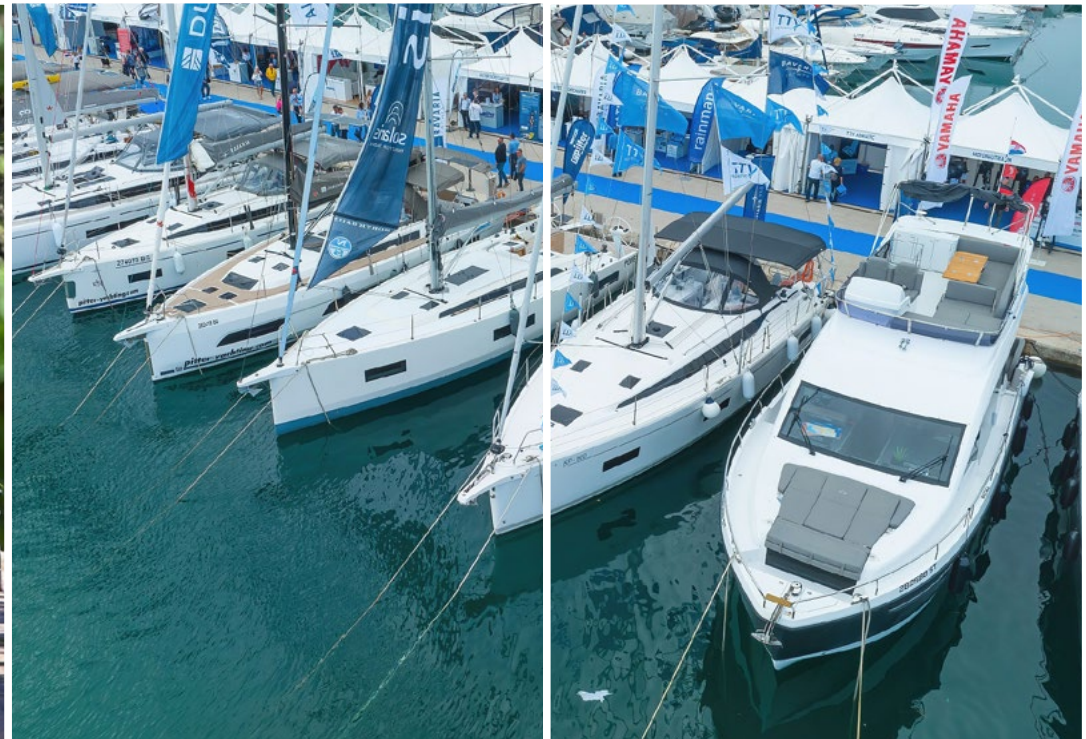




# FINANCIAL STATEMENTS FOR THE PERIOD 01/01 – 30/06/2024

Biograd na Moru, July 2024



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## OVERVIEW OF KEY PERFORMANCE INDICATORS FOR THE PERIOD 01/01 – 30/06/2024

(in EUR)	I-VI 2024	I-VI 2023	Index 2024/2023
<b>Financial indicators</b>			
Total revenues	12,668,628.92	11,158,587.25	113.53
Operating revenues	12,506,765.55	11,158,471.57	112.08
<i>Revenues from sales</i>	12,355,215.25	11,112,248.88	111.19
<i>Operating profit</i>	3,258,021.34	2,841,866.64	114.64
<i>EBITDA</i>	3,419,884.71	2,841,982.32	120.33
<i>EBIT</i>	1,800,242.01	1,359,958.21	132.37
<i>Profit</i>	1,557,517.44	1,113,187.77	139.92
<i>Value of assets</i>	72,724,414.13	72,499,450.20	100.31
Capital	52,985,872.57	50,942,961.58	104.01
Total liabilities	19,738,541.56	21,556,488.62	91.57
Net debt	2,706,853.59	6,034,040.81	44.86



## KEY INFORMATION FOR THE PERIOD 01/01 – 30/06/2024

1 The first half of the business year was marked by the growth of business activities in all sectors with a strong growth in demand in the Company's tourism sectors as a result of the growth of all key performance indicators (arrivals, overnight stays, number of events and vessels at contracted berths). The growth of physical indicators resulted in the realisation of the planned business goals expressed through the growth of total and operating revenue, followed by a strong double-digit growth in business profitability and further strengthening of the Company's financial position.

The reporting period was marked by growth in the volume of business activities of the tourism sector, where growth in demand generated growth in physical and financial performance indicators, especially in the second quarter of the business year, followed by strong growth in the revenue of the hotel and destination management company sectors, which was also reflected in the realisation of double-digit growth in total and operating revenue at the level of the entire Company. Furthermore, through careful management of the cost side of the business, costs were kept at a level that enabled the Company to achieve all key indicators of performance profitability (operating profit, profit, EBITDA and EBIT) in the first half of 2024. At the same time, with economical and careful management of business costs, the Company maintained a high quality and standard of service and the achieved categorisation of facilities, while further improving the material position of employees and

ensuring a sufficient number of employees for the smooth running of business activities. The Company considers the results achieved in the first half of 2024, expressed through the growth of all key performance indicators, to be successful, especially because the continuous growth of business activities continued in the reporting period, the profitability of the business grew strongly and its capital and balance sheet position was strengthened.

2 In the reporting period, total revenue was generated in the amount of EUR 12,668,628.92, constituting an increase of 14% compared to the same period of the previous year, when it amounted to EUR 11,158,587.25, as a result of an operating revenue increase for the most part.

Operating revenue was generated in the amount of EUR 12,506,765.55, constituting an increase of 12% compared to the same period of the previous year, when it amounted to EUR 11,158,471.57, and it is within the limits planned for the first half of the business year.

The realised operating revenue was generated through the growth of operating revenue at the level of all sectors of the Company, especially the strong growth of demand in the tourism sectors, i.e. the destination management company Ilirija Travel, whose revenue grew at a rate of 55%, and the hotel sector, where revenue grew at a rate of 18%. Also, other sectors (nautical, camping and real estate) achieved rev-

enue growth, where the revenues of the nautical and camping sector increased by 8%, while at the same time, the operating revenue of the real-estate sector increased by 5%, which contributed to the growth of operating revenue at the level of the entire Company.

3 Total expenses amounted to EUR 11,111,111.48, a 11% increase compared to the first half of the previous business year, when they amounted to EUR 10,045,399.48, and are the result of an increase in operating expenses, which are 11% higher, and depreciation, which grew by 9%.

Business expenses amounted to EUR 9,248,744.21 and they increased by EUR 932,139.28 compared to the same period of the previous year, when they amounted to EUR 8,316,604.93, as a result of the growth in the following:

(I) the increase in salary costs, which is higher by EUR 477,040.69 or by 13% compared to the same period of the previous year, i.e. it grew at a rate identical to the growth of total revenue and is at the level of the realised average net salary in the Republic of Croatia. The increase in salary costs was the result of a continuous personnel management policy with the aim of improving the financial position of employees, as well as the realised average net salary in the Company which is at the level of the average net salary in the Republic of Croatia, the earlier employment of seasonal employees due to the exceptional labour deficit in tourism and hospitality and a significant increase in the volume of business activities,

(II) the increase in costs related to various types of lease fees, which are higher by EUR 167,831.22 or by 75% as a result of higher allocations for employee accommodation and payment of fees for the lease of unvalued parts of the campsite based on the Act on Unvalued Construction Land and the Ordinance on the Arrangement of Leases on Parts of the Campsites Owned by the Republic of Croatia,

(III) increase in costs of building and equipment maintenance service which are higher by EUR 136,812.68 or by 23%, with the aim of improving the quality and standards of the service and maintaining the achieved level of competitiveness and categorisation of facilities,

(IV) increase in costs from non-production services, which are higher by EUR 142,072.80 or by 33%, mainly generated from the increase in the cost of entertainment programme organisation services due to increased business activities and the development of the year-round offer through the destination management company Ilirija Travel.

4 In the reporting period, there was an increase in all key indicators of business profitability (operating profit, profit, EBITDA and EBIT), which on the one hand are the result of growth in business activities, and on the other hand are the result of careful management of operating costs as one of the important goals of the Company in terms of business efficiency.

The operating profit amounted to EUR 3,258,021.34, constituting an increase of 15% or EUR 416,154.70 compared to the same period in 2023, when it amounted to EUR 2,841,866.64, while the profit for the reporting period amounted to EUR 1,557,517.44 EUR and is higher by 40%, i.e. by EUR 444,329.67. EBITDA was also realised in the amount of EUR 3,419,884.71, increasing by 20%, or EUR 577,902.39 compared to EUR 2,841,982.32 for the same period of the previous business year. EBIT was generated in the amount of EUR 1,800,242.01, constituting an increase of 32% (EUR 440,283.80) compared to the same period of the previous business year.

5 The value of assets in the first half of the business year amounted to EUR 72,724,414.13, showing an increase of EUR 224,963.93 in comparison with the same period of the previous year, when it amounted to EUR 72,499,450.20. The increase resulted from an increase in current assets, which was 14% higher.

6 In the reporting period, capital amounted to EUR 52,985,872.57, representing a 4%, or EUR 2,042,910.99 increase compared to the first half of the previous year, when it amounted to EUR 50,942,961.58, due to the increase in profits from the current and past years.

7 Total liabilities of the Company amounted to EUR 19,738,541.56, decreasing by 8%, or EUR 1,817,947.06, compared to the same period of the previous year, when they amounted to EUR 21,556,488.62, as a result of a decrease in long-term liabilities by 14%.

8 Net debt, which includes both current and non-current liabilities towards banks, minus cash at bank, in hand, and deposits, amounted to EUR 2,706,853.59 in the reporting period, representing a decrease by 55%, or EUR 3,327,187.22, recording the lowest net debt of the Company achieved so far in the first half of the business year.

9 The price of the Company's shares designated as ILRA, the average and the last price, in the first half of 2024 achieved growth compared to the same period of the previous year. For the reporting period, the average price of the share was EUR 25.79, constituting an increase of 2%, while the last price of the share was realised in the amount of EUR 25.80 and was higher by 8% compared to the last price from the same period of the previous year, which was EUR 24.00. Furthermore, proportionally to the growth in share price, the Company's market capitalisation also grew, expressed as the product of the average share price and the number of shares, amounting to EUR 62,267,990.40, representing an increase of EUR 4,344,278.40 compared to the first half of 2023.

10 The General Assembly of the Company, held on 26 April 2024, took note of the Company's Annual Report for 2023 together with the Audit Report for 2023, Report of the Supervisory Board on the Performed Supervision of the Company's Operations for 2023, and the Management Board' Report on the Acquisition of Own Shares in 2023. The General Assembly adopted the Decision on the Approval of the 2023 Report on

the Remuneration of Management Board and Supervisory Board Members, the Decision on Granting Discharge to the Company's Management Board for the financial year 2023, Decision on Granting Discharge to the Members of the Supervisory Board for the financial year 2023, Decision on Granting Authority to the Management Board for the Acquisition of Own Shares, Decision on Confirmation of the Previously Approved Policy on the Income of the Management Board Members and the Decision on the Appointment of the authorised auditing company "UHY RUDAN d.o.o.", Ilica 213, Zagreb, PIN: 717995390000 for 2024. Also, the Decision on the Use of Company Profit for the 2023 Financial Year was adopted at the General Assembly, according to which the achieved net profit in the 2023 financial year (after tax) in the amount of EUR 3,279,530.22, is distributed as follows:

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

The dividend per share amounts to EUR 0.70.

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





## 1 ABOUT ILIRIJA D.D.

### 1.1 BASIC INFORMATION

ILIRIJA d.d. is a public joint stock company registered for hospitality and tourism with registered office in Biograd na Moru, Tina Ujevića 7, that has been active in the Croatian tourist market for over **67** years. The business operations of ILIRIJA d.d. is based on the principles of corporate social responsibility as an integral part its corporate values.

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

dvori AD 1307, event boat “Nada”), **sports-recreation and entertainment center** (Tennis center Ilirija with 20 tennis courts and Beach Club Ilirija (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 28.500m<sup>2</sup> gross area in total six floors and total 9.445,32m<sup>2</sup> 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.

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## 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 m<sup>2</sup> 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 m<sup>2</sup> 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 m<sup>2</sup>, whereby it represents a center for holding almost all sports, entertaining and dance events in the City Biograd na Moru.

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

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

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

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

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

**Year 2000 - 2024** | During this period, i.e. as at 30 June 2024, the Company invested EUR 92.310.591,89 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 173.419.499,27.

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

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

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

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

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

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

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

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

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

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

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

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

**Year 2018** | The construction of the indoor swimming pool of useful surface area of approximately 500m<sup>2</sup> 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



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## 1.4 SUBSIDIARIES

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

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

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

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## 1.5 AFFILIATED COMPANIES

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

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

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

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

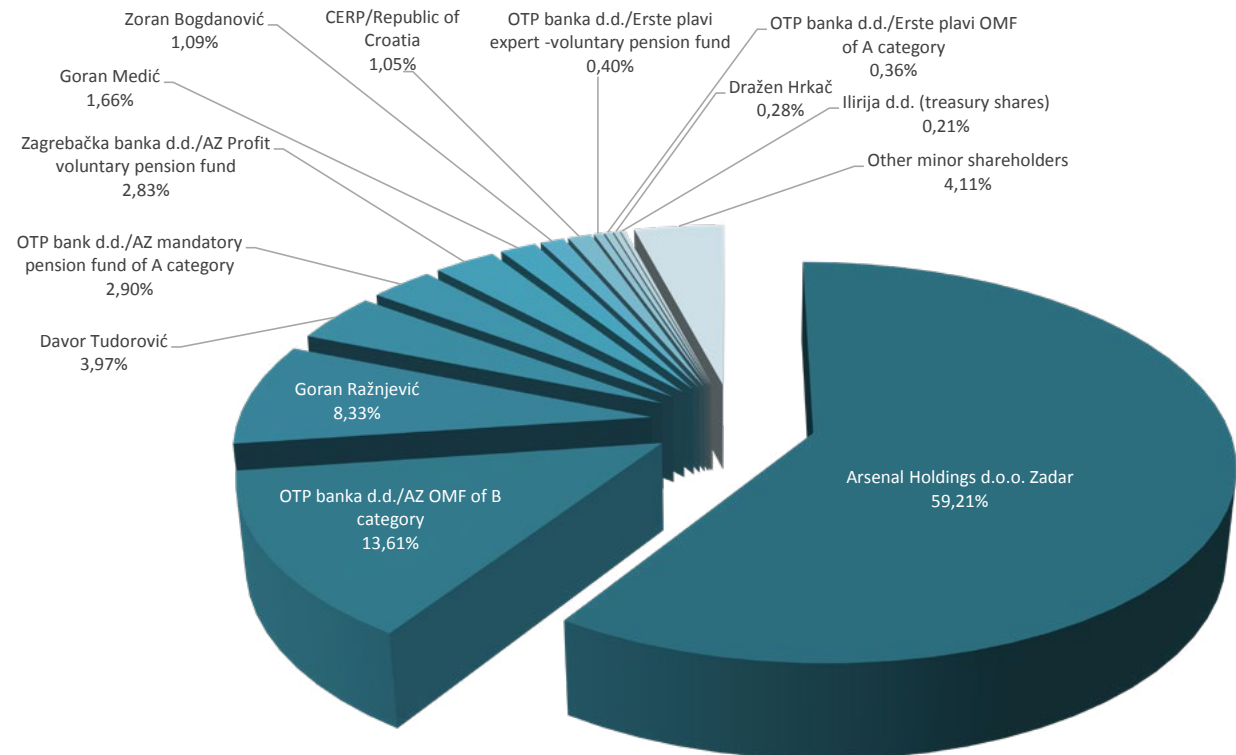
The share capital of the Company amounted to EUR 30,420,000.00, and it is divided into 2,413,488 no-par-value ordinary shares.

As at 30 June 2024, there were no significant changes in the ownership structure, while an overview of the major shareholders of the Company as at 30 June 2024 is provided below.

Owners - shareholders	Number of shares	Share in %
Arsenal Holdings d.o.o. Zadar	1,429,032	59.21
OTP banka d.d./AZ OMF of B category	328,506	13.61
Goran Ražnjević	201,120	8.33
Davor Tudorović	95,744	3.97
OTP banka d.d./AZ mandatory pension fund of A category	69,898	2.90
Zagrebačka banka d.d./AZ Profit voluntary pension fund	68,200	2.83
Goran Medić	40,000	1.66
Zoran Bogdanović	26,216	1.09
CERP/Republic of Croatia	25,342	1.05
OTP banka d.d./Erste plavi expert - voluntary pension fund	9,726	0.40
OTP banka d.d./Erste plavi OMF of A category	8,631	0.36
Dražen Hrkač	6,727	0.28
Ilirija d.d. (treasury shares)	5,043	0.21
Other minor shareholders	99,303	4.11
<b>TOTAL</b>	<b>2,413,488</b>	<b>100.00</b>



## OWNERSHIP STRUCTURE OF THE COMPANY AS AT 30/06/2024



## TRADING IN COMPANY'S SHARES ON THE CROATIAN CAP- ITAL MARKET IN THE FIRST HALF OF 2024

(amounts in EUR)	I-VI 2024	I-VI 2023	% of change
Total turnover	20,087.60	150,290.20	-86.63%
Average share price	25.79	25.17	2.46%
Average turnover per transaction	1,545.20	10,735.01	-85.61%
Average daily turnover	3,347.93	18,786.28	-82.18%
Last share price	25.80	24.00	7.50%
Market capitalization*	62,267,990.40	57,923,712.00	7.50%
Market capitalization**	62,243,855.52	60,747,492.96	2.46%
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

The Company shares designated as ILRA generated a smaller volume of trading compared to the same period of 2023, i.e. the turnover amounted to EUR 20,087.60, namely 86.63% less compared to the previous year. Average turnover per transaction amounted to EUR 1,545.20, with average daily turnover amounting to EUR 3,347.93.

Moreover, the average share price was EUR 25.79, representing an increase of 2.46%, while the last achieved share price amounted to EUR 25.80. At the same time, the market capitalisation of the Company, expressed as the product of the last achieved share price and the number of shares, is higher by 7.50% and amounts to EUR 62,267,990.40.

