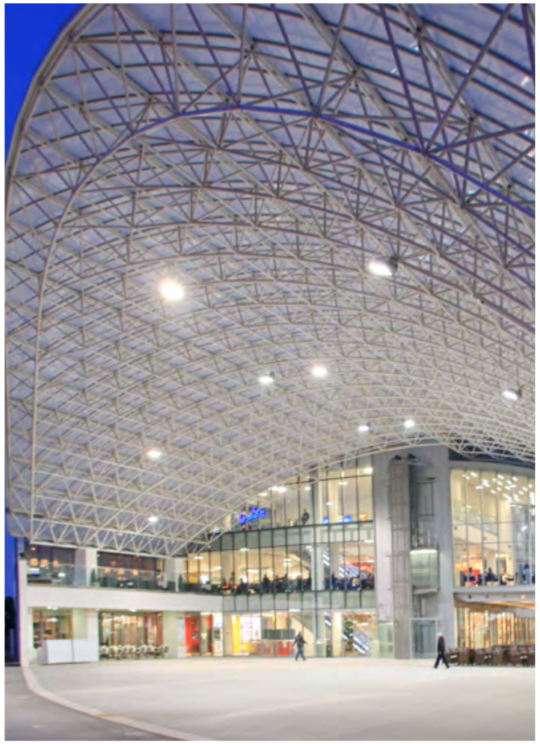



Ilirija d.d.

FINANCIAL STATEMENTS FOR THE PERIOD 01/01-30/06/2026

Biograd na Moru, July 2026

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OVERVIEW OF KEY PERFORMANCE INDICATORS FOR THE PERIOD 01/01-30/06/2026

(in EUR)	I-VI 2026	I-VI 2025	INDEX 2026/2025
Financial indicators			
Total revenues	13.954.460,93	13.545.446,49	103,02
Operating revenues	13.818.215,78	13.367.346,34	103,37
Revenues from sales	13.666.577,13	13.290.153,36	102,83
Operating profit	4.180.979,43	3.591.747,06	116,41
EBITDA	4.317.224,58	3.769.847,21	114,52
Adjusted EBITDA	4.621.630,78	3.995.754,51	115,66
EBIT	2.681.682,18	2.157.643,01	124,29
Profit	2.492.930,24	1.943.398,10	128,28
Value of assets	73.967.498,54	74.691.013,49	99,03
Capital	57.275.261,32	54.796.389,20	104,52
Total liabilities	16.692.237,22	19.894.624,29	83,90
Net debt	0,00	258.377,08	0,00
Net financial assets	2.440.745,60	0,00	#DIV/0!


RESTAURANT

KEY INFORMATION FOR THE PERIOD 01/01–30/06/2026

1 The Company has achieved the best operating results to date for the first half of the business year in terms of financial performance indicators, profitability indicators, and key balance sheet indicators. The realised indicators are the result, on the one hand, of a strong revenue increase in sectors with year-round business activity (nautical, DMC Ilirija Travel and real-estate sectors), which generated an increase in revenue at Company-wide level despite the current geopolitical and macroeconomic circumstances and, on the other hand, of a decrease in operating expenses thanks to their timely planning, efficient management and maximum optimisation. The growth in business activities and decrease in total and operating expenses led to a strong growth in operating profitability in all key indicators. In addition to the decrease in expenses, the Company also managed to decrease its total liabilities and net debt, recording no net debt for the first time in the first half of the year, that is, achieving net financial assets, and it also increased the share of self-financing and recorded capital growth, thus continuing to strengthen its balance sheet position, financial position and financial stability.

Taking into account the circumstances in which business activities were carried out, especially the pronounced instability in the first quarter which also spread to the second quarter (global geopolitical turmoil, macroeconomic instability, economic slowdown in Europe, rise in inflation, etc.), which resulted in stagnating demand and strong last-minute demand in the accommodation industry at the national level, especially pronounced in seasonal business sectors (hotel and camping), the Company considers the achieved business results to be successful.

2 In the first half of the year, the Company generated total revenue in the amount of EUR 13,954,460.93, an increase of 3.02% compared to the same period in 2025, when it amounted to EUR 13,545,446.49, as a result of an operating revenue increase.

Operating revenue amounted to EUR 13,818,215.78, representing an increase of 3.37% compared to the same period in 2025, when it amounted to EUR 13,367,346.34, which is the result of revenue increase recorded by Company sectors with year-round business activity. The nautical and DMC Ilirija Travel sectors recorded significant growth in business activities in the first half of the business year in key physical performance indicators (number of vessels at contracted berth, transit vessel arrivals and overnight stays, number of organised events and number of persons attending events), accompanied by a growth in revenue in the real-estate sector by 9%. The operating revenue generated by DMC Ilirija Travel increased at the highest rate by 19%, while revenue generated by the nautical sector increased by 10%, which in absolute terms generated the largest portion of the Company's revenue increase. Also, the hotel and camping sectors recorded a decrease in revenue by 4% and 5%, respectively. The decrease in revenue in the hotel sector was for the most part a consequence of pronounced geopolitical instability at the global level, which significantly affected business operations in the first half of the business year, namely in the travel and tourism industry, as a result of rise in inflation, disruptions in air transport, and economic slowdown of key European outbound markets. This led to a reduction in demand and strong last-minute demand at the national level, especially in June, which ultimately resulted in a decrease in revenue generated by the hotel sector. The camping sector was mainly focused on adapting the campsite business activities to the new legislation, resulting in a new campsite pitch division and the Company not extending its contracts concluded for 99 accommodation units owned by agencies, as well as a reduction in physical and financial performance indicators in the first half of the business year.

3 Expenses amounted to EUR 11,461,530.69, a 1.21% decrease compared to the same period of 2025, when they amounted to EUR 11,602,048.39, as a result of a decrease in operating expenses by 1.42% and financial expenses by 11.90%.

Operating expenses amounted to EUR 9,637,236.35, a decrease by 1.42% compared to the same period of the previous year, when they amounted to EUR 9,775,599.28, which is the result of a significant reduction in other costs by 14% and costs of raw materials, materials and energy by 6%, while salary costs, which generated the highest increase in the previous reporting periods, grew by just 1%. The decrease in operating expenses is the result of maximum optimisation of operating costs, timely planning and efficient management of operating costs at all levels of the Company.

4 In the reporting period, the Company achieved business profitability in all key indicators (operating profit, profit, EBITDA and EBIT) due to an increase in total and operating revenue and a decrease in operating expenses, which resulted in strong double-digit growth in profitability compared to the same period in 2025.

Profit grew at the highest rates and amounted to EUR 2,492,930.24, representing an increase by 28.28% compared to the same period in 2025, when it amounted to EUR 1,943,398.10. Furthermore, operating profit was generated in the amount of EUR 4,180,979.43, and showed a 16.41% increase compared to the same period in 2025, when it amounted to EUR 3,591,747.06.

In the first half of the business year, EBITDA was generated in the amount of EUR 4,317,224.58, higher by 14.52% compared to the same period of the previous year, when it amounted to EUR 3,769,847.21. Moreover, the adjusted EBITDA, i.e. EBITDA plus one-time revenue which was not realised in the reporting period (absence of revenue from agencies) as a result of campsite business reorganisation as an adjustment to new legislation, amounted to EUR 4,621,630.78, a 15.66% increase compared to the adjusted EBITDA from the same period in the previous year, when it amounted to EUR 3,995,754.51. EBIT was realised in the amount of EUR 2,681,682.18, constituting an increase of 24.29% compared to the first half of 2025, when it amounted to EUR 2,157,643.01.

5 In the first half of the business year, the Company maintained the continuity of reducing total liabilities, recording total liabilities in the amount of EUR 16,692,237.22, which is a 16.10% decrease compared to EUR 19,894,624.29 recorded in the same period of 2025, as a result of a decrease in long-term liabilities by 18.62% and short-term liabilities by 13.33%.

6 In addition to a decrease in long-term liabilities, the Company continued to reduce its net debt (short-term and long-term liabilities towards banks, minus cash at bank, in hand and deposits), maintaining continuity from the first quarter of the current business year. For

the first time in the first half of the business year, the Company had no net debt, i.e. net debt amounted to EUR 0.00, while in the same period of the previous year, it amounted to EUR 258,377.08.

Furthermore, for the first time in the first half of the business year, the Company achieved net financial assets in the amount of EUR 2,440,745.60. By reducing total liabilities and further reducing net debt, while at the same time recording net financial assets, the Company further strengthened its financial stability and financial position.

7 Capital and reserves of the Company in the reporting period amounted to EUR 57,275,261.32, representing a 4.52% increase compared to the same period in 2025, when they amounted to EUR 54,796,389.20, due to an increase in profit from the current business year by 28.28% and profit from previous years by 14.28%.

8 Own source of funds (capital and reserves) as at 30/06/2026 made up 77.43% of total assets, which compared to the same period in 2025, when the own source of funds made up 73.36% of the share, represents an increase by 4.07 percentage points, meaning that the Company continued to strengthen its balance sheet position.

9 At its session held on 26 February 2026, the Company Management Board adopted the Q4 2025 financial statements (unaudited, unconsolidated), the Annual Report and the 2025 Annual Financial Statements (audited, unconsolidated), and a draft decision on dividend distribution was prepared. Also, at its session held on the same day, the Supervisory Board adopted the Company's 2025 Annual Report and 2025 Annual Financial Statements (audited, unconsolidated), and a draft decision on dividend distribution in the amount of EUR 0.84 per share was prepared.

10 The General Assembly, held on 22 April 2026, took note of the Company's Annual Report for 2025 together with the Audit Report for 2025, Report of the Supervisory Board on the Performed Supervision of the Company's Operations for 2025, and the Management Board's Report on the Acquisition of Own Shares in 2025. The General Assembly adopted the Decision on the Approval of the 2025 Report on the Remuneration of Management Board and Supervisory Board Members, the Decision on Confirmation of the Previously Approved Decision on the Remuneration of Supervisory Board Members, the Decision on Granting Discharge to the Company's Management Board for the financial year 2025, Decision on Granting Discharge to the Members of the Supervisory Board for the financial year 2025, and the Decision on the Appointment of the authorised auditing company "UHY RUDAN d.o.o.", Ilica 213, Zagreb, PIN (OIB): 71799539000 as the Company's Auditor for 2027.

Also, the Decision on the Use of Company Profit for the 2025 Financial Year was adopted at the General Assembly, according to which the achieved net profit in the 2025 financial year (after tax) in the amount of EUR 3,722,948.30, is distributed as follows:

– EUR 1,699,579.82 into the retained profit, and
– EUR 2,023,368.48 for dividend distribution.
The dividend per share amounts to EUR 0.84.

11 On 18 May 2026, the Company concluded the Contract on the Maritime Domain Concession with the Zadar County for a period of 5 years, which regulates the commercial use of the beach in front of the Ilirija, Kornati and Adriatic hotels, the beach facility and the outdoor swimming pool in Biograd na Moru.

12 Investments in the first half of 2026 amounted to EUR 1,218,974.46, and referred mostly to the hotel and camping sectors and catering facilities with the aim of continuously raising the standards and quality of service and products, especially of accommodation capacities and public amenities of accommodation facilities, with further investments made in catering amenities.

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

In its business operations, the Management Company applies the Code of Corporate Governance of the Zagreb Stock Exchange and HANFA. The data on the operations are public and transparent, and at all times available to all national, financial and other institutions, shareholders, banking institutions, funds, associations, business partners, institutional, individual and other investors in the regulated capital market in the Republic of Croatia. In its business operations, the Company covers all key segments of the Adriatic Mediterranean tourism offer that is: **hotel sector** (hotels: Ilirija****, Kornati****, Adriatic***, Villa Donat****/***), **nautical sector** (Marina Kornati and Hotel port Ilirija-Kornati), **camping** (campsite „Park Soline“****), **hospitality** (restaurant "Marina Kornati", restaurant "Park Soline", Beach bar "Donat", "Lavender" lounge bar), **destination management company/DMC Ilirija Travel** (Arsenal in Zadar, Villa Primorje ****, diffuse hotel Ražnjevića dvori AD 1307, event boat "Nada"), **sports-recreational and entertainment center** (Tennis center Ilirija with 20 tennis courts and Beach facility Beach Club Ilirija with hospitality facilities), and since the month of December 2016, the Company's portfolio includes the **Commercial-Shopping Center City Galleria** in Zadar with more than 28.500m^2 gross area in total six floors and total 9.445,32m^2 net rented floor area.

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

1.2 CHRONOLOGICAL OVERVIEW OF THE COMPANY'S DEVELOPMENT

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

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

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

Year 1986 | Extended nautical capacities of the Company by constructing the nautical tourism Port Marina Kornati, located in Biograd na Moru, with total port area (aquatorium) of 131.600 m^2 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^2 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^2, 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 - 2026 | During this period, i.e. as at 30/06/2026, the Company invested EUR 97.698.814,93 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 210.435.819,46.

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^2 along with accompanying facilities, thus complementing the existing tourism offer of the hotel Ilirija Resort in the destination of Biograd na Moru.

1.3 COMPANY'S BODIES

1.3.1 COMPANY MANAGEMENT BOARD

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

1.3.2 SUPERVISORY BOARD

Goran Medić, President of the Supervisory Board

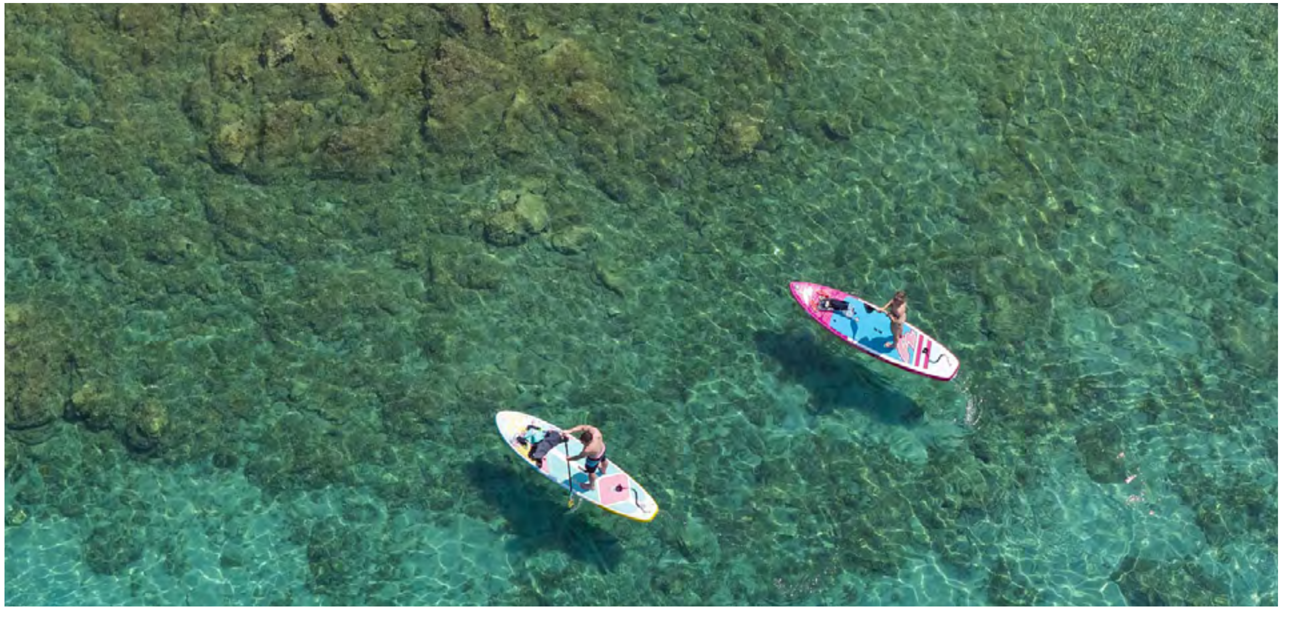
David Anthony Tudorović, Deputy President of the Supervisory Board

Davor Tudorović, Member of the Supervisory Board

Siniša Petrović, Member of the Supervisory Board

Darko Prebežac, Member of the Supervisory Board

1.3.3 SHAREHOLDERS' ASSEMBLY



1.4. SUBSIDIARIES

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

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

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

In 2026, the Company reached a decision to dissolve the said entities by summary proceedings without liquidation, due to their inactive status. The Commercial Court in Zadar reached a decision on the registration of the entities' removal from the register.

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 EUR 2,790,660.

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.

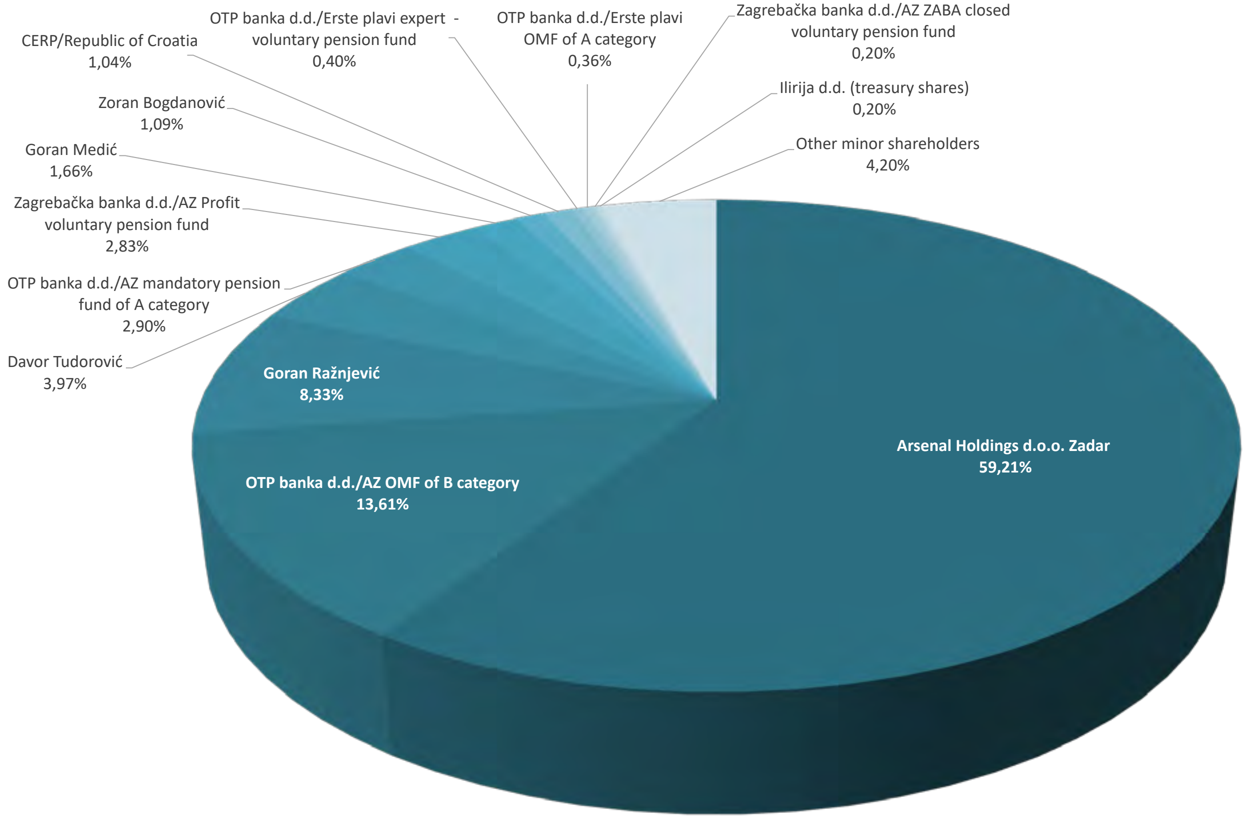
1.6 OWNERSHIP STRUCTURE OF THE COMPANY AND TRADING IN THE COMPANY'S SHARES AT THE ZAGREB STOCK EXCHANGE

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

As at 30 June 2026, there were no significant changes in the ownership structure, while an overview of the major shareholders of the Company as at 30 June 2026 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	24.984	1,04
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
Zagrebačka banka d.d./AZ ZABA closed voluntary pension fund	4.904	0,20
Ilirija d.d. (treasury shares)	4.716	0,20
Other minor shareholders	101.811	4,20
TOTAL	2.413.488	100,00

OWNERSHIP STRUCTURE OF THE COMPANY AS AT 30/06/2026



TRADING IN COMPANY'S SHARES ON THE CROATIAN CAPITAL MARKET IN THE FIRST HALF OF 2026

(amounts in EUR)	I-VI 2026	I-VI 2025	% of change
Total turnover	24.954,80	80.924,40	-69,16%
Average share price	24,02	28,64	-16,13%
Average turnover per transaction	3.119,35	3.112,48	0,22%
Average daily turnover	4.159,13	4.495,80	-7,49%
Last share price	26,00	26,80	-2,99%
Market capitalization*	62.750.688,00	64.681.478,40	-2,99%
Market capitalization**	57.971.981,76	69.122.296,32	-16,13%
Number of shares:	2.413.488	2.413.488	

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

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

In the first half of 2026, the ILRA share generated a lower volume of trading compared to the same period in 2025. A total of 1,039 shares were traded, resulting in a turnover of EUR 24,954.80, which is 69.16% less than in the same period in 2025. The final share price at the end of the first half of 2026 amounted to EUR 26.00, which is 2.99% less than the final share price achieved a year earlier. The average share price amounted to EUR 24.02, constituting a decrease by 16.13% compared to the first half of 2025, when it amounted to EUR 28.64.

The decrease in the final ILRA share price in the first half of 2026 by 2.99%, and the decrease in the average share price in the same period by 16.13%, resulted in a proportional decrease in market capitalisation of the Company. Market capitalisation calculated by multiplying the amount of issued shares and the final share price for the first half of the year amounted to EUR 62.750.688.00, or EUR 57,971,981.76 calculated by multiplying the amount of issued shares and the average share price.

