



# Financial statements for the period from 01/01 to 31/12/2019

(Unaudited)

Biograd na Moru, February 2020



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IRIS RESORT

Mare Ma Komati

Camping Park Soline



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## INTRODUCTORY SPEECH BY THE PRESIDENT OF THE MANAGEMENT BOARD



Goran Ražnjević, President of the Management Board

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Dear shareholders!

As a market-competitive and sustainable business system on the one hand, and as an entity with corporate social responsibility on the other hand, we continued in 2019 to create the expected and planned added value for all key groups of our stakeholders, with a particular emphasis on shareholders and our employees and also our guests as a key customer of our services and products.

In 2019, the Company aimed to achieve the balance and long-term sustainability of reasonable and realistic interests of all stakeholder groups, followed by the balance of the development and growth of the Company, while living up to the realistic and reasonable expectations of our key stakeholders.

The circumstances in which the fiscal year took place, which in some parts was more than challenging or demanding, especially in the segment of sales where for the most of the year before the start of the full season the uncertainty of the high season could be sensed due to slowed bookings until the mid of June, and an increased number of last minute bookings, which is why additional sales and marketing efforts were made to realize the successful season, and also difficulty in hiring or lack

of seasonal employees, give us the right to consider the achieved results successful, especially in the segment of realization of total, i.e. operating revenues, owing to which the Company continued with appropriate and targeted continuous growth.

Other business performance indicators are the result of difficult market and economic conditions in the key European tourism markets as a consequence of growing demand for destinations in the Eastern Mediterranean and staying of guests from key source Croatian tourism markets, mainly Dutch and German, in their domicile countries.

In 2019, by redirecting a part of the added value realized through the revenue item to key stakeholders in 2019, especially to employees, by implementing a continuous, conscious and targeted policy of improving their material position, and to guests by continuously raising the level of quality and standard of the existing services and developing the new ones, the Company ensured business growth and stability of the fiscal year, which was to a lesser extent reflected in other business performance indicators, i.e. profitability compared to those in the previous year.

Considering the foregoing, in the fiscal year 2019, the Company fulfilled all of its forecasted business objectives, achieved adequate rates of cost-efficiency and profitability without increasing the Company's total indebtedness, investing in facilities over HRK 24 million at the same time and providing the funds for the payment of dividends to shareholders in the amount of HRK 8.4 million. The Company continued to further strengthen its own competitiveness in the tourism and hospitality industry by balancing the business across all three core sectors: hotel sector, nautical sector and camping sector. The same applies to the other two sectors of the Company, Ilijia Travel as a tourism integrated and complementary product with year-round business activities and real estate business.

Operating revenues at the Company level amounts to HRK 167,711,919.32, with a growth rate of 5.16%, followed by the revenue growth at the level of all sectors. In the key tourism sectors of the Company (hotel, camping and nautical), despite the circumstances in which the fiscal year took place, revenues grew at a rate of 5% in each of these sectors, while the destination management company Ilijia Travel achieved revenue growth of over 16%. The

revenues also grew by 1% in the Company's real estate sector. In terms of revenues, total and operating ones, this was by far the best year both at the Company's level and in all of its sectors separately with the realized continuity of growth in the operating revenue.

It is of particular importance for the Company that, despite the demanding and uncertain fiscal year, both in terms of sales and employment, a significant step forward was made in terms of growth or increase in the volume of the year-round business and further activities in the development of new products and services in the period of the pre- and post season. The focus placed on off-peak business development, as a strategic and long-term goal of the Company was successfully realized by organizing 609 separate events and revenue growth of over 16% in 2019.

The nautical sector in all of its business units: Marina Kornati (accommodation of vessels), boat show (Biograd Boat Show) and hospitality (restaurant "Marina Kornati") achieved by far the best operating results or record-breaking fiscal year. The most significant results are the achievements of Marina

Kornati, which generates the largest share in the revenue of the entire nautical sector, while in terms of business performance results or achievements, both in operating performance indicators, generated revenues and operating profitability indicators, this has been the best fiscal year so far, especially considering the fact that the nautical sector in the segment of accommodation of vessels achieved the results by the end of the third quarter defined by the Business Plan. In the nautical sector, a significant step forward was made in the boat show, i.e. Biograd Boat Show, with revenue growth of over 20% as a result of successful development of new products and services, i.e. the organization of the Croatia Charter Show, a new "business to business" event.

The hotel sector has achieved the best operating results so far in the segment of generated revenues and a slow increase in overnight stays, which resulted in the growth in operating revenues at the sector level by 5% and a growth in revenue per room while maintaining occupancy days at the same level as in the previous year, while the camping sector, i.e. "Park Soline" campsite, with the expected stagnation in operating performance indicators (arriv-

als/overnight stays) realized a revenue growth at the rate of 5%.

Targeted and conscious decision of the Company on the one hand on investing in the development of new products and services focusing on the year-round business, and the personnel policy based on the continuous improvement of the financial position of the employees have significantly affected the growth in operating expenses. The cost of gross pays increased by 10% compared to that in 2018 or by 20% compared to that in 2017, while other costs, i.e. reimbursement of pays, continued to rise by 13% compared to that in 2018 or by 19% compared to that in 2017. The Company did not deliberately hire foreign employees, but hired only domestic, mostly local, qualified employees, which resulted in expected higher labor costs and employment contracts concluded for a longer term considering the year-round business, ultimately resulting in significant growth in work- and employment-related expenses.

Besides the investments made in the amount of HRK 24,249,604.35 at the level of all sectors, in addition to costs in the segment of sales and mar-

keting activities, the Company also made significant investments in the development of products, which are key to business activities in the pre and post-season. Investing and raising the value of our accommodation capacities and existing products and services, while developing pre and post-season programs and activities has resulted in the continuous growth in revenues at the level of all sectors.

The Company went on with its continuous dividend payment policy. In the reporting period, HRK 8.4 million was paid out to shareholders, which is a rise by 16.58% compared to the dividend previously paid out. The average share price in the capital market was achieved in the amount of HRK 187.78, with an increase by 3.18%, while the market capitalization indicated as a product of a number of shares with the last share price increased by 13.64% and which amounts to HRK 482.7 million, which shows the Company's stable market position in the capital market.

In 2019, the Company maintained a continuous business growth at the level of all of its sectors, with business performance indicators which are lower as expected, given the circumstances in which the fis-

cal year took place. Furthermore, the balance and sustainability of the business system were achieved among the Company's key stakeholders, while with responsible and sustainable investment, business activities in the pre- and post season have grown significantly, which will be our goal in the year to come. As a tourism company with a diversified offer and a significant focus on the development of year-round business activities, I believe that in 2020 we will proceed with the constant growth of our business with further strengthening of the Company's market recognition and competitiveness in the domestic and international tourism market.