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



## 1.7 COMPANY BUSINESS MODEL

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

- **Hotel sector** – 4 hotels, 435 rooms, 910 beds
- **Nautics** – 805 berths, 2,000 persons
- **Camping** – 1,130 pitches, 3,390 persons
- **Destination management company/DMC Ilirija Travel** – through which 234 special events for 30,560 persons were organised in 2023
- **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 di-

verse 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



HOTEL KORNATI

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

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

#### **Fundamental values:**

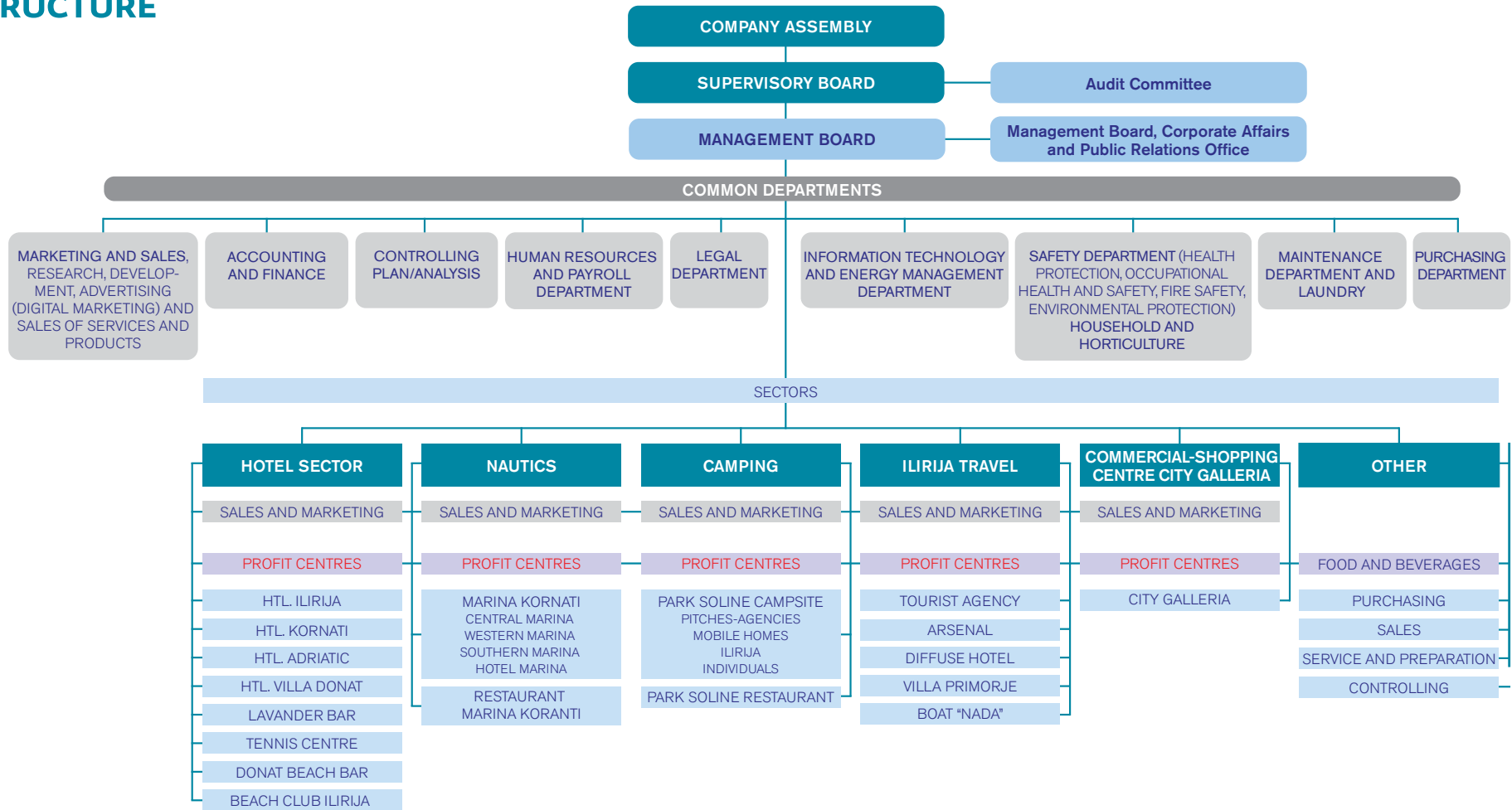
**Respect and integrity** – equality of treatment and attitude towards all our stakeholders constitute the basic values of our Company.

**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 stipulated 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 by Croatia of the euro 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 optimal 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 minimize and optimize all of its operating costs, and is willing to and capable of actively cooperating with all significant creditors by settling the liabilities they had at the time when challenging business conditions materialised.

The 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 average annual inflation rate, measured by the Consumer Price Index, in June 2024 was 2.4% higher compared to June 2023. The Company is mostly exposed to inflationary pressures through the increase in food and beverage prices and the purchase

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

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

## 2 Regulatory risks:

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

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

### *Tourism land – unresolved issue*

Pursuant to the Act on Tourism and Other Construction Land Not Evaluated in the Conversion and Privatisation Process (hereinafter: the Act), adopted in July 2010, the Company submitted to the Republic of Croatia, within the legally prescribed deadline,

i.e. in January 2011, an application for a concession on tourism land for the “Park Soline” campsite in Biograd na Moru for a period of 50 years. Due to unclear provisions of the Act, no decision has been rendered during its validity regarding the Company’s application. In the meantime, in May 2020 a new Act on Non-Evaluated Construction Land was adopted, and thus the Act on Tourism and Other Construction Land Not Evaluated in the Conversion and Privatisation process ceased to have effect. The new Act provides for the right of tourism companies to submit an application for leasing construction tourism land for a period of 50 years. In March 2021 the Company submitted the appropriate application for leasing construction land in the campsite for a period of 50 years to the competent authority of the Republic of Croatia, that is, to the Ministry of Physical Planning, Construction and State Assets. Under the provisions of the Act on Non-Evaluated Construction land, a company shall become the owner of buildings, land under buildings and land in the campsite that were evaluated and entered into the value of social capital in the conversion and privatisation process, while the Republic of Croatia shall become the owner of buildings and land in the campsite that were not evaluated and entered into the value of social capital in the conversion and privatisation process (so called Parts of the campsite owned by the Republic of Croatia). In the meantime, on 1 April 2022 the Company, in accordance with Article 18 of the Act on Non-Evaluated Construction Land, obtained from the Centre for Restructuring and Sales the Certificate of Conformity of

the Geodetic Survey Report, which confirms the conformity of the Park Soline Campsite Geodetic Survey Report with the decision of the Croatian Privatisation Fund of 12 July 1996, by which the real property concerned was evaluated in the process of conversion of the socially-owned enterprise “Ilirija” Biograd na Moru.

Furthermore, the legislator also adopted the Ordinance on the Arrangement of Leases on Parts of the Campsites Owned by the Republic of Croatia (OG 16/24) (hereinafter: Ordinance on the Arrangement of Leases) which, as a by-law, has been in force since 9 February 2024, and which determines the methods and conditions of payment of fees for the lease of unvalued parts of the campsite. The Republic of Croatia, through the departmental Ministry of Physical Planning, Construction and State Assets, in a letter dated 22 April 2024, invited ILIRIJA d.d. to pay the lease fee based on the aforementioned Ordinance, and calculated lease fee for Ilirija d.d. 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 673,640.40. 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 AUCL. 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 for the first 7 (seven) months of 2024 (01 – 07/2024) it also delivered to ILIRIJA d.d. invoices for the lease of the Campsite in the total amount of: EUR 125,143.46. ILIRIJA d.d. has duly paid the specified lease fee, which amount, also in accordance with the Ordinance on the Arrangement of Leases, represents only 50% of the lease fee.

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

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

#### *Maritime domain*

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

As no meritorious decision was made on the said request, on 11 July 2018, Ilirija d.d. delivered to the

Ministry of Maritime Affairs, Transport and Infrastructure a letter informing them of having procured an amendment to the construction permit for the reconstruction of the marina, as part of the new investment included in the application for an extension of the concession licence validity. Moreover, on 6 October 2021, the Company delivered a letter to the Ministry of Maritime Affairs, Transport and Infrastructure and the Ministry of Finance of the Republic of Croatia, so as to initiate the adoption of the decision regarding an extension of the concession licence validity. In the meantime, on 02 November 2021, the Company received a statement from the Ministry of Finance of the Republic of Croatia, as a body which, along with the competent Ministry of the Sea, Transport and Infrastructure of the Republic of Croatia, is involved in the procedures for extending the terms of concessions, in which they essentially point out that in order to conduct the procedure for extending the concession agreement, the competent Ministry of the Sea, Transport and Infrastructure, while looking at the problems of the nautical tourism 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, new increased investments in the green transition, including the decarbonization and digital transformation in accordance with Regulation (EU) 2020/852 of the European Parliament and Council of 18 June 2020, on establishing a framework for facilitating sustainable investments and amending Regulation (EU) 2019/2088 EU OJ, L 198/13, suggested new amounts of concession fees with reference to the previously revalued investments in Marina Kornati with the end of 2023, in order to express the real, absolute value of investments so far, and also explained the legal matters that are important for making a positive decision, all in accordance with transitional and final provisions of the new Maritime Domain and Seaports Act (Official Gazette No.: 83/2023, hereinafter: ZPDML23), which entered into force on 29 July 2023, so that the procedures for granting and modifying concessions that were started according to the provisions of ZPDML03 have to be completed in accordance with the provisions of that Act. No decision has been rendered yet on the alleged supplemented request for an extension of the concession licence validity for Marina Kornati.

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 to use the maritime domain with unlimited duration and duration limited “as long as the

business activity is performed”, 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 rights issues, issues regarding physical planning / urban development, and issues pertaining to the economic use and utilisation 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 2024 in the Republic of Croatia, namely at the level of most economic activities, and with a special emphasis on hospitality and tourism taking into account the seasonal nature of Croatian tourism, as well as the fact that it is an extremely labour-intensive industry; therefore, skilled labour shortages (with a special emphasis on occupations in high demand) could affect the success of the peak season, and thus ultimately of the entire business year.

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

### **4 Global risks and the macroeconomic environment**

Considering the global nature of the hospitality and tourism industry, different events and activities at

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

In today's globalised world, the said risks affect the free movement of people, goods and capital, i.e. national economies and operations of economic entities.

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

#### *Health risk*

Since 2020, the world faced an unpredictable, serious and extremely dynamic risk related to the epidemiological situation, i.e. the global COVID-19 pandemic, which has had an extremely negative impact on business entities in almost all industries, albeit the most severely affected ones are certainly the travel industry, tourism and hospitality, all of which form an integral part of the Company's core business. The COVID-19 risk is also the biggest and most serious risk that the Company has faced

so far, to which the Company responded with a number of measures and activities by reorganising its business processes and operations in order to safeguard the health and well-being of guests and employees, maintain financial stability and current liquidity for the duration of the COVID-19 pandemic, preserve assets and capital as well as business operations and activities, and retain full employment. The Company has successfully achieved all of its goals. The Company continues to implement different preventive activities within its business processes and operations in order to reduce and always be able to control health risks, just like it did during the COVID-19 pandemic. However, the 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 Rus-

sia and Ukraine. Thus, the Company is neither exposed nor are there any potential consequences in this respect. Moreover, the Company has no exposure to entities from Russia or Ukraine since it does not do business with legal entities from Russia or Ukraine. The Company does business as a company specialised for hospitality and tourism has a business relationship with natural persons from Russia and Ukraine using the Company's services such as accommodation in its facilities (hotel, camping and nautical sectors). The share of guests from Russia and Ukraine in the Company's total turnover is insignificant, and losing it does not represent a risk to the Company. Should the crisis, that is, the war, spread from Ukraine to other European countries or lead to destabilisation of the countries in the Balkans, this would surely have a negative effect on Croatian tourism as a whole, and thus also on the Company. Croatian tourism generates most of its turnover from the European outbound market, the share of which additionally increased in the last two years due to the global COVID-19 pandemic and a lack of tourism turnover from remote markets (America, Asia). This turnover could be significantly reduced in case the Russian-Ukrainian crisis, that is, the war, spreads across Ukrainian borders and causes major instability in the wider European region. The Company will counteract any potential negative effects of the Russian-Ukrainian crisis by adjusting its business processes and activities to the new circumstances, with the aim of strengthening the resilience of its business system.

### *Climate impact risk*

The Company bases its business policy on management in line with the principles of sustainable and responsible development, with particular focus on environmental protection, as the environment is the fundamental resource of the tourism industry. Environmental protection represents a significant segment of the Company's integrated management systems and is a part of its strategic decisions and business processes.

The consequences of climate change are becoming increasingly influential when it comes to almost all activities. In the tourism sector and within the Company, they have been recognized as climate impact risks requiring an interdisciplinary approach and management. The Company continuously monitors its impact on the climate, i.e. its greenhouse gas emissions and other environmental impacts, namely in accordance with all applicable legal regulations and prescribed limit values.

The Company has previously recognized its impact on the environment and decided on a systematic approach with a series of activities it carries out. They mainly pertain to the preservation of natural resources (water, air, soil, and coast), biodiversity, energy management, and waste management, which ultimately confirms the Company's focus on sustainable development and growth. The identified risks included the dangers brought on by climate change both

at the global level and at the level of the Company's operations. We also noticed that extreme weather conditions can affect tourist demand and cause direct material damage to the Company's assets.

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

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

### *Macroeconomic environment*

The unfavourable macroeconomic environment, i.e. significant economic uncertainties resulting partially from the global pandemic that affected supply chains, and partially from the Russian-Ukrainian war, led to disruptions in the supply of basic energy products in the euro area and resulted in a significant increase in the prices of all energy products (oil, gas, electricity), and ultimately strong inflationary pressures. An uncertain macroeconomic environment can affect the Company's business activities by reducing the demand for its services as it significantly contributes to the deterioration of the business climate in the key outbound markets for Croatian tourism. This could also result in a slowdown in economic activities and a decrease in purchasing power and standards, as well as, ultimately, in a decrease in travel demand, which would definitely affect the achievements of Croatian tourism companies, including our Company. The company is aware of the challenges and risks arising from the unfavourable macroeconomic environment, and it undertakes a number of activities aimed at preserving its core business objectives (economic viability and security, financial stability, preservation of



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



### 3 BUSINESS CAPACITIES OF THE COMPANY AND ADDITIONAL FACILITIES

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 Center, Tennis Center, 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, IZ 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 organisation 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 25 years in a row.





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## 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 2023 amounted to approximately EUR 31.7 million and owing to these investments the number of overnight stays increased from 4,556 in 1996 to 329,010 in 2023. 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 41.21 million.



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## 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.



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## 3.5 HOSPITALITY

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

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

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

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



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## 3.6 ADDITIONAL AMENITIES

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

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

The fairs of former members of the Federation were mainly organized in major world centers, and the fact that the Biograd Boat Show is organized in a town of only 5,000 residents makes this success even greater and represents a great acknowledge-

ment 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 (activity) congress in the Republic of Croatia. From its early beginnings the event has brought together all representatives of the nautical industry and tourism, government institutions, major organizations in tourism and nautics as well as professional associations.

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

In 2023, the fair, which marked its twenty-fifth anniversary, was attended by over 400 registered exhibitors, with 400 vessels at sea and on land and over 40 premier vessels, while over 150 registered charter companies, agencies and brokers actively participated in the charter fair, with over 500 accredited participants.

**Sports facilities:**

“Tenis centar Ilirija”, located in the pine forest So-line near the old town centre, the Ilirija Tennis Centre covers a surface area of 48,000 m<sup>2</sup> 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.







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## 3.7 CITY GALLERIA BUSINESS AND SHOPPING CENTER

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 m<sup>2</sup> 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 m<sup>2</sup>, 9,445,32 m<sup>2</sup> of net rentable area, as well as ancillary rooms and corridors. As at 30 June 2024, the occupancy of the centre amounted to 99.76% of total capacities.

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

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

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

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## 4 KEY PHYSICAL PERFORMANCE INDICATORS OF THE COMPANY

The first half of the business year was marked by growth in business activities across all sectors of the Company in the financial performance segment driven by an increase of key physical indicators. The tourism sectors, primarily the hotel sector and Ilirija Travel, experienced a strong increase in demand during the pre-season compared to the previous year, which significantly contributed to the growth of the Company's total revenue, with simultaneous growth in business activities of other sectors (nautical, camping, and real estate sectors).

The hotel sector was marked by robust growth in business activities in the pre-season, which, with the 16,591 arrivals and 38,938 overnight stays realised and an increase of 25% in arrivals and 16% in overnight stays compared to the same period of the previous year, generated revenue in the amount of EUR 2,811,372.13, with a 18% growth rate. The growth of key business indicators, both physical and financial, also led to an increase in revenue per room. Revenue per room based on accommodation with board services, for the reporting period, totalled EUR 124.09 compared to EUR 119.32 in the previous year, while the average revenue per room based on the revenue from other profit centres within the hotel sector totalled EUR 134.13 compared to EUR 130.59 in the previ-

ous year. Furthermore, in the hotel sector, 48 days of occupancy were realised with a utilisation rate of 26.47%, which continued the trend of increasing capacity occupancy compared to the previous year.

In the first half of the year, the nautical sector, specifically Marina Kornati, also experienced a rise in the key physical indicator of contracted berths. With 737 contracted berths, the sector achieved a growth of 5% compared to the same period of 2023, when there were 703 vessels with contracted berths. The growth in the number of contracted berths, a key physical indicator in the nautical sector, driven by the growth in the number of contracted charter vessels, resulted in a strong revenue growth from contracted berths at a rate of 7%, with realised revenue of EUR 3,814,433.00, largely contributing to the marina's revenue growth. Due to a decrease in transit vessel arrivals, i.e. with 875 realised transit vessel arrivals, representing a 16% decline compared to the same period of the previous year, 11% fewer overnight stays for transit vessels were realised, which was reflected on the realised revenue amounting to EUR 143,544.00, representing a decrease of 16%. Port service activities increased by 3% with 1,995 realised operations, resulting in an 8% revenue growth. The achieved growth of the key physical indicator,

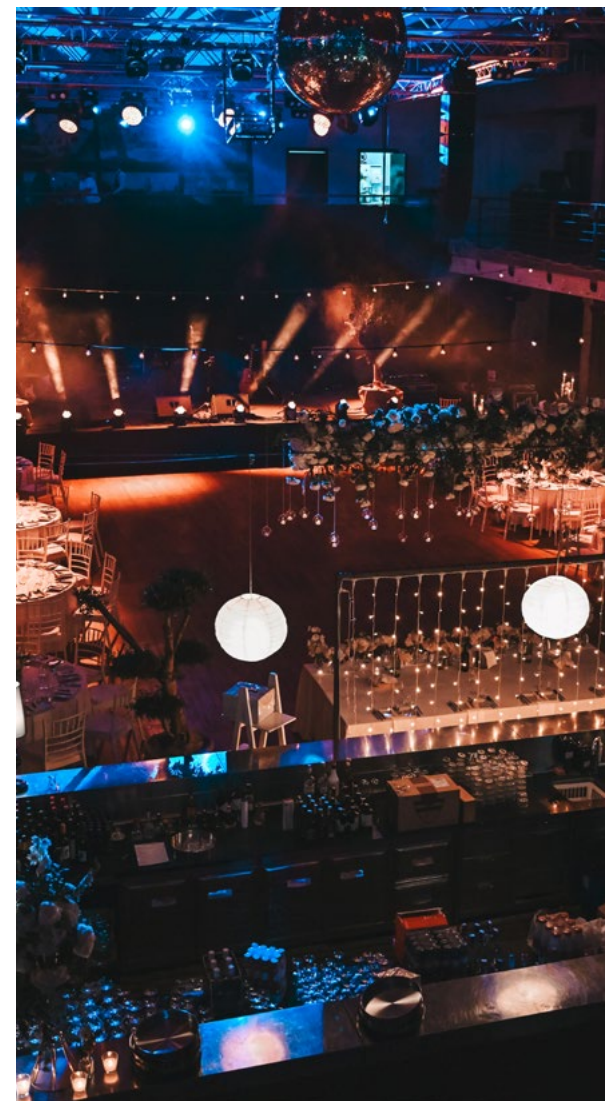
contracted berths, along with the growth in the port service revenue, other services and business cooperation resulted in the total revenue of Marina Kornati amounting to EUR 4,758,727.00, a 9% increase compared to EUR 4,381,431.00 for the same period in 2023.

In the camping sector, i.e. the “Park Soline” campsite, with 14,364 arrivals realised and an increase of 7% and 73,873 overnight stays, which are at the level of the previous year, revenue in the amount of EUR 2,712,207.82 was realised, representing an increase of 10% compared to the same period of 2023, when they amounted to EUR 2,473,251.57. The growth in physical indicators, specifically arrivals, resulted from increased booking of mobile homes and a larger number of leased holiday home pitches in the mobile home lump sum segment, leading to an increase in physical indicators and consequently generating a revenue increase for the entire campsite, followed by a revenue increase in the individual guests segment as well, representing a continued increase in campsite demand and revenue during the first half of 2024.

Ilirija Travel, a destination management company, with 118 special programmes and events realised for a total of 19,514 people, achieved growth in both key physical indicators, an 87% increase in

the number of events and a 48% increase in the number of participants. The increase in key physical indicators results from a strong increase in demand continuously throughout the first half of the year, resulting in the realised revenue of EUR 909,525.10, partly generated by other Company profit centres, with a growth rate of 43% compared to the same period of the previous year.