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

1.7 COMPANY BUSINESS MODEL

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

- Hotel sector – 4 hotels, 435 rooms, 910 beds
- Nautics – 805 berths, 2,000 persons
- Camping – 1,130 pitches, 3,390 persons
- Destination management company/DMC Ilirija Travel – through which 310 special events for 44,119 persons were organised in 2025
- Real-estate segment – City Galleria Business and Shopping Centre in Zadar, one of the two largest shopping centres in the wider Zadar region

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

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

1.8 BRANDS OF THE COMPANY

2 CORPORATE STRATEGY AND GOVERNANCE

2.1 VISION, MISSION AND FUNDAMENTAL VALUES

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

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

Fundamental values:

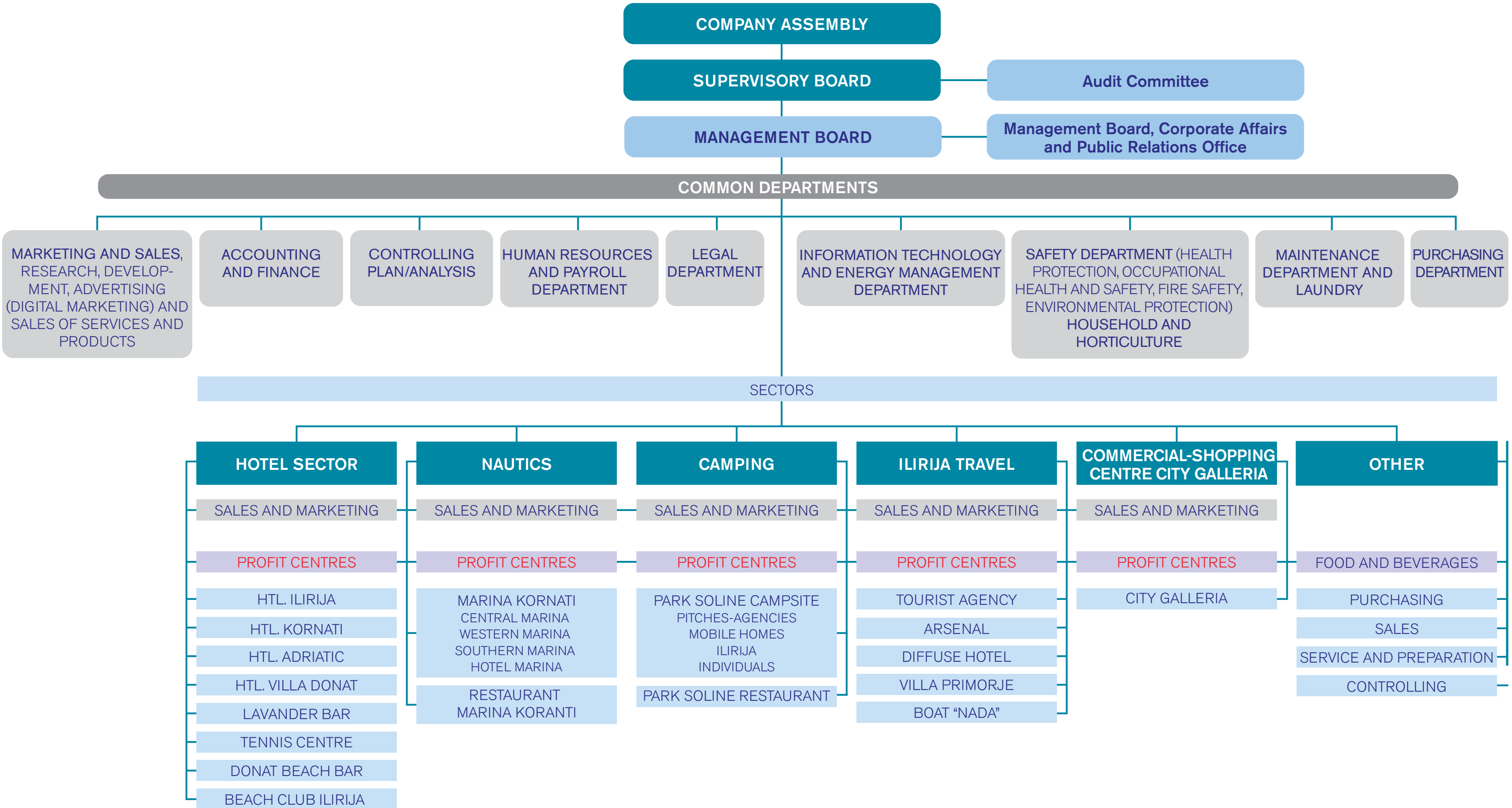
Respect and integrity – equality of treatment and attitude towards all our stakeholders constitute the basic values of our Company.

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

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

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

2.2 ORGANIZATIONAL STRUCTURE



2.3 RISKS AND RISK MANAGEMENT

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

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

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

The company recognizes the following types of risks in its operations:
1) Economic and financial risks
2) Regulatory risks
3) Tourism activity risks
4) Global risks and risks of the macroeconomic environment

1 Economic and financial risks

In terms of credit risk, i.e. the obligation to repay loans used by the Company, taken out with a currency clause, which were dependent on the movement of the Croatian kuna exchange rate against the euro, the introduction of the euro as the official currency eliminates the said risk. Indebtedness of the Company with the commercial bank is for the most part subject to fixed interest rates. Taking this into consideration, the Company is not exposed to interest rate risk on that basis. For the purpose of reducing credit risk, the Company strives to reduce its overall credit liabilities to an adequate, i.e. 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 a challenging business environment caused by an unfavourable macroeconomic environment is to maintain its current liquidity. The Company is, therefore, undertaking activities to diversify its existing and secure new financing sources (if necessary), it is trying to minimise and optimise all of its operating costs, and is willing to and capable of actively cooperating with all significant creditors by settling the liabilities they had at the time when challenging business conditions materialised.

The continuous growth of strong inflationary pressures primarily caused by increases in the prices of primary energy products (oil, gas, electricity), which subsequently spread to consumer goods and services (especially food and beverages), along with the current geopolitical instability essentially generated strong inflation impacts not only on business entities of European Union countries, but also on their society in general. If they remain strong, inflationary pressures could affect purchasing power and new demand generation, and slow down economic activities in the euro area. In the Republic of Croatia, the prices of goods and services for personal consumption, measured by the consumer price index, were on average 4.5% higher in June 2026 than in June 2025. As for the energy costs, mainly electricity as the primary energy source, the Company managed to protect itself from significant increases in electricity prices in time, namely with a multi-year contract, which mitigated the impact of the increase in electricity prices on total operating costs. The very intense increase in food and beverage costs constitutes a strong generator of inflation growth and at the same time accounts for a significant share of the operating expenses and significantly affects the prices of services in the hospitality and tourism industry. Therefore, by actively monitoring food and beverage prices and cooperating with key suppliers, the Company strives to minimise such prices as much as possible, i.e. ensure stability and security of the supply along with the highest possible procurement cost control. On the other hand, through dynamic daily management of accommodation unit prices, it aims to achieve the maximum level of competitiveness possible, as well as intense and systematic demand monitoring, and a quick and strong response to market trends, while at the same time striving for a timely response to potentially negative challenges and impacts such as inflation.

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

2 Regulatory risks:

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

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

Tourism land – unresolved issue

Pursuant to the Act on Tourism and Other Construction Land Not Evaluated in the Conversion and Privatisation Process (hereinafter: the Act), adopted in July 2010, the Company submitted to the Republic of Croatia, within the legally prescribed deadline, i.e. in January 2011, an application for a concession on tourism land for the “Park Soline” campsite in Biograd na Moru for a period of 50 years. Due to unclear provisions of the Act, no decision has been rendered during its validity regarding the Company’s application. In the meantime, in May 2020 a new act on non-evaluated construction land was adopted, and thus the Act on Tourism and Other Construction Land Not Evaluated in the Conversion and Privatisation process ceased to have effect. The new Act provides for the right of tourism companies to submit an application for leasing construction tourism land for a period of 50 years. In March 2021 the Company submitted the appropriate application for leasing construction land in the campsite for a period of 50 years to the competent authority of the Republic of Croatia, that is, to the Ministry of Physical Planning, Construction and State Assets. Under the provisions of the Act on Non-Evaluated Construction land, a company shall become the owner of buildings, land under buildings and land in the campsite that were evaluated and entered into the value of social capital in the conversion and privatisation process, while the Republic of Croatia shall become the owner of buildings and land in the campsite that were not evaluated and entered into the value of social capital in the conversion and privatisation process (so called Parts of the campsite owned by the Republic of Croatia). In the meantime, on 1 April 2022 the Company, in accordance with Article 18 of the Act on Non-Evaluated Construction Land, on 1 April 2022 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 and on 9 April 2026, it also obtained a Certificate of Conformity for of the Geodetic Survey Report, issued by the competent Ministry of Physical Planning, Construction and State Assets of the Republic of Croatia. The said geodetic survey report was submitted on 22 April 2026 for inspection and approval by the competent cadastral department for Biograd na Moru.

Furthermore, the legislator also adopted the Ordinance on the Arrangement of Leases on Parts of the Campsites Owned by the Republic of Croatia (OG 16/24) (hereinafter: Ordinance on the Arrangement of Leases) which, as a by-law, has been in force since 9 February 2024, and which determines the methods and conditions of payment of fees for the lease of unvalued parts of the campsite. The Republic of Croatia, through the departmental Ministry of Physical Planning, Construction and State Assets, in a letter dated 22 April 2024, **invited ILIRIJA d.d. to pay the lease fee based on the aforementioned Ordinance, and Ilirija d.d. was calculated lease fee for the period from the date of entry into force of the Act on Unvalued Construction Land until 31 December 2023. (05/2020 – 12/2023) in the total amount of EUR 538,912.31.** The amount determined in this way, in accordance with the Ordinance on the Arrangement of Leases, represents 50% of the lease fee for the "Park Soline" campsite, while the remaining 50% of the lease fee shall be calculated according to the decision from Article 17.1 of the Act on Unvalued Construction Land, i.e. the conclusion of a 50-year lease agreement in accordance with the Act. For the next period starting from 2024, the competent Ministry **determined the annual lease fee for the "Park Soline" campsite in the amount of EUR 171,624.15, payable in 12 equal monthly instalments, and has issued the lease fee invoices to ILIRIJA d.d. ILIRIJA d.d. duly pays the aforementioned annual lease fee, which amount in accordance with the Ordinance on the Arrangement of Leases, represents 50% of the lease fee.**

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

Maritime domain

The Company is a concessionaire of the Kornati nautical tourism port in Biograd na Moru (hereinafter: Marina Kornati) for a period of 32 years, counting from 13 January 1999, and in accordance with Article 22 of the Maritime Domain and Seaports Act (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 a request 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 request for an extension of the concession licence validity. Moreover, on 6 October 2021, the Company delivered a letter to the Ministry of Maritime Affairs, Transport and Infrastructure and the Ministry of Finance of the Republic of Croatia, so as to initiate the adoption of the decision regarding an extension of the concession licence validity.

In the meantime, on 2 November 2021, the Company received a statement from the Ministry of Finance of the Republic of Croatia, as a body which, along with the competent Ministry of the Sea, Transport and Infrastructure of the Republic of Croatia, is involved in the procedures for extending the terms of concessions, in which they essentially point out that in order to conduct the procedure for extending the concession contract, 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 contract related to it may be changed without conducting a new procedure for awarding the concession, in order not to violate the principle of market competition with other concessionaires in the Republic of Croatia.

Considering the statement of the competent authorities and the expressed views, in order to successfully complete the procedure for extending the concession licence for Marina Kornati, Ilirija d.d. sent a supplement of the existing request for extension of the concession licence validity for Marina Kornati to the Ministry of the Sea, Transport and Infrastructure on 28 December 2023, in which it essentially offered: a new increased amount of investment in the maritime domain (superstructures and substructures), new increased investments in the green transition, including the decarbonisation and digital transformation in accordance with Regulation (EU) 2020/852 of the European Parliament and Council of 18 June 2020, on establishing a framework for facilitating sustainable investments and amending Regulation (EU) 2019/2088 Official Journal of the European Union, L 198/13, in the total amount of new investments of: EUR 5,705,066.00, for which the Company has mostly obtained valid building permits and which ensure orderly and legal performance of marina activities with regard to existing technical, technological and environmental requirements for operation in the period until the expiry of the concession. Also, the Company proposed new amounts of concession fees with reference to previous revalued investments in Marina Kornati, which, in the period from 2000 until the end of 2023, amounted in total: EUR 16,013,277.44, all in order to show the actual absolute value of the investments to date. Furthermore, on 15 July 2025, in response to the opinion of the Ministry of Finance dated 29 May 2025, the Company submitted to the competent ministry a revised Economic Feasibility Study for Marina Kornati, including a valuation of the existing concession and an amended request for extending the concession until 2047, and elaborated on the legal basis for the extension in accordance with the Maritime Domain Act, the Concessions Act and Directive 2014/23/EU. Following the submitted

regulated request for the extension of the concession period until 2047 and the revised economic feasibility study, the Ministry of Finance of the Republic of Croatia submitted its opinion dated 25 September 2025 with certain reccommendations and suggestions that primarily relate to the methodology for calculating individual indicators that are taken into account in the concession award procedure. Acting in accordance with the opinion of the Ministry of Finance, on 12 December 2025 Ilirija d.d. submitted to the Ministry of the Sea, Transport and Infrastructure a modified and supplemented revised economic feasibility study, which accepted the suggestions of the Ministry of Finance of the Republic of Croatia and the amended request for the extension of the Kornati Marina concession period, now until 2046. No decision has been rendered yet on the mentioned amended request for an extension of the concession licence validity for Marina Kornati dated 12 December 2025.

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. The company has been paying the concession fee in the agreed amount for all facilities this whole time.

As regards a beach facility with an outdoor swimming pool in Biograd na Moru, the Company submitted to the concession 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 has not decided on this request. After the entry into force of the Maritime Domain and Seaports Act (Official Gazette No 83/2023) on 18 June 2025, the Company submitted to the Zadar County a request for obtaining a concession upon request for a period of 5 years, for commercial use of the beach in front of the Ilirija, Kornati and Adriatic hotels, the beach facility and the outdoor swimming pool Ilirija in Biograd na Moru, performed by Ilirija d.d. hotels, with a four-star rating, built outside of the maritime domain, and connected infrastructurally with the beach with facilities, built and developed beach facility and the outdoor swimming pool, and investments were made in the construction, development and infrastructure by Ilirija d.d., i.e. the hotels, in accordance with Article 63, paragraph 1, point 2 of the Maritime Domain and Seaports Act. The Zadar County Assembly accepted the application by Ilirija d.d. and on 3 March 2026 adopted the Decision on Awarding Ilirija d.d. a Concession on Maritime Domain for the Purpose of Commercial Use of a Public Beach with Facilities in a section belonging to the cadastral municipality of Biograd na moru, with a total area of 21786 m^2. The Contract on the Maritime Domain Concession was concluded on 18 May 2026 for a period of 5 years.

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

3 Tourism activity risks

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

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

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

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

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

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

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

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

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

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

(IX) skilled labour shortages were significantly pronounced in 2026 in the Republic of Croatia, namely at the level of most economic activities, and with a special emphasis on hospitality and tourism taking into account the seasonal nature of Croatian tourism, as well as the fact that it is an extremely labour-intensive industry; therefore, skilled labour shortages (with a special emphasis on occupations in high demand) could affect the success of the peak season, and thus ultimately of the entire business year.

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

4 Global risks and the macroeconomic environment

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

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

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

Health risk

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

Geopolitical risk

Due to the war in Ukraine, geopolitical risk with strong implications for European and global security and the macroeconomic environment has been present since February 2022. Therefore, the Company also reports on such risks and their consequences on its operations. The Company does not have any kind of an ownership relationship with entities from Russia and Ukraine. Moreover, it does not have any assets in Russia and/or Ukraine, and it has not made any investments in entities from Russia and Ukraine or entities materially related to entities from Russia and Ukraine. Thus, the Company is neither exposed nor are there any potential consequences in this respect. Moreover, the Company has no exposure to entities from Russia or Ukraine since it does not do business with legal entities from Russia or Ukraine. The Company does business as a company specialised for hospitality and tourism has a business relationship with natural persons from Russia and Ukraine using the Company's services such as accommodation in its facilities (hotel, camping and nautical sectors). The share of guests from Russia and Ukraine in the Company's total turnover is insignificant, and losing it does not represent a risk to the Company. Should the crisis, that is, the war, spread from Ukraine to other European countries or lead to destabilisation of the countries in the Balkans, this would surely have a negative effect on Croatian tourism as a whole, and thus also on the Company. Croatian tourism generates most of its turnover from the European outbound market, which could be significantly reduced in case the Russian-Ukrainian crisis, that is, the war, spreads across Ukrainian borders and causes major geopolitical instability in the wider European region. The Company will counteract any potential negative effects of the Russian-Ukrainian crisis by adjusting its business processes and activities to the new circumstances, with the aim of strengthening the resilience of its business system.

Climate impact risk

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

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

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

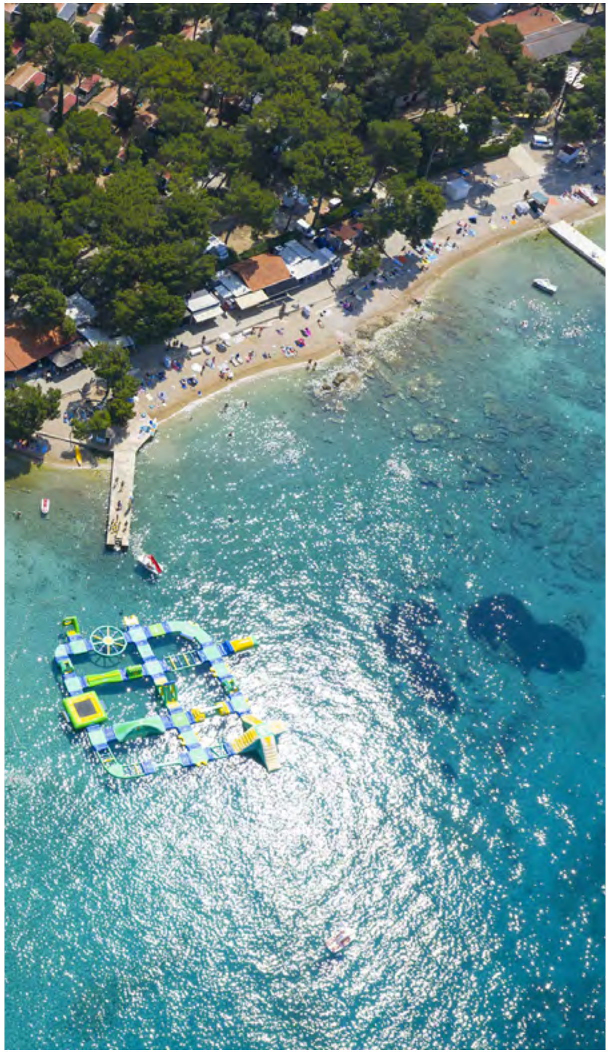
Climate change, which has a significant impact on the tourism industry globally, also poses a potential risk to the Company in terms of significantly increasing the incidence of extreme weather conditions (storms, hurricanes, etc.), as well as strengthening their intensity and unpredictability, and can cause extraordinary and unpredictable damage and threats for its business. Temperature variability, i.e. dangerous heat waves, reduce the attractiveness of our offer in holiday capacities. This directly affects arrivals and quality of stay. Rising sea levels put the infrastructure in the immediate vicinity of the coast at risk. The same also applies to the marina, arranged beaches, and beach facilities. Unpredictable windstorms or hurricane-force winds can cause direct damage to almost all our capacities. The Company pays maximum attention to overcoming such sudden and extreme climate and weather conditions by ensuring preventive, technical and spatial, as well as functional and organisational elimination of sudden and accidental risks of any nature to the highest degree possible. Other business risks, such as large-scale fires, accidental pollution of the coastal and marine aquarium, which are all beyond the Company's control but may potentially jeopardise the Company's business safety, are the 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 and the American-Iranian conflict in the Middle East, 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 he current market circumstances of doing business by adjusting its marketing and sales activities in all Company sectors, (II) operational resilience – based on the ability to adjust operational business processes to the current circumstances whilst maintaining maximum service and amenity quality and minimising possible negative effects, and (III) financial resilience – based on the Company's ability to maintain financial stability of the business system by maintaining liquidity, assets and business activity through the realisation of revenue ensuring the Company's business stability until key global and macroeconomic uncertainty factors end.

Information system security with a particular focus on cybersecurity

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



3 BUSINESS CAPACITIES OF THE COMPANY AND ADDITIONAL FACILITIES

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

3.1 HOTEL SECTOR

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

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

Within the Ilirija Resort there is a conference centre consisting of 8 halls, with a total capacity for 30 to 250 people, and there is also a luxurious garden with terraces ideal for banquets, receptions and entertainment, as well as outdoor swimming pools, a beach, and as of May 2018, an indoor pool.

ILIRIJA RESORT – HOTEL & VILLAS

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

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

The three-star **Adriatic Hotel** has a capacity of 100 rooms and 210 beds, a restaurant with a capacity of 230 people, a terrace with a capacity of 300 people and a bar with a capacity of 110 people. It is located in a pine forest, almost on the beach, and right next to it there is the Aquatic Centre, ideal for family fun and for a number attractive summer sea activities.

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

3.2 NAUTICAL SECTOR

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

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

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

In 2019, it was awarded recognition as part of the "XXIII Tourism Flower – Quality for Croatia" competition, by the Croatian Chamber of Commerce and Croatian Radiotelevision, it ranked 2rd in the category of large marinas. The Jutarnji list Nautical Patrol awarded Marina Kornati a special recognition for its outstanding contribution to the organization and success of the nautical patrol, while in 2021 it recognised the marina for its outstanding contribution to the development of nautical tourism during the COVID-19 pandemic. In 2023, the Company won the Zadar County Tourist Board annual award "For its contribution to nautical tourism and for having been organising the Biograd Boat Show for 25 years".

Ilirija d.d. is also the organiser of the leading nautical fair in Croatia, "BIOGRAD BOAT SHOW", which has been continuously held in Marina Kornati for 27 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 2025 amounted to approximately EUR 32.64 million and owing to these investments the number of overnight stays increased from 4,556 in 1996 to 334,242 in 2025. 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 42,43 million.

3.4 ILIRIJA TRAVEL

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

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

Arsenal is a zero-category monument and multimedia centre located in Zadar, built in the 17th century and revitalized in 2005 as an indoor city square, or as the centre of public, cultural and entertainment life of the region, where over 100 public and private events are organized every year.

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

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

3.5 HOSPITALITY

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

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

3.6 ADDITIONAL FACILITIES

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

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

The fairs of former members of the Federation were mainly organized in major world centres, and the fact that the Biograd Boat Show is organized in a town of only 5,000 residents makes this success even greater and represents a great acknowledgement not only to the Company as the organizer, but also to Croatian nautical industry and tourism. Today the leading international autumn nautical fair has established itself as the biggest Croatian nautical event and in the last three years it has grown into a nautical industry congress in the Republic of Croatia.

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

In 2025, the fair (which marked its twenty-seventh anniversary) was attended by over 400 registered exhibitors, with 500 vessels at sea and on land and more than 50 premier vessels presented on an expanded exhibition area at sea and on land, while over 150 registered charter companies, agencies and brokers actively participated in the charter fair with over 500 accredited participants from more than 40 countries.

Sports facilities:

Located in the pine forest Soline near the old town centre, the **Ilirija Tennis Centre** covers a surface area of 48,000 m^2 and consists of 20 tennis courts and multi-purpose courts (14 ground and 6 artificial grass courts) with night lighting, a restaurant facility, locker rooms and associated facilities.

City Galleria
Ilirija d.d
CineStar
CINEMAS
telemach
GYM & YOU
PEPCO
SPAR

3.7 CITY GALLERIA BUSINESS AND SHOPPING CENTRE

City Galleria Business and Shopping Centre is located in a heavily residential area in the immediate centre of Zadar. It is one of the two largest shopping centres in town and the wider Zadar region, completed and opened to the public in October 2008, with a total gross surface area of more than 28,500 m^2 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^2, 9,443.62 m^2 of net rentable area, as well as ancillary rooms and corridors. As at 30 June 2026, the occupancy of the centre amounted to 99.76% of total capacities.

