
Submitter: ILIRIJA d.d. BIOGRAD NA MORU			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	0	0
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	0	0
4 Cash receipts from tax refund	004	0	0
5 Cash payments to suppliers	005	0	0
6 Cash payments to employees	006	0	0
7 Cash payments for insurance premiums	007	0	0
8 Other cash receipts and payments	008	0	0
I Cash from operations (ADP 001 to 008)	009	0	0
9 Interest paid	010	0	0
10 Income tax paid	011	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 009 to 011)	012	0	0
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	013	0	0
2 Cash receipts from sales of financial instruments	014	0	0
3 Interest received	015	0	0
4 Dividends received	016	0	0
5 Cash receipts from repayment of loans and deposits	017	0	0
6 Other cash receipts from investment activities	018	0	0
II Total cash receipts from investment activities (ADP 013 to 018)	019	0	0
1 Cash payments for the purchase of fixed tangible and intangible assets	020	0	0
2 Cash payments for the acquisition of financial instruments	021	0	0
3 Cash payments for loans and deposits	022	0	0
4 Acquisition of a subsidiary, net of cash acquired	023	0	0
5 Other cash payments from investment activities	024	0	0
III Total cash payments from investment activities (ADP 020 to 024)	025	0	0
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 019 + 025)	026	0	0
Cash flow from financing activities			
Cash receipts from the increase of initial (subscribed) capital	027	0	0
2 Cash receipts from issue of equity financial instruments and debt financial instruments	028	0	0
3 Cash receipts from credit principals, loans and other borrowings	029	0	0
4 Other cash receipts from financing activities	030	0	0
IV Total cash receipts from financing activities (ADP 027 to 030)	031	0	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	032	0	0
2 Cash payments for dividends	033	0	0
3 Cash payments for finance lease	034	0	0
4 Cash payments for the redemption of treasury shares and decrease of initial (subscribed) capital	035	0	0
5 Other cash payments from financing activities	036	0	0

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

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: 01/01-31/03 2025**A. Notes on the Company's financial position:****Non-current assets**

The non-current asset value amounted to EUR 56,950,147.87, constituting an increase of EUR 147,833.14 compared to the value as at 31 December 2024, when it amounted to EUR 56,802,314.73. An amount of EUR 953,935.24 was invested in all sectors of the Company during the reporting period of 2025.

Current assets

The current asset value amounted to EUR 14,804,151.44 and increased by EUR 50,230.03 compared to the balance as at 31 December 2024, when it amounted to EUR 14,753,921.41. The largest portion of the increase in current assets was achieved by cash inflows from customers.

Short-term liabilities

Current liabilities amounted to EUR 6,615,972.67, recording a decrease of EUR 90,139.43, compared to the balance as at 31 December 2024, when they amounted to EUR 6,706,112.10.

Non-current liabilities

Non-current liabilities amounted to EUR 10,246,549.12, recording an increase of EUR 89,773.54, compared to the balance as at 31 December 2024, when they amounted to EUR 10,156,775.58.

Equity and reserves

Equity and reserves equalled EUR 54,891,777.52, which represented an increase of EUR 198,429.06 compared to the balance as at 31 December 2024, when they amounted to EUR 54,693,348.46.

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

Total revenue generated as at 31 March 2025 amounted to EUR 5,177,378.71, representing an increase of 4.04% of the total revenue generated as at 31 March 2024, when it amounted to EUR 4,976,525.27.

Total expenses

Total expenses as at 31 March 2025 amounted to EUR 5,059,332.29, representing an increase of 2.46% of the total expenses as at 31 March 2024, when it amounted to EUR 4,937,696.27.

Operating profit

The operating profit generated as at 31 March 2025 amounted to EUR 944,246.27, constituting a decrease of 2.59% of the

operating profit generated as at 31 March 2024, when it amounted to EUR 969,353.96.

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 31 March 2025 and the last revised annual statement as at 31 December 2024.

D. In the observed reporting period of 2025 operating revenue in the amount of EUR 5,088,820.57 was generated, which constitutes a 2.26% increase compared to the same period of the previous year, when it amounted to EUR 4,976,519.69. The Company's business activities are seasonal. The Company generates most of its revenue in summer. The Company generates revenue in the hotel, nautical, camping and real-estate sectors and the destination management company DMC Ilirija Travel. The hotel sector generates most of its revenue in summer.

In the observed reporting period of 2025, the hotel sector generated revenue in the amount of EUR 494,664.66, which constitutes a decrease of EUR 11,420.40, or 2.25% compared to the same period of the previous year, when it amounted to EUR 506,085.06.

In the observed reporting period of 2025, the nautical sector generated revenue in the amount of EUR 2,132,852.98, constituting a decrease of EUR 38,660.54, or 1.78% compared to the same period of 2024, when it amounted to EUR 2,171,513.52. The majority of the revenue was generated by annual berth fees.