In the first half of the business year, the real estate sector, i.e. the City Galleria Business and Shopping Centre, realised growth in the key market indicators of performance, which resulted in an increase in revenue. The real estate sector realised revenue in the amount of EUR 1,031,032.64, representing an increase of 5% compared to the same period of the previous year, when revenue was realised in the amount of EUR 984,077.40, most of which was generated by the increase in the revenue generated by lease of business premises, revenue from common costs and revenue from leasing parking spaces in the garage.



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## 4.1. HOTEL SECTOR

The demand for hotel capacities has continued to increase significantly in the first half of 2024, which resulted in an increase in physical and financial business results in the hotel sector. During the reporting period, the physical performance indicators recorded a double-digit increase, i.e. arrivals increased by 25%, and overnight stays by 16%, following last year's significant 61% increase in arrivals and 35% increase in overnight stays. This means that the significant increase in tourist traffic recorded last year continued.

During the reporting period, 16,591 arrivals and 38,938 overnight stays were recorded, compared to 13,324 arrivals and 33,538 overnight stays in the same period of 2023. Under these circumstances, the achieved physical business results significantly impacted the increase in financial performance. Thus, the hotel sector recorded a revenue growth of 19.69%, following last year's growth of 58.46% in the same period. The total revenue for the hotel sector amounted to EUR 2,811,372.13, marking an 18.21% increase compared to last year's EUR 2,378,330.78 for the same period.

Sales channels continued to experience changes that emerged over the past two years due to market recovery and reopening, as well as global and targeted changes in the company's policies. The individual sales segment plays a dominant role, with a 34.6% share, having strengthened by 43% compared to the

previous year. The trend that emerged in the first half of the previous year, when the hotel sector experienced a highly significant group segment sales share, also continued, with organised groups returning in the pre-season period, now making up 58.7% share in the sales channels. The allotment segment decreased further to a 6.3% share from last year's 8.80%. Fixed lease remained highly symbolic, with a 0.3% share.

During the first six months of 2024, domestic guests remained a predominant group within the guest structure, with a slight decrease in their share of overnight stays, owing to a significant return of international guests, accounting for 17.06% of total overnight stays. Among other markets, the dominant groups are (II.) Austrian guests with a 12.11% share of overnight stays, representing a 4% increase (following last year's strong growth of 25%), followed by (III.) German guests with a 10.51% share, marking a 7% increase. The Slovenian market (IV.) marks a robust growth of 34%, accounting for 10.25% of overnight stays, followed by a return of guests from the South Korean market, reflecting a 140% increase, now standing at 7.02% share, alongside a strong growth from other mainly Western European markets.

The occupancy and facility utilisation days have improved considerably in 2024 compared to the same

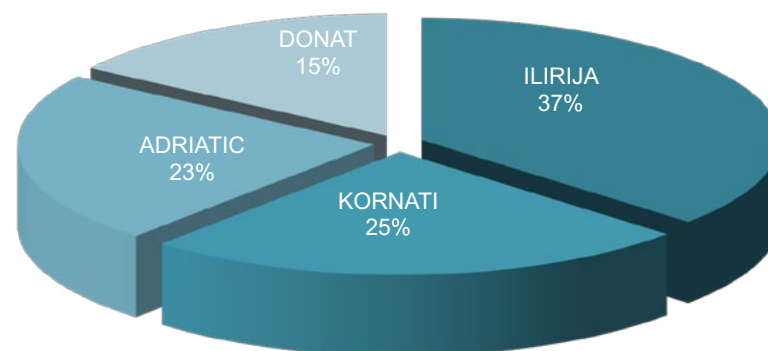
period of the previous business year. Occupancy has now reached 26.47% after 23.13% recorded last year, i.e. 48 instead of last year's 42 days. The occupancy rate in June reached 57.64%, up from last year's 52.26%, with the occupancy rate being even more pronounced in May standing at 53.75%, compared to 38.45% last year. The average length of stay was 2.35 days, showing a slight decrease due to increased pre-season arrivals and a notable increase in group arrivals, mostly with shorter stays.



## Hotel sector capacities

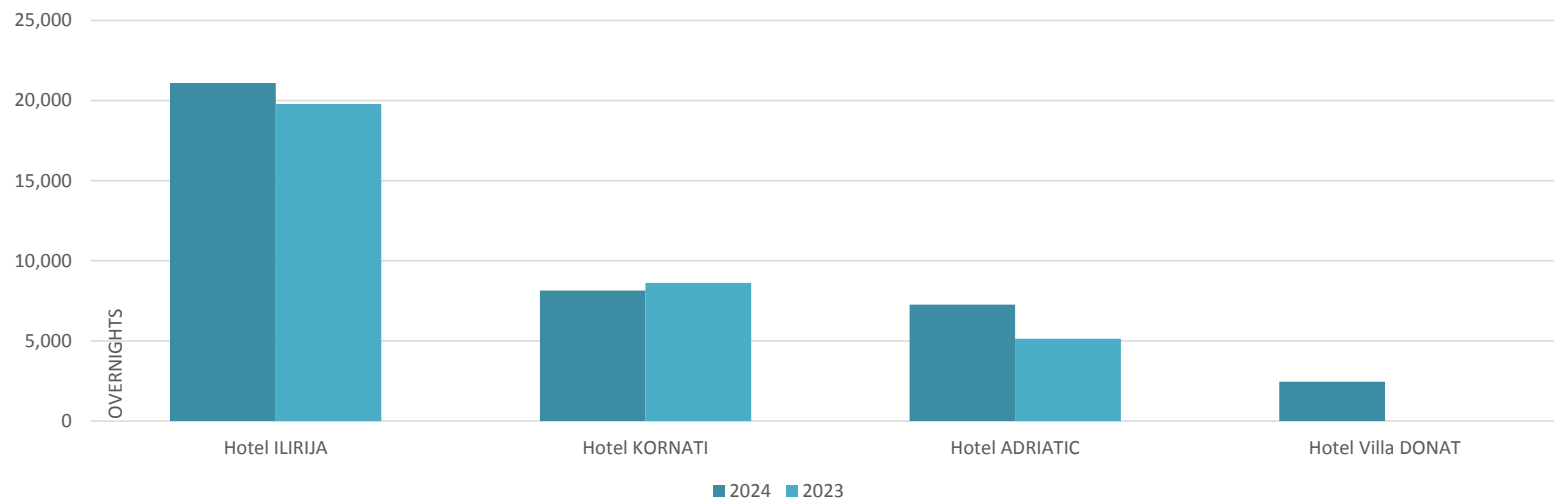
ILIRIJA D.D.	NUMBER OF ROOMS			NUMBER OF BEDS		
	2024	2023	INDEX 2024/2023	2024	2023	INDEX 2024/2023
ILIRIJA	157	157	1.00	326	326	1.00
KORNATI	106	106	1.00	230	230	1.00
ADRIATIC	100	100	1.00	210	210	1.00
DONAT	72	72	1.00	144	144	1.00
TOTAL	435	435	1.00	910	910	1.00

% Share of individual hotel (number of beds)



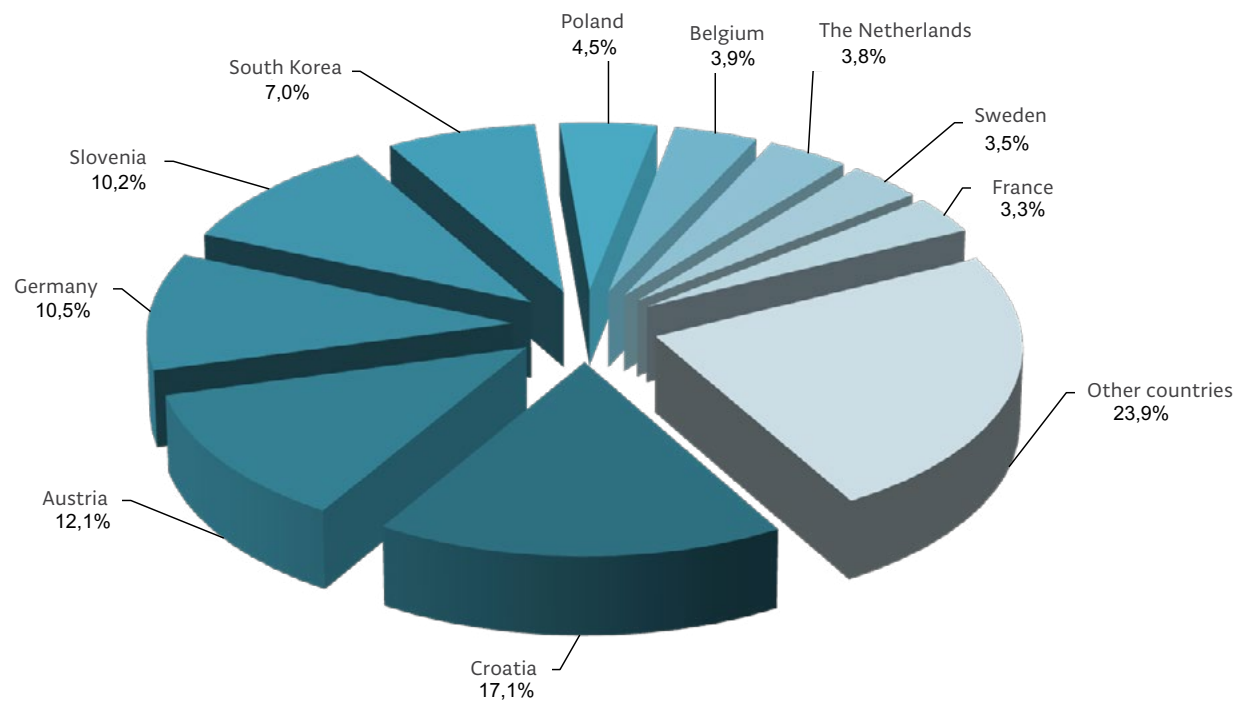
Overview and comparison of realised arrivals and overnight stays for the period 01/01-30/06/2024 with the same period in 2023

HOTEL SECTOR						
PROFIT CENTER	ARRIVALS		INDEX	OVERNIGHT STAYS		INDEX
	2024	2023	2024/2023	2024	2023	2024/2023
Hotel ILIRIJA	10,126	7,979	127	21,104	19,792	107
Hotel KORNATI	3,829	3,729	103	8,134	8,615	94
Hotel ADRIATIC	1,994	1,616	123	7,255	5,131	141
Hotel Villa DONAT	642	0	#DIV/0!	2,445	0	#DIV/0!
<b>TOTAL</b>	<b>16,591</b>	<b>13,324</b>	<b>125</b>	<b>38,938</b>	<b>33,538</b>	<b>116</b>





Realised overnight stays by outbound markets for the period from 01/01/2024 to 30/06/2024



### Occupancy rate for the period from 01/01/2024 to 30/06/2024 and a comparison with the same period in 2023

#### Percentage share

MONTH	ILIRIJA						KORNATI						ADRIATIC						DONAT						GRAND TOTAL					
	Room total	2024	%	Room total	2023	%	Room total	2024	%	Room total	2023	%	Room total	2024	%	Room total	2023	%	Room total	2024	%	Room total	2023	%	Room total	2024	%	Room total	2023	%
JANUARY (I)	4.867	537	11,03%	4.867	333	6,84%	3.286	61	1,86%	3.286	253	7,70%	3.100	86	2,77%	3.100	55	1,77%	2.232	0	0,00%	2.232	0	0,00%	13.485	684	5,07%	13.485	641	4,75%
FEBRUARY (II)	4.553	491	10,78%	4.396	0	0,00%	3.074	0	0,00%	2.968	344	11,59%	2.900	0	0,00%	2.800	0	0,00%	2.088	0	0,00%	2.016	0	0,00%	12.615	491	3,89%	12.180	344	2,82%
MARCH (III)	4.867	2.011	41,32%	4.867	1.266	26,01%	3.286	67	2,04%	3.286	39	1,19%	3.100	0	0,00%	3.100	0	0,00%	2.232	0	0,00%	2.232	0	0,00%	13.485	2.078	15,41%	13.485	1.305	9,68%
APRIL (IV)	4.710	2.396	50,87%	4.710	2.938	62,38%	3.180	488	15,35%	3.180	948	29,81%	3.000	53	1,77%	3.000	31	1,03%	2.160	0	0,00%	2.160	0	0,00%	13.050	2.937	22,51%	13.050	3.917	30,02%
MAY (V)	4.867	3.294	67,68%	4.867	2.572	52,85%	3.286	1.823	55,48%	3.286	1.369	41,66%	3.100	2.103	67,84%	3.100	1.244	40,13%	2.232	28	1,25%	2.232	0	0,00%	13.485	7.248	53,75%	13.485	5.185	38,45%
JUNE (VI)	4.710	2.828	60,04%	4.710	3.432	72,87%	3.180	1.872	58,87%	3.180	1.880	59,12%	3.000	1.770	59,00%	3.000	1.508	50,27%	2.160	1.052	48,70%	2.160	0	0,00%	13.050	7.522	57,64%	13.050	6.820	52,26%
<b>TOTAL</b>	<b>28.574</b>	<b>11.557</b>	<b>40,45%</b>	<b>28.417</b>	<b>10.541</b>	<b>37,09%</b>	<b>19.292</b>	<b>4.311</b>	<b>22,35%</b>	<b>19.186</b>	<b>4.833</b>	<b>25,19%</b>	<b>18.200</b>	<b>4.012</b>	<b>22,04%</b>	<b>18.100</b>	<b>2.838</b>	<b>15,68%</b>	<b>13.104</b>	<b>1.080</b>	<b>8,24%</b>	<b>13.032</b>	<b>0</b>	<b>0,00%</b>	<b>79.170</b>	<b>20.960</b>	<b>26,47%</b>	<b>78.735</b>	<b>18.212</b>	<b>23,13%</b>

#### Occupancy days

MONTH	ILIRIJA						KORNATI						ADRIATIC						DONAT						GRAND TOTAL					
	Room total	2024	Days in 2024	Room total	2023	Days in 2023	Room total	2024	Days in 2024	Room total	2023	Days in 2023	Room total	2024	Days in 2024	Room total	2023	Days in 2023	Room total	2024	Days in 2024	Room total	2023	Days in 2023	Room total	2024	Days in 2024	Room total	2023	Days in 2023
JANUARY (I)	4.867	537	3	4.867	333	2	3.286	61	1	3.286	253	2	3.100	86	1	3.100	55	1	2.232	0	0	2.232	0	0	13.485	684	2	13.485	641	1
FEBRUARY (II)	4.553	491	3	4.396	0	0	3.074	0	0	2.968	344	3	2.900	0	0	2.800	0	0	2.088	0	0	2.016	0	0	12.615	491	1	12.180	344	1
MARCH (III)	4.867	2.011	13	4.867	1.266	8	3.286	67	1	3.286	39	0	3.100	0	0	3.100	0	0	2.232	0	0	2.232	0	0	13.485	2.078	5	13.485	1.305	3
APRIL (IV)	4.710	2.396	15	4.710	2.938	19	3.180	488	5	3.180	948	9	3.000	53	1	3.000	31	0	2.160	0	0	2.160	0	0	13.050	2.937	7	13.050	3.917	9
MAY (V)	4.867	3.294	21	4.867	2.572	16	3.286	1.823	17	3.286	1.369	13	3.100	2.103	21	3.100	1.244	12	2.232	28	0	2.232	0	0	13.485	7.248	17	13.485	5.185	12
JUNE (VI)	4.710	2.828	18	4.710	3.432	22	3.180	1.872	18	3.180	1.880	18	3.000	1.770	18	3.000	1.508	15	2.160	1.052	15	2.160	0	0	13.050	7.522	17	13.050	6.820	16
<b>TOTAL</b>	<b>28.574</b>	<b>11.557</b>	<b>74</b>	<b>28.417</b>	<b>10.541</b>	<b>67</b>	<b>19.292</b>	<b>4.311</b>	<b>41</b>	<b>19.186</b>	<b>4.833</b>	<b>46</b>	<b>18.200</b>	<b>4.012</b>	<b>40</b>	<b>18.100</b>	<b>2.838</b>	<b>28</b>	<b>13.104</b>	<b>1.080</b>	<b>15</b>	<b>13.032</b>	<b>0</b>	<b>0</b>	<b>79.170</b>	<b>20.960</b>	<b>48</b>	<b>78.735</b>	<b>18.212</b>	<b>42</b>

### Monthly comparison of revenue/overnight stays of Ilirija Resort hotels for the period 01/01-30/06/2024 and a comparison with the same period in 2023

MONTH	GENERATED REVENUES			OVERNIGHT STAYS			AVERAGE PRICE (EUR)		
	2024	2023	INDEX 2024/2023	2024	2023	INDEX 2024/2023	2024	2023	INDEX 2024/2023
JANUARY	195,546.89	157,466.87	124.18	1,117	1,027	108.76	175.06	153.33	114.18
FEBRUARY	65,778.74	42,029.48	156.51	903	544	165.99	72.84	77.26	94.29
MARCH	229,186.99	145,561.19	157.45	3,929	2,476	158.68	58.33	58.79	99.22
APRIL	292,591.73	370,845.42	78.90	5,266	7,419	70.98	55.56	49.99	111.16
MAY	758,787.83	574,451.97	132.09	12,424	9,048	137.31	61.07	63.49	96.20
JUNE	1,059,039.26	882,651.20	119.98	15,299	13,024	117.47	69.22	67.77	102.14
JULY	0.00	1,885,976.52	0.00	0	27,132	0.00	#DIV/0!	69.51	#DIV/0!
AUGUST	0.00	2,261,789.96	0.00	0	28,712	0.00	#DIV/0!	78.78	#DIV/0!
SEPTEMBER	0.00	1,299,311.12	0.00	0	17,167	0.00	#DIV/0!	75.69	#DIV/0!
OCTOBER	0.00	614,405.69	0.00	0	8,792	0.00	#DIV/0!	69.88	#DIV/0!
NOVEMBER	0.00	112,713.72	0.00	0	1,095	0.00	#DIV/0!	102.93	#DIV/0!
DECEMBER	0.00	61,775.82	0.00	0	2,244	0.00	#DIV/0!	27.53	#DIV/0!
TOTAL	2,600,931.44	8,408,978.96	30.93	38,938	118,680	32.81	66.80	70.85	94.27
30/06	2,600,931.44	2,173,006.13	119.69	38,938	33,538	116.10	66.80	64.79	103.09

Revenue per sold room by 30/06/24 124.09 €

Revenue per sold room by 30/06/23 119.32€

Revenue per sold room - 2024 134.13 €

Revenue per sold room - 2023 130.59 €

#### Selected profit centers within the hotel sector (EUR)

Lavender	2024	2023	INDEX 24/23
31/12		191,367.43	
30/06	41,303.70	44,030.89	93.81

Beach Club Ilirija	2024	2023	INDEX 24/23
31/12		334,148.22	
30/06	123,371.10	115,663.11	106.66

Tennis center	2024	2023	INDEX 24/23
31/12		76,893.04	
30/06	41,185.93	41,369.65	99.56

Beach bar "Donat"	2024	2023	INDEX 24/23
31/12		10,534.13	
30/06	4,580.00	4,261.00	107.49

#### Hotel sector total (EUR)

TOTAL	2024	2023	INDEX 24/23
31/12		9,021,921.78	
30/06	2,811,372.13	2,378,330.78	118.21

## REVENUE BY ACTIVITIES

Revenue from hotel services amounted to EUR 2,600,931.44, compared to EUR 2,173,006.13 in the same period in 2023, marking a 19.69% increase.

Other revenue of the hotel sector including the revenue generated from selected profit centres, amounted to EUR 210,440.73 recording a symbolic increase compared to the EUR 205,324.65 generated in the same period of the previous year.