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

The unique features of the City Galleria Business and Shopping Centre were recognised on the international level during the 2010 International Property Award, a prestigious competition in the real estate business, on which occasion the City Galleria Business and Shopping Centre Zadar received the prestigious five-star award in the Best Retail Development category.

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

4 KEY PHYSICAL PERFORMANCE INDICATORS OF THE COMPANY

The first half of the business year was marked, at the national level, by stagnating demand for accommodation capacities in Croatian tourist destinations from key outbound markets of Croatian tourism. Stagnating tourist traffic at the national level was especially prominent in June, when cumulative physical performance indicators showed a downturn, that is, arrivals decreased by 7% and overnight stays by 6%. This was caused by unfavourable geopolitical and macroeconomic circumstances which led to disruptions on our key tourism markets, which also reflected on the Company's business operations, especially in the hotel and camping sectors. The Company sectors with year-round business activity (nautical, DMC Ilirija Travel and real-estate sectors) recorded growth in business activities, which significantly contributed to the increase in revenue at the Company level.

The nautical sector, i.e. Marina Kornati, generated the best performance result to date for the first half of the business year, as a result of growth in key physical and financial performance indicators, thus maintaining continued business growth from the first quarter of the business year. In the contracted berth segment, a key physical performance indicator of Marina Kornati, 723 berth use contracts were concluded, of which 379 for individual vessels and 344 for charter vessels, compared to 721 vessels in the same period of the previous year. Furthermore, other physical performance indicators relating to vessel accommodation also recorded growth. A total of 832 transit vessel arrivals were realised, recording an increase of 14% compared to the 728 arrivals realised in the same period of the previous year. Also in the transit segment, 3,341 overnight stays of vessels were realised, recording an increase of 45% compared to the 2,302 overnight stays realised in the same period of the previous year. In the port service segment, 2,073 activities were realised, representing a 2% increase compared to 2,037 activities realised in the same period of 2025. The growth in key physical performance indicators resulted in revenue generated in the amount of EUR 5,441,814.00, a 9% increase compared to EUR 5,010,589.00 in revenue recorded in the first half of 2025.

The hotel sector recorded a smaller volume of business activities in the first half of the business year, with 16,398 arrivals and 39,740 overnight stays, representing a 9% and 8% decrease, respectively, compared to the same period in the previous year, as a result of lower demand in the second quarter of the business year (April – June). The decrease in physical performance indicators was also reflected in revenue, which was generated in the amount of EUR 3,073,388.68, including revenue generated by selected profit centres, representing a 5% decrease compared to EUR 3,234,282.16 in revenue generated in the same period of the previous year. The operating revenue generated by the hotel sector had a lower drop rate as a result of maintaining the level of prices per room sold, which at the level of the hotel sector amounted to EUR 149.45 in the first six months of 2026 compared EUR 144.97 in the previous year, representing an increase of 3%. Furthermore, 47 days of occupancy were realised with an occupancy rate of 26.12%, which is an 8% decrease compared to the previous year, when 51 days of occupancy with an occupancy rate of 28.34% were recorded.

The camping sector in the accommodation segment, i.e. the "Park Soline" campsite, recorded 12,327 arrivals and 60,004 overnight stays in the reporting period, representing a 24% decrease in both arrivals and overnight stays compared to the same period of the previous year. The reduction in physical performance indicators is mainly due to campsite business reorganisation as an adjustment to new legislation, as a result of which the Company did not extend contracts concluded with agencies, which in turn resulted in adjustment of physical and financial performance indicators. Moreover, the lower physical and financial turnover is partly also a consequence of a reduction in demand for accommodation capacities in campsites at the national level, especially in June, which was also reflected in the business operations of the Company's camping sector. Further to the above, revenue of the "Park Soline" campsite amounted to EUR 2,895,739.34, representing a 4% decrease compared to the same period of the previous year, when it amounted to EUR 3.021.988,18, with a significantly lower drop rate compared to that of physical performance indicators, due to increased revenue from the lump-sum segment by 9% and from individual guests by 6%.

The destination management company Ilirija Travel realised 134 special programmes and events for a total of 22,184 people, achieving growth in both key physical performance indicators, i.e. a 34% increase in the number of events and a 38% increase in the number of participants. The growth in key physical performance indicators is the result of strong engagement in activities promoting Ilirija's event venues, year-round business activities, especially in the pre-season, and organising events of higher added value, which resulted in revenue generated in the amount of EUR 1,038,250.70, partly generated by other Company profit centres, with a growth rate of 40% compared to the same period in the previous year, when revenue amounted to EUR 740,783.95.

The real-estate sector, i.e. the City Galleria Business and Shopping Centre, generated revenue in the amount of EUR 1,174,631.60, representing a 9% increase compared to the same period of the previous business year, primarily as a result of increased garage revenue, other revenue, revenue from business cooperation based on generated turnover, and revenue from common costs with a high occupancy rate of the centre.

4.1. HOTEL SECTOR

The first half of 2026 was marked by a drop in demand for hotel capacities, especially in May and June. According to Google data, the key indicators for the destination of Biograd na Moru (June 2026 / June 2025), where most of the Company's hotel capacities are located, total interest in Biograd na Moru on Google platforms recorded a decrease of 19.5%, while the City of Zadar and the wider Zadar region recorded a reduction in demand by 22.5%. The total search volume amounted to 80,000, which shows that demand in June was lower than in the same period of the previous year, as a consequence of a general drop in demand for Croatia's tourist destinations at the national level, which was especially prominent in June. Furthermore, the reduction in demand resulted in a decrease in physical and financial performance results of the hotel sector.

During the reporting period, the physical performance indicators recorded a decrease in arrivals by 9%, and in overnight stays by 8%. 16,398 arrivals and 39,740 overnight stays were recorded, compared to 18,040 arrivals and 43,312 overnight stays in the same period of 2025. The decrease in physical performance results resulted in a decrease in revenue, albeit at a significantly lower rate than the decrease in physical performance indicators. The total revenue of the hotel sector, including the revenue generated by profit centres within the hotel sector, amounted to EUR 3,073,388.68, a 5% decrease compared to the same period in the previous year when it amounted to EUR 3,234,282.16.

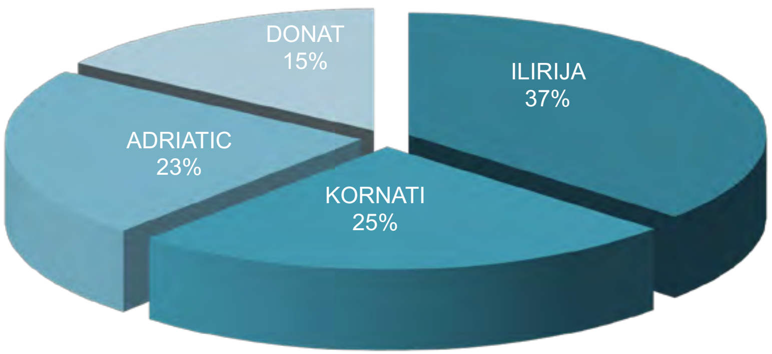
In the structure of overnight stays in the first half of 2026, domestic guests remained a predominant group within the guest structure (I) Croatia, which accounted for 24.4% of overnight stays, with an increase of 6%. The other dominant markets are: (II) Austria with a share of 12.48% and a decrease of 29%, (III) Slovenia with a share of 8.9% and an increase of 15%, (IV) Germany with a share of 6.9% and a decrease of 2%, (V) South Korea with a share of 5.9% and a decrease of 5%, followed by other outbound markets in Western and Central Europe, which maintained growth compared to the first half of the previous year.

The occupancy and facility utilisation days have decreased in the first six months of 2026 compared to the same period of the previous business year. As a result of a late opening of hotels, a decrease is recorded in the number of days of availability, that is, hotel occupancy on the basis of days of availability was recorded at 47 days compared to 51 days in the first half of 2025, while the average number of days of stay was recorded at 2.42 days and has remained the same compared to the same period in the previous year. In line with the above, the average occupancy rate of all four hotels was 26.12%, while in the same period of the previous year it was recorded at 28.34%.

Hotel sector capacities

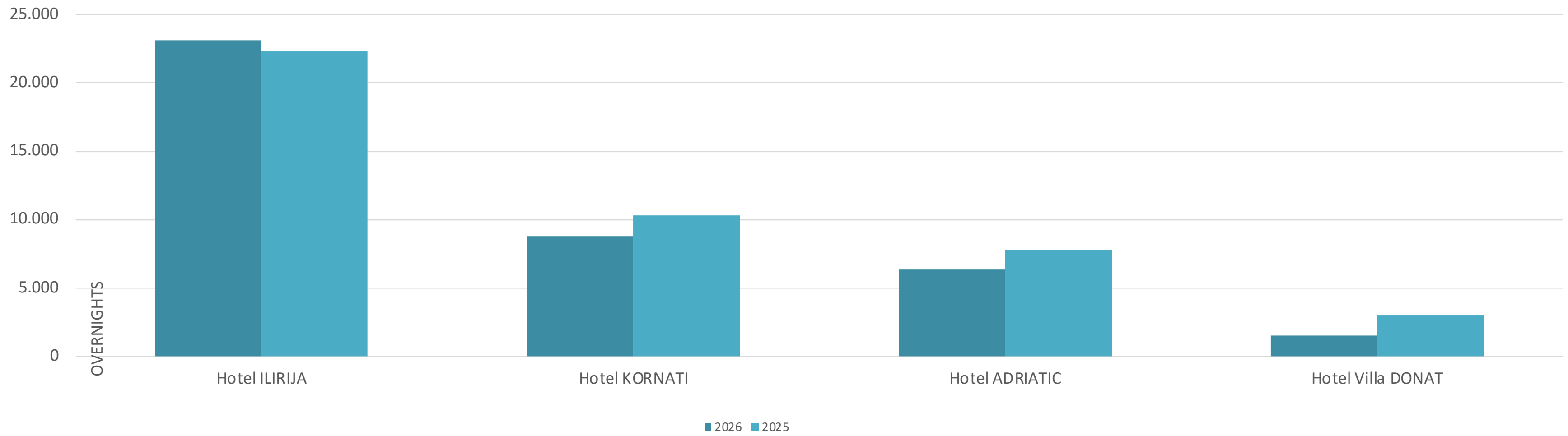
ILIRIJA D.D.	NUMBER OF ROOMS			NUMBER OF BEDS		
	2026	2025	INDEX 2026/2025	2026	2025	INDEX 2026/2025
ILIRIJA	157	157	1,00	326	326	1,00
KORNATI	106	106	1,00	230	230	1,00
ADRIATIC	100	100	1,00	210	210	1,00
DONAT	72	72	1,00	144	144	1,00
TOTAL	435	435	1,00	910	910	1,00

% Share of individual hotel (number of beds)

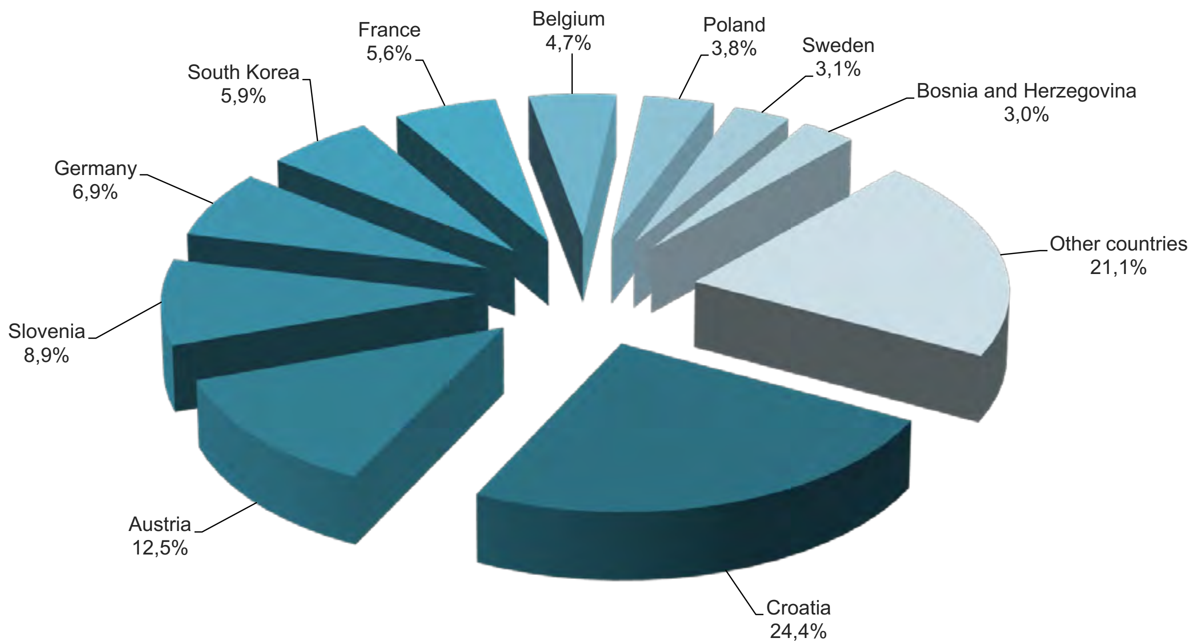


Overview and comparison of realised arrivals and overnight stays for the period 01/01-30/06/2026 with the same period in 2025

	HOTEL SECTOR					
PROFIT CENTER	ARRIVALS		INDEX	OVERNIGHT STAYS		INDEX
	2026	2025	2026/2025	2026	2025	2026/2025
Hotel ILIRIJA	9.681	10.102	96	23.120	22.323	104
Hotel KORNATI	4.214	4.836	87	8.791	10.281	86
Hotel ADRIATIC	1.955	2.371	82	6.325	7.730	82
Hotel Villa DONAT	548	731	75	1.504	2.978	51
TOTAL	16.398	18.040	91	39.740	43.312	92



Realised overnight stays by outbound markets for the period from 01/01/2026 to 30/06/2026



Occupancy rate for the period from 01/01/2026 to 30/06/2026 and a comparison with the same period in 2025

Percentage share

MONTH	ILIRIJA						KORNATI						ADRIATIC						DONAT						GRAND TOTAL					
	Room total	2026	%	Room total	2025	%	Room total	2026	%	Room total	2025	%	Room total	2026	%	Room total	2025	%	Room total	2026	%	Room total	2025	%	Room total	2026	%	Room total	2025	%
JANUARY (I)	4.867	861	17,69%	4.867	573	11,77%	3.286	124	3,77%	3.286	105	3,20%	3.100	83	2,68%	3.100	47	1,52%	2.232	0	0,00%	2.232	0	0,00%	13.485	1.068	7,92%	13.485	725	5,38%
FEBRUARY (II)	4.396	845	19,22%	4.396	849	19,31%	2.968	3	0,10%	2.968	0	0,00%	2.800	0	0,00%	2.800	0	0,00%	2.016	0	0,00%	2.016	0	0,00%	12.180	848	6,96%	12.180	849	6,97%
MARCH (III)	4.867	963	19,79%	4.867	1.072	22,03%	3.286	0	0,00%	3.286	0	0,00%	3.100	0	0,00%	3.100	0	0,00%	2.232	0	0,00%	2.232	0	0,00%	13.485	963	7,14%	13.485	1.072	7,95%
APRIL (IV)	4.710	2.804	59,53%	4.710	2.915	61,89%	3.180	754	23,71%	3.180	1.000	31,45%	3.000	121	4,03%	3.000	99	3,30%	2.160	0	0,00%	2.160	0	0,00%	13.050	3.679	28,19%	13.050	4.014	30,76%
MAY (V)	4.867	3.086	63,41%	4.867	3.348	68,79%	3.286	1.822	55,45%	3.286	2.205	67,10%	3.100	1.270	40,97%	3.100	1.562	50,39%	2.232	0	0,00%	2.232	128	5,73%	13.485	6.178	45,81%	13.485	7.243	53,71%
JUNE (VI)	4.710	3.405	72,29%	4.710	3.029	64,31%	3.180	1.974	62,08%	3.180	2.061	64,81%	3.000	1.799	59,97%	3.000	2.133	71,10%	2.160	651	30,14%	2.160	1.184	54,81%	13.050	7.829	59,99%	13.050	8.407	64,42%
TOTAL	28.417	11.964	42,10%	28.417	11.786	41,48%	19.186	4.677	24,38%	19.186	5.371	27,99%	18.100	3.273	18,08%	18.100	3.841	21,22%	13.032	651	5,00%	13.032	1.312	10,07%	78.735	20.565	26,12%	78.735	22.310	28,34%

Occupancy days

MONTH	ILIRIJA						KORNATI						ADRIATIC						DONAT						GRAND TOTAL					
	Room total	2026	Days in 2026	Room total	2025	Days in 2025	Room total	2026	Days in 2026	Room total	2025	Days in 2025	Room total	2026	Days in 2026	Room total	2025	Days in 2025	Room total	2026	Days in 2026	Room total	2025	Days in 2025	Room total	2026	Days in 2026	Room total	2025	Days in 2025
JANUARY (I)	4.867	861	5	4.867	573	4	3.286	124	1	3.286	105	1	3.100	83	1	3.100	47	0	2.232	0	0	2.232	0	0	13.485	1.068	2	13.485	725	2
FEBRUARY (II)	4.396	845	5	4.396	849	5	2.968	3	0	2.968	0	0	2.800	0	0	2.800	0	0	2.016	0	0	2.016	0	0	12.180	848	2	12.180	849	2
MARCH (III)	4.867	963	6	4.867	1.072	7	3.286	0	0	3.286	0	0	3.100	0	0	3.100	0	0	2.232	0	0	2.232	0	0	13.485	963	2	13.485	1.072	2
APRIL (IV)	4.710	2.804	18	4.710	2.915	19	3.180	754	7	3.180	1.000	9	3.000	121	1	3.000	99	1	2.160	0	0	2.160	0	0	13.050	3.679	8	13.050	4.014	9
MAY (V)	4.867	3.086	20	4.867	3.348	21	3.286	1.822	17	3.286	2.205	21	3.100	1.270	13	3.100	1.562	16	2.232	0	0	2.232	128	2	13.485	6.178	14	13.485	7.243	17
JUNE (VI)	4.710	3.405	22	4.710	3.029	19	3.180	1.974	19	3.180	2.061	19	3.000	1.799	18	3.000	2.133	21	2.160	651	9	2.160	1.184	16	13.050	7.829	18	13.050	8.407	19
TOTAL	28.417	11.964	76	28.417	11.786	75	19.186	4.677	44	19.186	5.371	51	18.100	3.273	33	18.100	3.841	38	13.032	651	9	13.032	1.312	18	78.735	20.565	47	78.735	22.310	51

Monthly comparison of revenue/overnight stays of the Ilirija Resort Hotel from 01/01/ to 30/06/2026 and comparison with the same period in 2025

	HOTELS - GRAND TOTAL					
	GENERATED REVENUE			REVENUE FROM PROVIDED BOARDING SERVICES		
MONTH	2026	2025	INDEX 2026/2025	2026	2025	INDEX 2026/2025
JANUARY	193.097,65	227.648,78	84,82	180.608,77	211.472,15	85,41
FEBRUARY	110.566,61	111.983,22	98,73	87.467,65	85.931,53	101,79
MARCH	138.238,37	148.961,47	92,80	111.627,60	114.138,25	97,80
APRIL	436.762,51	432.449,16	101,00	346.365,77	380.562,18	91,01
MAY	761.514,22	814.548,19	93,49	673.956,38	727.255,46	92,67
JUNE	1.229.474,02	1.346.844,21	91,29	1.001.549,66	1.103.703,29	90,74
JULY	0,00	2.100.284,65	0,00	0,00	1.901.940,37	0,00
AUGUST	0,00	2.570.061,22	0,00	0,00	2.354.469,88	0,00
SEPTEMBER	0,00	1.479.821,59	0,00	0,00	1.265.894,22	0,00
OCTOBER	0,00	605.922,08	0,00	0,00	530.222,99	0,00
NOVEMBER	0,00	185.056,72	0,00	0,00	127.200,33	0,00
DECEMBER	0,00	124.398,73	0,00	0,00	62.748,99	0,00
TOTAL	2.869.653,38	10.147.980,02	28,28	2.401.576	8.865.540	27,09
30/06/	2.869.653,38	3.082.435,03	93,10	2.401.576	2.644.860	90,80

Total revenue per sold room in hotels 30/06/2026	139,54 €
Total revenue per sold room in hotels 30/06/2025	138,16 €
Total revenue per room sold for the boarding services, hotels 30/06/2026	116,78 €
Total revenue per room sold for the boarding services, hotels 30/06/2025	118,55 €
Total revenue per room sold, hotel industry - 2026:	149,45 €
Total revenue per room sold, hotel industry - 2025:	144,97 €

	HOTELS - GRAND TOTAL																	
	OVERNIGHTS			ROOMS			AVERAGE OVERNIGHT RATE IN EURO			Average revenue from boarding services per night			Total average revenue per room sold (NetRevPAR)			Average revenue from boarding services per room sold (ADR incl. Board)		
MONTH	2026	2025	INDEX 2026/2025	2026	2025	INDEX 2026/2025	2026	2025	INDEX 2026/2025	2026	2025	INDEX 2026/2025	2026	2025	INDEX 2026/2025	2026	2025	INDEX 2026/2025
JANUARY	1.866	1.222	152,70	1.068	725	147,31	103,48	186,29	55,55	96,79	173,05	55,93	180,80	314,00	57,58	169,11	291,69	57,98
FEBRUARY	1.553	1.649	94,18	848	849	99,88	71,20	67,91	104,84	56,32	52,11	108,08	130,39	131,90	98,85	103,15	101,21	101,91
MARCH	1.825	1.916	95,25	963	1.072	89,83	75,75	77,75	97,43	61,17	59,57	102,68	143,55	138,96	103,31	115,92	106,47	108,87
APRIL	6.850	7.469	91,71	3.679	4.014	91,65	63,76	57,90	110,12	50,56	50,95	99,24	118,72	107,74	110,19	94,15	94,81	99,30
MAY	11.011	12.960	84,96	6.178	7.243	85,30	69,16	62,85	110,04	61,21	56,12	109,07	123,26	112,46	109,61	109,09	100,41	108,65
JUNE	16.635	18.096	91,93	7.829	8.407	93,12	73,91	74,43	99,30	60,21	60,99	98,71	157,04	160,21	98,02	127,93	131,28	97,44
JULY	0	31.774	0,00	0	11.276	0,00	#DIV/0!	66,10	#DIV/0!	#DIV/0!	59,86	#DIV/0!	#DIV/0!	186,26	#DIV/0!	#DIV/0!	168,67	#DIV/0!
AUGUST	0	32.504	0,00	0	12.023	0,00	#DIV/0!	79,07	#DIV/0!	#DIV/0!	72,44	#DIV/0!	#DIV/0!	213,76	#DIV/0!	#DIV/0!	195,83	#DIV/0!
SEPTEMBER	0	17.867	0,00	0	9.569	0,00	#DIV/0!	82,82	#DIV/0!	#DIV/0!	70,85	#DIV/0!	#DIV/0!	154,65	#DIV/0!	#DIV/0!	132,29	#DIV/0!
OCTOBER	0	9.052	0,00	0	5.311	0,00	#DIV/0!	66,94	#DIV/0!	#DIV/0!	58,58	#DIV/0!	#DIV/0!	114,09	#DIV/0!	#DIV/0!	99,83	#DIV/0!
NOVEMBER	0	2.497	0,00	0	1.539	0,00	#DIV/0!	74,11	#DIV/0!	#DIV/0!	50,94	#DIV/0!	#DIV/0!	120,24	#DIV/0!	#DIV/0!	82,65	#DIV/0!
DECEMBER	0	1.799	0,00	0	1.043	0,00	#DIV/0!	69,15	#DIV/0!	#DIV/0!	34,88	#DIV/0!	#DIV/0!	119,27	#DIV/0!	#DIV/0!	60,16	#DIV/0!
TOTAL	39.740	138.805	28,63	20.565	63.071	32,61	72,21	73,11	98,77	60,43	63,87	94,62	139,54	160,90	86,73	116,78	140,56	83,08
30/06/	39.740	43.312	91,75	20.565	22.310	92,18	72,21	71,17	101,46	60,43	61,07	98,96	139,54	138,16	101,00	116,78	118,55	98,51

Beach club Ilirija	2026	2025	
31/12		390.299,66	INDEX 2026/2025
30/06/2026	134.833,08	103.911,75	129,76

Tennis center	2026	2025	
31/12		81.529,99	INDEX 2026/2025
30/06/2026	68.902,22	47.935,38	143,74

Hotels - grand total

TOTAL	2026	2025	
31/12			INDEX 2026/2025
30/06/2026	3.073.388,68	3.234.282,16	95,03

Note: In 2025, a change occurred in the methodology for hotel revenue statements. The aforementioned change consequently also affects the revenue statement of the hotel sector.