Goran Ražnjević,  
President of the Management Board



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**OVERVIEW OF KEY  
PERFORMANCE INDICATORS  
FOR THE YEAR 2019**

**167,80M** /  
TOTAL REVENUES  
(HRK)  
+4,19%

**167,70M** /  
OPERATING  
REVENUES (HRK)  
+5,16%

**136,50M** /  
OPERATING  
EXPENSES  
+10,04%

**50,30M** /  
EBITDA  
(HRK)  
-7,20%

**485,30M** /  
VALUE OF  
ASSETS (HRK)  
+4,95%

**346,70M** /  
CAPITAL (HRK)  
+6,90%

**482,70M** /  
MARKET  
CAPITALIZATION  
+13,64%

**8,40M** /  
DIVIDEND  
PAID (HRK)  
+16,58%

**187,78** /  
AVERAGE SHARE  
PRICE (HRK)  
+3,18%

in HRK	2019	2018	Index 2019/2018
<b>Financial indicators</b>			
Total revenues	167.797.556,86	161.048.880,05	104,19
Operating revenues	167.711.919,32	159.490.115,09	105,16
<i>Hotel sector</i>	59.784.757,62	57.104.655,63	104,69
<i>Nautics</i>	48.610.539,64	46.219.397,68	105,17
<i>Camping</i>	35.305.818,53	33.542.041,42	105,26
<i>Revenues from other sectors and profit centers</i>	24.010.803,53	22.624.020,36	106,13
<i>Revenues from sales</i>	165.072.177,40	157.999.499,71	104,48
EBITDA	50.310.254,21	54.216.254,17	92,80
EBITDA margin	30,00%	33,99%	88,25
Adjusted EBITDA	51.216.000,21	56.101.861,24	91,29
Adjusted EBITDA margin	30,54%	35,18%	86,82
EBIT	35.930.820,22	41.419.356,76	86,75
Adjusted EBIT	36.836.566,22	43.304.963,83	85,06
EBT	31.333.913,66	37.035.167,22	84,61
EBT margin	18,68%	23,22%	80,46
Net profit	31.333.913,66	37.035.167,22	84,61



in HRK	31/12/2019	31/12/2018	Index 2019/2018
<b>Balance sheet indicators</b>			
Net debt	100.725.614,10	109.285.301,00	92,17
Net debt/EBITDA	2,00	2,02	99,32
Net debt/Adjusted EBITDA	1,97	1,95	100,96
Interest coverage	6,92	8,45	81,89
Capital investments	24.249.604,35	38.790.932,29	62,51
ROE	9,04%	11,42%	79,14
ROA	6,46%	8,01%	80,62
Adjusted ROCE	8,25%	10,01%	82,42

in HRK	31/12/2019	31/12/2018	Index 2019/2018
<b>Indicators of the financial position</b>			
Value of assets	485.278.090,92	462.391.910,95	104,95
Capital	346.783.374,38	324.375.413,08	106,91
Total liabilities	138.494.716,54	138.016.497,87	100,35

in HRK	2019	2018	Index 2019/2018
<b>Achievements on the capital market</b>			
Market capitalization	482.697.600,00	424.773.888,00	113,64
EV	579.755.725,07	533.039.004,94	108,76
EV/EBITDA	11,52	9,83	117,23
EV/Adjusted EBITDA	11,32	9,50	119,16
P/E	15,34	14,21	107,95
EPS	13,04	12,4	105,25
DPS	3,50	3,00	116,67

Physical indicators	2019	2018	Index 2019/2018
<b>Hotel sector</b>			
Number of accommodation units	443	443	100,00
Overnight stays of tourist	146.815	144.745	101,43
Occupancy days	165	165	100,00
Annual occupancy	45,30%	45,12%	100,40
<b>Nautical sector</b>			
Number of berths	805	805	100,00
Contracted vessels	740	741	99,87
Transit berth, overnight stays of vessels	11.227	10.639	105,53
Transit berth, inbound sail of vessels	3.418	3.263	104,75
Port service - number of operations	3.688	3.682	100,16
Days of work	365	365	100,00
<b>Camping</b>			
Number of accommodation units	1.220	1.220	100,00
Days of work <sup>*</sup>	275	224	122,77
Occupancy days	149,72	125,15	119,63
<i>Mobile homes</i>	94,45	104,44	90,43
<i>Individuals</i>	45,36	48,81	92,93
<i>Fixed lease</i>	275,00	224,00	122,77
<i>Lump sum</i>	275,00	224,00	122,77
Occupancy	54,44%	55,87%	97,44
<i>Mobile homes</i>	34,35%	46,63%	73,67
<i>Individuals</i>	16,49%	21,79%	75,68
<i>Fixed lease</i>	100,00%	100,00%	100,00
<i>Lump sum</i>	100,00%	100,00%	100,00
Overnight stays of tourists	290.487	302.845	95,92

\*The campsite "Park Soline" was opened for 275 days in 2019, while it was opened for 224 days in 2018. Considering the foregoing and the fact that we calculate 100% occupancy, i.e. the sales in the market segments, fixed lease and lump sum, the same resulted in an achieved rise in the occupancy days compared to that in 2018.

Physical indicators	2019	2018	Index 2019/2018
<b>Ilirija Travel</b>			
Number of events	609	561	108,56
Number of persons (events)	54.749	58.023	94,36
<b>Real-estate</b>			
Number of lessees	37	36	102,78
Common expenses - number of active contracts	36	34	105,88
Common areas - number of active contracts	21	24	87,50
Advertising space - number of active contracts	8	8	100,00
Garage - number of parking space	410	410	100,00
Rented area (m <sup>2</sup> )	9.897,60	9.897,60	100,00
Number of vehicles in the garage	763.982	667.753	114,41



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## KEY INFORMATION FOR THE YEAR 2019

1 The fiscal year 2019 for the Company in terms of generating operating revenues is by far the best at the level of all its sectors, thus continuing the Company's continuous business growth in terms of revenue generation. The fiscal year in the tourism sector in the first semi-annual period and one part of the high season (the month of July) was marked on the one hand by challenging, demanding and difficult sales through uncertain and delayed booking, due to a rise in demand for destinations in the Eastern Mediterranean, subsequently stimulated last minute booking, and on the other hand, the year 2019 was also difficult in terms of hiring qualified seasonal employees, which to a lesser extent affected the overall Company's operating results.

Continuous business growth achieved in terms of generated operating revenues, with growth at a rate of 5.16%, is all the more significant if we take into account the circumstances in which the fiscal year took place, especially in the camping and hotel sector. All sectors of the Company realized a growth in operating revenues, of which the minimal growth of 1% was achieved in the real-estate sector, while the tourism sectors grew at a rate of at least 5% (hotel, nautical and camping) or destination management company Ilirija Travel at a rate of 16.15% as a result of the development of year-round business activities mainly realized in the shoulder season.

In addition to growth in the segment of operating revenues, the hotel, nautics sectors and Ilirija Travel achieved the best operating results so far, that is, a record-breaking fiscal year. This is especially true for the nautical sector where all business performance indicators grew by more than 5%. The already difficult and challenging sales in the camping sector were additionally impaired by bad weather conditions in the pre-season, an increase in camping capacities and certainly what most affected the overall results of the camping sector was the lack of guests from the key source camping markets, which resulted in the stagnation of the entire camping tourism at the national level. Despite the decrease in operating indicators, the camping sector achieved the best financial results so far in terms of revenue.

Ilirija d.d. as a business system with principles of corporate social responsibility focused the growth of operating revenues and newly created value in the challenging fiscal year on the development of new products and services on the one hand, i.e. the development of the year-round operations and significant strengthening of sales and marketing activities on the other hand, with a continuous, targeted and conscious human resources policy, the Company invested a significant portion of the generated revenues into the improvement of the

financial position of the employees and hiring the qualified domestic workforce. The Company was aware in advance that their engagement would have a significant impact on the increase in the cost of salaries and other costs and benefits related to employment, especially due to longer retention in employment as a result of year-round business activities and the need for hiring a higher number of employees. The cost of gross pays in 2019 increased by 10% compared to those in the previous fiscal year, or 20% compared to 2017, and also the benefits related to employment costs increased by 13% compared to those in 2018 or 19% compared to those in 2017.