In total, revenue of the hotel sector amounted to EUR 2,811,372.13 compared to EUR 2,378,330.78 realised in the previous year, representing a 18.21% increase



## 4.2 NAUTICS – MARINA KORNATI

In the first six months of 2024, the nautical sector, specifically Marina Kornati, has experienced its best financial operating results to date, despite a slight decline in physical results and maintaining prices at the level of the previous business year.

The physical indicators of Marina Kornati's business are arranged by items containing the names of service groups to which they refer, namely:

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 first half of the calendar year 2024, 737 berth agreements were signed, comprising 379 contracts for individual vessels and 358 contracts for charter vessels. This resulted in a key operational indicator, specifically contracted berths, increasing by 5% compared to the same period in 2023, when 703 contracted berths were realised. There was a 16% decrease in physical turnover for transit vessel arrivals, along with an 11% decrease in overnight stays for transit vessels, reflecting the decline in vessel arrivals. Furthermore, the port services sector conducted 1,995 operations, marking a 3% increase compared to the same period of the previous year, when 1,939 operations were conducted during the observed period.

During the reporting period, Marina Kornati generated a revenue amounting to EUR 4,758,727.00, a 9% increase compared to the same period in 2023, when the realised revenue amounted to EUR 4,381,431.00. One of the most significant revenue sources, generating the largest share of the Marina Kornati's financial turnover was the revenue generated from contracted berths realised in the amount of EUR 3,814,433.00 and accounting for 80% to the marina's total revenue. The contracted berth revenue increased by 7% due to an increase in the number of charter vessels under berth agreements, with the contracted berth fee being 10% higher for charter vessels than for individual vessels.

Daily (transit) berth revenue in the reporting period was EUR 143,544.00 and in decline by 16% compared to the same period in 2023 when it was EUR 170,974.00 due to fewer entries and overnight stays by vessels in transit. During the first six months of 2024, the revenue from port services increased by 8%, totalling EUR 299,088.00 compared to EUR 277,110.00 generated during the same period of 2023. The revenue from business partnerships grew by 12% totalling EUR 219,988.00, while revenue from other services also experienced growth, amounting to EUR 151,451.00 in the reporting period, compared to EUR 24,690.00 achieved in the same period of 2023. The increase in the revenue from other services is attributed to exceptional revenue from previous years' service charges recovered during the observed period, and from waste disposal fees charged to charter vessels.

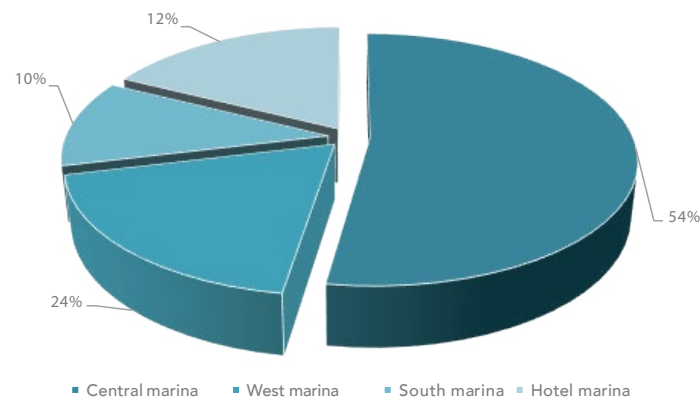
The business year in the first half of 2024 progressed as expected, aligning with the typical increase in business activities in the third quarter of each business year, thus the Company expects an increase in physical operating results and consequently in financial results as well.



### 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
<b>TOTAL</b>	<b>1.815</b>	<b>735</b>	<b>70</b>	<b>805</b>

% Share of individual marina (number of berths)



## Cumulative overview of physical turnover of the Marina Kornati for the period from 01/01 to 30/06/2024 and comparison with the same period in 2023

		2024 by month											
Name of position	Measurement unit	1	2	3	4	5	6	7	8	9	10	11	12
Contract-based berth - individual	Contracted vessel	85	232	270	328	363	379						
Contract-based berth - charter	Contracted vessel	0	3	26	330	348	358						
<b>TOTAL Contract-based berth</b>	<b>Contracted vessel</b>	<b>85</b>	<b>235</b>	<b>296</b>	<b>658</b>	<b>711</b>	<b>737</b>						
Transit berth - sailing in port	Sailing in port	3	13	31	201	451	875						
Transit berth - overnight stay of vessels	Boat/day	67	215	468	1,075	1,768	2,641						
Transit berth - overnight stay of vessel crew	Overnight stay of a person												
Port service	Operation	163	413	722	1,090	1,537	1,995						

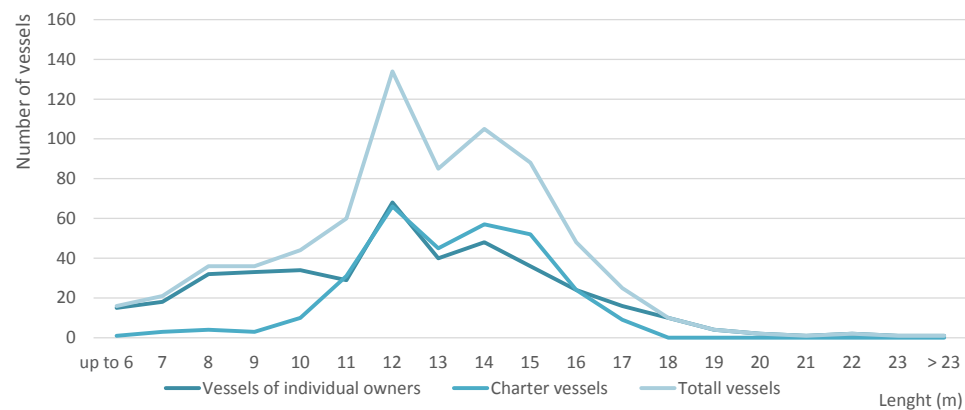
		2023 by month											
Name of position	Measurement unit	1	2	3	4	5	6	7	8	9	10	11	12
Contract-based berth - individual	Contracted vessel	98	254	312	359	382	395						
Contract-based berth - charter	Contracted vessel	0	0	5	282	298	308						
<b>TOTAL Contract-based berth</b>	<b>Contracted vessel</b>	<b>98</b>	<b>254</b>	<b>317</b>	<b>641</b>	<b>680</b>	<b>703</b>						
Transit berth - sailing in port	Sailing in port	5	19	40	217	551	1,047						
Transit berth - overnight stay of vessels	Boat/day	117	218	392	1,047	1,878	2,973						
Transit berth - overnight stay of vessel crew	Overnight stay of a person												
Port service	Operation	127	375	719	1,094	1,493	1,939						



Vessels on berth contract for the period from 01/01 to 30/06/2024 and comparison with the same period in 2023

Purpose	Type of berth	Position of berth	01/01-30/06	% Total	01/01-30/06	% Total	Index
			2024	Vessels	2023	Vessels	
Vessel of individual owners	Annual berth in the sea	Central aquatorium	258	35	261	37	99
		South aquatorium	32	4	38	5	84
		Western aquatorium	2	0	2	0	100
	Annual berth on the land	Hotel port	31	4	32	5	97
		Marina land	3	0	3	0	100
	Seasonal berth in the sea	Marina aquatorium	18	2	27	4	67
		Hotel port	35	5	32	5	109
	Total individual vessels:			379	51	395	97
Charter vessels	Annual berth in the sea	Central aquatorium	133	18	106	15	125
		South aquatorium	0	0	0	0	#DIV/0!
		Western aquatorium	223	30	201	3	111
		Hotel port	2	0	1	0	200
	Total charter vessels:			358	49	308	3
Total vessels:			737	100	703	100	105

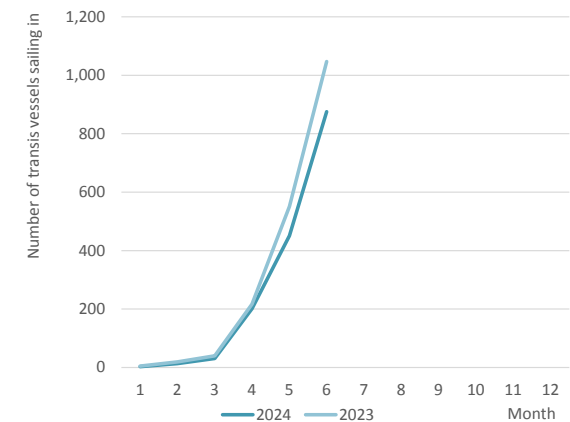
Vessels at contractual berth from 01/01 – 30/06/2024



Transit berth – inbound vessels sailing into the port in the period from 01/01 to 30/06/2024 and comparison with the same period in 2023

2024	Individually monthly			Cumulatively monthly		
	2024	2023	INDEX	2024	2023	INDEX
Month	2024/2023			2024/2023		
1	3	5	60	3	5	60
2	10	14	71	13	19	68
3	18	21	86	31	40	78
4	170	177	96	201	217	93
5	250	334	75	451	551	82
6	424	496	85	875	1,047	84
7						
8						
9						
10						
11						
12						
Total:	2024	875				
Total:	2023	1,047				
Index	2024/2023	84				

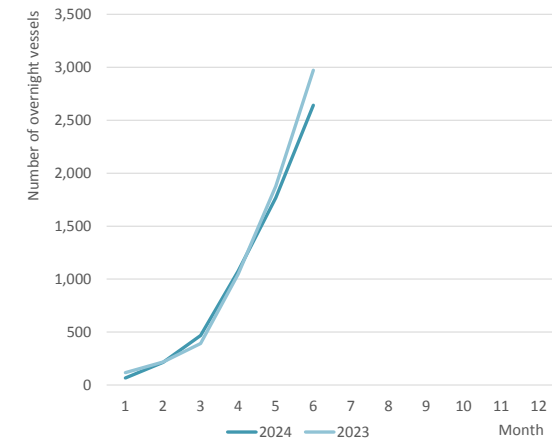
Sailing in of transit vessels by months (cumulatively)



Transit berth – vessel overnight stays in the period from 01/01 to 30/06/2024 and comparison with the same period in 2023

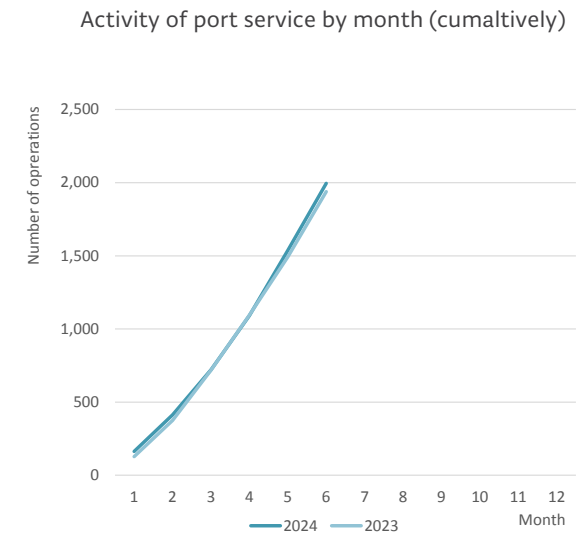
2024	Individually monthly			Cumulatively monthly		
	2024	2023	INDEX	2024	2023	INDEX
Month	2024/2023			2024/2023		
1	67	117	57	67	117	57
2	148	101	147	215	218	99
3	253	174	145	468	392	119
4	607	655	93	1,075	1,047	103
5	693	831	83	1,768	1,878	94
6	873	1,095	80	2,641	2,973	89
7						
8						
9						
10						
11						
12						
<b>Total:</b>	<b>2024</b>	<b>2,641</b>				
<b>Total:</b>	<b>2023</b>	<b>2,973</b>				
<b>Index</b>	<b>2024/2023</b>	<b>89</b>				

Overnight stay of transit vessels by month (cumulatively)



Activities of port services in the period from 01/01 to 30/06/2024 and comparison with the same period in 2023

2024	Individually monthly			Cumulatively monthly		
	2024	2023	INDEX	2024	2023	INDEX
Month	2024/2023			2024/2023		
1	163	127	128	163	127	128
2	250	248	101	413	375	110
3	309	344	90	722	719	100
4	368	375	98	1,090	1,094	100
5	447	399	112	1,537	1,493	103
6	458	446	103	1,995	1,939	103
7						
8						
9						
10						
11						
12						
Total:	2024	1,995				
Total:	2023	1,939				
Index	2024/2023	103				



## Revenue generated by the Marina Kornati for the period from 01/01 to 30/06/2024 individually by months and comparison with the same period in 2023

REVENUES OF MARINA KORNATI 2024 INDIVIDUALLY BY MONTHS (EUR)																
Revenue positions		Months 2024												2024	2023	Index
		1	2	3	4	5	6	7	8	9	10	11	12	Cumulat.	Total	2024/2023
I	Daily berths	2,078	7,392	10,294	30,969	43,039	49,772							143,544	170,974	84
II	Contracted berth with accessories	544,623	1,053,373	245,530	1,693,381	166,318	111,208							3,814,433	3,556,060	107
III	Port service	26,207	46,000	50,852	64,240	58,770	53,019							299,088	277,110	108
IV	Vehicle parking	206	576	3,747	14,586	47,021	64,087							130,223	143,202	91
V	Other services	1,895	7,471	117,291	18,351	2,157	4,286							151,451	24,690	613
VI	Business cooperation	0	0		218,336	1,652								219,988	196,685	112
VII	Boat fair and events													0	12,709	-
	<b>TOTAL:</b>	<b>575,009</b>	<b>1,114,812</b>	<b>427,714</b>	<b>2,039,863</b>	<b>318,957</b>	<b>282,372</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,758,727</b>	<b>4,381,431</b>	<b>109</b>

REVENUES OF MARINA KORNATI 2023 INDIVIDUALLY BY MONTHS (EUR)																
Revenue positions		Months 2023												2023		
		1	2	3	4	5	6	7	8	9	10	11	12	Cumulat.		
I	Daily berths	2,250	3,707	7,415	20,227	54,457	82,918								170,974	
II	Contracted berth with accessories	684,442	911,451	286,049	1,402,679	166,009	105,431								3,556,060	
III	Port service	14,231	42,319	48,986	60,214	58,775	52,585								277,110	
IV	Vehicle parking	200	642	1,341	20,959	48,336	71,725								143,202	
V	Other services	184	436	1,117	4,856	14,186	3,911								24,690	
VI	Business cooperation				194,485	2,200									196,685	
VII	Boat fair and events					1,580	11,129								12,709	
	<b>TOTAL:</b>	<b>701,307</b>	<b>958,555</b>	<b>344,907</b>	<b>1,703,420</b>	<b>345,543</b>	<b>327,699</b>								<b>4,381,431</b>	



## 4.3 CAMPING SECTOR – CAMPSITE “PARK SOLINE”

In the six months of 2024, the camping sector recorded 14,364 arrivals, which represents a 6.96% increase compared to the same period in the previous year. The aforementioned increase in arrivals was due to improved bookings of mobile homes and an increase in leased pitches within the lump sum mobile home segment. At the same time, there were 73,873 overnight stays realised, representing a slight decrease of 0.59% compared to the same period in 2023, due to shorter guest stays across all four market segments. Given that the increased number of arrivals was greater than the realised number of overnight stays, the average number of days of stay in the reporting period amounted to 5.14 days.

Two segments of campsite operations (lump sum guests and mobile homes) recorded an increase in arrivals and overnight stays. The lump sum segment achieved a 14.08% increase in arrivals and a 10.16% increase in overnight stays compared to the first six months of 2023, while mobile homes experienced a rise of 17.57% in arrivals and 6.02% in overnight stays. The growth in the lump sum segment physical indicators largely results from an increase in leased lump-sum pitches. Furthermore, in the first half of 2024, the allotment segment achieved 88.24% of arrivals and 79.67% of

overnight stays compared to the same period in 2023. The individual segment realised 94.51% of arrivals and 88.98% of overnight stays compared to the same period last year.

In the structure of realised overnight stays, among the five leading outbound markets is (I) the Slovenian market with a 29.71% share of overnight stays, (II) the Czech market with a 23.65% share, (III) the Croatian market with a 13.88% share, (IV) the German market with a 9% share, and (V) the Polish market with a 7.61% share. At the same time, when it comes to market segments, lump sum payments and guests in mobile homes prevail in the structure of overnight stays, with a share of 44% and 25% in overnight stays respectively.

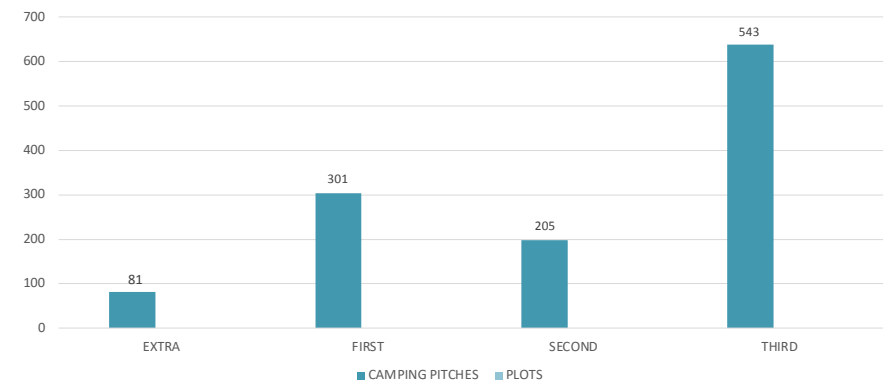
The camping sector, i.e. the “Park Soline” campsite recorded a growth in physical turnover, as well as in operating revenue, where generated revenue amounted to EUR 2,712,207.82, a 10% increase compared to the same period in the previous year, when it amounted to EUR 2,473,251.57. When observing different market segments, the largest revenue increase was generated in the lump sum segment, with EUR 1,721,661.99, a 16% growth, as a result of a larger number of leased lump sum plots compared to the same period in the previo-

us year, with the entire lump sum part pertaining to holiday homes, which generate more revenue. Revenue from individuals amounted to EUR 150,893.49, a 9% increase compared to the same period in the previous year, considering the achieved higher ADR for individual plots compared to the same period of the previous year. The Revenue from allotments amounted to EUR 328,088.49, reflecting a 9% decrease due to fewer leased pitches, while the revenue from mobile homes grew by 6% during the reporting period, totalling EUR 423,547.13.

An increase in arrivals and revenue in the first six months of 2024 was the result of dynamic pricing of holiday home and individual plot prices, as well as a larger number of leased holiday home plots in the lump sum segment. In 2023, a new mobile home zone Glamping de Lux was formed, which increased the quality of accommodation and services for guests staying in mobile homes. Intensified marketing activities and strategically planned investments in key sales channels certainly contributed to the delivery of higher financial operating results.