REVENUE BY ACTIVITIES

Revenue from hotel services amounted to EUR 2,869,653.38, compared to EUR 3,082,435.03 generated in the same period in 2025, marking a 6.9% decrease.

Other revenue of the hotel sector including the revenue generated from selected profit centres, amounted to EUR 203,735.30 recording a 34% increase compared to the EUR 151,847.13 generated in the same period of the previous year.

In total, revenue of the hotel sector amounted to EUR 3,073,388.68 compared to EUR 3,234,282.16 generated in the same period in 2025, representing a 5% decrease..

4.2 NAUTICAL SECTOR – MARINA KORNATI

In the reporting period, Marina Kornati maintained its continued business growth represented by the growth in key physical and financial indicators, achieving the best performance result to date for the first half of the business year.

Physical performance indicators are structured according to the following service groups:
1 Contracted berth (individual and charter)
2 Transit berth – vessel arrival
3 Transit berth – vessel overnight stays
4 Port service – crane operations

In the reporting period, a total of 723 berth use contracts were concluded, of which 379 for individual vessels and 344 for charter vessels, which is slightly more compared to the same period in 2025 when 721 berth use contracts were concluded.

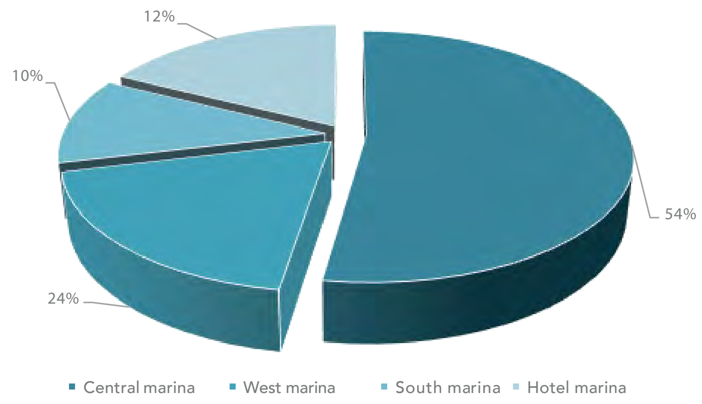
The physical turnover of transit vessels (arrivals) in the first six months amounted to 832 vessels, representing a 14% increase compared to 729 vessels recorded in the same period of the previous year. At the same time, 3,341 overnight stays of vessels were realised, recording an increase of 45% compared to the 2,302 overnight stays realised in the same period in 2025. In the port services segment, 2073 operations were carried out, representing an increase of 2% compared to the same period in 2025, when 2037 port service operations were carried out.

By the end of the first half of 2026, Marina Kornati generated revenue in the amount of EUR 5,441,814.00, which represents a 9% increase compared to the same period of the previous year, when it amounted to EUR 5,010,589.00, as a result of an increase in revenue in the vessel accommodation segment (contracted and daily berth), accompanied by an increase in revenue from port services and other services as a result of a growth in physical turnover and an increase in service prices. The most significant share in revenue was generated in the contracted berth segment, which amounted to EUR 4,413,892 in the observed period, or 81% of the Company's total revenue. The port services segment generated revenue in the amount of EUR 356,586.00, recording a 15% increase compared to EUR 310,298.00 in revenue generated in the same period of 2025. Furthermore, transit berth revenue amounted to EUR 186,624.00, recording a 16% increase compared to EUR 160,846.00 in revenue generated in the same period of 2025, while parking revenue amounted to EUR 144,010.00. Other revenue amounted to EUR 113,820 recording a 66% increase compared to EUR 68,432.00 generated in the same period of 2025 as a result of an increase in fees for the use of various services of the marina.

Marina Kornati capacities

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

% Share of individual marina (number of berths)



Cumulative overview of physical turnover of the Marina Kornati for the period 01/01-30/06/2026 and comparison with the same period in 2025

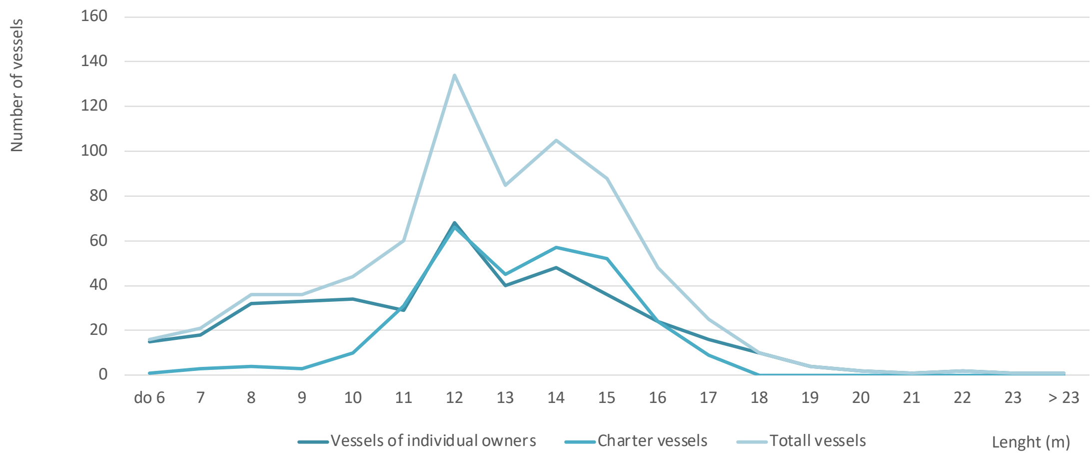
		2026 by month											
Name of position	Measurment unit	1	2	3	4	5	6	7	8	9	10	11	12
Contract-based berth-individual	Contracted vessel	101	241	279	337	360	379						
Contract-based berth-charter	Contracted vessel	2	2	27	332	342	344						
TOTAL Contract-based berth	Contracted vessel	103	243	306	669	702	723						
Transit berth-sailing in port	Sailing in port	3	21	51	251	484	832						
Transit berth-overnight stay of vessels	Boat/day	193	464	858	1.664	2.431	3.341						
Transit berth-overnight stay of vessel crew	Overnight stay of a person												
Port service	Operation	149	387	672	1.108	1.559	2.073						

		2025 by month											
Name of position	Measurment unit	1	2	3	4	5	6	7	8	9	10	11	12
Contract-based berth-individual	Contracted vessel	111	241	275	320	355	369						
Contract-based berth-charter	Contracted vessel	3	6	14	337	348	352						
TOTAL Contract-based berth	Contracted vessel	114	247	289	657	703	721						
Transit berth-sailing in port	Sailing in port	2	10	32	109	356	729						
Transit berth-overnight stay of vessels	Boat/day	42	55	225	733	1.427	2.302						
Transit berth-overnight stay of vessel crew	Overnight stay of a person												
Port service	Operation	94	328	637	1.039	1.504	2.037						

Vessels on berth contract for the period 01/01-30/06/2026 and comparison with the same period in 2025

Purpose	Type of berth	Position of berth	01/01-30/06 2026	% Total Vessels	01/01-30/06 2025	% Total Vessels	Index 2026/2025
Vessel of individual owners	Annual berth in the sea	Central aquatorium	260	36	250	35	104
		South aquatorium	34	5	32	4	106
		Western aquatorium	1	0	2	0	50
		Hotel port	29	4	28	4	104
	Annual berth on the land	Marina land	3	0	2	0	150
	Seasonal berth in the sea	Marina aquatorium	16	2	13	2	123
		Hotel port	36	5	42	6	86
	Total individual vessels:		379	52	369	51	103
Charter vessels	Annual berth in the sea	Central aquatorium	122	17	119	17	103
		South aquatorium	0	0	1	0	0
		Western aquatorium	222	31	232	32	96
		Hotel port	0	0	0	0	#DIV/0!
	Total charter vessels:		344	48	352	49	98
	Total vessels		723	100	721	100	100

Vessels at contractual berth from 01/01 – 30/06/2026

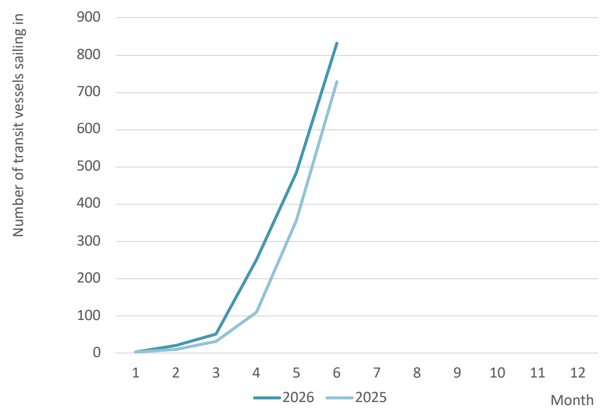


Transit berth – inbound vessels sailing into the port in the period 01/01-30/06/2026 and comparison with the same period in 2025

	Individually monthly			Cumulatively monthly		
2026	2026	2025	INDEX	2026	2025	INDEX
Month			2026/2025			2026/2025
1	3	2	150	3	2	150
2	18	8	225	21	10	210
3	30	22	136	51	32	159
4	200	77	260	251	109	230
5	233	247	94	484	356	136
6	348	372	94	832	728	114
7	0	0		0	0	
8	0	0		0	0	
9	0	0		0	0	
10	0	0		0	0	
11	0	0		0	0	
12	0	0		0	0	

Total	2026	832
Total	2025	728
Index	2026/2025	114

Sailing in of transit vessels by months (cumulatively)

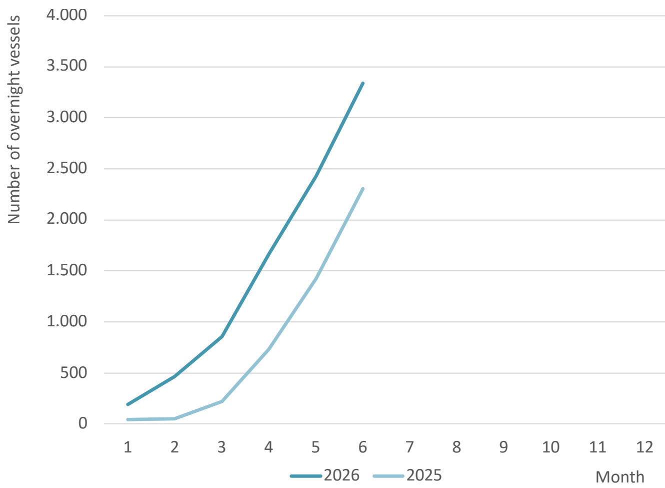


Transit berth – vessel overnight stays in the period 01/01-30/06/2026 and comparison with the same period in 2025

	Individually monthly			Cumulatively monthly		
2026	2026	2025	INDEX	2026	2025	INDEX
Month			2026/2025			2026/2025
1	193	42	460	193	42	460
2	271	13	2.085	464	55	844
3	394	170	232	858	225	381
4	806	508	159	1.664	733	227
5	767	694	111	2.431	1.427	170
6	910	875	104	3.341	2.302	145
7	0	0		0	0	
8	0	0		0	0	
9	0	0		0	0	
10	0	0		0	0	
11	0	0		0	0	
12	0	0		0	0	

Total	2026	3.341
Total	2025	2.302
Index	2026/2025	145

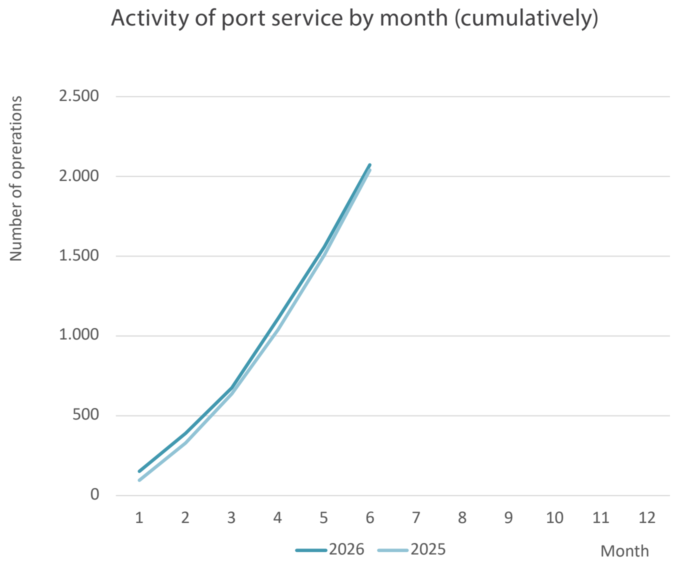
Overnight stay of transit vessel by month (cumulatively)



Activity of port service in the period 01/01-30/06/2026 and comparison with the same period in 2025

	Individually monthly			Cumulatively monthly		
2026	2026	2025	INDEX	2026	2025	INDEX
Month			2026/2025			2026/2025
1	149	94	159	149	94	159
2	238	234	102	387	328	118
3	285	309	92	672	637	105
4	436	402	108	1.108	1.039	107
5	451	465	97	1.559	1.504	104
6	514	533	96	2.073	2.037	102
7	0	0		0	0	
8	0	0		0	0	
9	0	0		0	0	
10	0	0		0	0	
11	0	0		0	0	
12	0	0		0	0	

Total	2026	2.073
Total	2025	2.037
Index	2026/2025	102



Revenue generated by the Marina Kornati for the period 01/01-30/06/2026 individually by months and comparison with the same period in 2025

REVENUES OF MARINA KORNATI 2026 INDIVIDUALLY BY MONTHS (in EUR)																
	Revenue positions	Months 2026												2026	2025	Index
		1	2	3	4	5	6	7	8	9	10	11	12	CUMULAT.	Total	2026/2025
I	Daily berths	7.411	6.150	16.989	45.839	48.091	62.144							186.624	160.846	116
II	Contracted berth with accessories	789.172	1.065.334	235.551	2.062.768	144.900	116.167							4.413.892	4.084.050	108
III	Port service	25.388	42.617	58.647	75.938	81.362	72.634							356.586	310.298	115
IV	Vehicle parking	590	1.153	2.381	19.808	42.291	77.787							144.010	145.062	99
V	Other services	9.533	12.143	53.558	23.951	4.754	9.881							113.820	68.432	166
VI	Business cooperation				224.382									224.382	237.431	95
VII	Boat fair and events						2.500							2.500	4.470	56
	TOTAL :	832.094	1.127.397	367.126	2.452.686	321.398	341.113							5.441.814	5.010.589	109

REVENUES OF MARINA KORNATI 2025 INDIVIDUALLY BY MONTHS (in EUR)														
	Revenue positions	Months 2025												2025
		1	2	3	4	5	6	7	8	9	10	11	12	Cummulat.
I	Daily berths	2.029	2.009	13.699	43.265	46.971	52.873							160.846
II	Contracted berth with acces-sories	815.130	955.387	181.998	1.878.578	157.212	95.745							4.084.050
III	Port service	14.200	37.882	46.786	70.942	74.873	65.615							310.298
IV	Vehicle parking	248	592	2.063	20.214	42.054	79.891							145.062
V	Other services	10.009	9.917	4.085	35.518	2.647	6.256							68.432
VI	Business cooperation				236.681	750								237.431
VII	Boat fair and events						4.470							4.470
	TOTAL :	841.616	1.005.787	248.631	2.285.198	324.507	304.850							5.010.589

Revenue generated by the Marina Kornati for the period 01/01-30/06/2026 cumulatively by months and comparison with the same period in 2025

REVENUES OF MARINA KORNATI 2026 CUMULATIVELY BY MONTHS (in EUR)														
	Revenue positions	Months 2026												% of total
		1	2	3	4	5	6	7	8	9	10	11	12	revenues
I	Daily berths	7.411	13.561	30.550	76.389	124.480	186.624							3
II	Contracted berth with accessories	789.172	1.854.506	2.090.057	4.152.825	4.297.725	4.413.892							81
III	Port service	25.388	68.005	126.652	202.590	283.952	356.586							7
IV	Vehicle parking	590	1.743	4.124	23.932	66.223	144.010							3
V	Other services	9.533	21.676	75.234	99.185	103.939	113.820							2
VI	Business cooperation				224.382	224.382	224.382							4
VII	Boat fair and events						2.500							0
	TOTAL:	832.094	1.959.491	2.326.617	4.779.303	5.100.701	5.441.814							100

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

4.3 CAMPING SECTOR – CAMPSITE "PARK SOLINE"

In the first six months of 2026, the camping sector recorded 12,327 arrivals, which represents 75.68% of arrivals compared to the same period in the previous year. At the same time, 60,004 overnight stays were realised, or 75.76% of overnight stays realised in the first six months of 2025. The average length of stay in the reporting period amounted to 4.87 days, almost the same as in the previous year, when it amounted to 4.86 days.

The decrease in physical turnover is mostly a result of amendments to legislation governing camping tourism operations in the Republic of Croatia (Act on Non-Evaluated Construction Land and Physical Planning Act), as a result of which the Company did not extend its business cooperation agreements in the market segment of fixed lease (agencies), which led to a decrease in physical and financial results, which accounted for a significant share in total arrivals, overnight stays and revenue in the previous years. At the same time, a somewhat lower market demand compared to the same period in the previous year was recorded during the reporting period, as a result of an unfavourable holiday schedule and a generally lower demand in key European outbound markets, which was also reflected in the results of other market segments.

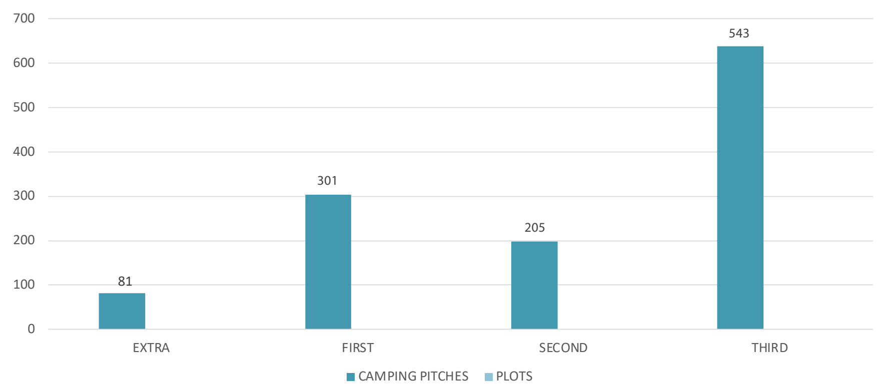
In terms of market segments relating to operations, all segments recorded a high level of realisation compared to the same period in the previous year, despite changed market circumstances and reorganisation of the campsite business model. Compared to the first six months of 2025, the lump sum segment recorded 92.26% of arrivals and 95.00% of overnight stays, individual guests recorded 72.67% of arrivals and 82.90% of overnight stays, and mobile homes recorded 92.62% of arrivals and 91.18% of overnight stays. In the total number of arrivals and overnight stays, the allotment segment was entirely lacking, recording 15% of arrivals and 18% of overnight stays. At the same time, a new market segment was introduced, covering glamping tents with the aim of diversifying and extending the existing offer of the camping sector, whose more substantial realisation is expected in the third quarter of the business year.
The decrease in physical turnover is also reflected in generated operating revenue, but its negative impact has been systematically mitigated and compensated through sound revenue management, pricing policy adjustment and focus on segments with greater added value. In the first six months of 2026, revenue amounting to EUR 2,895,739.34 was generated, representing 96.00% of the revenue generated during the same period of the previous year. When analysing by market segment, lump sum revenue amounted to EUR 2,117,893,57.00, a 9.00% increase compared to the previous year. Revenue from individual guests amounted to EUR 137,466.50, a 6.00% increase compared to the same period of the previous year. Revenue from mobile homes amounted to EUR 500,902.61, and they were at 91% compared to revenue generated in the previous year, while revenue from glamping tents amounted to EUR 10,013.45.

In the structure of realised overnight stays, among the five leading outbound markets is (I) the Slovenian market with a 29.85% share of overnight stays, (II) the Croatian market with a 23.03% share, (III) the Czech market with a 10.37% share, (IV) the German market with an 8.80% share, and (V) the Polish market with a 5.39% share of total overnight stays. In terms of market segments, the lump sum segment prevails in the structure of overnight stays, while mobile homes account for the second largest share in total overnight stays.

A somewhat lower market demand compared to the previous year was recorded during the reporting period, and the achieved results are in line with current trends in the Croatian tourism market, reflecting current market circumstances. However, thanks to efficient revenue management, systematic pricing and timely adjustment of sales activities, the negative impact of lower physical turnover was significantly mitigated, which helped generate high revenue compared to the previous year. Furthermore, the first half of 2026 was marked by the business model consolidation phase after its reorganisation. Operations are aimed at further strengthening of direct sales, sales channel optimisation and increasing shares of market segments generating greater added value in the long term, and we believe that in the third quarter of the business year, when most of tourism turnover is realised, we will compensate for the lower physical and financial turnover realised in the first half of the business year, especially through the segment of mobile homes and individual guests.