The foregoing was partly reflected in the profitability of the business operations, i.e. operating profit, profit, EBITDA and EBIT, which are expected to be lower than in the previous fiscal year as a result of the Company's targeted and conscious decision to, in the existing market circumstances, difficult sales and growth in demand for seasonal employees, through responsible and continuous personnel policy, ensure all the prerequisites for the smooth running of the business process by ensuring quality services by hiring exclusively domestic employees thereby paying significantly higher labor costs. 2 In terms of realizing operating results, the key tourism sectors of the Company recorded an increase in

fundamental operating or physical indicators except for the camping sector.

In the hotel sector, the best operating results so far were recorded through 146,815 overnight stays realized with a growth of 1%, while the number of arrivals was at the level of the previous fiscal year. The hotel sector achieved 165 days of occupancy with a slight increase in capacity occupancy based on the total number of days in the period and the number of sold accommodation units. Despite the demanding fiscal year, the hotel sector recorded a growth in operating revenues by 5% and a growth in average daily rate of the accommodation unit (ADR) by 4.16%.

The nautical sector of the Company has achieved the best or record-breaking fiscal year so far, considering both the operating and financial results of operations at the level of all business units, i.e. Marina Kornati, boat show and hospitality. In the segment of the services of receiving and accommodating vessels, i.e. Marina Kornati, which make up for 84.10% of the total revenue of the nautics, the achieved results are the result of the best operating indicators so far in the segment of vessel accommodation, which are minimally at the level of the previous year (vessels on the contract-based berth) and a rise in the number

of vessels in transit – sailing in and overnight stay of vessels. Despite the fact that the number of vessels on the contract-based berth remained at the same level of the previous fiscal year, the change in the structure of vessels (increase in the share of longer vessels), the rise in the price of accommodation by approximately 3%, optimization of the port aquatorium while retaining the capacities (number of berths) at the same level and the growth in physical achievements in the part of transit led to the achievement of a record-breaking fiscal year where, from the point of view of revenues, the Company generated revenues higher than forecasted by the Business Plan even by the end of the third quarter of 2019.

The camping sector at the national level was marked by far the most challenging and demanding fiscal year so far, characterized by bad weather conditions, delayed or last minute sales in the pre-season and the high season (July), and the most significant effect on the results of the season was the lack of guests from the most significant camping markets of western and northern Europe. This, in particular, applies to guests from Germany and the Netherlands who stayed in their own countries, which, with increased accommodation capacities and reduced demand, resulted in the most demanding fiscal year of camping tourism.

The mentioned circumstances were also reflected on the operational achievements of the "Park Soline" Campsite, arrivals and overnight stays which were lower than in the previous fiscal year, although the camping sector generated a rise in revenues by 5%.

Through the destination management company Ilirija Travel, the Company realized 609 separate events for a total of 54,749 persons, which is an increase by 8.56% in the number of events. The achieved results are by far the best so far in the number of events, with a special emphasis on the rise in the number of corporate and MICE events and entertainment programs, as well as in the generated revenues that grew at the level of all facilities that are included in Ilirija Travel, in which way the Company successfully continued the development of the year-round business as its strategic goal. The achievements of the "Nada" event boat and Arsenal are particularly significant, which generate the highest share in the revenues of Ilirija Travel, where the revenues of the Nada event boat increased by 119% compared to the previous fiscal year.

The real estate sector records a growth in key operating performance indicators with occupancy of 99.77% of all capacities, which also resulted in an increase in

the sector's operating revenues, which is considered a particularly successful result, given the absence of extraordinary revenues generated in 2018.

3 Total revenues are generated in the amount of HRK 167,797,556.86 and increased by 4.19% compared to those in 2018, when they amounted to HRK 161,048,880.05, as a result of the growth in operating revenues and sales revenues by 4.48%, of which domestic sales increased by 4%, while foreign sales increased by 7%.

4 In the reporting period, operating revenues were generated in the amount of HRK 167,711,919.32 compared to those in the previous fiscal year, when they amounted to HRK 159,490,115.09, they increased by 5.16% and are the result of revenue growth in all Company's sectors. In the hotel sector, operating revenues were generated in the amount of HRK 59,784,757.62 and grew by 5%, while in the nautical sector they were generated in the amount of HRK 48,610,539.64 with a growth rate of 5% while the camping sector generated revenues in the amount of HRK 35,305,818.53 which increased by 5% compared to those in 2018. The destination management company Ilirija Travel, as an integrated product of all tourism sectors of the Company, generated the revenues

in the amount of HRK 9,197,454.89, which increased by 16.15% compared to those in the previous fiscal year, while the real-estate sector recorded a growth by 1% with generated revenues in the amount of HRK 14,255,205.21.

5 Sales revenues amount to HRK 165,072,177.40 compared to those in 2018, when they amounted to HRK 157,999,499.71, which grew by 4.48% as a result of growth in revenues on the foreign and domestic market.

6 Total expenses amount to HRK 136,463,643.20 and rose by 10.04% compared to those in the last year, when they amounted to HRK 124,013,712.83 as a result of growth in operating expenses by 9.97%, depreciation by 12.37% and financial expenditures by 4.85%.

Expenditures in the absolute amount increased the most in the segment of operating expenses by HRK 10,654,676.77. The most significant growth in expenditures was recorded in the segment of the gross pay cost with a growth rate of 10% or HRK 3,693,606.79 compared to those in the previous fiscal year, while compared to those in 2017, they grew by 20.12%, which is an indicator of continuous policy in



the segment of the human resources management. The increase in the cost of gross pays in 2019 is the result of: (I) the Company's targeted policy in the segment of human resources management for the purpose of continuous improvement of the financial position of employees, (II) the decision on hiring exclusively domestic or local employees at the expense of higher labor costs, (III) development of the year-round business that leads to longer retention of seasonal employees employed, (IV) hiring a higher number of employees for the purpose of improving the standard and quality of the service, and (V) developing the staff by recruiting nine trainees. In addition to the increase in the cost of gross salaries, other costs also grew which were related to employment, i.e. reimbursement of employment costs with a growth by 13% or HRK 757,496.28 whose growth was influenced by the growth in travel expenses and temporary employment contracts and university student service contracts, taxes and contributions related to employment which rose by 22%. The aforementioned items increased by HRK 4,644,147.88 compared to those in 2018 and account for 56% of the share in the growth of operating revenues.

The average net salary for the year 2019 at the Company level is HRK 6,977.12 for employees who were

employed all year long which is a rise by 5.69% compared to the average net salary paid in 2018. The total number of full-time employees in 2019 was 245, compared to 223 in 2018. We should also mention the obligation assumed by the Company to recruit the employees for a fixed term according to the Investment Promotion Act, through which the Company obtains and uses incentives in the form of tax reliefs. In the past two years, i.e. in 2019 and 2018, there were 18 employees that were granted a status of a full-time employee on this basis.

The strategic decision and the goal of the Company is the development of the year-round business and significant business activities in its tourism sectors in the period of pre- and post-season, mainly realized through the Ilirija Travel destination management company. In 2019, through the system of the destination management company, 609 events of various nature were realized, which directly influenced the growth of expenditures related to the development of new products and services, especially entertainment program services, their promotion and additional sales and marketing activities, generating an increase in expenditures by HRK 1,895,755.14.

The fiscal year 2019 in the hotel and camping sector was challenging and demanding due to the circum-

stances in which the sales took place, primarily due to increased demand for destinations in the Eastern Mediterranean, delayed and late booking, and the stay of guests from Western and Northern Europe in their tourist destinations, which required additional sales-marketing activities and benefits given to various sales channels and business partners (agencies) whose costs grew by HRK 1,077,503.64 compared to those in 2018.