### Capacities of the camp "Park Soline"

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

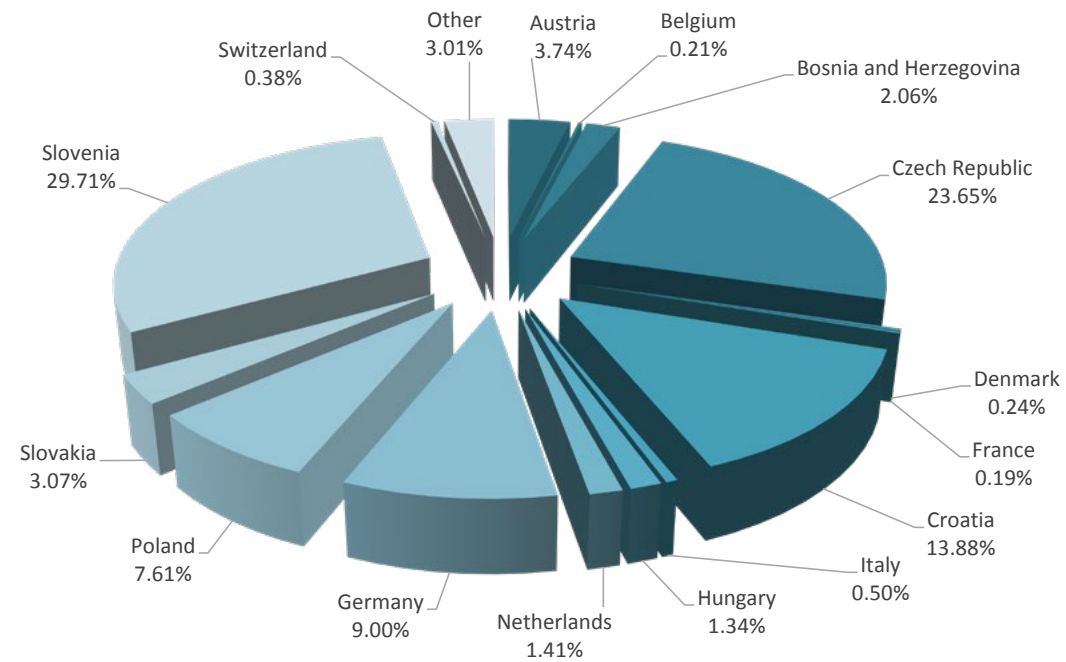




Arrivals and overnight stays by outbound market and average days of stay for the period 01/01-30/06/2024 and a comparison with the same period in 2023

COUNTRY	2024		2023		INDEX 2024/2023		AVERAGE STAY (DAYS)	
	Arrivals	Overnight stays	Arrivals	Overnight stays	Arrivals	Overnight stays	2023	2022
Austria	588	2,760	578	3,008	101.73	91.76	4.69	5.20
Belgium	30	156	35	224	85.71	69.64	5.20	6.40
Bosnia and Herzegovina	337	1,521	175	776	192.57	196.01	4.51	4.43
Czech Republic	2,761	17,471	2,696	18,456	102.41	94.66	6.33	6.85
Denmark	33	179	37	200	89.19	89.50	5.42	5.41
France	50	138	93	547	53.76	25.23	2.76	5.88
Croatia	2,603	10,250	2,383	9,764	109.23	104.98	3.94	4.10
Italy	69	369	103	461	66.99	80.04	5.35	4.48
Hungary	214	992	211	1,189	101.42	83.43	4.64	5.64
Netherlands	207	1,044	288	1,693	71.88	61.67	5.04	5.88
Germany	1,021	6,651	1,557	10,036	65.57	66.27	6.51	6.45
Poland	907	5,621	702	4,557	129.20	123.35	6.20	6.49
Slovakia	411	2,266	263	1,376	156.27	164.68	5.51	5.23
Slovenia	4,623	21,951	3,823	19,322	120.93	113.61	4.75	5.05
Switzerland	74	279	77	366	96.10	76.23	3.77	4.75
Other	436	2,225	408	2,340	106.86	95.09	5.10	5.74
<b>TOTAL</b>	<b>14,364</b>	<b>73,873</b>	<b>13,429</b>	<b>74,315</b>	<b>106.96</b>	<b>99.41</b>	<b>5.14</b>	<b>5.53</b>

## Realised overnight stays by outbound markets for the period 01/01-30/06/2024



## Cumulative overview of daily and monthly occupancy of campsite accommodation units for the period 01/04-30/06/2024

MONTH	APRIL				MAY				JUNE			
SEGMENT	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY
MOBILE HOMES ILIRIJA	8,100	240	2.96%	0.89	8,370	1,115	13.32%	4.13	8,100	3,709	45.79%	13.74
AGENCIES	3,690	3,690	100.00%	30.00	3,813	3,813	100.00%	31.00	3,690	3,690	100.00%	30.00
LUMP SUM	9,540	9,540	100.00%	30.00	9,858	9,858	100.00%	31.00	9,540	9,540	100.00%	30.00
INDIVIDUALS PITCHES STANDARD MARE, COMFORT AND STANDARD III ZONE	10,380	416	4.01%	1.20	10,726	1,322	12.33%	3.82	10,380	2,248	21.66%	6.50
INDIVIDUALS CAMPING STANDARD IV ZONE	2,160	0	0.00%	0.00	2,263	53	2.34%	0.73	2,190	110	5.02%	1.51
INDIVIDUALS TOTAL	12,540	416	3.31%	0.99	12,989	1,375	10.59%	3.28	12,570	2,358	18.76%	5.63
TOTAL	33,870	13,886	40.96%	12.29	35,030	16,161	46.13%	14.30	33,900	19,297	56.92%	17.08

MONTH	TOTAL				
SEGMENT	NUMBER OF ACCOMMODATING UNITS	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY
MOBILE HOMES ILIRIJA	270	24,570	5,064	20.61%	18.76
AGENCIES	123	11,193	11,193	100.00%	91.00
LUMP SUM	318	28,938	28,938	100.00%	91.00
INDIVIDUALS PITCHES STANDARD MARE, COMFORT AND STANDARD III ZONE	346	31,486	3,986	12.66%	11.52
INDIVIDUALS CAMPING STANDARD IV ZONE	73	6,643	163	2.45%	2.23
INDIVIDUALS TOTAL	419	38,129	4,149	10.88%	9.90
TOTAL	1130	102,830	49,344	47.99%	43.67

## Campsite revenue for the period 01/01-30/06/2024 and a comparison with the same period in 2023

SEGMENT		2023					2024			INDEX	
		GENERATED IN 2023			GENERATED PRIOR 30/06/2023		GENERATED PRIOR 30/06/2024			2024/2023	
		NO.OF PITCHES	OVERNIGHT STAYS	REVENUES	REALIZED OVERNIGHT STAYS	REVENUES	NO.OF PITCHES	REALIZED OVERNIGHT STAYS	REVENUES	OVERNIGHT STAYS	REVENUES
1	MOBILE HOMES ILIRIJA	270	92,394	3,172,046.56 €	17,586	397,882.78 €	270	18,645	423,547.13 €	106	106
2	AGENCIES	147	54,732	547,256.65 €	16,136	360,141.60 €	123	12,856	328,088.49 €	80	91
3	INDIVIDUALS	412	67,550	1,203,612.00 €	11,066	138,427.02 €	419	9,846	150,893.49 €	89	109
4	LUMP SUM	301	114,334	1,508,249.66 €	29,527	1,489,790.40 €	318	32,526	1,721,661.99 €	110	116
5	OTHER SERVICES	-	-	310,175.84 €	-	87,009.77 €	0		88,016.72 €	#DIV/0!	101
TOTAL:		1130	329,010	6,741,340.71 €	74,315	2,473,251.57 €	1130	73,873	2,712,207.82 €	99	110

## 4.4 CITY GALLERIA BUSINESS AND SHOPPING CENTER

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

The business results achieved in the first half of 2024 show a visible growth of key market indicators in that period. Operating revenue of the Centre, generated in the first half of 2024 through lease of commercial premises, common costs, use of common areas of the centre, lease of advertising space, garage revenue and lease of commercial premises in Phase 1 of the Centre, amounts to EUR 1,024,355.18. Other operating revenue relating to insurance claims amounted to EUR 6,677.46 in the relevant period, which brings the total generated revenue in the first half of 2024 to EUR 1,031,032.64. Total revenue generated in the previous year amounted to EUR 984,077.40, representing an increase of 4.77% in the current year.

In the category of revenue from the lease of commercial premises in the observed period of 2024, in comparison to the same period of 2023, an increase

of 5.20% was recorded, while revenue from common costs recorded an increase of 5.49%. The category of revenue from the use of common areas of the Centre decreased by 13.51% compared to the results achieved in the same period of 2023. Revenue from the lease of advertising space remained at the same level compared to the same period of the previous year, while the category of parking revenue recorded an increase of 14.02% in the current year. Operating revenue from the lease of business premises in the neighbouring Phase 1 of the Centre recorded an increase of 13.90% in the first half of 2024 compared to the first six months of 2023.

In the first six months of 2024, the number of vehicles using the public underground garage of the centre amounted to 357,941 vehicles, while in the same period in 2023 the number amounted to 343,326 vehicles. The said result constitutes a 4.26% increase in the reporting year. In addition to the shown increase in revenue and the number of visitors using the garage in the reporting period of 2024 relative to the previous business year, there was also an increase in the length of parking time in the garage of the City Galleria Centre.

Business revenue of the City Galleria Business and Shopping Center in Zadar for the period from 01/01-30/06/2024 and a comparison with the same period in 2023

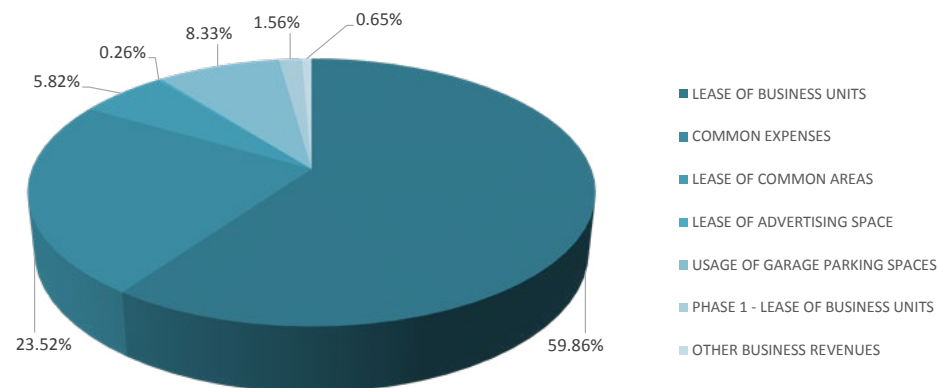
DESIGNATION	DESCRIPTION	NUMBER OF ACTIVE CONTRACTS	SURFACE AREA (m <sup>2</sup> )	REVENUES 01-06/2024	%	REVENUES 01-06/2023	%	INDEX 2024/2023
1	LEASE OF BUSINESS UNITS	36	9,445.32	617,185.07 €	59.86%	586,696.35 €	59.62%	105
2	COMMON EXPENSES	34	6,648.73	242,541.30 €	23.52%	229,922.42 €	23.36%	105
3	LEASE OF COMMON AREAS	25	1,510.50	59,995.27 €	5.82%	69,370.43 €	7.05%	86
4	LEASE OF ADVERTISING SPACE	8	130.98	2,682.95 €	0.26%	2,682.95 €	0.27%	100
5	USAGE OF GARAGE PARKING SPACES	410***	10,863.50	85,908.19 €	8.33%	75,347.62 €	7.66%	114
6	PHASE 1- LEASE OF BUSINESS UNITS	6	289.96	16,042.40 €	1.56%	14,084.36 €	1.43%	114
<b>REVENUES</b>				<b>1,024,355.18 €</b>	<b>99.35%</b>	<b>978,104.13 €</b>	<b>99.39%</b>	<b>105</b>
7	OTHER BUSINESS REVENUES			6,677.46 €	0.65%	5,973.27 €	0.61%	112
<b>TOTAL REVENUES</b>				<b>1,031,032.64 €</b>	<b>100.00%</b>	<b>984,077.40 €</b>	<b>100.00%</b>	<b>105</b>

\* total net leasable surface area

\*\* total net leasable area for calculation of common expenses

\*\*\* number of parking spaces in the garage

OPERATING REVENUES 01-06/2024



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## 4.5. ILIRIJA TRAVEL

Ilirija Travel, as a destination management company, continued its strong growth in the first half of 2024. By developing new services and amenities, the Company has been creating an integrated and complementary tourism product and offering additional services in the pre-season through the agency, which has, thanks to improved sales and increasing number of arrivals of organised groups, increased the number of events and attendees as well as revenue. Total revenue of EUR 909,525.10 increased by 42.55% compared to EUR 638,012.59 from the same period of the previous year, were realised across other Company's profit centres as well.

After last year's 63 events with 13,169 participants, this year, 118 events were attended by 19,514 people. Through specialised programs and events such as concerts, incentives, events, conferences, congresses, weddings, excursions, regattas, and others, the company achieved a robust growth in both physical and financial results, with pronounced increase in demand for excursion programs compared to the previous pre-season. The multi-purpose facility Arsenal in Zadar also experienced an exceptional growth, achieving the revenue of EUR 664,122.44 compared to EUR 365,993.66 in

the same period last year, marking an 81.46% revenue increase. According to projections and current booking status, the upcoming high season is expected to also lead to an increase in additional services, excursions and events, even with facilities which are currently lagging.

## Realised events in the period 01/01-30/06/2024 and comparison with the same period in 2023

	Number of events 2024	Number of events 2023	Number of guests 2024	Number of guests 2023	Total REVENUE 2024	Total REVENUE 2023
<b>TOTAL</b>	<b>118</b>	<b>63</b>	<b>19,514</b>	<b>13,169</b>	<b>909,525.10 EUR</b>	<b>638,012.59 EUR</b>



## 5 FINANCIAL PERFORMANCE RESULTS AT COMPANY LEVEL

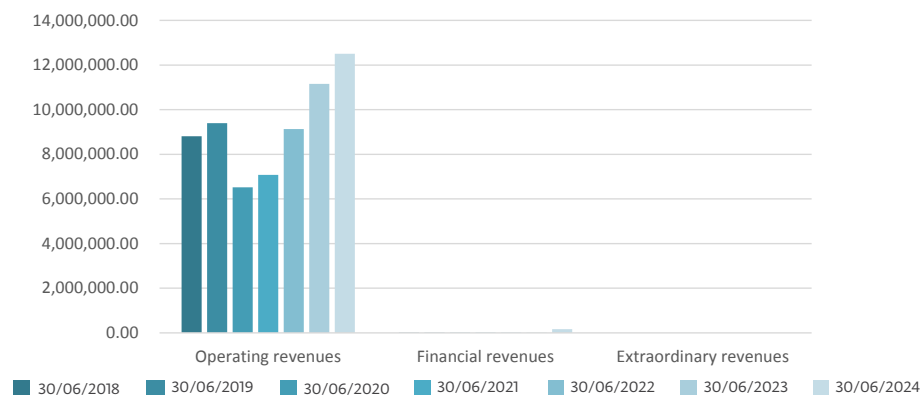
### 5.1 FINANCIAL PERFORMANCE OF THE COMPANY

#### Overview of financial performance for the period from 01/01 to 30/06/2024 and a comparison with the same period from 2018 to 2023

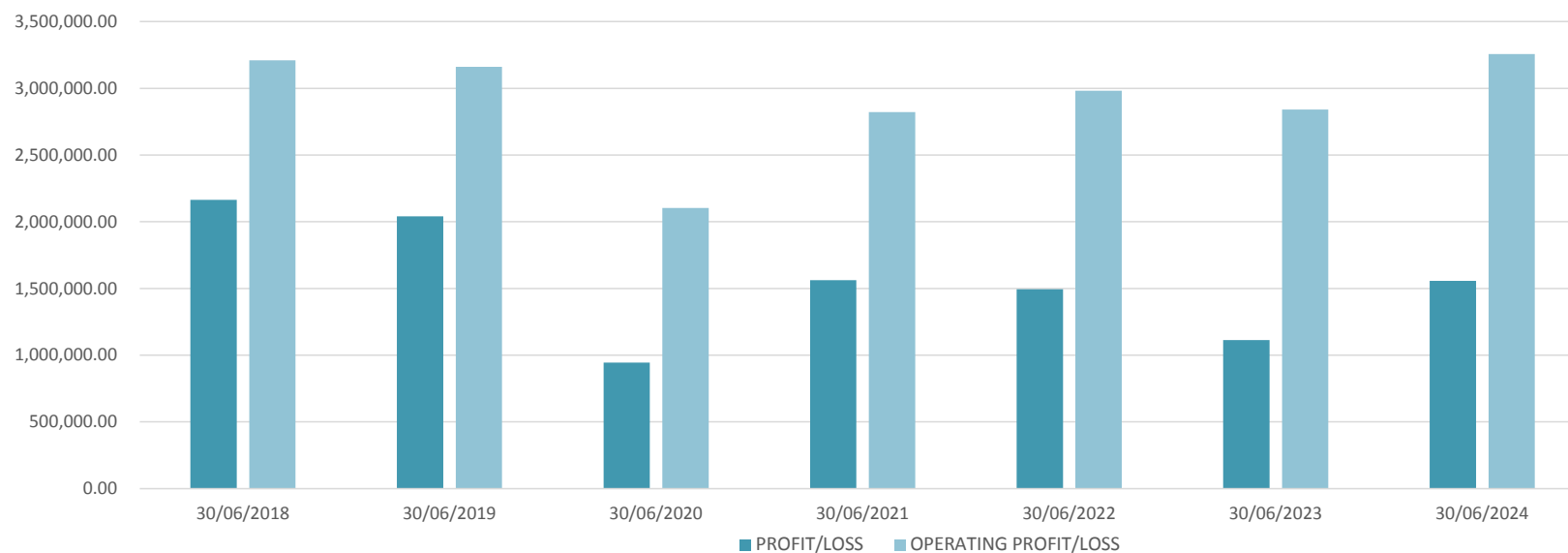
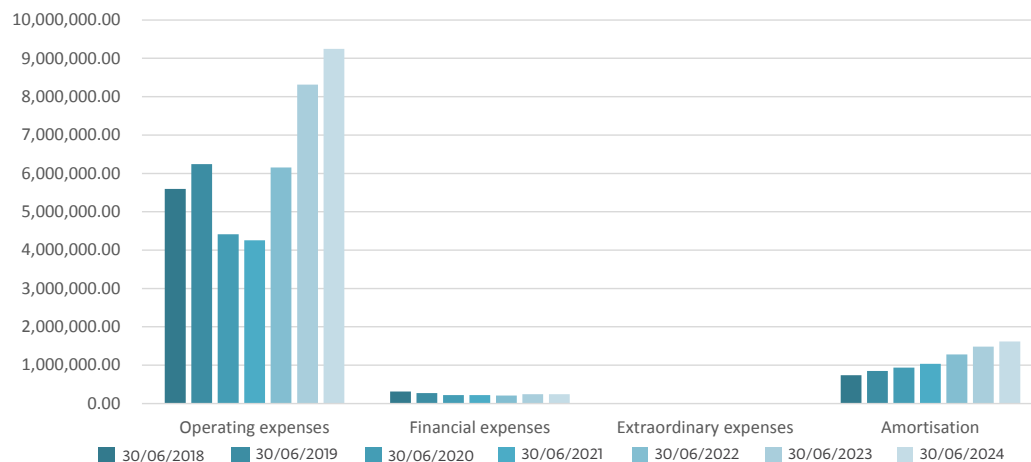
(EUR)

DESCRIPTION	30/06/2018	30/06/2019	30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024	Index 2024/2023
Operating revenues	8,807,350.31	9,401,292.09	6,516,978.68	7,077,234.71	9,136,644.70	11,158,471.57	12,506,765.55	112.08
Financial revenues	5,482.93	3,547.69	3,144.47	1,236.21	2,286.50	115.68	161,863.37	139,923.38
Extraordinary revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!
<b>TOTAL REVENUES</b>	<b>8,812,833.24</b>	<b>9,404,839.77</b>	<b>6,520,123.15</b>	<b>7,078,470.92</b>	<b>9,138,931.19</b>	<b>11,158,587.25</b>	<b>12,668,628.92</b>	<b>113.53</b>
Operating expenses	5,596,806.24	6,239,738.16	4,414,140.33	4,254,867.96	6,153,827.30	8,316,604.93	9,248,744.21	111.21
Financial expenses	311,301.04	275,284.33	223,270.22	222,978.10	210,796.07	246,770.44	242,724.57	98.36
Extraordinary expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Amortisation	740,293.08	849,219.99	939,108.34	1,037,999.26	1,279,789.88	1,482,024.11	1,619,642.70	109.29
<b>TOTAL EXPENSES</b>	<b>6,648,400.36</b>	<b>7,364,242.48</b>	<b>5,576,518.90</b>	<b>5,515,845.32</b>	<b>7,644,413.25</b>	<b>10,045,399.48</b>	<b>11,111,111.48</b>	<b>110.61</b>
<b>PROFIT/LOSS</b>	<b>2,164,432.88</b>	<b>2,040,597.30</b>	<b>943,604.25</b>	<b>1,562,625.60</b>	<b>1,494,517.94</b>	<b>1,113,187.77</b>	<b>1,557,517.44</b>	<b>139.92</b>
<b>OPERATING PROFIT</b>	<b>3,210,544.07</b>	<b>3,161,553.92</b>	<b>2,102,838.35</b>	<b>2,822,366.75</b>	<b>2,982,817.39</b>	<b>2,841,866.64</b>	<b>3,258,021.34</b>	<b>114.64</b>
<b>EBITDA</b>	<b>3,216,027.00</b>	<b>3,165,101.61</b>	<b>2,105,982.82</b>	<b>2,823,602.96</b>	<b>2,985,103.89</b>	<b>2,841,982.32</b>	<b>3,419,884.71</b>	<b>120.33</b>

REVENUES 2018 - 2024



EXPENSES 2018 - 2024



**1**

Total revenue for the first half of 2024 amounted to EUR 12,668,628.92, with a growth rate of 13.53% or EUR 1,510,041.67 compared to the same period of 2023, when it was generated in the amount of EUR 11,158,587.25, as a result of an increase in operating revenue for the most part.