Capacities of the camp "Park Soline"

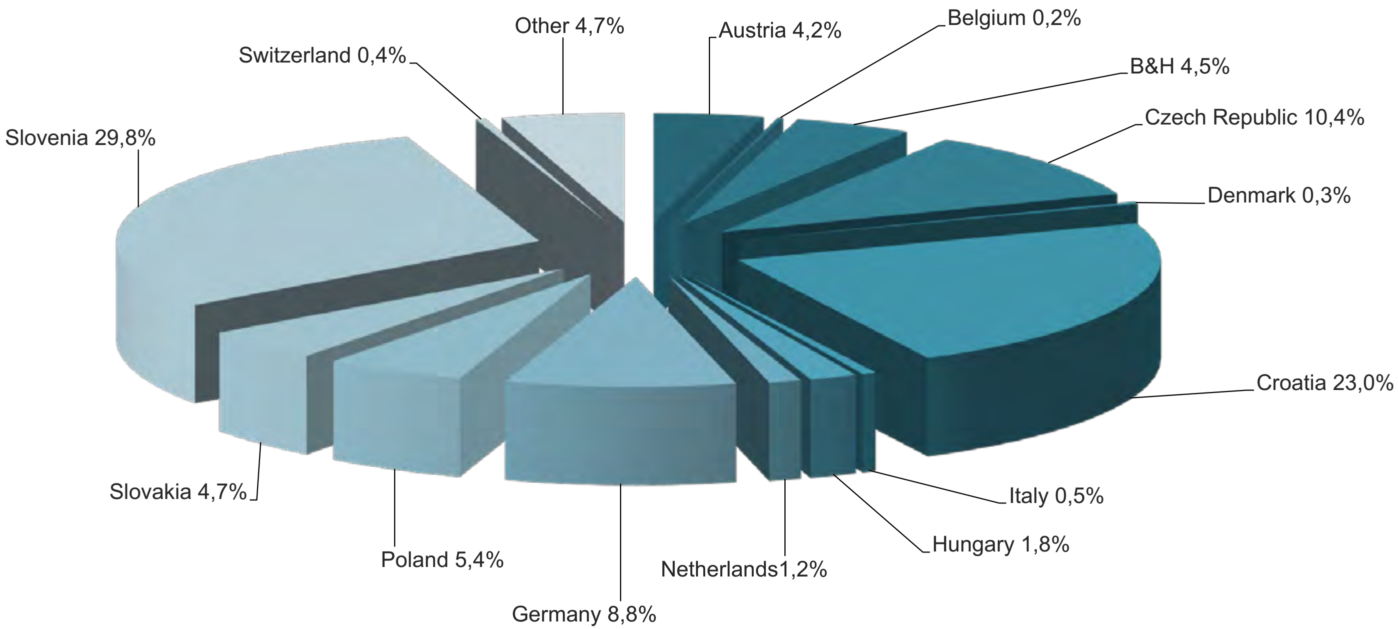
		2023	2024	2025	2026
I	EXTRA ZONE				
	CAMPING PITCHES	81	81	81	81
	CAMPING PLOTS	0	0	0	0
	TOTAL	81	81	81	81
II	FIRST ZONE				
	CAMPING PITCHES	301	301	301	301
	CAMPING PLOTS	0	0	0	0
	TOTAL	301	301	301	301
III	SECOND ZONE				
	CAMPING PITCHES	205	205	205	205
	CAMPING PLOTS	0	0	0	0
	TOTAL	205	205	205	205
IV	THIRD ZONE				
	CAMPING PITCHES	543	543	543	543
	CAMPING PLOTS	0	0	0	0
	TOTAL	543	543	543	543
Σ	GRANDTOTAL				
	CAMPING PITCHES	1130	1130	1130	1130
	CAMPING PLOTS	0	0	0	0
	TOTAL	1130	1130	1130	1130



Arrivals and overnight stays by outbound market and average days of stay for the period 01/01-30/06/2026 and a comparison with the same period in 2025

	2026		2025		INDEX 2026/2025		AVERAGE STAY (DAYS)	
COUNTRY	Arrivals	Overnight stays	Arrivals	Overnight stays	Arrivals	Overnight stays	2025	2024
Austria	509	2.521	717	3.295	70,99	76,51	4,95	4,60
Belgium	19	120	26	56	73,08	214,29	6,32	2,15
B&H	658	2.704	719	2.946	91,52	91,79	4,11	4,10
Czech Rep	1.161	6.224	3.202	17.818	36,26	34,93	5,36	5,56
Denmark	32	154	16	41	200,00	375,61	4,81	2,56
France	7	25	29	116	24,14	21,55	3,57	4,00
Croatia	3.299	13.818	3.387	13.908	97,40	99,35	4,19	4,11
Italy	79	315	90	421	87,78	74,82	3,99	4,68
Hungary	225	1.094	320	1.501	70,31	72,88	4,86	4,69
Netherlands	116	742	125	775	92,80	95,74	6,40	6,20
Germany	855	5.278	1.108	6.707	77,17	78,69	6,17	6,05
Poland	609	3.234	731	4.094	83,31	78,99	5,31	5,60
Slovakia	497	2.832	512	2.473	97,07	114,52	5,70	4,83
Slovenia	3.665	17.910	4.695	21.874	78,06	81,88	4,89	4,66
Switzerland	63	222	68	177	92,65	125,42	3,52	2,60
Other	533	2.811	543	2.997	98,16	93,79	5,27	5,52
TOTAL	12.327	60.004	16.288	79.199	75,68	75,76	4,87	4,86

Realised overnight stays by outbound markets for the period 01/01-30/06/2026



Cumulative overview of daily and monthly occupancy of campsite accommodation units for the period 15/04-30/06/2026

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	4.320	232	5,37%	0,86	8.370	587	7,01%	2,17	8.100	4.174	51,53%	15,46
AGENCIES	0	0	#DIV/0!	#DIV/0!	0	0	#DIV/0!	#DIV/0!	0	0	#DIV/0!	#DIV/0!
LUMP SUM	5.040	5.040	100,00%	16,00	9.765	9.765	100,00%	31,00	9.450	9.450	100,00%	30,00
GLAMPING TENTS	128	0	0,00%	0,00	310	7	2,82%	0,88	300	105	43,75%	13,13
INDIVIDUALS PITCHES STANDARD MARE, COM-FORT AND STANDARD III ZONE	6.960	301	4,32%	0,69	13.485	694	5,15%	1,60	13.050	2.277	17,45%	5,23
INDIVIDUALS CAMPING STANDARD IV ZONE	1.600	20	1,25%	0,20	3.100	33	1,06%	0,33	3.000	142	4,73%	1,42
INDIVIDUALS TOTAL	8.560	321	3,75%	0,60	16.585	727	4,38%	1,36	16.050	2.419	15,07%	4,52
TOTAL	17.920	5.593	31,21%	4,99	35.030	11.086	31,65%	9,81	33.900	16.148	47,63%	14,29

MONTH	TOTAL.				
SEGMENT	NUMBER OF ACCOMMODA-TING UNITS	MAXIMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY
MOBILE HOMES ILIRIJA	270	20.790	4.993	24,02%	18,49
AGENCIES	0	0	0	#DIV/0!	#DIV/0!
LUMP SUM	315	24.255	24.255	100,00%	77,00
GLAMPING TENTS	10	770	112	18,18%	14,00
INDIVIDUALS PITCHES STANDARD MARE, COM-FORT AND STANDARD III ZONE	435	33.495	3.272	9,77%	7,52
INDIVIDUALS CAMPING STANDARD IV ZONE	100	7.700	195	2,53%	1,95
INDIVIDUALS TOTAL	535	41.195	3.467	8,42%	6,48
TOTAL	1130	87.010	32.827	37,73%	29,05

Campsite revenue for the period 01/01-30/06/2026 and a comparison with the same period in 2025

SEGMENT		2025					2026			INDEX	
		GENERATED IN 2025			GENERATED PRIOR 30/06/2025		GENERATED PRIOR 30/06/2026			2026/2025	
		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	103.316	3.911.223,61 €	20.757	552.260,62 €	270	18.926	500.902,61 €	91	91
2	AGENCIES	99	43.388	473.292,04 €	14.501	304.406,20 €	0	0	0,00 €	0	0
3	INDIVIDUALS	446	64.286	1.154.161,92 €	9.981	130.157,61 €	535	8.274	137.466,50 €	83	106
4	GLAMPING TENTS	0	-	0,00 €	-	0,00 €	10	542	10.013,45 €	-	-
5	LUMP SUM	315	123.252	1.975.992,23 €	33.960	1.937.482,50 €	315	32.262	2.117.893,57 €	95	109
6	OTHER SERVICES	-		375.123,24 €		97.681,25 €	0		129.463,21 €	#DIV/0!	133
TOTAL:		1130	334.242	7.889.793,04 €	79.199	3.021.988,18 €	1130	60.004	2.895.739,34 €	76	96

4.4 CITY GALLERIA BUSINESS AND SHOPPING CENTRE

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

As at 30 June 2026, a total of 37 commercial lease agreements were active, i.e. the occupancy rate was 99.76% of the indicated net rentable area of the Centre. By purchasing the commercial premises in the neighbouring Phase 1 of the Zadar Shopping Centre facility, the Company secured an additional 289.96 m^2 of commercial premises for lease, which increased the total rentable area of all commercial spaces owned by ILIRIJA d.d. to 9,733.58 m^2. The commercial premises occupancy rate in Phase 1 for the same period was 100%, and the occupancy rate of all commercial spaces owned by the Company as at 30 June 2026 amounted to 99.77%.

The business results achieved in the first half of 2026 show a stable and continuous growth of key market indicators in that period. Business revenue of the City Galleria Centre generated through lease of commercial premises, common costs, use of common parts of the centre, revenue from business cooperation based on generated turnover, lease of advertising space, garage revenue and lease of Phase 1 commercial premises amounted to EUR 1,140,150.56. Other operating revenue relating to insurance claims amounted to EUR 34,481.04 in the relevant period, which brings the total generated revenue in the reporting period to EUR 1,174,631.60. Total revenue generated in the same period of 2025 amounted to EUR 1,080,390.81, representing an increase of 8.72% in the current business year.

In the category of revenue from the lease of commercial premises in the reporting period in comparison to the same period of 2025, the same result was recorded, while revenue from common costs recorded an increase of 3.83%. The category of revenue from the use of common areas of the Centre increased by 1.25% compared to the results achieved in the previous year. 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 a significant increase of 43.56%. Operating revenue from the lease of business premises in the neighbouring Phase 1 of the Centre in the first half of 2026 also recorded an increase of 4.01% compared to the same period in 2025.

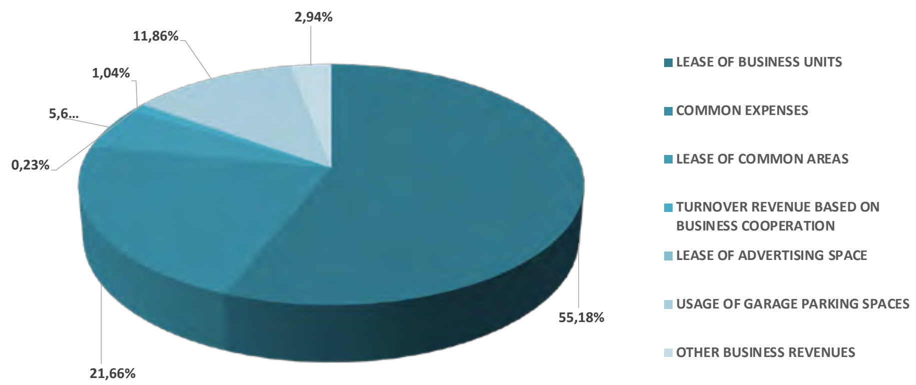
In the first six months of 2026, the number of vehicles using the public underground garage of the centre amounted to 366,297 vehicles, while in the same period in 2025 the number amounted to 365,192 vehicles. This result represents a minimum increase in turnover, with a significantly higher increase in revenue in the reporting period.

Business revenue of the City Galleria Business and Shopping Centre in Zadar for the period 01/01-30/06/2026 and a comparison with the same period in 2025

DESIGNATION	DESCRIPTION	NUMBER OF ACTIVE CONTRACTS	SURFACE AREA (m^2)	REVENUES 01-06/2026	%	REVENUES 01-06/2025	%	INDEX 2026/2025
1	LEASE OF BUSINESS UNITS	37	9443,62*	648.110,80 €	55,18%	648.173,16 €	59,99%	100
2	COMMON EXPENSES	35	6647,03**	254.463,82 €	21,66%	245.077,87 €	22,68%	104
3	LEASE OF COMMON AREAS	25	1.501,50	65.828,06 €	5,60%	65.017,84 €	6,02%	101
4	TURNOVER REVENUE BASED ON BUSINESS COOPERATION	3		12.216,35 €	1,04%	0,00 €	0,00%	
5	LEASE OF ADVERTISING SPACE	8	130,98	2.682,90 €	0,23%	2.682,90 €	0,25%	100
6	USAGE OF GARAGE PARKING SPACES	410***	10.863,50	139.278,65 €	11,86%	97.015,04 €	8,98%	144
7	PHASE 1 - LEASE OF BUSINESS UNITS	6	289,96	17.569,98 €	1,50%	16.892,01 €	1,56%	104
REVENUE:				1.140.150,56 €	97,06%	1.074.858,82 €	99,49%	106
8	OTHER BUSINESS REVENUES			34.481,04 €	2,94%	5.531,99 €	0,51%	623
TOTAL REVENUE:				1.174.631,60 €	100,00%	1.080.390,81 €	100,00%	109

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

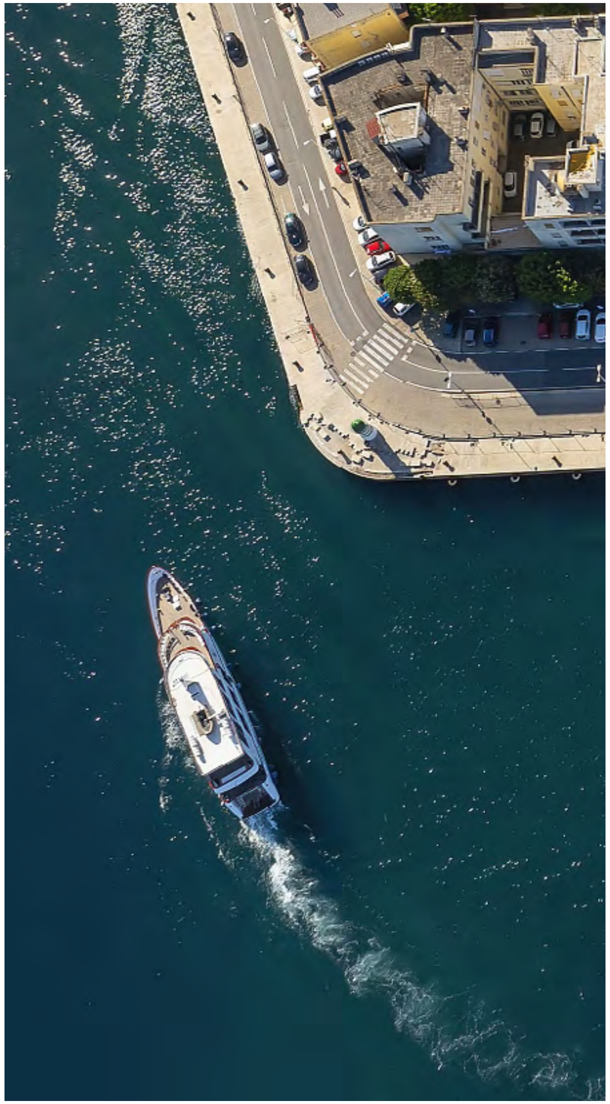
OPERATING REVENUES 01-06/2026



4.5 ILIRIJA TRAVEL

Ilirija Travel, as a destination management company, continued its growth in the first half of 2026. 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 of organised event groups, increased the number of events and attendees as well as revenue. Total revenue of EUR 1,038,250.70 increased by 40.16% compared to EUR 740,783.95 from the same period of the previous year, were realised across other Company’s profit centres as well.

After last year's 100 events with 16,104 participants, this year, 134 events were attended by 22,184 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. The multi-purpose facility Arsenal in Zadar also recorded an exceptional growth, achieving the revenue of EUR 583,300.22 compared to EUR 487,446.11 in the same period last year, marking an 19.6% revenue increase.



Realised events in the period 01/01-30/06/2026 and comparison with the same period in 2025

	Number of events 2026	Number of events 2025	INDEX 2026/2025	Number of guests 2026	Number of guests 2025	INDEX 2026/2025	Total REVENUE 2026	Total REVENUE 2025	INDEX 2026/2025
TOTAL	**134**	**100**	**134,00**	**22184**	**16104**	**137,75**	**1.038.250,70 EUR**	**740.783,95 EUR**	**140,16**

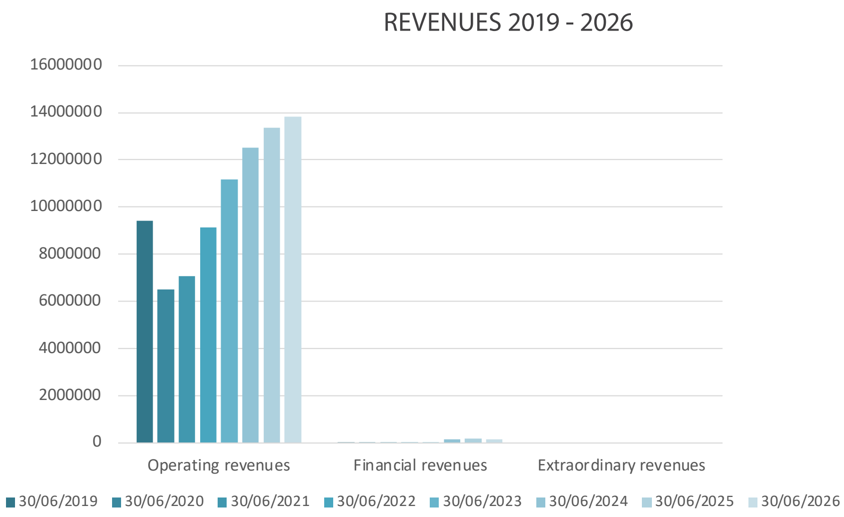
5 FINANCIAL RESULTS AT COMPANY LEVEL

5.1 FINANCIAL RESULTS OF THE COMPANY

Overview of financial performance for the period 01/01-30/06/2026 and a comparison with the same period from 2019 to 2025

(EUR)

DESCRIPTION	30/06/2019	30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024	30/06/2025	30/06/2026	Index 2026/2025
Operating revenues	9.401.292,09	6.516.978,68	7.077.234,71	9.136.644,70	11.158.471,57	12.506.765,55	13.367.346,34	13.818.215,78	103,37
Financial revenues	3.547,69	3.144,47	1.236,21	2.286,50	115,68	161.863,37	178.100,15	136.245,15	76,50
Extraordinary revenues	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	#DIV/0!
TOTAL REVENUES	9.404.839,77	6.520.123,15	7.078.470,92	9.138.931,19	11.158.587,25	12.668.628,92	13.545.446,49	13.954.460,93	103,02
Operating expenses	6.239.738,16	4.414.140,33	4.254.867,96	6.153.827,30	8.316.604,93	9.248.744,21	9.775.599,28	9.637.236,35	98,58
Financial expenses	275.284,33	223.270,22	222.978,10	210.796,07	246.770,44	242.724,57	214.244,91	188.751,94	88,10
Extraordinary expenses	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	#DIV/0!
Amortisation	849.219,99	939.108,34	1.037.999,26	1.279.789,88	1.482.024,11	1.619.642,70	1.612.204,20	1.635.542,40	101,45
TOTAL EXPENSES	7.364.242,48	5.576.518,90	5.515.845,32	7.644.413,25	10.045.399,48	11.111.111,48	11.602.048,39	11.461.530,69	98,79
PROFIT/LOSS	2.040.597,30	943.604,25	1.562.625,60	1.494.517,94	1.113.187,77	1.557.517,44	1.943.398,10	2.492.930,24	128,28
OPERATING PROFIT/LOSS	3.161.553,92	2.102.838,35	2.822.366,75	2.982.817,39	2.841.866,64	3.258.021,34	3.591.747,06	4.180.979,43	116,41
EBITDA	3.165.101,61	2.105.982,82	2.823.602,96	2.985.103,89	2.841.982,32	3.419.884,71	3.769.847,21	4.317.224,58	114,52


REVENUES 2019 - 2026
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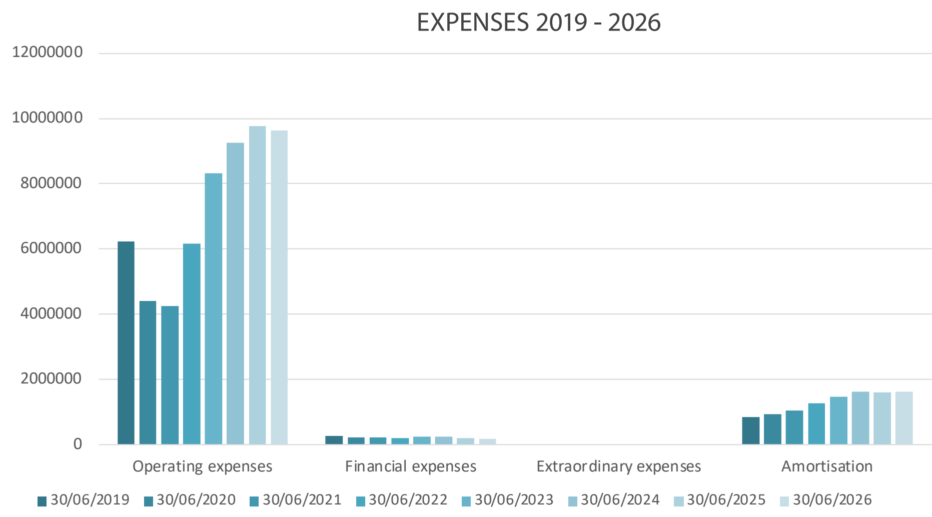
Operating revenues
Financial revenues
Extraordinary revenues
30/06/2019 30/06/2020 30/06/2021 30/06/2022 30/06/2023 30/06/2024 30/06/2025 30/06/2026


EXPENSES 2019 - 2026
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6000000
4000000
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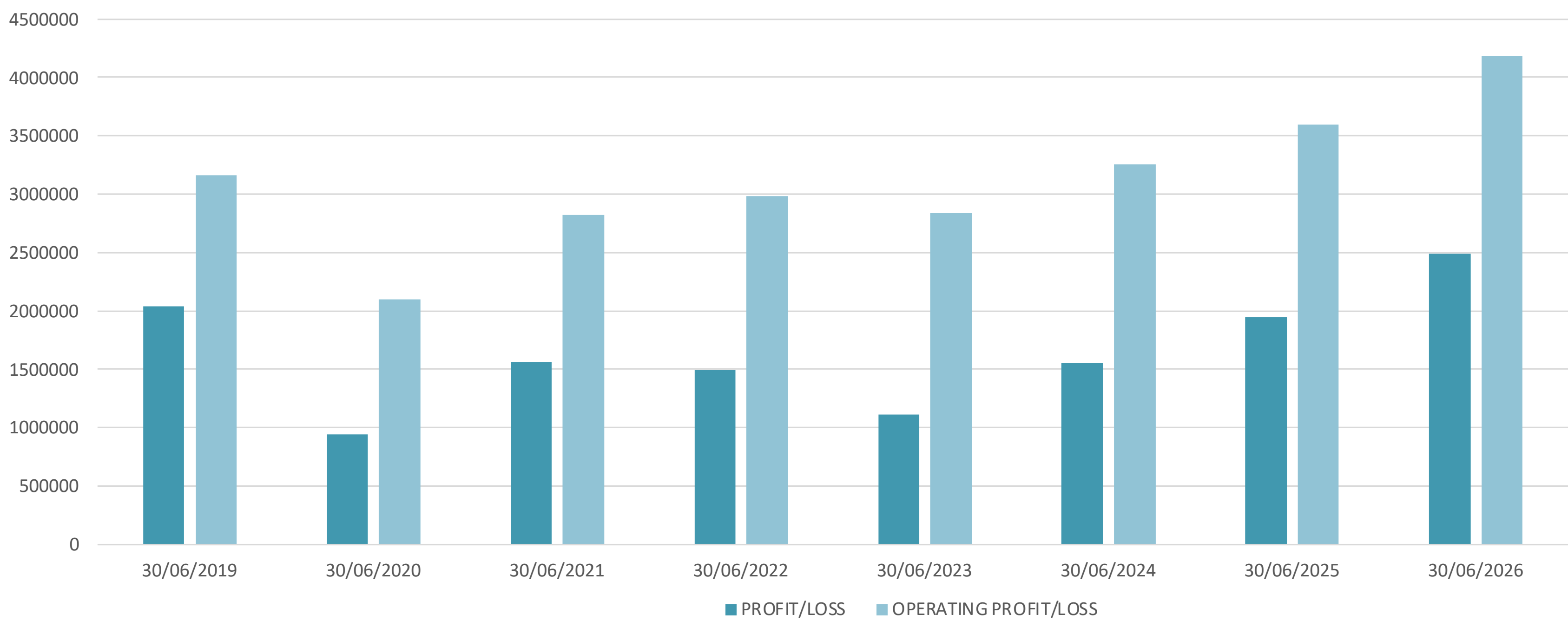
Operating expenses
Financial expenses
Extraordinary expenses
Amortisation
30/06/2019 30/06/2020 30/06/2021 30/06/2022 30/06/2023 30/06/2024 30/06/2025 30/06/2026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30/06/2019 30/06/2020 30/06/2021 30/06/2022 30/06/2023 30/06/2024 30/06/2025 30/06/2026
PROFIT/LOSS OPERATING PROFIT/LOSS

1

Total revenue for the first half of 2026 amounted to EUR 13,954,460.93, with a growth rate of 3.02% compared to the same period of 2025, when they amounted to EUR 13,545,446.49, as a result of an increase in operating revenue.