Food and beverage expenses also increased significantly, from HRK 12,215,522.22 generated in the previous year, to HRK 13,263,821.23 in 2019, or by 8.58% or HRK 1,048,299.01 as a consequence of the increased performance of the Company's services in the area of food and beverages at the level of all its tourism sectors.

The expenses were also significantly impacted by the growth of utility costs, which increased by 8% or HRK 519,483.06, of which the utility fee increased by as much as 23% and removal of garbage by 18% compared to those in 2018.

7 The Company's targeted and continuous policy as a system with corporate social responsibility aimed at creating value for its key stakeholders in 2019 was

most reflected in the improvement of the financial position of the employees as a key owner of the development and growth of the Company, and the development of the year-round business as a strategic goal of the Company and consequently and thus the need for hiring a higher number of employees, which was ultimately reflected in operating profitability indicators in 2019.

Operating profit was generated in the amount of HRK 50,224,616.67 and decreased by 4.62%, while profit was generated in the amount of HRK 31,333,913.66. In 2019, EBITDA was realized in the amount of HRK 50,310,254.21 and fell by HRK 7.20% compared to that in 2018 when it amounted to HRK 54,216,254.17. The share of gross salary costs, reimbursement of employment expenses, taxes and contributions related to employment in operating revenues continued to grow even in 2019, accounting for 29.92% of share in operating revenues, which was reflected on the realization of EBITDA and other profitability indicators.

8 The Company's own funding sources account for 71.46% of total sources of funds (capital and reserves) compared to 70.15% in 2018, while foreign funding sources as of 31/12/2019 have a proportion of 28.54% compared to those in the previous fiscal year when

they amounted to 29.85%. The balance sheet position of the Company at the end of the reporting period indicates a stable and strengthened financial position indicated through further growth of assets, reduction of long-term liabilities and increased ability of self-financing. In 2019, the Company provided 96.19% of cash inflows from operating activities, while only 3.31% of inflows were provided through the banks. These indicators are also one of the most significant indicators in the Company's operations for 2019, especially when analyzing the overall long-term and sustainable economic and financial stability of the Company.

At the same time, using these standard financial indicators, the Company achieves a high and sustainable degree of financial stability measured through the relationship between the structure of assets and the sources of funds.

9 The value of the assets amounts to HRK 485,278,090.92 and increased by HRK 22,886,179.97 or by 4.95% compared to that in the same period of the previous fiscal year when it amounted to HRK 462,391,910.95. Capital increased by 6.91% or HRK 22,407,961.30 or from the amount of HRK 324,375,413.08 as much as it amounted in 2018, to

the amount of HRK 346,783,374.38, which we find an extraordinary success for the Company.

10 In 2019, the investments made by the Company were achieved in the value of HRK 24,249,604.35. Investments were made in the preparation of the fiscal year with an emphasis on enhancing its competitiveness and market recognition by improving the level, quality and standards of the existing service as well as developing new products and services at the level of all Company's sectors. Most of the investment activities, i.e. investments, were made and realized in the camping sector in the amount of HRK 14.4 million, which relates to increasing the campsite capacities and raising the quality and content of the accommodation services and stay of guests.

11 Total liabilities amount to HRK 138,494,716.54 and rose by HRK 478,218.67, or by 0.35% as a result of the increase in the Company's short-term liabilities.

12 General Shareholders' Assembly unanimously made the following decisions at the session held on 24 May 2019:

- The Decision on the utilization of the profit for the fiscal year 2018, according to which the profit generat-

ed after taxation in the amount of HRK 29,795,129.95 was allocated in the way as follows:

- HRK 19,177,167.95 should be allocated to the retained profit,
- HRK 2,200,000.00 should be allocated to statutory reserves, and
- HRK 8,417,962.00 should be allocated for profit distribution.

- Decision on dividend distribution according to which the Company's shareholders were paid a dividend in the amount of HRK 8,417,962.00 or HRK 3.50 per share from the profit generated in the year 2018.

- Decision on giving powers to the Management Board of the Company for acquiring treasury shares in the organized securities market during a period of 5 years from the date of taking the decision.

13 The Company distributed a dividend to the shareholders in the amount of HRK 8,417,962.00 or HRK 3.50 per share, which is an increase by 16.57% compared to the dividend distributed in 2018 in the amount of HRK 7,221,240.00. During the period from early 2009 to late 2019, a total amount of HRK 52,778,420.00 was disbursed to the Company's shareholders.

14 The average share price in 2019 was realized in the amount of HRK 187.78, by which compared to that in the previous fiscal year, when the average share price amounted to HRK 182.00 as boiled down to the prices after the corporate share split activity, the average price increased by 3.18%. The last share price in the reporting period was generated in the amount of HRK 200.00 which increased by 13.64% compared to that in 2018 when it amounted to HRK 176.00.

15 The market capitalization was achieved in the amount of HRK 482,697,600.00 which compared to that in 2018, constitutes a growth by 13.64% or by HRK 57,923,712.00.

16 Pursuant to the Investment Promotion Act (OG 102/15), the Company was granted the status of an investment incentive beneficiary, whereby the company was granted by the Ministry of the Economy, Entrepreneurship and Crafts the corporate income tax reliefs for 2019 on the basis of investments made in fixed assets, namely into the sectors:

I) Hotel sector – Strengthening of the competitive position of the four-star accommodation facilities (Ilirija Hotel/Kornati Hotel/Villa Donat Hotel)

II) Camping – Strengthening of the competitive posi-

tion of the four-star Park Soline Campsite („Park Soline“ Campsite)

III) Nautics – Strengthening of the competitive position of Marina Kornati – reconstruction and improvement of the Marina, better equipment of the port, hospitality offers and responsible space management with the extension of the reception facilities

17 The Ministry of Tourism has re-categorized all the Company's hotels, according which all the above-mentioned accommodation facilities have confirmed the standard and quality of accommodation and other services equaling the level of their relevant category.

18 The Company has published its fourth non-financial report, the Annual Report on Corporate Social Responsibility for 2018, prepared in accordance with the international non-financial reporting guidelines of the GRI Standards-Core Option, which provides an overview of the Company's achievements and activities both in achieving the economic operating results and in its relationships towards the community and the environment.



# 1 ABOUT ILIRIJA D.D.

## I.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 **63** years. The business operations of ILIRIJA d.d. is based on the principles of corporate social responsibility as an integral part its corporate values.

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

Villa Primorje \*\*\*\*, diffuse hotel Ražnjevića dvori AD 1307, event boat “Nada”), **sports-recreational and entertainment center** (Tennis center Ilirija with 20 tennis courts and Aquatic center with hospitality facilities), and since the month of December 2016, the Company’s portfolio includes the **Commercial-Shopping Center City Galleria** in Zadar with more than 28.500m<sup>2</sup> gross area in total six floors and total 9.897,60m<sup>2</sup> net rented floor area.

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

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## I.2 CHRONOLOGICAL OVERVIEW OF THE COMPANY'S DEVELOPMENT

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

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

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

**Year 1986** | Extended nautical capacities of the Company by constructing the nautical tourism Port Marina Kornati, located in Biograd na Moru, with total port area (aquatorium) of 131.600 m<sup>2</sup> with a total capacity of 705 berths on land and sea. Today, Marina Kornati is among the Top 3 Croatian marinas according to the number of berths, technical equipment, quality of service, cleanliness and neatness.

**Year 1988** | The construction of Tennis center, located in a pinewood Soline right next to the old town center Biograd na Moru (400m from the hotel, 150m from the main beach), on an area of 48.000 m<sup>2</sup> with 20 tennis courts (14 clay and 6 artificial grass tennis courts).