Operating revenue for the observed period amounted to EUR 12,506,765.55 and compared to the same period of the previous business year, it grew by 12.08%, when the generated operating revenue amounted to EUR 11,158,471.57, and is the result of the growth of operating revenue in all sectors, especially tourism, due to a significant increase in the volume of business activities in the pre-season, as a result of which the revenue of the destination management company grew by 55%, the hotel sector by 18%, the camping and nautical sector by 8% and the real estate sector by 5%.

Revenue from sales amounted to EUR 12,355,215.25, representing an increase of 11.19% compared to the same period of the previous business year when it amounted to EUR 11,112,248.88, due to a 21% increase in revenue from sales on the domestic market. Revenue from sales represented 98.79% of operating revenue and 97.53% of total revenue.

**2**

Total expenses amounted to EUR 11,111,111.48 and, compared to the same period of 2023, they showed a 10.61% or an EUR 1,065,712.00 increase from the amount of EUR 10,045,399.48, due to a 11.21% increase in operating expenses and a 9.29% increase in depreciation.

Operating expenses in the period observed amounted to EUR 9,248,744.21, making them higher by EUR 932,139.28 compared to the first half of the previous business year, when they amounted to EUR 8,316,604.93, due to a 22% increase in outsourcing costs, a 13% increase in salary costs and an 8% increase in other costs.

**3**

Operating profit amounted to EUR 3,258,021.34, constituting an increase of 14.64% or EUR 416,154.70 compared to the same period of 2023, when it amounted to EUR 2,841,866.64.

Profit in the reporting period amounted to EUR 1,557,517.44, and it was lower by 39.92%, i.e. EUR 444,329.67, compared to the same period of 2023, when it amounted to EUR 1,113,187.77.

EBITDA, i.e. earnings before depreciation, interest and taxes, was generated in the amount of EUR 3,419,884.71, and showed a 20.33% increase (EUR 577,902.39) compared to the same period of the previous business year, when it amounted to EUR 2,841,982.32.

EBIT, i.e. earnings before financing expenses was realised in the amount of EUR 1,800,242.01, recording an increase of 32.37 %, i.e. EUR 440,283.80 compared to the same period of the previous business year, when it amounted to EUR 1,359,958.21.

In the first half of 2024, not only were all key profitability indicators (operating profit, profit, EBITDA and EBIT) achieved, but a strong double-digit growth in profitability was achieved compared to the same period in 2023, i.e. profit grew by 40%, EBIT by 32%, EBITDA by 20% and operating profit by 15%. The achieved profitability is the result of the growth of business activities in the tourism sectors of the company, that is, the growth of total and operating revenue, and the simultaneous strengthening of business efficiency through careful management of costs, that is, business expenses, which in the reporting period grew at a rate lower than the growth of total and operating revenue, which greatly influenced the significant growth of business profitability in the first half of the business year.

**Financial statements of the Company  
as at 30/06/2024 and a comparison with the same period in 2023 and 2022**

(EUR)

REVENUES	2022	2023	INDEX 2023/2022	2024	INDEX 2024/2023
Revenue on the domestic market	8,244,471.45	9,801,997.34	119	11,883,334.41	121
Revenues on foreign market	862,405.16	1,316,887.54	153	478,516.84	36
Other operating revenues	29,768.09	39,586.69	133	144,914.30	366
<b>OPERATING REVENUES</b>	<b>9,136,644.70</b>	<b>11,158,471.57</b>	<b>122</b>	<b>12,506,765.55</b>	<b>112</b>
FINANCIAL REVENUES	2,286.50	115.68	5	161,863.37	139,923
EXTRAORDINARY REVENUES	0.00	0.00	#DIV/0!	0.00	#DIV/0!
<b>TOTAL REVENUES</b>	<b>9,138,931.19</b>	<b>11,158,587.25</b>	<b>122</b>	<b>12,668,628.92</b>	<b>114</b>
EXPENSES					
Raw material and material costs	1,349,345.75	1,625,130.52	120	1,597,736.07	98
Costs of services	1,282,492.55	1,638,609.31	128	2,001,910.35	122
Gross pays	2,633,686.07	3,537,929.53	134	4,014,970.22	113
Other expenses	888,302.94	1,514,935.57	171	1,634,127.57	108
<b>TOTAL EXPENSES</b>	<b>6,153,827.30</b>	<b>8,316,604.93</b>	<b>135</b>	<b>9,248,744.21</b>	<b>111</b>
AMORTISATION	1,279,789.88	1,482,024.11	116	1,619,642.70	109
FINANCIAL EXPENSES	210,796.07	246,770.44	117	242,724.57	98
EXTRAORDINARY EXPENSES	0.00	0.00	#DIV/0!	0.00	#DIV/0!
<b>TOTAL EXPENSES</b>	<b>7,644,413.25</b>	<b>10,045,399.48</b>	<b>131</b>	<b>11,111,111.48</b>	<b>111</b>
<b>PROFIT/LOSS</b>	<b>1,494,517.94</b>	<b>1,113,187.77</b>	<b>74</b>	<b>1,557,517.44</b>	<b>140</b>
<b>OPERATING PROFIT/LOSS</b>	<b>2,982,817.39</b>	<b>2,841,866.64</b>	<b>95</b>	<b>3,258,021.34</b>	<b>115</b>
<b>EBITDA</b>	<b>2,985,103.89</b>	<b>2,841,982.32</b>	<b>95</b>	<b>3,419,884.71</b>	<b>120</b>

## REVENUE BY ACTIVITIES:

**The hotel sector** realised revenue in the amount of EUR 2,811,372.13, which is higher by 18% compared to the same period in 2023, when it amounted to EUR 2,378,330.78, and is the result of increased demand in the pre-season, especially on the domestic market.

**The nautical sector** generated EUR 4,985,720.73 in revenue with a growth rate of 8% compared to the same period in 2023, when it amounted to EUR 4,624,783.43, as a result of revenue growth in Marina Kornati, i.e. its key market segment, vessels at contracted berth.

In the reporting period, **the camping sector** generated revenue of EUR 2,875,293.84, which is higher by 8% compared to the first half of the previous year, when they amounted to EUR 2,654,707.75, owing to an increase in the revenue of the “Park Soline” campsite in the lump sum market segment due to a larger number of leased lump sum pitches with a simultaneous increase in income from mobile homes and individuals.

**The real-estate sector, i.e. the City Galleria Business and Shopping Center** generated revenue in the amount of EUR 1,031,032.64, which is 5% higher than in the same period in 2023, when it amounted

to EUR 984,077.40, and most of it was generated through the growth of revenue from leases, common expenses and revenue from the garage.

**The destination management company** and other profit centres generated revenue in the amount of EUR 803,346.21 (a 56% increase), and is the result of a strong increase in business activities achieved through the destination management company based on offering year-round programmes and amenities.

**GRAND TOTAL:** Operating revenue per activity amounted to EUR 12,506,765.55, representing an increase of 12% compared to the same period of 2023.



## 5.2 FINANCIAL POSITION OF THE COMPANY

### FUNDAMENTAL FINANCIAL INDICATORS OF THE STATUS AND BUSINESS OF THE COMPANY AS AT 30/06/2024

The table providing an overview of the Company's key indicators covers the period of 2024–2014 (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 30/06/2024 amounted to EUR 72,724,414.13, representing an increase of EUR 224,963.93 compared to the same period of 2023, when it amounted to EUR 72,499,450.20.

The value of the Company assets increased from EUR 41,404,684.63 in the first half of 2014 by EUR 31,319,729.50, or by 75.64%.

#### 2 TOTAL LIABILITIES

Total liabilities of the Company amount to EUR 19,738,541.56, representing a decrease of EUR 1,817,947.06, or 8.43%, compared to the same period of 2023, when they amounted to EUR 21,556,488.62.

Total liabilities of the Company as at 30 June 2024 were EUR 1,081,550.53, or 5.80% higher compared to total liabilities of the Company as at 30 June 2014, when they amounted to EUR 18,656,991.03.

#### 3 CAPITAL AND RESERVES

Capital and reserves of the Company as at 30/06/2024 amounted to EUR 52,985,872.57, representing an increase of EUR 2,042,910.99, or 4.01%, compared to the same period of 2023, when they amounted to EUR 50,942,961.58.

Comparing capital and reserves of the Company as at 30 June 2024, they increased by EUR 30,238,178.96 or 132.93% compared to the same period in 2014, when they amounted to EUR 22,747,693.61.

#### 4 NET DEBT

Net debt of the Company as at 30 June 2024 amounted to EUR 2,706,853.59, constituting a decrease of 55.14%, or EUR 3,327,187.22, compared to the same period of the previous year, when it amounted to EUR 6,034,040.81.

This is also a 81.25%, or EUR 11,727,652.05, decrease compared to the same period of 2014, when the net debt amounted to EUR 14,434,505.64.

## 5 TOTAL REVENUE

Total revenue of the Company amounted to EUR 12,668,628.92, recording an increase of EUR 1,510,041.67 or 13.53% compared to the same period in 2023, when it amounted to EUR 11,158,587.25.

Total revenue of the Company, compared to the same period of 2014 when it amounted to EUR 6,900,337.73, increased by EUR 5,768,291.19, or 83.60%.

## 6 OPERATING PROFIT

Operating profit of the Company was generated in the amount of EUR 3,258,021.34, representing an increase of EUR 416,154.70, or 14.64% compared to the same period of 2023, when it amounted to EUR 2,841,866.64.

Comparing the operating profit generated in the first half of 2024 compared to the same period in 2014, when it amounted to EUR 2,159,009.89, a 50.90% increase can be seen.

## 7 EBITDA

EBITDA was realised in the amount of EUR 3,419,884.71, increasing by 20.33%, or EUR 577,902.39 compared to EUR 2,841,982.32 for the same period in 2023.

The realised EBITDA in the reporting period increased by EUR 1,273,617.40, or 59.34% compared to the first half of 2014, when it amounted to EUR 2,146,267.31.

## 8 PROFIT

The Company's profit in the reporting period amounted to EUR 1,577,517.44, increasing by EUR 444,329.67, or 39.92%, compared to the first half of 2023, when it amounted to EUR 1,113,187.77.

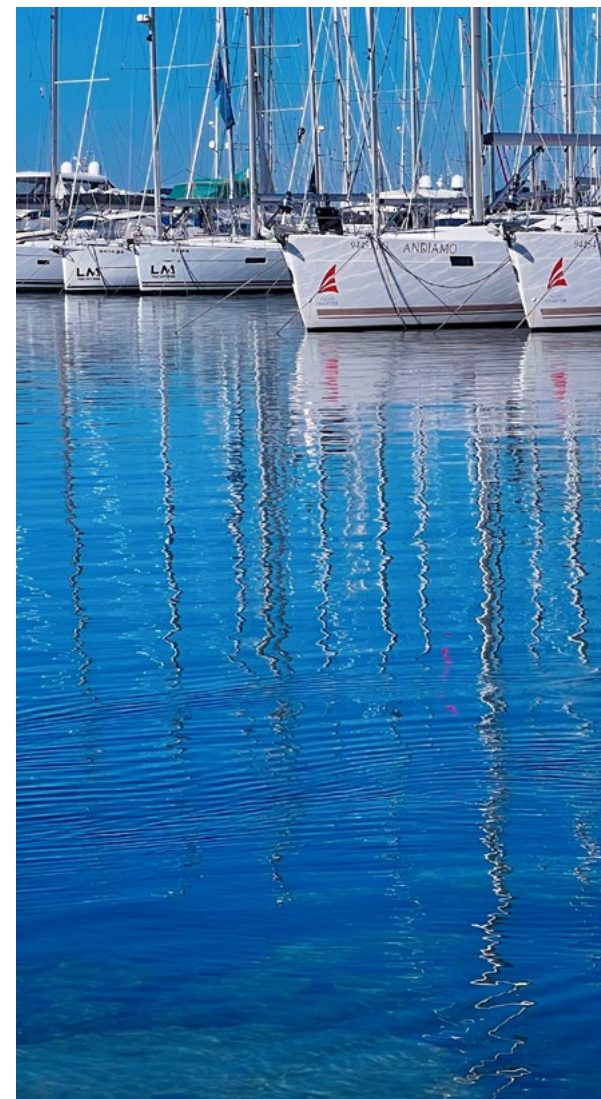
Profit realised in the first half of 2024, compared to the profit generated in the same period of 2014, which amounted to EUR 1,340,335.42, has increased by EUR 217,182.02, or 16.20%.

## 9 DIVIDEND

A dividend in the amount of EUR 1,685,911.50 was paid to shareholders, an increase of EUR 362,203.40 (27.37%) compared to that paid in 2023, when it amounted to EUR 1,323,708,10.

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

In the period from 2014 until 30/06/2024, the shareholders were paid a total of EUR 8,649,577.46 for dividends.



**CUMULATIVE COMPARATIVE OVERVIEW**

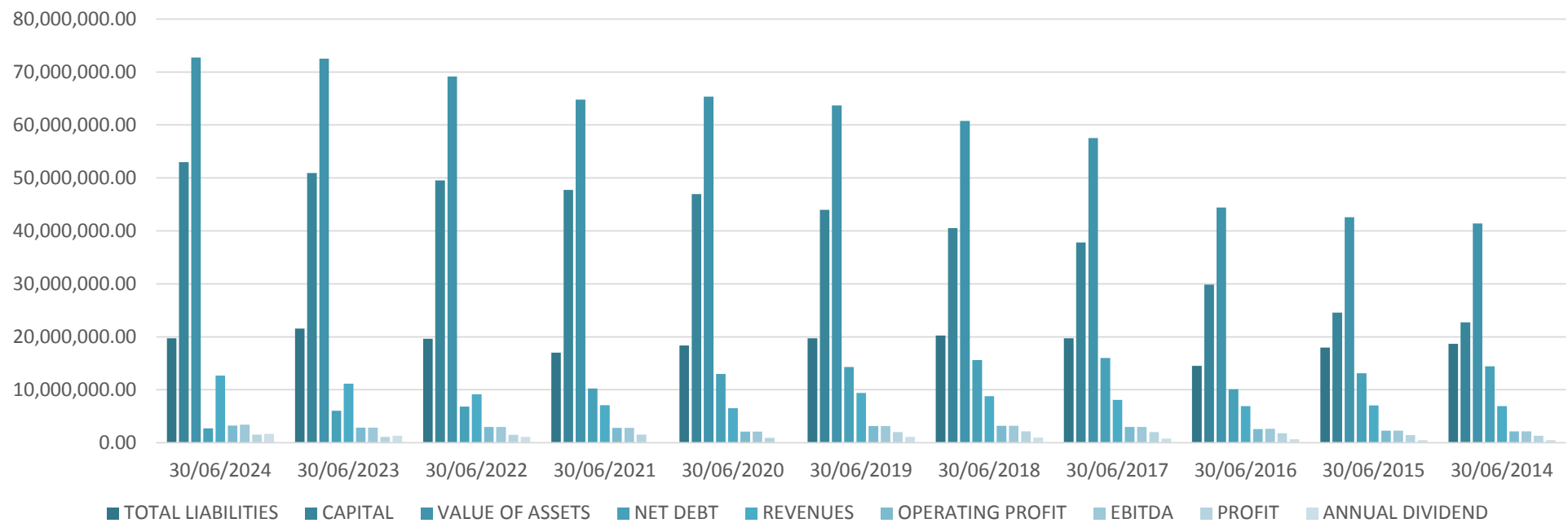
of basic operating results, as well as asset, capital and liability indicators of the Company as at 30/06/2024  
and for the same period from 2014 to 2023

(EUR)

YEAR	TOTAL LIABILITIES	CAPITAL	VALUE OF ASSETS	NET DEBT	REVENUES	OPERATING PROFIT	EBITDA	PROFIT	ANNUAL DIVIDEND
1	2	3	4	5	6	7	8	9	10
30/06/2024	19,738,541.56	52,985,872.57	72,724,414.13	2,706,853.59	12,668,628.92	3,258,021.34	3,419,884.71	1,557,517.44	1,685,911.50
30/06/2023	21,556,488.62	50,942,961.58	72,499,450.20	6,034,040.81	11,158,587.25	2,841,866.64	2,841,982.32	1,113,187.77	1,323,708.10
30/06/2022	19,633,358.48	49,509,486.56	69,142,845.03	6,841,392.39	9,138,931.19	2,982,817.39	2,985,103.89	1,494,517.90	1,117,498.51
30/06/2021	17,022,536.63	47,759,787.66	64,782,324.29	10,221,412.05	7,078,470.92	2,822,366.75	2,823,602.96	1,562,625.60	0.00
30/06/2020	18,371,299.80	46,964,358.70	65,335,658.50	12,988,319.72	6,520,123.15	2,102,838.35	2,105,982.82	943,604.25	0.00
30/06/2019	19,736,575.94	43,963,425.76	63,700,001.70	14,310,527.22	9,404,839.77	3,161,553.92	3,165,101.61	2,040,597.30	1,117,255.56
30/06/2018	20,233,788.60	40,519,183.14	60,752,971.75	15,600,272.94	8,812,833.24	3,210,544.07	3,216,027.00	2,164,432.88	958,423.25
30/06/2017	19,727,357.58	37,805,090.49	57,532,448.07	16,008,428.21	8,080,441.46	2,974,912.04	2,981,094.40	2,014,080.08	798,532.09
30/06/2016	14,527,114.47	29,874,575.41	44,401,689.89	10,117,164.04	6,925,325.05	2,609,374.53	2,617,246.01	1,811,794.88	655,272.15
30/06/2015	17,994,883.43	24,583,191.55	42,578,074.97	13,104,196.12	7,026,833.78	2,271,495.69	2,277,915.22	1,473,771.46	496,488.15
30/06/2014	18,656,991.03	22,747,693.61	41,404,684.63	14,434,505.64	6,900,337.73	2,159,009.89	2,146,267.31	1,340,335.42	496,488.15



A graph of basic operating results, as well as Company asset, capital and liability indicators as at 30/06/2024, and for the same period from 2014 to 2023



Statement of the Company's financial position  
as at 30/06/2024 and compared to 30/06/2023 and 31/12/2023

(EUR)

		30/06/2024	30/06/2023	Index 30/06/2024 - 30/06/2023	31/12/2023	Index 30/06/2024 - 31/12/2023
		UNAUDITED	UNAUDITED		AUDITED	
A	FIXED ASSETS	57,967,774.27	59,608,554.46	97.25	58,488,274.85	99.11
B	CURRENT ASSETS	14,756,639.86	12,890,895.74	114.47	13,071,915.27	112.89
<b>A+B</b>	<b>TOTAL ASSETS</b>	<b>72,724,414.13</b>	<b>72,499,450.20</b>	<b>100.31</b>	<b>71,560,190.12</b>	<b>101.63</b>
C	SHORT-TERM LIABILITIES	7,374,378.07	7,203,747.38	102.37	6,434,078.52	114.61
D	LONG-TERM LIABILITIES	12,364,163.49	14,352,741.24	86.14	12,011,844.97	102.93
E	TOTAL LIABILITIES	19,738,541.56	21,556,488.62	91.57	18,445,923.49	107.01
F	TOTAL SHARE CAPITAL AND RESERVES	52,985,872.57	50,942,961.58	104.01	53,114,266.63	99.76
<b>E+F</b>	<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>72,724,414.13</b>	<b>72,499,450.20</b>	<b>100.31</b>	<b>71,560,190.12</b>	<b>101.63</b>

## OPERATING AND OTHER COSTS

Operating expenses for the first half of 2024 amount to EUR 9,248,744.21 and are higher by 11.21% compared to the same period of the previous business year, when they amounted to EUR 8,316,604.93, as a result of the increase in outsourcing costs, salary costs and other expenses due to a significant increase in demand in the Company's tourism sectors compared to the same period of the previous year and, at the same time, earlier employment of seasonal employees in order to ensure a sufficient number of employees for the peak season.