Operating revenue for the reporting period amounted to EUR 13,818,215.78 and, compared to the same period of the previous year of 2025, when it amounted to EUR 13,367,346.34, it has increased by 3.37% due to an increase in revenue from sales and other revenue.

Revenue from sales amounted to EUR 13,666,577.13, representing an increase of 2.83% compared to the same period of the previous business year when it amounted to EUR 13,290,153.36, due to a 5% increase in the domestic market. Revenue from sales represented 98.90% of operating revenue and 97.94% of total revenue.

2

Total expenses amounted to EUR 11,461,530.69 and, compared to the same period of 2025, when they amounted to EUR 11,602,048.39, a decrease of 1.21% was recorded due to a decrease in operating and financial expenses.

Operating expenses amounted to EUR 9,637,236.35 in the reporting period, representing a 1.42% decrease compared to the first half of the previous year, when they amounted to EUR 9,775,599.28, as a result of optimisation of operating costs, specifically other costs, costs of raw materials, materials and energy, and a slight increase in salary costs.

3

Operating profit from business activities amounted to EUR 4,180,979.43, and showed a 16.41% increase compared to the same period in 2025, when it amounted to EUR 3,591,747.06.

Profit in the reporting period amounted to EUR 2,492,930.24, increasing by 28.28% compared to the same period of 2025, when it amounted to EUR 1,943,398.10.

EBITDA, i.e. earnings before depreciation, interest and taxes, was generated in the amount of EUR 4,317,224.58, and showed a 14.52% increase compared to the same period of 2025, when it amounted to EUR 3,769,847.21.

EBIT, i.e. earnings before financing expenses, was realised in the amount of EUR 2,681,682.18, recording an increase of 24.29 % compared to the same period of 2025, when it amounted to EUR 2,157,643.01.

In the reporting period, the Company recorded growth in key financial performance indicators (revenue, profitability and financial position indicators), which resulted in the best performance results to date for the first half of the business year. The increase in total and operating revenue was also followed by a strong double-digit growth in operating profitability in all key indicators (operating profit, profit, EBITDA and EBIT), which were the best to date. Growth in profitability was the result of revenue increase and timely planning and maximum optimisation of operating expenses, both total and operating, with a decrease in expenses compared to the same period of the previous year, which led to a significant growth in profitability in all key indicators. Furthermore, in terms of financial position indicators, for the first time in the first half of the business year net financial assets were achieved, that is, the Company recorded no net debt, while recording capital growth and reduction of total liabilities. Taking into account the circumstances of the business year, large-scale geopolitical instability, rise in inflation, global economic slowdown and slowdown in tourist demand on key outbound markets for Croatian tourism, the Company considers the achieved business results to be successful.

Financial statements of the Company as at 30/06/2026 and a comparison with the same period in 2024 and 2025

(EUR)

REVENUES	2024	2025	INDEX 2025/2024	2026	INDEX 2026/2025
Revenue on the domestic market	11.883.334,41	11.659.219,46	98	12.227.376,54	105
Revenues on foreign market	478.516,84	1.653.333,90	346	1.451.400,59	88
Other operating revenues	144.914,30	54.792,98	38	139.438,65	254
OPERATING REVENUES	12.506.765,55	13.367.346,34	107	13.818.215,78	103
FINANCIAL REVENUES	161.863,37	178.100,15	110	136.245,15	76
EXTRAORDINARY REVENUES	0,00	0,00	#DIV/0!	0,00	#DIV/0!
TOTAL REVENUES	12.668.628,92	13.545.446,49	107	13.954.460,93	103
EXPENSES					
Raw material and material costs	1.597.736,07	1.685.768,45	106	1.588.443,22	94
Costs of services	2.001.910,35	1.799.139,89	90	1.948.522,04	108
Gross pays	4.014.970,22	4.479.926,56	112	4.535.169,08	101
Other expenses	1.634.127,57	1.810.764,38	111	1.565.102,01	86
TOTAL EXPENSES	9.248.744,21	9.775.599,28	106	9.637.236,35	99
AMORTISATION	1.619.642,70	1.612.204,20	100	1.635.542,40	101
FINANCIAL EXPENSES	242.724,57	214.244,91	88	188.751,94	88
EXTRAORDINARY EXPENSES	0,00	0,00	#DIV/0!	0,00	#DIV/0!
TOTAL EXPENSES	11.111.111,48	11.602.048,39	104	11.461.530,69	99
PROFIT/LOSS	1.557.517,44	1.943.398,10	125	2.492.930,24	128
OPERATING PROFIT/LOSS	3.258.021,34	3.591.747,06	110	4.180.979,43	116
EBITDA	3.419.884,71	3.769.847,21	110	4.317.224,58	115

REVENUE BY ACTIVITIES:

Hotel sector revenue amounted to EUR 3,073,388.68, a 4% decrease compared to the same period in 2025, when it amounted to EUR 3,194,579.31, which is the result of increasing geopolitical and economic instability and an unfavourable holiday schedule, which led to a slowdown in demand for Croatian tourism destinations on key outbound markets for Croatian tourism, and was ultimately reflected in a reduction in demand for hotel accommodation in the first half of the business year.

Nautical sector revenue amounted to EUR 5,805,742.49, a 10% increase compared to the same period of 2025, when it amounted to EUR 5,291,850.22, which is the result of an increased volume of business activities or an increase in operating revenue of Marina Kornati by 9%, and strong growth in catering revenue by 30%.

Camping revenue amounted to EUR 3,012,774.38, a 5% decrease compared to the same period in 2025, when it amounted to EUR 3,172,200.55, which is a result of campsite business reorganisation due to amendments to legislation governing campsite operations. For this reason, the Company adapted its operations to the new legislation in force already in the first half of the business year, leading to underperformance in the agency market segment, which was significantly reflected in physical and financial performance indicators of the camping sector in the first half of the business year.

Real-estate sector revenue, i.e. revenue of the City Galleria Business and Shopping Centre, amounted to EUR 1,174,631.60, representing an increase of 9% compared to the same period in 2025. The increase in revenue is largely the result of an increase in revenue from: parking, common costs, lease of commercial premises in Phase 1 and use of common areas.

Revenue from other sectors, or DMC Ilirija Travel and other profit centres of the Company, amounted to EUR 751,678.63, a 20% increase compared to EUR 628,325.45 in revenue generated in the same period of 2025. The largest increase in revenue, in absolute and relative amounts, was generated by the strong increase in business activities in the destination management company and its year-round operations.

GRAND TOTAL: Operating revenue per activity amounted to EUR 13,818,215.78, representing an increase of 3.37% compared to the same period of 2025, when it amounted to EUR 13,367,346.34.

5.2 FINANCIAL POSITION OF THE COMPANY

KEY FINANCIAL INDICATORS RELATED TO ASSETS, CAPITAL, LIABILITIES AND BUSINESS RESULTS OF THE COMPANY AS AT 30/06/2026

Since the table providing an overview of the Company's key indicators covers the period between 2016 and 2025 (eleven years), the realised described indicators are also listed in absolute amounts and growth rates

1 VALUE OF ASSETS

The value of the Company assets as at 30/06/2026 amounted to EUR 73,967,498.54, representing a decrease of 0.97% or EUR 723,514.95 compared to the same period of 2025, when it amounted to EUR 74,691,013.49.

The value of the Company assets increased by 66.59% or EUR 29,565,808.65 compared to the same period of 2016 when it amounted to EUR 44,401,689.89.

2 TOTAL LIABILITIES

Total liabilities amounted to EUR 16,692,237.22, decreasing by 16.10%, or EUR 3,202,387.07, compared to the same period of 2025, when they amounted to EUR 19,894,624.29, as a result of a decrease in long-term liabilities by 18.62% and short-term liabilities by 13.33%.

Total liabilities of the Company as at 30/06/2026 were higher by 14.90% or EUR 2,165,122.75 compared to total liabilities of the Company as at 30/06/2016, when they amounted to EUR 14,527,114.47.

3 CAPITAL AND RESERVES

Capital and reserves of the Company as at 30/06/2026 amounted to EUR 57,275,261.32, representing a 4.52%, or EUR 2,478,872.12 increase compared to the same period in 2025, when they amounted to EUR 54,796,389.20, due to a strong increase in profit from the current year and profit from previous years.

Comparing capital and reserves of the Company as at 30/06/2026, they increased by 91.72% or EUR 27,400,685.91 compared to the same period in 2016, when they amounted to EUR 29,874,575.41.

4 NET DEBT

For the first time in the first half of the business year, the Company recorded no net debt, while in the same period of 2025 net debt was recorded at EUR 258,377.08, which represents a significant decrease of net debt, especially compared to the same period in 2016, when the Company's net debt was recorded at EUR 10,117,164.04.

5 NET FINANCIAL ASSETS

For the first time in the first half of the business year, as at 30/06/2026, the Company achieved net financial assets in the amount of EUR 2,440,745.60.

6 TOTAL REVENUE

Total revenue of the Company amounted to EUR 13,954,460.93, recording an increase by 3.02% or EUR 409,014.44 compared to the same period in 2025, when it amounted to EUR 13,545,446.49.

Total revenue of the Company compared to the same period of 2016, when it amounted to EUR 6,925,325.05, increased by 101.50% or EUR 7,029,135.88.

7 OPERATING PROFIT

Operating profit of the Company was generated in the amount of EUR 4,180,979.43, increasing by 16.41% or EUR 589,232.37 compared to EUR 3,591,747.06 for the same period in 2025.

Operating profit generated in the first half of 2026 when compared to the same period in 2016, amounting to EUR 2,609,374.53, increased by 60.23% or EUR 1,571,604.90.

8 EBITDA

EBITDA was realised in the amount of EUR 4,317,224.58, increasing by 14.52% or EUR 547,377.37 compared to EUR 3,769,847.21 for the same period in 2025.

The realised EBITDA in the reporting period increased by 64.95% or EUR 1,699,978.57 compared to the first half of 2016, when it amounted to EUR 2,617,246.01.

9 PROFIT

The Company's profit in the reporting period amounted to EUR 2,492,930.24, increasing by 28.28% or EUR 549,532.14 compared to the first half of 2025, when it amounted to EUR 1,943,398.10.

Profit realised in the first half of 2026, when compared to the profit generated in the same period of 2016, which amounted to EUR 1,811,794.88, increased by 37.59% or EUR 681,135.36.

10 ANNUAL DIVIDEND

A dividend in the amount of EUR 2,023,368.48 was paid to shareholders, an increase of EUR 102,628.48 or 5.34% compared to that paid in 2025, which amounted to EUR 1.920.740,00.

The Company allocated 208.78%, or EUR 1,368,096.33, more for dividend distribution in 2026 compared to the dividend paid to shareholders in 2016, when it amounted to EUR 655,272.15.

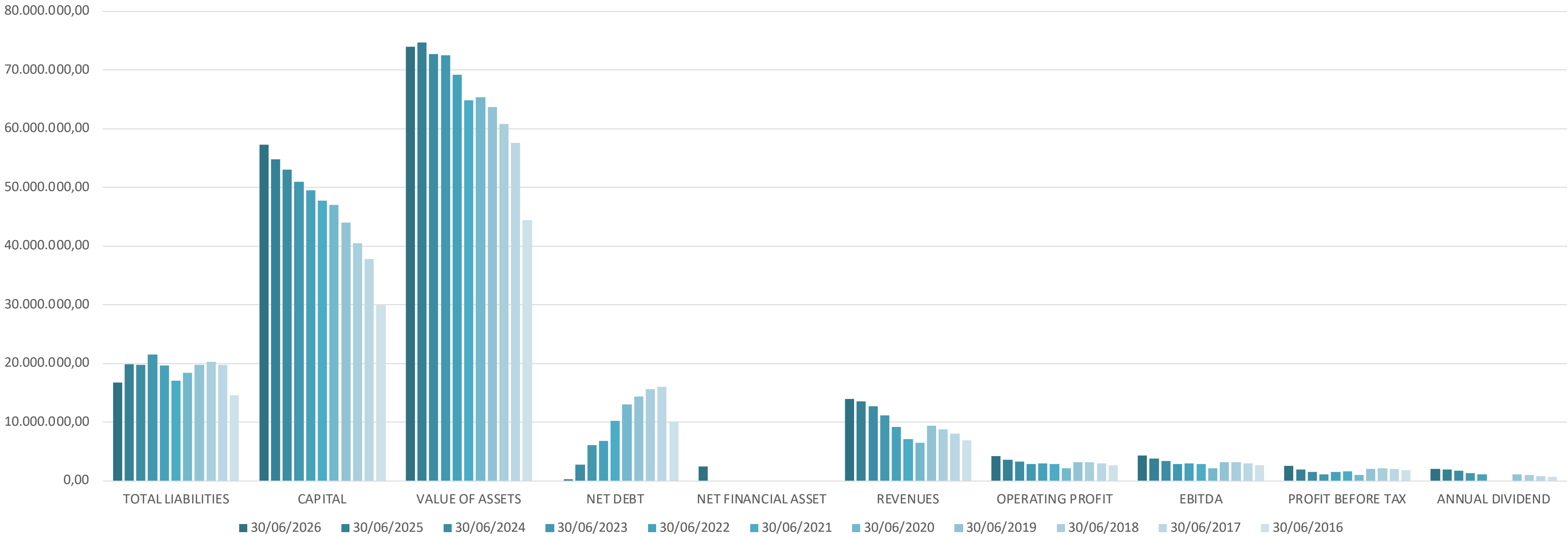
In the period from 2016 until 30/06/2026, the shareholders were paid a total of EUR 11,600,709.63 for dividends.

CUMULATIVE COMPARATIVE OVERVIEW

of basic indicators as well as assets, capital, liability and operating results of the Company as at 30/06/2026 and for the same period from 2016 to 2025

YEAR	TOTAL LIABILITIES	CAPITAL	VALUE OF ASSETS	NET DEBT	NET FINANCIAL ASSET	REVENUES	OPERATING PROFIT	EBITDA	PROFIT BEFORE TAX	ANNUAL DIVIDEND
1	2	3	4	5	6	7	8	9	10	11
30/06/2026	16.692.237,22	57.275.261,32	73.967.498,54	0,00	2.440.745,60	13.954.460,93	4.180.979,43	4.317.224,58	2.492.930,24	2.023.368,48
30/06/2025	19.894.624,29	54.796.389,20	74.691.013,49	258.377,08	0,00	13.545.446,49	3.591.747,06	3.769.847,21	1.943.398,10	1.920.740,00
30/06/2024	19.738.541,56	52.985.872,57	72.724.414,13	2.706.853,59	0,00	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	0,00	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	0,00	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	0,00	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	0,00	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	0,00	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	0,00	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	0,00	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	0,00	6.925.325,05	2.609.374,53	2.617.246,01	1.811.794,88	655.272,15

A graph of basic indicators as well as assets, capital, liability and operating results of the Company as at 30/06/2026 and for the same period from 2016 to 2025



Statement of the Company's financial position as at 30 June 2026 and a comparison with 30 June 2025 and 31 December 2025

		30/06/2026	30/06/2025	Index 30/06/2026 30/06/2025	31/12/2025	Index 30/06/2026 31/12/2025
		UNAUDITED	UNAUDITED		AUDITED	
A	FIXED ASSETS	56.741.057,89	57.821.834,79	98,13	57.236.920,83	99,13
B	CURRENT ASSETS	17.226.440,65	16.869.178,70	102,12	15.294.873,84	112,63
A+B	**TOTAL ASSETS**	**73.967.498,54**	**74.691.013,49**	**99,03**	**72.531.794,67**	**101,98**
C	SHORT-TERM LIABILITIES	8.229.700,95	9.495.746,89	86,67	7.374.139,20	111,60
D	LONG-TERM LIABILITIES	8.462.536,27	10.398.877,40	81,38	8.351.955,91	101,32
E	TOTAL LIABILITIES	16.692.237,22	19.894.624,29	83,90	15.726.095,11	106,14
F	TOTAL SHARE CAPITAL AND RESERVES	57.275.261,32	54.796.389,20	104,52	56.805.699,56	100,83
E+F	**TOTAL CAPITAL AND LIABILITIES**	**73.967.498,54**	**74.691.013,49**	**99,03**	**72.531.794,67**	**101,98**

OPERATING AND OTHER COSTS

Operating costs for the first half of 2026 amounted to EUR 9,637,236.35, which is a 1.42% decrease compared to the same period of the previous year, when they amounted to EUR 9,775,599.28. The lower operating costs were the result of a reduction in other costs by 14%, and the costs of raw materials, materials and energy by 6%, while salary costs, accounting for the largest share in operating costs, were maintained at a slightly higher level. The decrease in operating costs was the result of timely planning and maximum cost optimisation at all levels of the Company.

FINANCIAL EXPENSES

Financial expenses in the first half of the year amounted to EUR 188,751.94, recording a decrease by 11.90% compared to the same period of 2025, when they amounted to EUR 214,244.91.

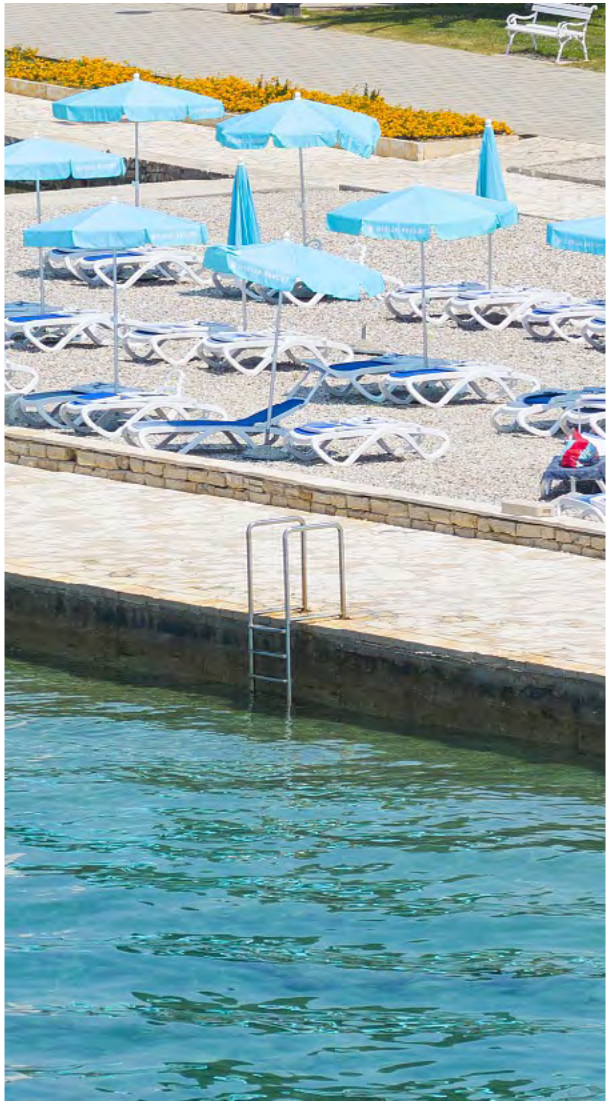
LIQUIDITY

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 December 2025, the Company concluded a one-year short-term credit limit agreement with the commercial bank Erste&Steiermarkische Bank d.d. 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 2026, the Company Management Board adopted the Q4 2025 financial statements (unaudited, unconsolidated), the Annual Report and the 2025 Annual Financial Statements (audited, unconsolidated), and a draft decision on dividend distribution was prepared. Also, at its session held on the same day, the Supervisory Board adopted the Company's 2025 Annual Report and 2025 Annual Financial Statements (audited, unconsolidated), and a draft decision on dividend distribution in the amount of EUR 0.84 per share was prepared.