In the observed reporting period of 2025, the camping sector generated revenue in the amount of EUR 1,695,534.58, constituting an increase of EUR 225,967.83, or 15.38% compared to the same period of the previous year, when it amounted to EUR 1,469,566.75. The most significant revenue was generated from mobile homes, fixed lease of camping pitches and plots.

In the observed reporting period of 2025, revenue from the real estate sector, i.e. the City Galleria Business and Shopping Centre amounted to EUR 529,729.41, representing an increase of EUR 29,020.13 or 5.80% compared to the same period of the previous year, when it amounted to EUR 500,709.28.

In the period observed, i.e. as at 31 March 2025, the Company did not receive any grants.

As at 31 March 2025, the operating costs amounted to EUR 4,144,574.30, recording an increase of EUR 137,408.57, or 3.43% compared to the same period of 2024, when they amounted to EUR 4,007,165.73. Financial expenses in the reporting period amounted to EUR 108,655.89, and they have decreased by 9.99% compared to the same period of the previous year, when they amounted to EUR 120,709.19. The depreciation charge for the reporting period of 2025 amounted to EUR 806,102.10, which is a 0.46% decrease compared to the same period of 2024, when it amounted to EUR 809,821.35.

Total expenses amounted to EUR 5,059,332.29, recording an increase of 2.46% compared to the same period of the previous year, when they amounted to EUR 4,937,696.27. Operating profit, i.e. profit from business activities, for the reporting period

of 2025 amounted to EUR 944,246.27, constituting a decrease of 2.59% compared to the same period of the previous year, when it amounted to EUR 969,353.96. EBITDA, i.e. earnings before depreciation, interest and taxes, was generated in the amount of EUR 1,032,804.41, and showed a 6.55% increase compared to the same period of the previous year. EBIT, i.e. earnings before financing expenses, was generated in the amount of EUR 226,702.31, recording an increase of EUR 67,164.12, or 42.10% compared to the same period of the previous year. In the observed period, profit in the amount of EUR 118,046.42 was realised, constituting an increase of EUR 79,217.42, or 204.02% 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 31 March 2025

E. There were no significant changes.

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

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

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

Point 4 The majority of the revenue was generated on the domestic market in the amount of EUR 4,709,599.87 and the foreign market in the amount of EUR 331,711.78, while other revenue was generated in the amount of EUR 47,508.92. Operating revenues were generated as follows; the hotel sector EUR 494,664.66, the nautical sector EUR 2,132,852.98, the camping sector EUR 1,695,534.58, City Galleria EUR 529,729.41. Revenue from other activities, i.e. profit centres, including Ilirija Travel, and hospitality, has been realised in the amount of EUR 236,038.94. Total expenses amounted to EUR 5,059,332.29. Operating expenses amounted to EUR 4,144,574.30. Most of them were incurred in connection to the cost of raw material, other materials and energy, accounting for EUR 458,628.70; outsourcing costs, accounting for EUR 849,260.45; other operating costs, accounting for EUR 920,190.17, and staff costs, accounting for EUR 1,916,494.98.

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 01/01-31/ 03 2025 was 300.

Point 7 The employee cost presented in the income statement amounted to EUR 1,916,494.98 (net salary being EUR 1,149,412.22, contributions from salaries being EUR 326,640.60, the salary tax and surtax being EUR 168,095.86, and the contributions to salaries being EUR 272,346.30). 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 117,849.78, which brings the total employee cost to EUR 2,034,344.76. The Company does not capitalise the salary costs.

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

Point 10 The share capital of the Company amounted to EUR 30,420,000.00 as at 31 March 2025, and it is divided into 2,413,488 no-par-value ordinary shares.

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

STATEMENTS BY THE COMPANY REPRESENTATION

ILIRIJA d.d.

BIOGRAD NA MORU

Biograd na Moru, 22/04/2025

Statement made by the persons responsible for the preparation of the financial statements for the period from 01/01/2025–31/03/2025

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

Financial statements of Ilirija d.d., Biograd na Moru, Tina Ujevića 7, Tax No. OIB: 05951496767, for the period January - March of 2025 have been prepared in accordance with International Financial Reporting Standards and Croatian Accounting Act.

The financial statements give a true and fair view of the financial position of the Company as at 31/03/2025, operating results and cash flows of the Company in accordance with International Financial Reporting Standards.

The Management's Report gives a true overview of operating results and position of the Company as at 31/03/2025.

Financial statements for the period from 01/1/2025 - 31/03/2025 are unaudited.

Accounting Manager:
Zorka Strpić

Management Board:
Goran Ražnjević



ILIRIJA dioničko društvo
za ugostiteljstvo i turizam
Biograd na Moru





ILIRIJA D.D.

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