## FINANCIAL EXPENSES

Financial expenses in the period observed amount to EUR 242,724.57, and they have decreased by 1.64% compared to the first half of 2023, when they amounted to EUR 246,770.44.

## LIQUIDITY

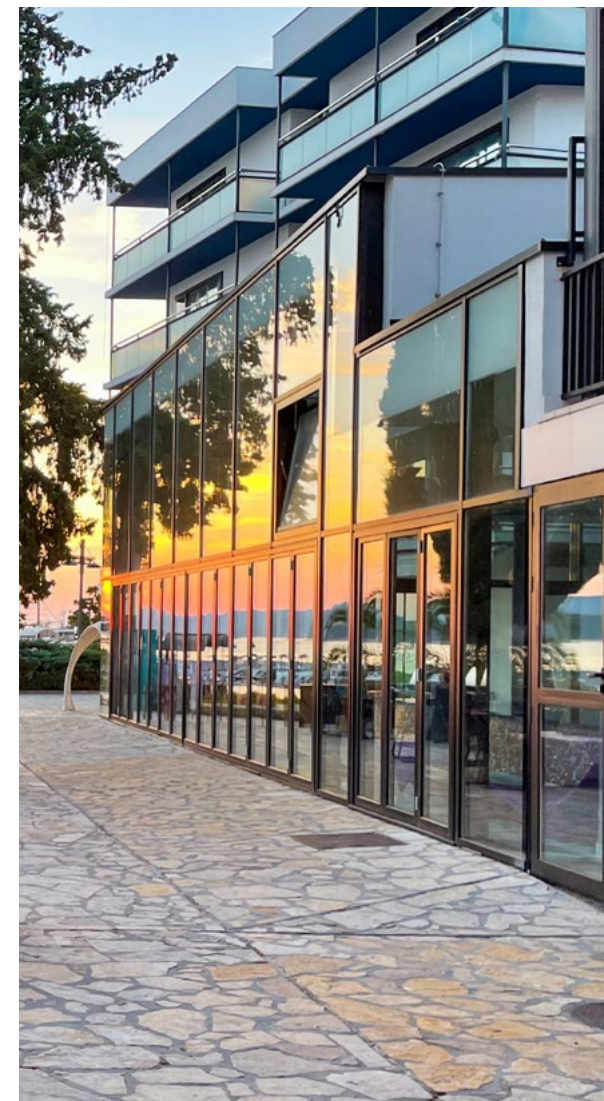
In the reporting period, the Company fully and properly maintained current liquidity and settled its liabilities towards the suppliers, the bank, the state, the employees, etc. in a timely manner and within the deadlines. The Company secured a sufficient amount

of liquid assets to settle its liabilities, having in mind the complex business circumstances due to a disrupted macroeconomic environment and strong inflation pressures.

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

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

The General Assembly of the Company, held on 26 April 2024, took note of the Company's Annual Report for 2023 together with the Audit Report for 2023, Report of the Supervisory Board on the Performed Supervision of the Company's Operations for 2023, and the Management Board' Report on the Acquisition of Own Shares in 2023. The General Assembly adopted the Decision on the Approval of the 2023 Report on the Remuneration of Management Board and Supervisory Board Members, the Decision on Granting Discharge to the Company's Management Board for the financial year 2023, Decision on Granting Discharge to the Members of the Supervisory Board for the financial year 2023, Decision on Granting Authority to the Management Board for the Acquisition of Own Shares, Decision on Confirmation of the

Previously Approved Policy on the Income of the Management Board Members and the Decision on the Appointment of the authorised auditing company "UHY RUDAN d.o.o.", Ilica 213, Zagreb, PIN: 717995390000 for 2024.

Also, the Decision on the Use of Company Profit for the 2023 Financial Year was adopted at the General Assembly, according to which the achieved net profit in the 2023 financial year (after tax) in the amount of EUR 3,279,530.22, is distributed as follows:

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

The dividend per share amounts to EUR 0.70.

## 6.2 LEGAL MATTERS

- The Ilirija Tennis Centre real property in Biograd na Moru, under the cadastral plot no. 3232, in the Cadastral Municipality of Biograd na Moru, surface area of 48705 m<sup>2</sup> 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.
- By the Decision of the Constitutional Court of the Republic of Croatia No. U-III-4392/16 of 5 July 2017, the Constitutional Complaint of the Company was adopted, and the ruling of the Supreme Court of the Republic of Croatia was set aside. The ruling set aside rejected the review initiated by Ilirija d.d. in the case pertaining to the compensation of damages against the Town of Biograd na Moru, for the purpose of conversion of the real property “Primorje” from a construction area into the so-called “area with landscape features”, and the

case was referred back to the Supreme Court of the Republic of Croatia. In the repeated proceedings, the Supreme Court of the Republic of Croatia in its ruling number: Rev-x 688/2017 of 27 April 2022 rejected the review initiated by Ilirija d.d. as unfounded. The Company filed a constitutional complaint to the Constitutional Court of the Republic of Croatia against the aforementioned ruling of the Supreme Court of the Republic of Croatia within the legal deadline.

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

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

In the meantime, on 1 April 2022 the Company, in accordance with Article 18 of the Act on Non-Evaluated Construction Land, obtained from the Centre for Restructuring and Sales the Certificate of Conformity of the Geodetic Survey Report, which confirms the conformity of the "Park Soline Campsite Geodetic Survey Report with the decision of the Croatian Privatisation Fund of 12 July 1996, by which the real property concerned was evaluated in the process of conversion of the socially-owned enterprise "Ilirija" Biograd na Moru. Furthermore, in April 2023, based on the ruling of the Commercial Court in Zadar, adopted in the procedure of correcting the registration of ownership rights, which was confirmed by the ruling of the High Commercial Court of the Republic of Croatia, the Republic

of Croatia was registered in its entirety as the owner of the land plot with a surface area of 41 537 m<sup>2</sup> 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.

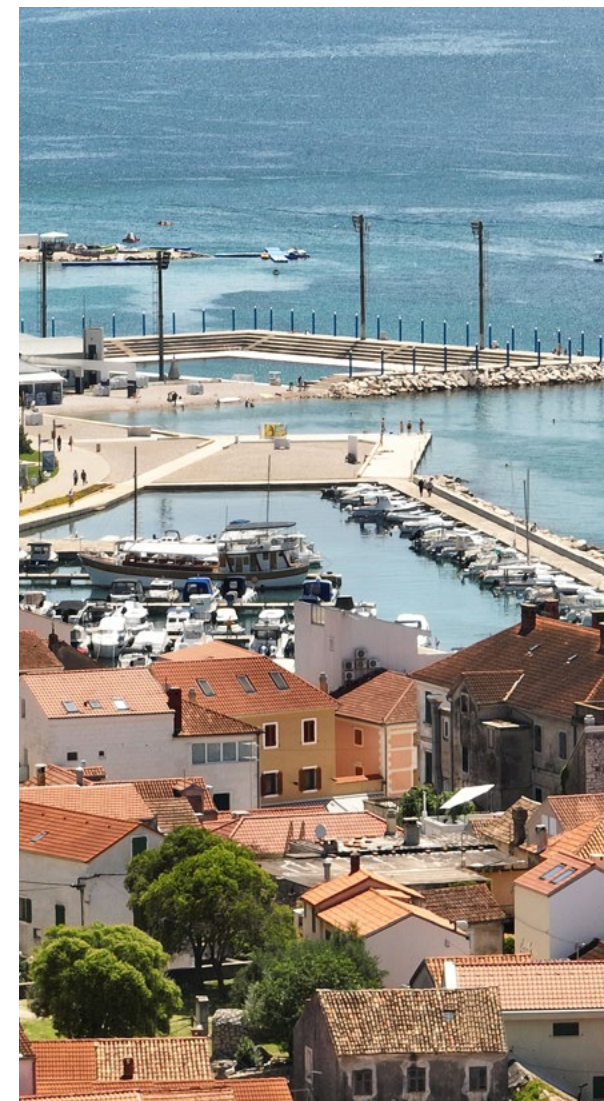
- The predecessor of the Company was allotted the maritime domain for permanent use by the Municipal Assembly of Biograd na Moru for the purpose of constructing a sport port or marina (1976) and an outdoor swimming pool with a beach facility (1986) in Biograd na Moru. In accordance with the valid building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

ted 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 m<sup>2</sup>, 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 m<sup>2</sup> 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 m<sup>2</sup>, 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 privatisa-

tion 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 m<sup>2</sup>. 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.



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## 6.3 INVESTMENTS IN 2024

In the first half of the business year, investments amounted to EUR 1,141,284.10 and mostly related to the camping sector, the destination management company Ilirija Travel, the hotel sector and the real estate sector, part of which was already started in the fourth quarter of the previous business year with the aim of further improving the quality and standard of service.

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

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



## 6.4 NON-OPERATING ASSETS

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

**Land plot, Sv. Filip i Jakov:** The Company owns a building site of approximately 2.5 acres in Sv. Filip i Jakov, of which only a smaller portion is used (Villa Donat), while approximately 20,000 m<sup>2</sup> 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 m<sup>2</sup> 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.

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## 6.5 OTHER

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

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

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

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

### MERGERS AND ACQUISITIONS

There were no mergers and acquisitions.

## 7 BUSINESS EXPECTATIONS IN 2024

In 2023, the first year of normalised travel conditions after the pandemic, tourism was characterised by the recovery and full opening of tourist markets paired with a high demand for travel, as well as strong resiliency, considering the geopolitical instabilities and macroeconomic circumstances. In Europe, the world's largest tourist region, there was a continuation of the trend of growing demand and the recovery of key European tourist destinations, especially in holiday tourism, accompanied with the growth of international tourist arrivals from long-haul markets.

Mediterranean destinations facilitated the recovery of the European tourist market, generating a powerful increase compared to the previous year – some of them also achieving an increase compared to 2019. As a result, it is expected that despite the complex geopolitical situation, the slowdown in inflation and the slight economic recovery, European tourism will also see an increase in tourist demand in 2024. Considering the fact that in 2023, Croatian tourism came closer to the achievements from 2019, the best Croatian business year in terms of tourism, this means that 2024 is met with a positive outlook and expectations of persistent growth in tourist demand at the level of the entire business year.

Based on the expected positive tourist trends in 2024, rooted in the still-present desire for travel in key Croatian tourist markets, the increase of demand from

distant markets, which are significant for the pre- and post-season, and the expected lowering of inflation at the European Union level, i.e. the consequent growth of personal consumption, the Company bases its business expectations on the lack of limiting circumstances for conducting year-round business at the level of all sectors and profit centres, i.e. the hotel, nautical and camping sectors, Ilirija Travel and the real-estate sector.

The main determinants of the 2024 Business Plan are aimed at:

- preservation of the Company's long-term economic viability, security and sustainability,
- 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 2024 that are essential for maintaining the current status and operations of the Company, as follows:

- preservation and improvement of the achieved level of facility development and equipment mainly at the 4-star level ensuring 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 optimal number of employees for the smooth running of business activities and the quality of service in high season,
- preservation of the achieved financial position from employee labour 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 2024:

- 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,
- significant increase in operating revenue at the level of all sectors and profit centres, i.e. at the level of the entire Company,
- generating EBITDA, or its share in the total revenue, in line with the tourism industry standards; and
- growth of other profitability indicators (profit, EBIT).

By achieving the stated business goals that are considered as the maximum business limit, 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 2024.

Moreover, the Company stresses that it is aware of objective and actual limiting circumstances and challenges that could to a certain extent affect the realisation of business expectations for 2024, including the existing global geopolitical instability as a direct consequence of the Russian invasion of Ukraine and the spreading of instabilities to the area of Eastern Mediterranean, the continuation of an unfavourable macroeconomic environment, labour shortage, and an intense increase in labour costs, as well as food, beverage, and energy costs as the main generators of inflation. The aforementioned circumstances and challenges (most of which are of a global nature) can affect tourism-related transactions, namely by reducing them due to a limited possibility of smooth year-round business activities in the tourism sectors of the Company, as well as a decrease in demand and purchasing power.



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## 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/-30/06/2024

## Annex 1

### ISSUER'S GENERAL DATA

Reporting period: 01/01/2024 to 30/06/2024  
 Year: 2024  
 Quarter: 2

### Annual financial statements

Registration number (MB): 03311953 Issuer's home Member State code: HRVATSKA  
 Entity's registration number (MBS): 060032302  
 Personal identification number (OIB): 05951496767 LEI: 74780000VOGH8Q3K5K76  
 Institution code: 1271  
 Name of the issuer: ILIRIJA d.d. BIOGRAD NA MORU  
 Postcode and town: 23210 BIOGRAD NA MORU  
 Street and house number: TINA UJEVIĆA 7  
 E-mail address: ilirija@zd.t-com.hr  
 Web address: www.ilirijabiograd.com  
 Number of employees (end of the reporting period): 431  
 Consolidated report: KN (KN-not consolidated/KD-consolidated)  
 Audited: RN (RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS): Registered office: MB:

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Bookkeeping firm: \_\_\_\_\_ (Yes/No) \_\_\_\_\_  
 (name of the bookkeeping firm)  
 Contact person: STRPIĆ ZORKA  
 (only name and surname of the contact person)  
 Telephone: 023/383178  
 E-mail address: zorkas@ilirijabiograd.com  
 Audit firm: UHY RUDAN d.o.o. ZAGREB  
 (name of the audit firm)  
 Certified auditor: \_\_\_\_\_  
 (name and surname)

BALANCE SHEET			
balance as at 30/06/2024			in EUR
Submitter:ILIRIJA d.d. BIOGRAD NA MORU			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	<b>0</b>	<b>0</b>
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	<b>58,488,275</b>	<b>57,967,774</b>
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	<b>31,919</b>	<b>80,056</b>
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	0	0
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	0
6 Other intangible assets	009	31,919	80,056
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	<b>58,451,439</b>	<b>57,882,801</b>
1 Land	011	5,894,095	5,894,095
2 Buildings	012	33,339,733	32,691,953
3 Plant and equipment	013	8,981,620	8,854,532
4 Tools, working inventory and transportation assets	014	0	0
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	42,547	0
7 Tangible assets in preparation	017	205,783	502,796
8 Other tangible assets	018	0	0
9 Investment property	019	9,987,661	9,939,425
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	<b>4,917</b>	<b>4,917</b>
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
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	<b>0</b>	<b>0</b>
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
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	<b>0</b>	<b>0</b>
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	<b>13,071,915</b>	<b>14,756,640</b>
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	<b>203,498</b>	<b>362,607</b>
1 Raw materials and consumables	039	203,498	362,607
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

<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	<b>843,000</b>	<b>2,156,570</b>
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	530,351	1,591,969
4 Receivables from employees and members of the undertaking	050	20,399	48,399
5 Receivables from government and other institutions	051	39,082	350,265
6 Other receivables	052	253,168	165,937
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	<b>12,000,000</b>	<b>12,000,000</b>
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	12,000,000	12,000,000
9 Other financial assets	062	0	0
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	<b>25,417</b>	<b>237,463</b>
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	<b>0</b>	<b>0</b>
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	<b>71,560,190</b>	<b>72,724,414</b>
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	<b>0</b>	<b>0</b>
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)</b>	<b>067</b>	<b>53,114,266</b>	<b>52,985,873</b>
<b>I INITIAL (SUBSCRIBED) CAPITAL</b>	<b>068</b>	<b>30,420,000</b>	<b>30,420,000</b>
<b>II CAPITAL RESERVES</b>	<b>069</b>	<b>389,195</b>	<b>389,195</b>
<b>III RESERVES FROM PROFIT (ADP 071+072-073+074+075)</b>	<b>070</b>	<b>4,975,723</b>	<b>4,975,723</b>
1 Legal reserves	071	3,195,698	3,195,698
2 Reserves for treasury shares	072	925,837	925,837
3 Treasury shares and holdings (deductible item)	073	-137,207	-137,207
4 Statutory reserves	074	0	0
5 Other reserves	075	991,395	991,395
<b>IV REVALUATION RESERVES</b>	<b>076</b>	<b>0</b>	<b>0</b>
<b>V FAIR VALUE RESERVES (ADP 078 to 080)</b>	<b>077</b>	<b>0</b>	<b>0</b>
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
<b>VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)</b>	<b>083</b>	<b>14,049,818</b>	<b>15,643,438</b>
1 Retained profit	084	14,049,818	15,643,438
2 Loss brought forward	085	0	0
<b>VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)</b>	<b>086</b>	<b>3,279,530</b>	<b>1,557,517</b>
1 Profit for the business year	087	3,279,530	1,557,517
2 Loss for the business year	088	0	0
<b>VIII MINORITY (NON-CONTROLLING) INTEREST</b>	<b>089</b>	<b>0</b>	<b>0</b>
<b>B) PROVISIONS (ADP 091 to 096)</b>	<b>090</b>	<b>0</b>	<b>0</b>
1 Provisions for pensions, termination benefits and similar obligations	091	0	0
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	0	0
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	0	0



<b>C) LONG-TERM LIABILITIES (ADP 098 to 108)</b>	<b>097</b>	<b>12,011,845</b>	<b>12,364,163</b>
1 Liabilities towards undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. to companies within the group	099	0	0
3 Liabilities towards companies linked by virtue of participating interest	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities towards banks and other financial institutions	103	12,011,845	12,364,163
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
<b>D) SHORT-TERM LIABILITIES (ADP 110 to 123)</b>	<b>109</b>	<b>6,028,447</b>	<b>6,348,800</b>
1 Liabilities towards undertakings within the group	110	0	0
2 Liabilities for loans, deposits, etc. to companies within the group	111	0	0
3 Liabilities towards companies linked by virtue of participating interest	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities towards banks and other financial institutions	115	3,183,524	2,247,738
7 Liabilities for advance payments	116	11,293	11,293
8 Liabilities towards suppliers	117	1,798,103	1,699,111
9 Liabilities for securities	118	0	0
10 Liabilities towards employees	119	365,138	725,763
11 Taxes, contributions and similar liabilities	120	516,282	662,818
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	154,107	1,002,077
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>124</b>	<b>405,632</b>	<b>1,025,578</b>
<b>F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)</b>	<b>125</b>	<b>71,560,190</b>	<b>72,724,414</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>126</b>	<b>0</b>	<b>0</b>