The General Assembly, held on 22 April 2026, took note of the Company's Annual Report for 2025 together with the Audit Report for 2025, Report of the Supervisory Board on the Performed Supervision of the Company's Operations for 2025, and the Management Board's Report on the Acquisition of Own Shares in 2025. The General Assembly adopted the Decision on the Approval of the 2025 Report on the Remuneration of Management Board and Supervisory Board Members, the Decision on Confirmation of the Previously Approved Decision on the Remuneration of Supervisory Board Members, the Decision on Granting Discharge to the Company's Management Board for the financial year 2025, Decision on Granting Discharge to the Members of the Supervisory Board for the financial year 2025, and the Decision on the Appointment of the authorised auditing company "UHY RUDAN d.o.o.", Ilica 213, Zagreb, PIN (OIB): 71799539000 as the Company's Auditor for 2027.

Also, the Decision on the Use of Company Profit for the 2025 Financial Year was adopted at the General Assembly, according to which the achieved net profit in the 2025 financial year (after tax) in the amount of EUR 3,722,948.30, is distributed as follows:

– EUR 1,699,579.82 into the retained profit, and
– EUR 2,023,368.48 for dividend distribution.

The dividend per share amounts to EUR 0.84.

6.2 LEGAL MATTERS

• Ilirija d.d. has submitted within the legal deadline an application 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 non-evaluated parts and owners of the Park Soline campsite in Biograd na Moru and consequently for the conclusion of a lease agreement between the Republic of Croatia and Ilirija d.d. for a period of 50 years. The procedure is pending. In the meantime, on 1 April 2022 the Company, in accordance with Article 18 of the Act on Non-Evaluated Construction Land, obtained from the Centre for Restructuring and Sales the Certificate of Conformity of the Geodetic Survey Report, which confirms the conformity of the "Park Soline" Campsite Geodetic Survey Report with the decision of the Croatian Privatisation Fund of 12 July 1996, by which the real property concerned was evaluated in the process of conversion of the socially-owned enterprise "Ilirija" Biograd na Moru, and on 9 April 2026 it also obtained a Certificate of Conformity of the Geodetic Survey Report issued by the competent Ministry of Physical Planning, Construction and State Assets of the Republic of Croatia. The said geodetic survey report was submitted on 22 April 2026 for inspection and approval by the competent cadastral department for 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^2 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 Contract was concluded for the purpose of commercial use of a special purpose port – nautical tourism port for a period of 12 years (until 2011) as well as the Maritime Domain Concession Contract for the purpose of commercial use of the outdoor swimming pool for a period of 10 years (until 2008). Prior to the expiry of the concession for the nautical tourism port – the Ilirija-Kornati hotel port and the outdoor swimming pool with a beach facility, Ilirija d.d. submitted the applications for the extension of the term of the concession by 20 years, i.e. to a total of 30 years. The Company also submitted a request for obtaining a concession upon request for a period of 5 years for the commercial use of the beach in front of the Ilirija, Kornati and Adriatic hotels, the beach facility and the outdoor swimming pool in Biograd na Moru, in accordance with the Maritime Domain and Seaports Act. The Zadar County Assembly accepted the application by Ilirija d.d. and on 3 March 2026 adopted the Decision on Awarding Ilirija d.d. a Concession on Maritime Domain for the Purpose of Commercial Use of a Public Beach with Facilities. The Contract on the Maritime Domain Concession was concluded on 18 May 2026 for a period of 5 years.

• 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^2, 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^2 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.

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

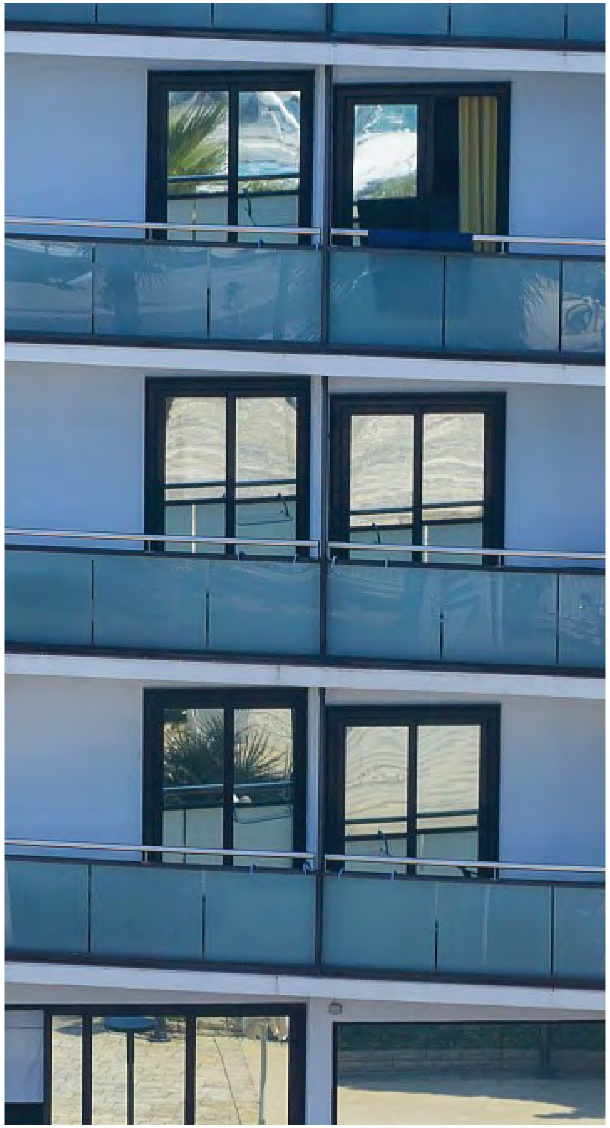
6.3 INVESTMENTS IN 2026

Investments in the first half of 2026 amounted to EUR 1,218,974.46, and referred mostly to the hotel and camping sectors and catering facilities with the aim of continuously raising the standards and quality of service and products, especially of accommodation capacities and public amenities of accommodation facilities, with further investments made in catering amenities.

In the hotel sector, significant investments were made in Ilirija Hotel where, alongside additional adaptation of the accommodation units, investments were also made in a design upgrade and increasing functionality of public amenities, including sanitary facilities and the hotel lobby. Investments were also made in further modernisation and upgrade of the Wi-Fi network throughout the hotel sector, development of the beach in front of the hotel and horticultural landscaping.

Also, further investments continued in the beach facility in Biograd na Moru, focusing on increase of capacity, kitchen extension, additional renovation and furnishing of the terrace with the aim of raising the level of the catering service and additional facilities.

In the camping sector, investments were made in a new campsite pitch division and additional adaptation of the accommodation units, sanitary facilities, reconstruction of basic infrastructure, as well as the development of internal roads at the campsite, and further horticultural landscaping.



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^2 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^2 in Sv. Filip i Jakov in the crafts and services zone, within the area of the newly planned industrial zone, with the intention of building a central warehouse, distribution and service facility for the needs of the Company, which would include laundry service, central warehouse of assets, equipment and inventory, central warehouse of food and beverages, technical service workshops, storage of machines, dry berth, ancillary mobile storages, office space for the needs of the storage and distribution facility, as well as traffic and parking areas.

6.5 OTHER

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

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

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

Also, in addition to accounting and financial statements on a daily, weekly and monthly basis, reports are prepared on the status of sales of accommodation capacities (hotel sector and camping), the status of sales of berths (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 2026

In 2025, the global tourism industry was dominated by strong growth in travel demand, the discovery of new destinations and the recovery of distant destinations, especially in Asia and the Pacific, which was also reflected in the increased volume of tourist traffic in Europe and its subregions, which grew at slower rates than other tourist regions in the world. Europe, the world's largest destination region, recorded stable growth in international tourist arrivals, including the Mediterranean as its most significant subregion. In 2025, Croatian tourism recorded a slight increase in physical business operation at rates lower than the average for Europe and the Mediterranean, i.e. business operation stabilised after several years of strong demand growth. Following the challenges that Croatian tourism faced in the peak season, the decrease in tourist demand and the perception of Croatia as an expensive destination, which strongly reflected on the competitiveness of the Croatian tourist offer, 2026 is therefore looked on with moderate optimism and additional caution in terms of price competitiveness and recognition of Croatia as a tourist destination that fosters value for money.

Consequently, the company ILIRIJA d.d. expects sustainable growth in tourist demand in 2026 with a special focus on further strengthening demand in the pre-season and post-season, i.e. extending business activities for the entire business year, while in the peak high season (July – August) it plans to achieve key performance indicators at the level of Croatian tourism standards for high-category accommodation facilities. The Company's business expectations for 2026 are based on the fact that there are no limiting circumstances for carrying out year-round business activities across all its sectors and profit centres.

The main determinants of the 2026 Business Plan are aimed at:

- preservation of the Company's long-term economic viability and security
- preservation of the Company's stable financial position
- preservation of the Company's fixed assets and capital
- preservation of the Company's business operations and activities,
- 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 2026 that are essential for maintaining the current status and operations, as follows:

• preservation and improvement of the achieved level of facility development and equipment mainly at the 4-star level to ensure market competitiveness
• development of new products, services and content with the aim of increasing the competitiveness of the Company and further developing its year-round business activities,
• ensuring the optimum number of employees for uninterrupted business activities and the quality of service in high season,
• preservation of the achieved financial position 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,
• optimisation of all operating costs, especially labour costs, based on timely planning and personnel management,
• 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 its business goals in 2026:

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

By achieving the stated business goals, and under the assumption of a year-round business activity in its full scope, i.e. at the level of all sectors and profit centres, as well as providing for the absence of limiting factors, we believe that the Company has ensured long-term economic sustainability and security, a stable financial position, fixed assets and capital, as well as ensured its business activity in 2026.

Furthermore, the Company is aware of the existence of objective and real limiting circumstances and challenges that could, to a certain extent, affect the realisation of the 2026 business expectations, including global geopolitical instability with consequences not only for European but also for the threat to world stability and security, as well as negative implications for the economy, disturbed macroeconomic climate characterised by continued strong inflationary pressures, as well as a significant lack of labour in almost all economic sectors in the Republic of Croatia and a continuous increase in salary costs. All of the above can significantly affect the realisation of planned business expectations in 2026.

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 01/01-30/06/2026

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	01/01/2026	to	30/06/2026
Year:	2026		
Quarter:	2.		
	Annual financial statements		
Registration number (MB):	03311953	Issuer's home Member State code:	CROATIA
Entity's registration number (MBS):	060032302		
Personal identification number (OIB):	05951496767	LEI:	74780000VOGH8Q3K5K76
Institution code:	1271		
Name of the issuer:	ILIRIJA d.d. BIOGRAD NA MORU		
Postcode and town:	23210		BIOGRAD NA MORU
Street and house number:	TINA UJEVIĆA 7		
E-mail address:	ilirija@zd.t-com.hr		
Web address:	www.ilirijabiograd.com		
Number of employees (end of the reporting period):"	385		
Consolidated report:	KN	(KN-not consolidated/KD-consolidated)	
Audited:	RN	(RN-not audited/RD-audited)	

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

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

BALANCE SHEET			
Balance as at 30/06/2026			in EUR
Submitter:ILIRIJA d.d. BIOGRAD NA MORU			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	**001**	**0,00**	**0,00**
B) FIXED ASSETS (ADP 003+010+020+031+036)	**002**	**57.236.920,83**	**56.741.057,89**
I INTANGIBLE ASSETS (ADP 004 to 009)	003	121.502,66	189.837,63
1 Research and development	004	0,00	0,00
2 Concessions, patents, licences, trademarks, software and other rights	005	0,00	0,00
3 Goodwill	006	0,00	0,00
4 Advances for the purchase of intangible assets	007	0,00	0,00
5 Intangible assets in preparation	008	0,00	0,00
6 Other intangible assets	009	121.502,66	189.837,63
II TANGIBLE ASSETS (ADP 011 to 019)	010	57.110.500,74	56.546.302,83
1 Land	011	6.278.078,96	6.278.078,96
2 Buildings	012	32.809.604,04	32.164.821,38
3 Plant and equipment	013	7.895.665,94	7.417.679,45
4 Tools, working inventory and transportation assets	014	0,00	0,00
5 Biological assets	015	0,00	0,00
6 Advances for the purchase of tangible assets	016	0,00	0,00
7 Tangible assets in preparation	017	545.712,72	1.223.764,18
8 Other tangible assets	018	0,00	0,00
9 Investment property	019	9.581.439,08	9.461.958,86
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	4.917,43	4.917,43
1 Investments in holdings (shares) of undertakings within the group	021	4.917,43	4.917,43
2 Investments in other securities of undertakings within the group	022	0,00	0,00
3 Loans, deposits, etc. to undertakings within the group	023	0,00	0,00
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	0,00	0,00
5 Investment in other securities of companies linked by virtue of participating interests	025	0,00	0,00
6 Loans, deposits etc. given to companies linked by virtue of participating interests	026	0,00	0,00
7 Investments in securities	027	0,00	0,00
8 Loans, deposits, etc. given	028	0,00	0,00
9 Other investments accounted for using the equity method	029	0,00	0,00
10 Other fixed financial assets	030	0,00	0,00
IV RECEIVABLES (ADP 032 to 035)	031	0,00	0,00
1 Receivables from undertakings within the group	032	0,00	0,00
2 Receivables from companies linked by virtue of participating interests	033	0,00	0,00
3 Customer receivables	034	0,00	0,00
4 Other receivables	035	0,00	0,00
V DEFERRED TAX ASSETS	036	0,00	0,00
C) CURRENT ASSETS (ADP 038+046+053+063)	**037**	**14.756.378,53**	**16.783.317,45**
I INVENTORIES (ADP 039 to 045)	038	254.250,18	401.992,33
1 Raw materials and consumables	039	254.250,18	401.992,33

2 Work in progress	040	0,00	0,00
3 Finished goods	041	0,00	0,00
4 Merchandise	042	0,00	0,00
5 Advances for inventories	043	0,00	0,00
6 Fixed assets held for sale	044	0,00	0,00
7 Biological assets	045	0,00	0,00
II RECEIVABLES (ADP 047 to 052)	046	928.889,24	2.436.254,92
1 Receivables from undertakings within the group	047	0,00	0,00
2 Receivables from companies linked by virtue of participating interests	048	0,00	0,00
3 Customer receivables	049	678.241,37	1.818.526,69
4 Receivables from employees and members of the undertaking	050	39.155,67	40.879,03
5 Receivables from government and other institutions	051	34.444,11	400.308,79
6 Other receivables	052	177.048,09	176.540,41
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	13.500.000,00	13.764.363,54
1 Investments in holdings (shares) of undertakings within the group	054	0,00	0,00
2 Investments in other securities of undertakings within the group	055	0,00	0,00
3 Loans, deposits, etc. to undertakings within the group	056	0,00	0,00
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0,00	0,00
5 Investment in other securities of companies linked by virtue of participating interests	058	0,00	0,00
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0,00	0,00
7 Investments in securities	060	0,00	0,00
8 Loans, deposits, etc. given	061	13.500.000,00	13.764.363,54
9 Other financial assets	062	0,00	0,00
IV CASH AT BANK AND IN HAND	063	73.239,11	180.706,66
D) PREPAID EXPENSES AND ACCRUED INCOME	064	538.495,31	443.123,20
E) TOTAL ASSETS (ADP 001+002+037+064)	**065**	**72.531.794,67**	**73.967.498,54**
OFF-BALANCE SHEET ITEMS	066	0,00	0,00
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	**067**	**56.805.699,56**	**57.275.261,32**
I INITIAL (SUBSCRIBED) CAPITAL	068	30.420.000,00	30.420.000,00
II CAPITAL RESERVES	069	389.194,89	389.194,89
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	4.187.093,36	4.187.093,36
1 Legal reserves	071	3.195.697,87	3.195.697,87
2 Reserves for treasury shares	072	138.145,04	138.145,04
3 Treasury shares and holdings (deductible item)	073	-138.145,04	-138.145,04
4 Statutory reserves	074	0,00	0,00
5 Other reserves	075	991.395,49	991.395,49
IV REVALUATION RESERVES	076	0,00	0,00
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0,00	0,00
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	0,00	0,00
2 Cash flow hedge - effective portion	079	0,00	0,00
3 Hedge of a net investment in a foreign operation - effective portion	080	0,00	0,00
4 Other fair value reserves	081	0,00	0,00
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0,00	0,00
6 Exchange rate differences from translation into the presentation currency	083	0,00	0,00

VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	084	18.086.463,01	19.786.042,83
1 Retained profit	085	18.086.463,01	19.786.042,83
2 Loss brought forward	086	0,00	0,00
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	087	3.722.948,30	2.492.930,24
1 Profit for the business year	088	3.722.948,30	2.492.930,24
2 Loss for the business year	089	0,00	0,00
VIII MINORITY (NON-CONTROLLING) INTEREST	090	0,00	0,00
B) PROVISIONS (ADP 091 to 096)	**091**	**154.107,16**	**154.107,16**
1 Provisions for pensions, termination benefits and similar obligations	092	0,00	0,00
2 Provisions for tax liabilities	093	0,00	0,00
3 Provisions for ongoing legal cases	094	154.107,16	154.107,16
4 Provisions for renewal of natural resources	095	0,00	0,00
5 Provisions for warranty obligations	096	0,00	0,00
6 Other provisions	097	0,00	0,00
C) LONG-TERM LIABILITIES (ADP 098 to 108)	**098**	**8.351.955,91**	**8.462.536,27**
1 Liabilities towards undertakings within the group	099	0,00	0,00
2 Liabilities for loans, deposits, etc. to companies within the group	100	0,00	0,00
3 Liabilities towards companies linked by virtue of participating interest	101	0,00	0,00
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	102	0,00	0,00
5 Liabilities for loans, deposits etc.	103	0,00	0,00
6 Liabilities towards banks and other financial institutions	104	8.351.955,91	8.462.536,27
7 Liabilities for advance payments	105	0,00	0,00
8 Liabilities towards suppliers	106	0,00	0,00
9 Liabilities for securities	107	0,00	0,00
10 Other long-term liabilities	108	0,00	0,00
11 Deferred tax liability	109	0,00	0,00
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	**110**	**6.898.280,98**	**7.278.742,36**
1 Liabilities towards undertakings within the group	111	10.197,00	0,00
2 Liabilities for loans, deposits, etc. to companies within the group	112	0,00	0,00
3 Liabilities towards companies linked by virtue of participating interest	113	0,00	0,00
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	114	0,00	0,00
5 Liabilities for loans, deposits etc.	115	0,00	0,00
6 Liabilities towards banks and other financial institutions	116	3.792.264,25	3.005.436,21
7 Liabilities for advance payments	117	46.937,74	46.937,74
8 Liabilities towards suppliers	118	1.829.657,25	1.547.407,72
9 Liabilities for securities	119	0,00	0,00
10 Liabilities towards employees	120	451.797,88	747.427,26
11 Taxes, contributions and similar liabilities	121	720.140,53	505.316,10
12 Liabilities arising from the share in the result	122	31.842,33	75.699,30
13 Liabilities arising from fixed assets held for sale	123	0,00	0,00
14 Other short-term liabilities	124	15.444,00	1.350.518,03
E) ACCRUALS AND DEFERRED INCOME	**125**	**321.751,06**	**796.851,43**
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	**126**	**72.531.794,67**	**73.967.498,54**
G) OFF-BALANCE SHEET ITEMS	**127**	**0,00**	**0,00**

STATEMENT OF PROFIT OR LOSS					
for the period 01/01/2026-30/06/2026					in EUR
Submitter: ILIRIJA d.d. BIOGRAD NA MORU					
Item	AOP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	**001**	**13.367.346,34**	**8.278.526,28**	**13.818.215,78**	**8.353.839,87**
1 Income from sales with undertakings within the group	002	0,00	0,00	0,00	0,00
2 Income from sales (outside group)	003	13.312.553,34	8.271.741,05	13.678.777,13	8.269.553,94
3 Income from the use of own products, goods and services	004	0,00	0,00	0,00	0,00
4 Other operating income with undertakings within the group	005	0,00	0,00	0,00	0,00
5 Other operating income (outside the group)	006	54.793,00	6.785,23	139.438,65	84.285,93
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	**007**	**11.387.803,48**	**6.430.184,64**	**11.272.778,75**	**6.212.120,50**
1 Changes in inventories of work in progress and finished goods	008	0,00	0,00	0,00	0,00
2 Material costs (ADP 010 to 012)	**009**	**3.484.908,66**	**2.181.172,30**	**3.536.965,26**	**2.279.712,50**
a) Costs of raw materials and consumables	010	1.685.768,45	1.219.515,26	1.588.443,22	1.140.389,41
b) Costs of goods sold	011	0,00	0,00	0,00	0,00
c) Other external costs	012	1.799.140,21	961.657,04	1.948.522,04	1.139.323,09
3 Staff costs (ADP 014 to 016)	**013**	**4.479.926,56**	**2.563.431,16**	**4.535.169,08**	**2.363.110,13**
a) Net salaries and wages	014	2.688.682,52	1.539.270,01	2.697.405,25	1.409.276,09
b) Tax and contributions from salary costs	015	1.154.931,91	660.194,89	1.194.928,42	618.887,00
c) Contributions on salaries	016	636.312,13	363.966,26	642.835,41	334.947,04
4 Depreciation	017	1.612.204,20	806.102,10	1.635.542,40	817.771,20
5 Other costs	018	1.584.916,83	869.105,99	1.508.119,30	741.447,25
6 Value adjustments (ADP 020+021)	**019**	**0,00**	**0,00**	**0,00**	**0,00**
a) fixed assets other than financial assets	020	0,00	0,00	0,00	0,00
b) current assets other than financial assets	021	0,00	0,00	0,00	0,00
7 Provisions (ADP 023 to 028)	**022**	**0,00**	**0,00**	**0,00**	**0,00**
a) Provisions for pensions, termination benefits and similar obligations	023	0,00	0,00	0,00	0,00
b) Provisions for tax liabilities	024	0,00	0,00	0,00	0,00
c) Provisions for ongoing legal cases	025	0,00	0,00	0,00	0,00
d) Provisions for renewal of natural resources	026	0,00	0,00	0,00	0,00
e) Provisions for warranty obligations	027	0,00	0,00	0,00	0,00
f) Other provisions	028	0,00	0,00	0,00	0,00
8 Other operating expenses	029	225.847,23	10.373,09	56.982,71	10.079,42
III FINANCIAL INCOME (ADP 031 to 040)	**030**	**178.100,15**	**89.542,03**	**136.245,15**	**68.742,79**
1 Income from investments in holdings (shares) of undertakings within the group	031	0,00	0,00	0,00	0,00
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0,00	0,00	0,00	0,00
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0,00	0,00	0,00	0,00
4 Other interest income from operations with undertakings within the group	034	0,00	0,00	0,00	0,00