**Year 1988** | The construction of Aquatic Center, that is, a beach facility as a part of a unique, technological and functional unit of the existing hotel capacities, that is basically an Olympic outdoor swimming pool with many additional amenities, as a supplement to the existing and basic hotel amenities. Built as a swimming, beach and sports, entertainment and hospitality facility with bleachers with the capacity of 4,000 seats and a terrace of 1.000 m<sup>2</sup>, whereby it represents a center for holding almost all sports, entertaining and dance events in the City Biograd na Moru.

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

**Year 1991** | By merger of the campsite "Soline", located in Biograd na Moru, later renamed into the camp "Park Soline", by which the Company in its operations in addition to hotel management and nautics also included camping as the third segment of its tourism offer

**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.

**Years 1999 – 2019** | During this period, that is, by 31/12/2019, the Company has invested HRK 617,136,750.20 in construction, reconstruction, extension, building annexes, 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, which resulted in a growth in total revenues and newly created value in the mentioned period in the amount of HRK 899,659,355.35.



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

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

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

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

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

**Year 2014** | As a part of the Company's business system, the first Croatian diffuse hotel Ražnjevića dvori AD 1307 was opened. **Year 2015** | Renovated Villa Primorje\*\*\*\*, built in the second half of the 19th century, luxuriously decorated and equipped in line with the latest standards for facilities of its kind and category, has its own restaurant that offers the possibility of organizing a number of events.

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

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

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

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

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

**Year 2018** | The construction of the indoor swimming pool of useful surface area of approximately 500m<sup>2</sup> along with accompanying facilities, thus complementing the existing tourism offer of the hotel Ilirija Resort in the destination of Biograd na Moru.

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## I.3 COMPANY'S BODIES

### I.3.1 COMPANY MANAGEMENT BOARD

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

### I.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

### I.3.3 SHAREHOLDERS' ASSEMBLY



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## I.4 SUBSIDIARIES

Ilirija d.d, has two subsidiaries in 100% ownership:

ILIRIJA GRAĐENJE d.o.o.

ILIRIJA NAUTIKA d.o.o.

(are not active in business)

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## I.5 AFFILIATED COMPANIES

Arsenal Holdings d.o.o., Perivoj Gospe od Zdravlja 1, Zadar, Company Tax Number - OIB: 59794687464, holds 1,429.032 shares in the Company, which accounts for 59.21% of the shares in the share capital of the Company and the same number of votes in the Shareholders' Assembly.

The controlling company Arsenal Holdings d.o.o. is registered with the Commercial Court in Zadar, Company Reg. No. MBS: 060014554; share capital HRK 21,027,500.00 paid in whole.

Mr. Davor Tudorović is the major owner of the company Arsenal Holdings d.o.o. with 75.25% shares in its share capital, who also holds 95,744 shares of Ilirija d.d. which accounts for 3.97% of the shares in its equity capital.



## I.6 OWNERSHIP STRUCTURE OF THE COMPANY AND TRADING IN THE COMPANY'S SHARES AT THE ZAGREB STOCK EXCHANGE

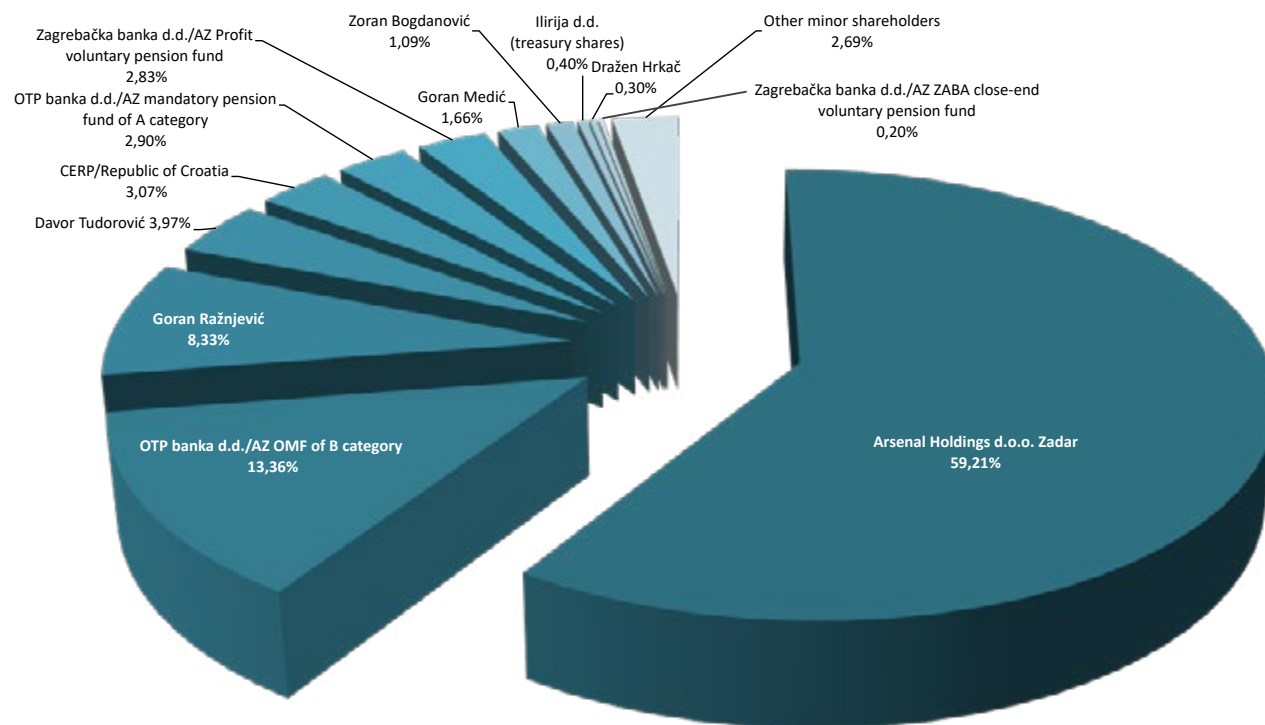
The share capital of the Company is HRK 229,146,480.00 and is divided into 2,413,488 ordinary shares without a par value.

As at 31st December 2019, there occurred no significant change in the ownership structure, and below there is an overview of the major shareholders of the Company as at 31st December 2019.

Overview of the major shareholders of the Company as at 31/12/2019:

Owners - shareholders	Number of shares	Share in %
Arsenal Holdings d.o.o. Zadar	1.429.032	59,21
OTP bank d.d./AZ OMF of B category	322.431	13,36
Goran Ražnjević	201.120	8,33
Davor Tudorović	95.744	3,97
CERP/REPUBLIC OF CROATIA	74.200	3,07
OTP bank 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
Ilirija d.d. (treasury shares)	9.590	0,40
Dražen Hrkač	7.224	0,30
Zagrebačka banka d.d./AZ ZABA close-end voluntary pension fund	4.904	0,20
Other minor shareholders	64.929	2,69
<b>TOTAL</b>	<b>2.413.488</b>	<b>100</b>

**OWNERSHIP STRUCTURE  
OF THE COMPANY AS AT  
31/12/2019**



## TRADING IN SHARES OF THE COMPANY ON THE CROATIAN CAPITAL MARKET IN THE PERIOD FROM 01/01- 31/12/2019:

(amount in HRK)	2019	2018	% of change
Total turnover	559.386,00	765.134,00	-26,89%
Average share price	187,78	182,00	3,18%
Average turnover per transaction	7.878,68	9.564,18	-17,62%
Average daily turnover	15.538,50	16.633,35	-6,58%
Last share price	200,00	176,00	13,64%
Market capitalization	482.697.600,00	424.773.888,00	13,64%
Number of shares	2.413.488	2.413.488	

*\*Data on share transactions in the observed period, prior to the corporate share splitting activity (until 25th January, 2018), for comparability purposes is reported as if the share split had been made on 1st January, 2018.*

In 2019, a total of 2,979 Company's shares were traded in which resulted in a turnover of HRK 559,386.00. The average share price was realized in the amount of HRK 187.78, recording thus a rise by 3.18% compared to the previous fiscal year, when the average share was realized in the amount of HRK 182.00. The average turnover per transaction was realized in the amount of HRK 7,878.68, while the average daily turnover was realized in the amount of HRK 15,538.50.