STATEMENT OF PROFIT OR LOSS					
for the period 01/01/2024 to 30/06/2024					
in EUR					
Submitter: ILIRIJA d.d.					
Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I OPERATING INCOME (ADP 002 to 006)</b>	<b>001</b>	<b>11,158,472</b>	<b>6,812,189</b>	<b>12,506,765</b>	<b>7,530,240</b>
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	11,118,885	6,794,693	12,361,851	7,519,383
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	39,587	17,496	144,914	10,857
<b>II OPERATING EXPENSES (ADP 008+009+013+017+018+019+022+029)</b>	<b>007</b>	<b>9,798,629</b>	<b>5,382,648</b>	<b>10,868,386</b>	<b>6,140,544</b>
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
<b>2 Material costs (ADP 010 to 012)</b>	<b>009</b>	<b>3,263,740</b>	<b>1,949,656</b>	<b>3,599,646</b>	<b>2,231,946</b>
a) Costs of raw materials and consumables	010	1,625,131	1,106,862	1,597,736	1,115,722
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	1,638,609	842,794	2,001,910	1,116,224
<b>3 Staff costs (ADP 014 to 016)</b>	<b>013</b>	<b>3,537,930</b>	<b>1,928,505</b>	<b>4,014,971</b>	<b>2,220,277</b>
a) Net salaries and wages	014	2,118,489	1,156,000	2,427,890	1,344,096
b) Tax and contributions from salary costs	015	916,700	498,583	1,016,723	560,835
c) Contributions on salaries	016	502,741	273,922	570,358	315,346
4 Depreciation	017	1,482,024	740,975	1,619,643	809,821
5 Other costs	018	1,488,033	752,211	1,607,764	864,301
<b>6 Value adjustments (ADP 020+021)</b>	<b>019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	0	0	0	0
<b>7 Provisions (ADP 023 to 028)</b>	<b>022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	26,902	11,301	26,362	14,199
<b>III FINANCIAL INCOME (ADP 031 to 040)</b>	<b>030</b>	<b>115</b>	<b>1</b>	<b>161,863</b>	<b>161,864</b>
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	161,863	161,858
8 Exchange rate differences and other financial income	038	115	1	0	6
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	0	0
<b>IV FINANCIAL EXPENSES (ADP 042 to 048)</b>	<b>041</b>	<b>246,770</b>	<b>127,551</b>	<b>242,725</b>	<b>120,709</b>
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	246,613	127,511	242,725	120,709
4 Exchange rate differences and other expenses	045	157	40	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
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	049	0	0	0	0
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	050	0	0	0	0
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	051	0	0	0	0
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	052	0	0	0	0
<b>IX TOTAL INCOME (ADP 001+030+049 +050)</b>	053	11,158,587	6,812,190	12,668,628	7,692,104
<b>X TOTAL EXPENDITURE (ADP 007+041+051 + 052)</b>	054	10,045,399	5,510,199	11,111,111	6,261,253
<b>XI PRE-TAX PROFIT OR LOSS (ADP 053-054)</b>	055	1,113,188	1,301,991	1,557,517	1,430,851
1 Pre-tax profit (ADP 053-054)	056	1,113,188	1,301,991	1,557,517	1,430,851
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
<b>XII INCOME TAX</b>	058	0	0	0	0
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)</b>	059	1,113,188	1,301,991	1,557,517	1,430,851
1 Profit for the period (ADP 055-059)	060	1,113,188	1,301,991	1,557,517	1,430,851
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)					
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)</b>	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
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)</b>	068	0	0	0	0
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
<b>XVII INCOME TAX (ADP 058+065)</b>	071	0	0	0	0
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)</b>	072	0	0	0	0
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
<b>XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)</b>	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)					
<b>I PROFIT OR LOSS FOR THE PERIOD</b>	078	1,113,188	1,301,991	1,557,517	1,430,851
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)</b>	079	0	0	0	0
<b>III Items that will not be reclassified to profit or loss (ADP 081 to 085)</b>	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
<b>IV Items that may be reclassified to profit or loss (ADP 088 to 095)</b>	<b>087</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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
<b>V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)</b>	<b>097</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)</b>	<b>098</b>	<b>1,113,188</b>	<b>1,301,991</b>	<b>1,557,517</b>	<b>1,430,851</b>
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)</b>	<b>099</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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 01/01/2024 to 30/06/2024			
in EUR			
Submitter: ILIRIJA d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	1,113,188	1,557,517
<b>2 Adjustments (ADP 003 to 010):</b>	<b>002</b>	<b>1,728,909</b>	<b>1,781,506</b>
a) Depreciation	003	1,482,024	1,619,643
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	115	0
e) Interest expenses	007	246,770	161,863
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
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>2,842,097</b>	<b>3,339,023</b>
<b>3 Changes in the working capital (ADP 013 to 016)</b>	<b>012</b>	<b>2,341,709</b>	<b>630,412</b>
a) Increase or decrease in short-term liabilities	013	1,139,684	-320,353
b) Increase or decrease in short-term receivables	014	1,190,785	1,313,570
c) Increase or decrease in inventories	015	11,240	-159,109
d) Other increase or decrease in working capital	016	0	-203,696
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>5,183,806</b>	<b>3,969,435</b>
4 Interest paid	018	-177,577	-164,186
5 Income tax paid	019	-617,993	-536,839
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>4,388,236</b>	<b>3,268,410</b>
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
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>0</b>	<b>0</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-2,791,760	-1,141,689
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-343,805	-249,133
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-3,135,565</b>	<b>-1,390,822</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-3,135,565</b>	<b>-1,390,822</b>
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	800,000	600,000
4 Other cash receipts from financing activities	038	0	0
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>800,000</b>	<b>600,000</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-872,340	-787,381
2 Cash payments for dividends	041	-506,441	-848,569
3 Cash payments for finance lease	042	-388,916	-434,049
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	-329,770	-195,543

<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>-2,097,467</b>	<b>-2,265,542</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>-1,297,467</b>	<b>-1,665,542</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>-44,796</b>	<b>212,046</b>
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	100,979	25,417
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	<b>56,183</b>	<b>237,463</b>

STATEMENT OF CASH FLOWS - direct method			
for the period 01/01/2024 to 30/06/2024			
in EUR			
Submitter: ILIRIJA d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	0	0
2 Cash receipts from royalties, fees, commissions and other revenue	002	0	0
3 Cash receipts from insurance premiums	003	0	0
4 Cash receipts from tax refund	004	0	0
5 Other cash receipts from operating activities	005	0	0
<b>I Total cash receipts from operating activities (ADP 001 to 005)</b>	<b>006</b>	<b>0</b>	<b>0</b>
1 Cash payments to suppliers	007	0	0
2 Cash payments to employees	008	0	0
3 Cash payments for insurance premiums	009	0	0
4 Interest paid	010	0	0
5 Income tax paid	011	0	0
6 Other cash payments from operating activities	012	0	0
<b>II Total cash payments from operating activities (ADP 007 to 012)</b>	<b>013</b>	<b>0</b>	<b>0</b>
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)</b>	<b>014</b>	<b>0</b>	<b>0</b>
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	0	0
2 Cash receipts from sales of financial instruments	016	0	0
3 Interest received	017	0	0
4 Dividends received	018	0	0
5 Cash receipts from the repayment of loans and deposits	019	0	0
6 Other cash receipts from investment activities	020	0	0
<b>III Total cash receipts from investment activities (ADP 015 to 020)</b>	<b>021</b>	<b>0</b>	<b>0</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	022	0	0
2 Cash payments for the acquisition of financial instruments	023	0	0
3 Cash payments for loans and deposits	024	0	0
4 Acquisition of a subsidiary, net of cash acquired	025	0	0
5 Other cash payments from investment activities	026	0	0
<b>IV Total cash payments from investment activities (ADP 022 to 026)</b>	<b>027</b>	<b>0</b>	<b>0</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)</b>	<b>028</b>	<b>0</b>	<b>0</b>
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	029	0	0
2 Cash receipts the from issue of equity financial instruments and debt financial instruments	030	0	0
3 Cash receipts from credit principals, loans and other borrowings	031	0	0
4 Other cash receipts from financing activities	032	0	0
<b>V Total cash receipts from financing activities (ADP 029 to 032)</b>	<b>033</b>	<b>0</b>	<b>0</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	0	0
2 Cash payments for dividends	035	0	0
3 Cash payments for finance lease	036	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	037	0	0
5 Other cash payments from financing activities	038	0	0
<b>VI Total cash payments from financing activities (ADP 034 to 038)</b>	<b>039</b>	<b>0</b>	<b>0</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033 + 039)</b>	<b>040</b>	<b>0</b>	<b>0</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	0	0
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 014 + 028 + 040 + 041)</b>	<b>042</b>	<b>0</b>	<b>0</b>
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	0	0
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (042+043)	044	0	0

## STATEMENT OF CHANGES IN EQUITY

for the period from 01/01/2024 to 30/06/2024

in EUR

Item	ADP code	Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Attributable to owners of the parent										"Minority (non-controlling) interest"	Total capital and reserves
									Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)	
<b>Previous period</b>																				
1 Balance on the first day of the previous business year	01	30,412,964	389,195	3,195,698	925,837	229,335	0	998,431	0	0	0	0	0	0	15,373,526	0	51,066,316	0	51,066,316	
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)</b>	<b>04</b>	<b>30,412,964</b>	<b>389,195</b>	<b>3,195,698</b>	<b>925,837</b>	<b>229,335</b>	<b>0</b>	<b>998,431</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,373,526</b>	<b>0</b>	<b>51,066,316</b>	<b>0</b>	<b>51,066,316</b>	
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,113,188	1,113,188	0	1,113,188	
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 Other changes in equity unrelated to owners	13	7,036	0	0	0	0	0	-7,036	0	0	0	0	0	0	0	0	0	0	0	
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,323,708	0	-1,323,708	0	-1,323,708	
21 Other distributions and payments to members/shareholders	21	0	0	0	0	-87,166	0	0	0	0	0	0	0	0	1,794,046	0	1,881,212	0	1,881,212	
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,794,046	0	-1,794,046	0	-1,794,046	
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)</b>	<b>24</b>	<b>30,420,000</b>	<b>389,195</b>	<b>3,195,698</b>	<b>925,837</b>	<b>142,169</b>	<b>0</b>	<b>991,395</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,049,818</b>	<b>1,113,188</b>	<b>50,942,962</b>	<b>0</b>	<b>50,942,962</b>	
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																				
<b>I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)</b>	<b>25</b>	<b>7,036</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-7,036</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)</b>	<b>26</b>	<b>7,036</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-7,036</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,113,188</b>	<b>1,113,188</b>	<b>0</b>	<b>1,113,188</b>	
<b>III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-87,166</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,323,708</b>	<b>0</b>	<b>-1,236,542</b>	<b>0</b>	<b>-1,236,542</b>	
Current period																				



1 Balance on the first day of the current business year	28	30,420,000	389,195	3,195,698	925,837	137,207	0	991,395	0	0	0	0	0	0	17,329,349	0	53,114,267	0	53,114,267
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>4 Balance on the first day of the current business year (restated) (AOP 28 to 30)</b>	<b>31</b>	<b>30,420,000</b>	<b>389,195</b>	<b>3,195,698</b>	<b>925,837</b>	<b>137,207</b>	<b>0</b>	<b>991,395</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17,329,349</b>	<b>0</b>	<b>53,114,267</b>	<b>0</b>	<b>53,114,267</b>
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,557,517	1,557,517	0	1,557,517
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	47	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,685,911	0	-1,685,911	0	-1,685,911
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	0	1,593,619	0	1,593,619	0	1,593,619
22 Carryforward per annual plane	49	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,593,619	0	-1,593,619	0	-1,593,619
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>24 Balance on the last day of the current business year reporting period (ADP 31 to 50)</b>	<b>51</b>	<b>30,420,000</b>	<b>389,195</b>	<b>3,195,698</b>	<b>925,837</b>	<b>137,207</b>	<b>0</b>	<b>991,395</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,643,438</b>	<b>1,557,517</b>	<b>52,985,873</b>	<b>0</b>	<b>52,985,873</b>

## APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)

<b>I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)</b>	<b>52</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)</b>	<b>53</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,557,517</b>	<b>1,557,517</b>	<b>0</b>	<b>1,557,517</b>	
<b>III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)</b>	<b>54</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,685,911</b>	<b>0</b>	<b>-1,685,911</b>	<b>0</b>	<b>-1,685,911</b>

**NOTES TO THE FINANCIAL STATEMENTS – TFI-POD**

(made for quarterly periods)

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

PIN: 05951496767

**Reporting period: 01/01 – 30/06/2024****A. Notes on the Company's financial position:****Non-current assets**

The non-current asset value amounted to EUR 57,967,774.27, constituting a decrease of EUR 520,500.58 compared to the value as at 31 December 2023, when it amounted to EUR 58,488,274.85. An amount of EUR 1,141,284.10 was invested in all sectors of the Company during the reporting period of 2024.

**Current assets**

The current asset value amounted to EUR 14,756,639.86 and increased by EUR 1,684,724.59 or 3.46% compared to the value as at 31 December 2023, when it amounted to EUR 13,071,915.27. The largest portion of the increase in current assets was achieved by cash inflows from customers.

**Short-term liabilities**

Short-term liabilities amounted to EUR 7,374,378.07, recording an increase of EUR 940,299.55, or 14.62% compared to the balance as at 31 December 2023, when they amounted to EUR 6,434,078.52.

**Non-current liabilities**

Non-current liabilities amounted to EUR 12,364,163.49, recording an increase of EUR 352,318.52, or 2.94% compared to the balance as at 31 December 2023, when they amounted to EUR 12,011,844.97.

**Equity and reserves**

Equity and reserves equalled EUR 52,985,872.57, which represented a decrease of EUR 128,394.06 compared to the balance as at 31 December 2023, when they amounted to EUR 53,114,266.63.

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

Total revenue generated as at 30 June 2024 amounted to EUR 12,668,628.92, representing an increase of 13.53% of the total revenue generated as at 30 June 2023, when it amounted to EUR 11,158,587.25.

**Total expenses**

Total expenses as at 30 June 2024 amounted to EUR 11,111,111.48, representing an increase of 10.61% of the total expenses as at 30 June 2023, when it amounted to EUR 10,045,399.48.

**Operating profit**

The operating profit generated as at 30 June 2024 amounted to EUR 3,258,021.34, constituting an increase of 14.64% of the operating profit generated as at 30 June 2023, when it amounted to EUR 2,841,866.64.

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

**C. Statement on the application** of the same accounting policies during the preparation of the statement as at 30 June 2024 and the last revised annual statement as at 31 December 2023.

**D. In the observed reporting period of 2024**, operating revenue in the amount of EUR 12,506,765.55 was generated, which constitutes a 12.08% increase compared to the same period of the previous year, when it amounted to EUR 11,158,471.57. 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 2024, the hotel sector generated revenue in the amount of EUR 2,811,372.13, which constitutes an increase of EUR 433,041.35, or 18% compared to the same period of the previous year, when it amounted to EUR 2,378,330.78.

In the observed reporting period of 2024, the nautical sector generated revenue in the amount of EUR 4,985,720.73, constituting an increase of EUR 360,937.30, or 8% compared to the same period of 2023, when it amounted to EUR 4,624,783.43. The majority of the revenue was generated by annual berth fees.

In the observed reporting period of 2024, the camping sector generated revenue in the amount of EUR 2,875,293.84, constituting an increase of EUR 220,586.09, or 8% compared to the same period of the previous year, when it amounted to EUR 2,654,707.75. The most significant revenue was generated from mobile homes, fixed lease of camping pitches and plots.

In the observed reporting period of 2024, revenue from the real estate sector, i.e. the City Galleria Business and Shopping Centre amounted to EUR 1,031,032.64, representing an increase of EUR 46,955.24 or 5% compared to the same period of the previous year, when it amounted to EUR 984,077.40

In the reporting period observed, i.e. as at 30 June 2024, the Company did not receive any grants.

As at 30 June 2024, the operating costs amounted to EUR 9,248,744.21, recording an increase of EUR 932,139.28, or 11.21% compared to the same period of 2023, when they amounted to EUR 8,316,604.93. Financial expenses in the reporting period amounted to EUR 242,724.57, and they have decreased by 1.64% compared to the same period of the previous year, when they amounted to EUR 246,770.44. The depreciation charge for the reporting period of 2024 amounted to EUR 1,619,642.70, which is a 9.29% increase compared to the same period of 2023, when it amounted to EUR 1,482,024.11.

Total expenses amounted to EUR 11,111,111.48, recording an increase of 10.61% compared to the same period of the previous year, when they amounted to EUR 10,045,399.48. Operating profit, i.e. profit from business activities, for the reporting period of 2024 amounted to EUR 3,258,021.34, which is an increase of 14.64% compared to the same period of the previous year, when it amounted to EUR 2,841,866.64. EBITDA, i.e. earnings before depreciation, interest and taxes, was generated in the amount EUR 3,419,884.71, and showed a 20.33% increase compared to the same period of the previous year. EBIT, i.e. earnings before financing expenses, has been generated in the amount of EUR 1,800,242.01. In the period observed, a profit in the amount of EUR 1,557,517.44 was generated.

Additional clarifications of individual items can be found in the Company comments, which comprise an integral part of the statement as at 30 June 2024.

**E. There were no significant changes.**

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

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

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

**Point 4** The majority of the revenue was generated on the domestic market in the amount of EUR 11,876,698.41 and the foreign market in the amount of EUR 478,516.84, while other revenue was generated in the amount of EUR 144,914.30. Operating revenues were generated as follows; the hotel sector EUR 2,811,372.13, the nautical sector EUR 4,985,720.73, the camping sector EUR 2,875,293.84, City Galleria EUR 1,031,032.64. Revenue from other activities, i.e. profit centres, including Ilirija Travel, and hospitality, has been realised in the amount of EUR 803,346.21. Total expenses amounted to EUR 11,111,111.48. Operating expenses amounted to EUR 9,248,744.21. Most of them were incurred in connection to the cost of raw material, other materials and energy, accounting for EUR 1,597,736.07; outsourcing costs, accounting for EUR 2,001,910.35; other operating costs, accounting for EUR 1,634,127.57, and staff costs, accounting for EUR 4,014,970.22.

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

**Point 6** Average number of employees in the period from 01/01-30/06/2024 was 348.

**Point 7** The employee cost presented in the income statement amounted to EUR 4,014,970.22 (net salary being EUR 2,427,889.85, contributions from salaries being EUR 672,711.01, the salary tax and surtax being EUR 344,011.72, and the contributions to salaries being EUR 570,357.64). 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 167,058,57, which brings the total employee cost to EUR 4,182,028.79. The Company does not capitalise the salary costs.

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

**Point 10** The share capital of the Company amounted to EUR 30,420,000.00 as at 30 June 2024, and it is divided into 2,413,488 no-par-value ordinary shares.

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

## REPRESENTATION LETTER

ILIRIJA d.d.  
BIOGRAD NA MORU

Biograd n/M 17/07/2024

### Statement by the persons responsible for the preparation of the financial statements for the period 01/01-30/06/2024

Pursuant to Articles 403–410 of the Capital Market Act, we hereby state that the Financial statements of Ilirija d.d. Biograd na Moru, Tina Ujevića 7, PIN: 05951496767 for the period from January to June 2024 are prepared in accordance with the International Financial Reporting Standards and pursuant to the Croatian Accounting Act.

The financial statements provide realistic and objective data on the Company's financial position as at 30 June 2024, its business results and cash flow in accordance with the International Financial Reporting Standards.

The Company's Management report contains a legitimate representation of its results and position as at 30 June 2024.

The financial statements for the period from 01/01-30/06/2024 have not been audited.

Accounting Manager:  
Zorka Strpić

Management Board:  
Goran Ražnjević



**ILIRIJA** dioničko društvo  
za ugostiteljstvo i turizam  
Biograd na Moru





Ražnjevića Dvori

City Galleria

Arsenal Zadar

Vila Donat

Vila Primorje

Event Ship Nada

Marina Kornati

Restaurant Marina Kornati

Ilirija Travel

Hotel Kornati

Hotel Ilirija

Hotel Adriatic

Hotel Marina

Beach Club Ilirija

Tennis Center

Restaurant Park Soline

Camp "Park Soline"

ILIRIJA D.D.

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