5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0,00	0,00	0,00	0,00
6 Income from other long-term financial investments and loans	036	0,00	0,00	0,00	0,00
7 Other interest income	037	178.100,15	89.542,03	136.245,15	68.742,79
8 Exchange rate differences and other financial income	038	0,00	0,00	0,00	0,00
9 Unrealised gains (income) from financial assets	039	0,00	0,00	0,00	0,00
10 Other financial income	040	0,00	0,00	0,00	0,00
IV FINANCIAL EXPENSES (ADP 042 to 048)	**041**	**214.244,91**	**103.712,36**	**188.751,94**	**94.149,72**
1 Interest expenses and similar expenses with undertakings within the group	042	0,00	0,00	0,00	0,00
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0,00	0,00	0,00	0,00
3 Interest expenses and similar expenses	044	214.244,91	103.712,36	188.751,94	94.149,72
4 Exchange rate differences and other expenses	045	0,00	0,00	0,00	0,00
5 Unrealised losses (expenses) from financial assets	046	0,00	0,00	0,00	0,00
6 Value adjustments of financial assets (net)	047	0,00	0,00	0,00	0,00
7 Other financial expenses	048	0,00	0,00	0,00	0,00
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VRITUE OF PARTICIPATING INTERESTS	049	0,00	0,00	0,00	0,00
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0,00	0,00	0,00	0,00
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0,00	0,00	0,00	0,00
VIII SHARE IN LOSS OF JOINT VENTURES	052	0,00	0,00	0,00	0,00
IX TOTAL INCOME (ADP 001+030+049 +050)	**053**	**13.545.446,49**	**8.368.068,31**	**13.954.460,93**	**8.422.582,66**
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	**054**	**11.602.048,39**	**6.533.897,00**	**11.461.530,69**	**6.306.270,22**
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	**055**	**1.943.398,10**	**1.834.171,31**	**2.492.930,24**	**2.116.312,44**
1 Pre-tax profit (ADP 053-054)	056	1.943.398,10	1.834.171,31	2.492.930,24	2.116.312,44
2 Pre-tax loss (ADP 054-053)	057	0,00	0,00	0,00	0,00
XII INCOME TAX	058	0,00	0,00	0,00	0,00
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	**059**	**1.943.398,10**	**1.834.171,31**	**2.492.930,24**	**2.116.312,44**
1 Profit for the period (ADP 055-059)	060	1.943.398,10	1.834.171,31	2.492.930,24	2.116.312,44
2 Loss for the period (ADP 059-055)	061	0,00	0,00	0,00	0,00
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	**062**	**0**	**0**	**0**	**0**
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066				
2 Discontinued operations loss for the period (ADP 065-062)	067				
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)	**068**				
1 Pre-tax profit (ADP 068)	069	0	0	0	0

2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	**071**				
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	**072**				
1 Profit for the period (ADP 068-071)	073				
2 Loss for the period (ADP 071-068)	074				
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	**075**	**0**	**0**	**0**	**0**
1 Attributable to owners of the parent	076	0	0	0	0
2 Attributable to minority (non-controlling) interest	077	0	0	0	0
STATEMENT OF OTHER COMPRHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	**078**	**1.943.398,10**	**1.834.171,31**	**2.492.930,24**	**2.116.312,44**
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	**079**	**0**	**0**	**0**	**0**
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	**080**	**0**	**0**	**0**	**0**
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	**087**	**0**	**0**	**0**	**0**
1 Exchange rate differences from translation of foreign operations	088	0	0	0	0
2 Exchange rate differences from translation into the presentation currency	089	0	0	0	0
3 Profit or loss arising from subsequent measurement of debt securities at fair value through other comprehensive income	090	0	0	0	0
4 Profit or loss arising from effective cash flow hedging	091	0	0	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	092	0	0	0	0
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	093	0	0	0	0
7 Changes in fair value of the time value of an option	094	0	0	0	0
8 Changes in fair value of the forward elements of forward contracts	095	0	0	0	0
9 Other items that may be reclassified to profit or loss	096				

10 Income tax relating to items that may be reclassified to profit or loss	097				
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)	**098**	**0**	**0**	**0**	**0**
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	**099**	**1.943.398,10**	**1.834.171,31**	**2.492.930,24**	**2.116.312,44**
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VII COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	**100**	**0**	**0**	**0**	**0**
1 Attributable to owners of the parent	101	0	0	0	0
2 Attributable to minority (non-controlling) interest	102	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method			
for the period 01/01/2026 to 30/06/2026			in EUR
Submitter: ILIRIJA d.d BIOGRAD NA MORU			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	1.943.398,10	2.492.930,24
2 Adjustments (ADP 003 to 010):	002	2.004.548,47	1.960.539,49
a) Depreciation	003	1.612.204,20	1.635.542,40
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0,00	0,00
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0,00	0,00
d) Interest and dividend income	006	178.099,04	136.245,15
e) Interest expenses	007	214.245,23	188.751,94
f) Provisions	008	0,00	0,00
g) Exchange rate differences (unrealised)	009	0,00	0,00
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0,00	0,00
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	**011**	**3.947.946,57**	**4.453.469,73**
3 Changes in the working capital (ADP 013 to 016)	012	-485.504,84	-1.588.380,46
a) Increase or decrease in short-term liabilities	013	-2.399.470,01	-1.785.570,93
b) Increase or decrease in short-term receivables	014	1.650.648,95	357.261,95
c) Increase or decrease in inventories	015	148.681,20	-22.850,80
d) Other increase or decrease in working capital	016	114.635,02	-137.220,68
II Cash from operations (ADP 011+012)	**017**	**3.462.441,73**	**2.865.089,27**
4 Interest paid	018	-105.564,04	-190.188,84
5 Income tax paid	019	-552.912,35	-556.757,85
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	**020**	**2.803.965,34**	**2.118.142,58**
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0,00	0,00
2 Cash receipts from sales of financial instruments	022	0,00	0,00
3 Interest received	023	0,00	0,00
4 Dividends received	024	0,00	0,00
5 Cash receipts from repayment of loans and deposits	025	0,00	0,00
6 Other cash receipts from investment activities	026	0,00	0,00
III Total cash receipts from investment activities (ADP 021 to 026)	**027**	**0,00**	**0,00**
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-2.631.724,04	-1.158.054,48
2 Cash payments for the acquisition of financial instruments	029	0,00	0,00
3 Cash payments for loans and deposits for the period	030	-55.725,02	-17.500,00
4 Acquisition of a subsidiary, net of cash acquired	031	0,00	0,00
5 Other cash payments from investment activities	032	0,00	0,00
IV Total cash payments from investment activities (ADP 028 to 032)	**033**	**-2.687.449,06**	**-1.175.554,48**
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	**034**	**-2.687.449,06**	**-1.175.554,48**
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035	0,00	0,00
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0,00	0,00

3 Cash receipts from credit principals, loans and other borrowings	037	1.950.000,00	2.000.000,00
4 Other cash receipts from financing activities	038	372.655,00	227.465,45
V Total cash receipts from financing activities (ADP 035 to 038)	**039**	**2.322.655,00**	**2.227.465,45**
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-1.177.264,31	-2.737.675,54
2 Cash payments for dividends	041	-681.094,26	-688.294,78
3 Cash payments for finance lease	042	-573.975,24	414.539,44
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0,00	0,00
5 Other cash payments from financing activities	044	0,00	0,00
VI Total cash payments from financing activities (ADP 040 to 044)	**045**	**-2.432.333,81**	**-3.011.430,88**
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	**046**	**-109.678,81**	**-783.965,43**
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0,00	0,00
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	**048**	**6.837,47**	**158.622,67**
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	28.251,36	22.083,99
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)	**050**	**35.088,83**	**180.706,66**

STATEMENT OF CASH FLOWS - Direct method

for the period 01/01/2026 to 30/06/2026 in EUR

Submitter: ILIRIJA d.d. BIOGRAD NA MORU

Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Cash receipts from customers	001	0,00	0,00
2 Cash receipts from royalties, fees, commissions and other revenue	002	0,00	0,00
3 Cash receipts from insurance premiums	003	0,00	0,00
4 Cash receipts from tax refund	004	0,00	0,00
5 Other cash receipts from operating activities	005	0,00	0,00
I Total cash receipts from operating activities (ADP 001 to 005)	**006**	**0,00**	**0,00**
1 Cash payments to suppliers	007	0,00	0,00
2 Cash payments to employees	008	0,00	0,00
3 Cash payments for insurance premiums	009	0,00	0,00
4 Interest paid	010	0,00	0,00
5 Income tax paid	011	0,00	0,00
6 Other cash payments from operating activities	012	0,00	0,00
II Total cash payments from operating activities (ADP 007 to 012)	**013**	**0,00**	**0,00**
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 006 + 013)	**014**	**0,00**	**0,00**
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	015	0,00	0,00
2 Cash receipts from sales of financial instruments	016	0,00	0,00
3 Interest received	017	0,00	0,00
4 Dividends received	018	0,00	0,00
5 Cash receipts from the repayment of loans and deposits	019	0,00	0,00
6 Other cash receipts from investment activities	020	0,00	0,00
III Total cash receipts from investment activities (ADP 015 to 020)	**021**	**0,00**	**0,00**
1 Cash payments for the purchase of fixed tangible and intangible assets	022	0,00	0,00
2 Cash payments for the acquisition of financial instruments	023	0,00	0,00
3 Cash payments for loans and deposits	024	0,00	0,00
4 Acquisition of a subsidiary, net of cash acquired	025	0,00	0,00
5 Other cash payments from investment activities	026	0,00	0,00
IV Total cash payments from investment activities (ADP 022 to 026)	**027**	**0,00**	**0,00**
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 021 + 027)	**028**	**0,00**	**0,00**
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	029	0,00	0,00
2 Cash receipts the from issue of equity financial instruments and debt financial instruments	030	0,00	0,00
3 Cash receipts from credit principals, loans and other borrowings	031	0,00	0,00
4 Other cash receipts from financing activities	032	0,00	0,00
V Total cash receipts from financing activities (ADP 029 to 032)	**033**	**0,00**	**0,00**
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	034	0,00	0,00
2 Cash payments for dividends	035	0,00	0,00
3 Cash payments for finance lease	036	0,00	0,00
4 Cash payments for the redemption of own shares and decrease in initial (subscribed) capital	037	0,00	0,00
5 Other cash payments from financing activities	038	0,00	0,00
VI Total cash payments from financing activities (ADP 034 to 038)	**039**	**0,00**	**0,00**
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 033+039)	**040**	**0,00**	**0,00**
1 Unrealised exchange rate differences in respect of cash and cash equivalents	041	0,00	0,00
D) NET INCREASE OR DECREASE IN CASH FLOW (ADP 014 + 028 + 040 + 041)	**042**	**0,00**	**0,00**
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	043	0,00	0,00
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 042+043)	044	0,00	0,00

FINANCIAL STATEMENTS FOR THE PERIOD 01/01-30/06/2026

STATEMENT OF CHANGES IN EQUITY

for the period from 01/01/2026 to 30/06/2026

in EUR

Item	ADP code	Attributable to owners of the parent																	Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Financial assets at fair value 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	Exchange rate differences from translation into the presentation currency	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	19 (3 to 6 - 7 + 8 to 18)	20	21 (19+20)
Previous period																				
1 Balance on the first day of the previous business year	01	30.420.000,00	389.194,89	3.195.697,87	925.836,64	448.288,00	0,00	991.395,49	0,00	0,00	0,00	0,00	0,00	0,00	0,00	19.219.511,41	0,00	54.693.348,30	0,00	54.693.348,30
2 Changes in accounting policies	02	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
3 Correction of errors	03	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	30.420.000,00	389.194,89	3.195.697,87	925.836,64	448.288,00	0,00	991.395,49	0,00	0,00	0,00	0,00	0,00	0,00	0,00	19.219.511,41	0,00	54.693.348,30	0,00	54.693.348,30
5 Profit/loss of the period	05	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1.943.398,10	1.943.398,10	0,00	1.943.398,10
6 Exchange rate differences from translation of foreign operations	06	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
8 Profit or loss arising from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
9 Profit or loss arising from effective cash flow hedge	09	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
12 Actuarial gains/losses on the defined benefit obligation	12	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
13 Other changes in equity unrelated to owners	13	0,00	0,00	0,00	0,00	-80.383,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	80.383,00	0,00	80.383,00
14 Tax on transactions recognised directly in equity	14	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
15 Decrease in initial (subscribed) capital (other than that arising from the pre-bankruptcy settlement procedure and arising from the reinvestment of profit)	15	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
18 Redemption of treasury shares/holdings	18	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
19 Payments from members/shareholders	19	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
10 Payment of share in profit/dividend	20	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-1.920.740,00	0,00	-1.920.740,00	0,00	-1.920.740,00
21 Other distributions and payments to members/ shareholders	21	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1.655.334,00	0,00	1.655.334,00	0,00	1.655.334,00
22 Transfer to reserves according to the annual schedule	22	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-1.655.334,00	0,00	-1.655.334,00	0,00	-1.655.334,00
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	30.420.000,00	389.194,89	3.195.697,87	925.836,64	367.905,00	0,00	991.395,49	0,00	0,00	0,00	0,00	0,00	0,00	0,00	17.298.771,41	1.943.398,10	54.796.389,40	0,00	54.796.389,40

APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																				
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	**25**	**0,00**	**0,00**	**0,00**	**0,00**	**-80.383,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**80.383,00**	**0,00**	**80.383,00**
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	**26**	**0,00**	**0,00**	**0,00**	**0,00**	**-80.383,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**1.943.398,10**	**2.023.781,10**	**0,00**	**2.023.781,10**
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	**27**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**-1.920.740,00**	**0,00**	**-1.920.740,00**	**0,00**	**-1.920.740,00**
Current period																				
1 Balance on the first day of the current business year	28	30.420.000,00	389.194,89	3.195.697,87	138.145,04	138.145,04	0,00	991.395,49	0,00	0,00	0,00	0,00	0,00	0,00	0,00	21.809.411,31	0,00	56.805.699,56	0,00	56.805.699,56
2 Changes in accounting policies	29	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
3 Correction of errors	30	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
4 Balance on the first day of the current business year (restated) (ADP 28 to 30)	31	30.420.000,00	389.194,89	3.195.697,87	138.145,04	138.145,04	0,00	991.395,49	0,00	0,00	0,00	0,00	0,00	0,00	0,00	21.809.411,31	0,00	56.805.699,56	0,00	56.805.699,56
5 Profit/loss of the period	32	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2.492.930,24	2.492.930,24	0,00	2.492.930,24
6 Exchange rate differences from translation of foreign operations	33	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
8 Profit or loss arising from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
9 Profit or loss arising from effective cash flow hedge	36	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
12 Actuarial gains/losses on the defined benefit obligation	39	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
13 Other changes in equity unrelated to owners	40	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
14 Tax on transactions recognised directly in equity	41	0,00	0,00	0,00	0,00	0,00	0,00											0,00	0,00	0,00
15 Decrease in initial (subscribed) capital (other than that arising from the pre-bankruptcy settlement procedure and arising from the reinvestment of profit)	42	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
18 Redemption of treasury shares/holdings	45	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
19 Payments from members/shareholders	46	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
20 Payment of share in profit/dividend	47	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-2.023.368,48	0,00	-2.023.368,48	0,00	-2.023.368,48
21 Other distributions and payments to members/shareholders	48	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1.699.579,82	0,00	1.699.579,82	0,00	1.699.579,82
22 Carryforward per annual plan	49	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-1.699.579,82	0,00	-1.699.579,82	0,00	-1.699.579,82
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	51	30.420.000,00	389.194,89	3.195.697,87	138.145,04	138.145,04	0,00	991.395,49	0,00	0,00	0,00	0,00	0,00	0,00	0,00	19.786.042,83	2.492.930,24	57.275.261,32	0,00	57.275.261,32
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																				
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	**52**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 3252)	**53**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**2.492.930,24**	**2.492.930,24**	**0,00**	**2.492.930,24**
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	**54**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**-2.023.368,48**	**0,00**	**-2.023.368,48**	**0,00**	**-2.023.368,48**

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: 01/01-30/06/2026

A. Notes on the Company's financial position:

Non-current assets

The non-current asset value amounted to EUR 56,741,057.52, constituting a decrease of EUR 495,862.94 compared to the value as at 31 December 2025, when it amounted to EUR 57,236,920.83. An amount of EUR 1,218,974.46 was invested in all sectors of the Company during the reporting period of 2026.

Current assets

The current asset value amounted to EUR 17,226,440.65, constituting an increase of EUR 1,931,566.81 compared to the value as at 31 December 2025, when it amounted to EUR 15,294,873.84. 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 8,075,593.79, recording an increase of EUR 855,561.75 compared to the balance as at 31 December 2025, when they amounted to EUR 7,220,032.04.

Long-term liabilities

Long-term liabilities amounted to EUR 8,462,536.27, recording an increase of EUR 110,580.36 compared to the balance as at 31 December 2025, when they amounted to EUR 8,351,955.91.

Equity and reserves

Equity and reserves equalled EUR 57,275,261.32, which represented an increase of EUR 469,561.76 compared to the balance as at 31 December 2025, when they amounted to EUR 56,805,699.56.

Note – total revenue, expenses and operating profit

Total revenue

Total revenue generated as at 30 June 2026 amounted to EUR 13,954,460.93 representing an increase of 3.02% of the total revenue as at 30 June 2025, when it amounted to EUR 13,545,446.49.

Total expenses

Total expenses generated as at 30 June 2026 amounted to EUR 11,461,530.69, representing a decrease of 1.21% of the total expenses as at 30 June 2025, when it amounted to EUR 11,602,048.39.

Operating profit

The operating profit generated as at 30 June 2026 amounted to EUR 4,180,979.43, constituting an increase of 16.41% of the operating profit generated as at 30 June 2025, when it amounted to EUR 3,591,747.06.

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 2026 and the last revised annual statement as at 31 December 2025.

D. In the observed reporting period of 2026 operating revenue in the amount of EUR 13,818,215.78 was generated, which constitutes a 3.37% increase compared to the same period of the previous year, when it amounted to EUR 13,367,346.34. 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 2026, the hotel sector generated revenue in the amount of EUR 3,073,388.68, which constitutes a decrease of EUR 121,190.63, or 3.79% compared to the same period of the previous year, when it amounted to EUR 3,194,579.31.

In the observed reporting period of 2026, the nautical sector generated revenue in the amount of EUR 5,805,742.49, constituting an increase of EUR 513,892.27, or 9.71% compared to the same period of 2025, when it amounted to EUR 5,291,850.22. The majority of the revenue was generated by annual berth fees.

In the observed reporting period of 2026, the camping sector generated revenue in the amount of EUR 3,012,774.38, constituting a decrease of EUR 159,426.17, or 5.03% compared to the same period of the previous year, when it amounted to EUR 3,172,200.65. The most significant revenue was generated from mobile homes, individual and lump sum pitches.

In the observed reporting period of 2026, revenue from the real estate sector, i.e. the City Galleria Business and Shopping Centre amounted to EUR 1,174,631.60 representing an increase of EUR 94,240.79 or 8.72% compared to the same period of the previous year, when it amounted to EUR 1,080,390.81

In the period observed, i.e. as at 30 June 2026, the Company did not receive any grants.

As at 30 June 2026, the operating costs amounted to EUR 9,637,236.35, recording an decrease of EUR 138,362.93, or 1.42% compared to the same period of 2025, when they amounted to EUR 9,775,599.28. Financial expenses in the reporting period amounted to EUR 188,751.94 and they have decreased by 11.90% compared to the same period of the previous year, when they amounted to EUR 214,244.91. The depreciation charge for the reporting period of 2026 amounted to EUR 1,635,542.40, which is a 1.45% increase compared to the same period of 2025, when it amounted to EUR 1,612,204.20.

Total expenses amounted to EUR 11,461,530.69, recording a decrease of 1.21% compared to the same period of the previous year, when they amounted to EUR 11,602,048.39. Operating profit, i.e. profit from business activities, for the reporting period of 2026 amounted to EUR 4,180,979.43, which is an increase of 16.41% compared to the same period of the previous year, when it amounted to EUR 3,591,747.06. EBITDA, i.e. earnings before depreciation, interest and taxes, was generated in the amount EUR 4,317,224.58, and showed a 14.52% increase compared to the same period of the previous year. EBIT, i.e. earnings before financing expenses, was generated in the amount of EUR 2,681,682.18, recording an increase of EUR 524,039.17, or 24.29% compared to the same period of the previous year. In the observed period, profit in the amount of EUR 2,492,930.24 was realised, constituting an increase of EUR 549,532.14, or 28.28% compared to the same period of the previous year.

Additional clarifications of individual items can be found in the Company comments, which comprise an integral part of the statement as at 30 June 2026.

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 12,215,176.54 and the foreign market in the amount of EUR 1,451,400.59, while other revenue was generated in the amount of EUR 139,438.65. Operating revenue were generated as follows; the hotel sector EUR 3,073,388.68, the nautical sector EUR 5,805,742.49 the camping sector EUR 3,012,774.38, City Galleria EUR 1,174,631.60. Revenue from other activities, i.e. profit centres, including Ilirija Travel, and hospitality, has been realised in the amount of EUR 751,678.63. Total expenses amounted to EUR 11,461,530.69. Operating expenses amounted to EUR 9,637,236.35. Most of them were incurred in connection to the cost of raw material, other materials and energy, accounting for EUR 1,588.433.22; outsourcing costs, accounting for EUR 1,948,522.04; other operating costs, accounting for EUR 1,565,102.01 and staff costs, accounting for EUR 4,535,169.08.

Point 5 Long-term loans which will become due in the period from 2026 to 2034 amount to EUR 8,230,972.99. Securing payment of mortgages on property.

Point 6 Average number of employees in the period from 01/01/2026 – 30/06/2026 was 318.

Point 7 The employee cost presented in the income statement amounted to EUR 4,535,169.08 (net salary being EUR 2,697,405.25, contributions from salaries being EUR 763,694.62, the salary tax and surtax being EUR 431,233.80 and the contributions to salaries being EUR 642,835.41). Due to the restrictions of the form, which does not include the item Other employee costs, such as travel expenses, severance pays, etc., we are adding the said costs in the amount of EUR 108,803.69 to the aforementioned amount, with the employee cost thus totalling EUR 4,643,972.77. The Company does not capitalise the salary costs.

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

Point 10 As at 30 June 2026, 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.

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

STATEMENTS BY THE COMPANY REPRESENTATION

ILIRIJA d.d.
BIOGRAD NA MORU

Biograd na Moru, 16/07/2026

Statement made by the persons responsible for the preparation of the financial statements for the period from 01/01/2026–30/06/2026

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

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

The financial statements give a true and fair view of the financial position of the Company as at 30/06/2026, operating results and cash flows of the Company in accordance with International Financial Reporting Standards.

The Management's Report gives a true overview of operating results and position of the Company as at 30/06/2026.

Financial statements for the period form 01/1/2026 - 30/06/2026 are unaudited.

Accounting Manager:
Zorka Strpić

Management Board:
Goran Ražnjević

ILIRIJA dioničko društvo
za ugostiteljstvo i turizam
Biograd na Moru

ILIRIJA D.D.

TINA UJEVIĆA 7, BIOGRAD NA MORU, REPUBLIC OF CROATIA

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