In the reporting period, the last share price was realized in the amount of HRK 200.00, which constitutes a rise by 13.64% compared to the last realized price in 2018, realized in the amount of HRK 176.00. The market capitalization of the Company calculated by using the methodology of the last realized share price amounts to HRK 482,697,600.00, which is an increase by 13.64% or HRK 57,923,712.00 compared to 2018 when it amounted to HRK 424,773,888.00.

The highest share price was achieved in the amount of HRK 206.00 per share, while in the same period last fiscal year the highest price per share achieved was HRK 200.00 per share, which is a rise by 3%. In 2019, the Company acquired 1,334 treasury shares and as at 31st December 2019 it held 9,590 treasury shares, accounting for 0.40% of the share in the share capital.

### The movement of the share price designated as ILRA and comparison with CROBEX and CROBEXTURIST indices

In 2019, the turnover in shares was realized in the order book of bids in amount of HRK 2,471.664,732 on the Zagreb Stock Exchange. This is a turnover higher by HRK 205,983.54 or 9.1% than in 2018. Block trade in shares and trade in bonds in 2019 are lower than in the same period in 2018, so the total turnover of the Zagreb Stock Exchange in 2019 was higher by 4.9% and amounts to HRK 2,994,252,428. One of the characteristics of the share price movement on the Zagreb Stock Exchange is the trend of their more pronounced growth compared to that in the previous year. CROBEX Index recorded a rise by 15.36% in 2019.

The turnover in the ILRA share was realized in the amount of HRK 559,386.00 in 2019. This was a decrease by 26.89% compared to the year 2018. The main reason for such a decline is the investors' low interest in investing in the shares on the Croatian market in general, a relatively low free-float of the ILRA share and associated low amount of offered shares for the sale that would meet the investors' requirements.

In 2019, the CROBEX index increased the value by 15.36%, while the CROBEXTURIST sector index decreased by 2.31%. ILRA share price increased by 13.64% over the same period (from HRK 176.00 to HRK 200.00 per share).



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





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## 1.7 COMPANY BUSINESS MODEL

The Company has been present on the domestic and international tourism market for over six decades and since 2016 when it acquired the Commercial-Shopping Center City Galleria, it became the Company with a wide range of activities, the portfolio of which is composed of 5 sectors:

- **Hotel sector** – 4 hotels, 443 rooms, 922 beds
- **Nautics** – 805 berths, 2,000 persons
- **Camping** – 1,220 pitches, 3,660 persons
- **Destination management company/DMC Ilirija Travel** – through which in 2019 were organized 609 special events for 54.749 persons
- **Real-estate segment** – Commercial-shopping center City Galleria in Zadar, one of the two largest shopping centers in the Zadar region

ILIRIJA d.d. is one of the few tourism companies in the Republic of Croatia with such a diverse offer that includes all the segments of the Adriatic or Mediterranean tourism offer in its portfolio (hotel sector, nautics and camping) additionally strengthened by the destination management company Ilirija Travel and the real estate sector. Besides such a diverse portfolio, is worth noting that the Company manag-

es 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 the new ones, which is also the foundation of the Company's business and development policy. The presence on the market for more than 6 decades and the related knowledge and experience, enable the Company to maximize its economic, financial, market and human resources potential **through the development of a complementary and integrated product through the destination management company. The Company strives for one of its strategic goals – year-round business operations of its sectors**, with an emphasis on the hotel sector and camping, through a good extension of the high season to the shoulder season and creating added value for both the Company and the destination, or the wider community. Through the destination management company, the Company contributes to the development and recognizability of the destination by organizing the events and by offering contents and programs in their own organization and their own facilities and capacities.

## 1.8 BRANDS OF THE COMPANY

**ILIRIJA RESORT**  
HOTELS & VILLAS

 **marina Kornati**

\*\*\*\* *camping park soline*

 **ILIRIJA Travel**  
DMC&PCO • WWW.ILIRIJA-TRAVEL.COM

City Galleria

**ARSENAL**  
ZADAR

EVENT SHIP  
*Nada*

 **Villa Primorje**

 **RAŽNJEVIĆA DVORJ**  
POLAČA

 **TENIS CENTAR ILIRIJA**  
BIOGRAD NA MORU

 **ILIRIJA aquatic center**

 **salvia spa**  
medical wellness

**LAVENDER BAR**

 **Restaurant marina Kornati**

 **PARK SOLINE**  
RESTAURANT

**Donat BEACH BAR**

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## 1.9 PRIZES AND AWARDS, STANDARDS AND CERTIFICATES

### Prizes and awards:

"23rd Tourist Flower - Quality for Croatia", organized by the Croatian Chamber of Commerce and the Croatian Radio and Television, Marina Kornati won the 2nd place in the category of Large marina."

"Park Soline" Campsite is the winner of the annual award of the Zadar County Tourist Board for implementing the principles of sustainable development and corporate social responsibility in its business and operational processes. The award is a great recognition for all the activities of the campsite performed so far in the field of environmental protection, as well as in other areas of corporate social responsibility, not only in the camping sector, but also at the company level.

Nautical patrol of the Jutarnji List awarded special recognition and gratitude to Ilirija d.d. and Marina Kornati for their outstanding contribution to the organization and success of the nautical patrol.

### Standards and certificates:

The Croatian Commission for Foundation for Environmental Education and the Commission for Blue Flag and related programs awarded to Ilirija d.d. a recognition for 16 years of uninterrupted loyalty to the international program Blue Flag for Beaches and Marinas in the Republic of Croatia for the Nautical tourism Port Marina Kornati, which has been holding the Blue Flag for 16 years.

In June, the recertification of Hotel Ilirija \*\*\*\* was successfully completed with an aim to renew the "Sustainable hotels by UPUHH" certificate, thereby certifying Ilirija Hotel from the basic certificate, realized in 2014, to an advanced level. As part of this project, the hotel met the sustainability criteria in its operations in the nine defined and monitored areas (sustainability management, procurement, sales, marketing and public



relations, environment, energy management, food and beverage, household and programs), thereby joining the hotels that attend to the sustainable development of Croatian tourism.

In September, the re-certification of the quality management system was carried out at the level of the Company according to the standard ISO 9001:2015 and the environmental management system ISO 14001:2015 was audited.

In December the "Park Soline" Campsite won the international award Green Key, eco-label that was for the first time awarded only to accommodation facilities that reduce their negative effects on the environment by optimizing energy consumption, waste sorting and educating their staff and guests on all aspects of environmental protection and sustainable development. This prestigious international eco-label is a commitment of companies to complying with the strict "Foundation for Environmental Education" (FEE) criteria for their tourist facilities. The certificate is awarded for a period of one year and is a confirmation to the tourist facility that the impact of an overnight stay is minimized in terms of an environmental impact.

The Company is the holder of the AAA Certificate of Excellence, an internationally recognized mark of economic quality and excellence of an economic operator, awarded by Bisnode prudential company in 2019, 2018, 2017, 2016 and 2015 for meeting highest class of creditworthiness criteria or meeting European standards on the quality, financial stability and the company's business performance.







## 2 CORPORATE STRATEGY AND GOVERNANCE

### 2.1 VISION, MISSION AND FUNDAMENTAL VALUES

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

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

#### **Fundamental values:**

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

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

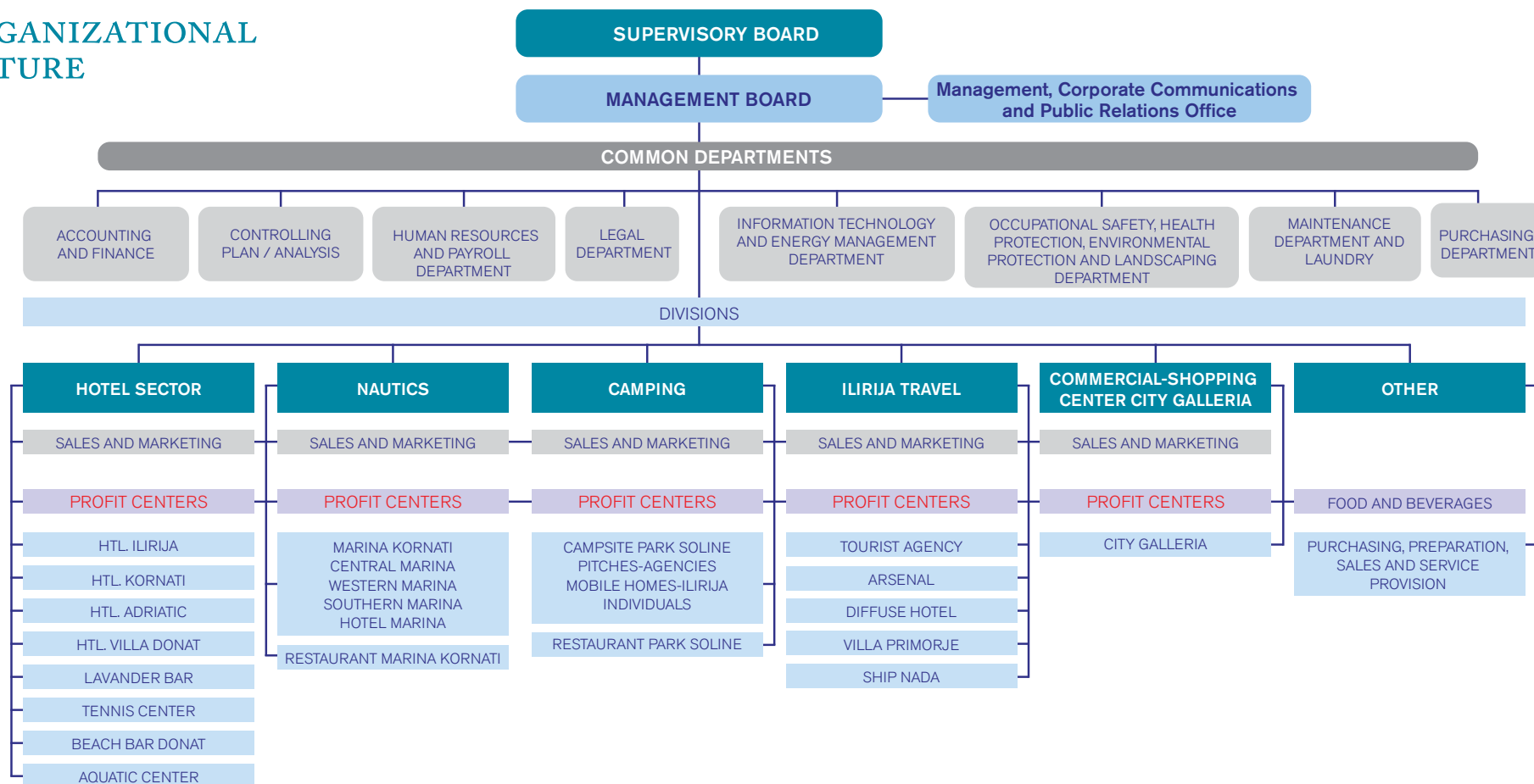
**Innovation** – to be the initiator and creator of new products and services, contributing to the future development of Company, destination and Croatian tourism.

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

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

**Corporate social responsibility** - In its operations, the Company applies the principles of corporate social responsibility, taking into account the responsibilities towards all key groups of its stakeholders (guests, employees, shareholders, the state, local community, financial institutions and suppliers), where it creates added value for all stakeholder groups through the achieved business results. In 2019, the Company placed a special emphasis on creating added values for its employees by implementing a continuous policy of improving their financial position and creating added value for guests in a way to improve the quality and standards of the existing services and develop new products. This business concept also implies the conservation of the natural and environmental resources managed by the Company.

## 2.2 ORGANIZATIONAL STRUCTURE



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## 2.3 SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY

One of the fundamental questions in modern economic activity of every company, our Company included, is how to reproduce and increase the capital employed through the process of creating new, technologically increased value for the benefit of all participants involved in the process, starting with the shareholders, i.e. owners of capital employed, namely through skilled and motivated employees, i.e. educated and highly-qualified managers as creators of technological processes, and using the best knowledge, activities and skills, as well as the generally useful function of economic activity for the benefit of the entire community.

The today's second, but no less important question is how we can achieve the balance and long-term sustainability of the reasonable and realistic interests of all participants in the economic venture, followed by the balance of growth and development at the micro and macro level in contemporary circumstances of social and economic relations.

Finally, having in view the obligation of harmonization, proportionality and sustainable balance of expected and justified interests of all interested parties involved in the business process as a criterion, there is another and an even more important issue, the

one pertaining to the creation of material, humanistically and socially acceptable socio-economic added value and improvement.

In summary, balance and sustainability are becoming paramount – they are the value systems and levers underpinning reality both for the individual and for the business system. In addition, in the contemporary business environment, knowledge, speed and the ability to adapt to technologically inevitable changes are becoming key factors in production, while also creating a quality product – competitiveness and sustainability – through the work process and capital employed.

Said premises constitute the guiding principles of the Company's practices, behaviour and decision-making. This is a question of all questions for the individuals managing people, processes and material resources, or for those planning, organizing and evaluating the achieved results in an organization on a market and an ownership basis.

In 2019, the Company systematically continued with its activities pertaining to corporate social responsibility in its key areas (environmental protec-

tion, relationship with the community and relationship with employees). As a responsible business system, a public and transparent company, in its decision-making processes, in all key aspects of corporate governance, and in its strategic documents, Ilirija d.d. has integrated economic aspects, as a fundamental pillar of the company's social responsibility, with environmental and social aspects of its business.

The Company has published its fourth non-financial report – the Annual Corporate Social Responsibility Report for 2018 – in which it presents its overall activities, namely in terms of the achieved operating results, as well as a detailed overview of CSR activities in three key areas: (I) relationship with the community, (II) the employees, and (III) the environment. The Annual Corporate Social Responsibility Report for 2018 is the second report drawn up in accordance with the international non-financial reporting standards – GRI standards – Core Option. The report has been verified by the independent committee of the Governing Council of the Croatian Business Council for Sustainable Development (HR BCSD), an independent economic sector organization, as well as published on the website of

the Company ([www.ilirijabiograd.com](http://www.ilirijabiograd.com)), the Zagreb Stock Exchange ([www.zse.hr](http://www.zse.hr)) and HANFA ([www.hanfa.hr](http://www.hanfa.hr)).

### I) Environmental protection

As a business system, the Company's operations have an impact on the environment in the broad sense, and the Company consequently pays great attention to the preservation and protection of the environment through investments, employee education and implementation of leading international standards pertaining to environmental management and protection. As for environmental protection, in 2019 we focused our activities on the following areas:

- In "Park Soline" camp, namely for the purpose of enriching the existing environment, additional afforestation, park design and introduction of new species, all in accordance with the Mediterranean principles of landscaping, over five hundred shrubs and trees were planted and distributed in all its zones, in the last quarter of 2019 alone, and the camp is now beginning to take on the appearance of a landscaped park;
- Upgrading and improvement of environmental

protection through waste management, namely by constructing a new waste yard with a surface area of approximately 150 m<sup>2</sup>. Accordingly, the management of generated waste has been improved at all locations of the Company through the acquisition of new waste containers and six new press containers, which will speed up waste management in arranged waste yards, as well as significantly reduce waste volumes and collection costs;

- For the 16th consecutive year, Marina Kornati has been awarded the Blue Flag, the leading international standard for the protection of the sea and the coast, while the Park Soline camp has been awarded the international Green Key certificate for the 7th consecutive year. Said certificate is awarded to accommodation facilities that reduce negative environmental impacts, as well as promote and implement the principles of sustainable development and environmental protection;
- Renewal, i.e. recertification pertaining to the "Sustainable Hotel by UPUHH" certificate for the Company's largest hotel – Ilirija\*\*\*\*. Until then, said hotel was the holder of the basic certificate, while following the recertification, it became the holder of the advanced certificate;
- Recertification of the ISO 9001:2015 quality man-

agement system was carried out at the beginning of September, and a supervisory audit of the ISO 14001:2015 environmental management system was also performed;

- An educational project entitled "Microplastics in the Sea" was held for the students of Ante Kuzmanić Medical School in Zadar. The students touched upon this global issue through a full-day workshop held at Ilirija's hotels, where they also provided education to the Company's employees through lectures, playing educational films and creating posters;
- In cooperation with its external partners, the Company held educational workshops for children on the importance of protecting the environment, flora and fauna. Namely, it organized Bat Night in the "Park Soline" camp in cooperation with the Vrana Lake Nature Park, and it also held National Geographic Croatia workshops for children, covering topics pertaining to environmental protection and others, including a workshop on the preservation of the environment, as well as natural and cultural heritage as a core value of sustainable tourism development;
- The "Park Soline" camp has joined the "CAMPING in PARKS" project, which unites national and

nature parks offering activities and easily accessible accommodation on camp pitches or in mobile homes in close proximity to the parks' pristine nature.

## II) Relationship with employees

As for its relationship with employees, i.e. performers of the business process, in 2019, the Company continued with its policy of improving the employees' financial situation. Consequently, there was a 10% increase in the funds allocated for gross salary costs relative to 2018, while other costs and fees related to employment increased by 13%. In addition, in spite of the hiring difficulties related to the season of 2019, in its personnel policy, the Company continued to focus on hiring local residents, who still make up the majority of seasonal employees, namely at the cost of higher labour costs, thus giving priority to the quality and high standard of the services provided. In spite of the considerable difficulties encountered in finding adequate and professional seasonal personnel for the tourist season of 2019, the Company succeeded in achieving regular performance of its activities and operations without any workforce from abroad, i.e. without any

foreign employees.

For the reporting period, the average number of employees on the basis of hours worked amounts to 367 persons, meaning that it increased by 2.8% relative to the previous financial year, as well as by 5.76% relative to 2017.

As for human resources development, the Company hired nine trainees, namely young and highly educated persons from different professions, with the aim of getting them acquainted with and educated on all aspects of the tourism and hospitality industry through a job rotation system.

Other significant activities of the Company pertain to the education of employees, aimed at improving their competences, raising their existing level of training and qualification, continuous familiarization with new global trends and achievements, and raising their personal competencies, as well as the quality and high standard of the Company's services, its competitiveness and sustainability.

Education programs were held through the Academy of Business Excellence – Ilirija Travel for the following areas:



- food and beverages, through the process of educating staff and the middle management during practical and theoretical workshops, and
- the marketing and sales department, namely when it comes to new marketing and sales trends.

As for occupational safety, four minor occupational injuries were reported, namely with no significant consequences for the employees' health, while there were no occupational diseases or fatal injuries. In cooperation with the Croatian Red Cross and the Civil Protection Headquarters of the town of Biograd na Moru, the Company organized a drill entitled "Evacuation of tourists from the 'Park Soline' camp" at the camp, with our goal being the following:

- to check the preparedness of all protection and rescue participants in the action of evacuation, rescue, firefighting, and providing movement control within the area at risk, to check the provision of emergency medical assistance and psychological assistance, records and care for the injured,
- training and raising the level of training,
- to check the coordination of all participants in the civil protection system,
- to raise the level of awareness of tourists and locals about activities and procedures to be applied in the

event of an accident.

The Company is the signatory to the Diversity Charter Croatia, organized by the Croatian Business Council for Sustainable Development, that is, the project holder in Croatia, as a part of the regional project involving Croatia, Slovenia and Romania and is held with the support of the European Commission. By signing the Diversity Charter Croatia, the Company committed themselves to implementing the diversity and non-discrimination policy within the company, and to promoting the principle of diversity. Goran Ražnjević, President of the Management Board, is also one of the Ambassadors of the Diversity Charter in the Republic of Croatia.

**III) Relationship with the community** – the majority of activities are aimed at developing the offer of the destination, namely by organizing, initiating, participating and supporting events for the purpose of creating its added value, primarily through the development of its recognisability and tourist offer diversity. Among said activities, we would like to highlight the Company's contribution through the activities of the destination management company Ilirija Travel, whose system we use to organize and initiate a number of activities, especially in the pre-season and

post-season period. We also support other organizers in the realization of their activities. Among said activities, we would like to highlight the following: plays, stand-up performances, concerts and manifestations such as Wine & Music Evenings – two-day jazz concerts held in Arsenal and organized by the Company, the Bike & Wine – Ravni kotari Tour 2019 organized primarily by the Company in cooperation with the local tourist board, the Tuna, Wine & Sushi Festival, the Škraping Pašman 2019 International Trekking Race, the Wedding Festival, the Zadar Wine Festival, the Mirko Miočić Memorial Tournament, dance parties, etc.

Furthermore, in the reporting period, a significant contribution of the Company to the community was achieved through the corporate philanthropy system (donations and sponsorships), namely in the amount of HRK 527,045.23, i.e. 40% more than in the previous financial year. Our activities are focused on six donation/sponsorship areas: sports, culture, science and education, health, society and humanitarian programs.

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## 2.4 RISKS

The Company assesses the risks at the macro and micro level for each of the business sectors, assessing them according to the criterion of likelihood of risk occurrence and consequences or impact of each individual risk on the business processes and system of Ilirija d.d.

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 its negative impacts;
- Exchange of information on the activities undertaken and the results of actions between the business process manager and the Management Board through the lines of communication established by the prescribed procedures.

The Company is, after all, as the most businesses in the tourism sector, exposed to foreign exchange risk, price risk, credit risk and liquidity risk, environmental risk, risk of tourism as the branch of economy, the risk of macroeconomic movements and risk of changes in tax and other regulations.

Since most of the monetary fund inflows of the Company are quoted in EUR, as well as the most of the loans, the Company is to the highest degree hedged against the foreign exchange risk owing to this circumstance.

Indebtedness of the Company with the commercial bank is mainly subject to fixed interest rates, so taking this into consideration, the Company is not exposed to interest rates based on that, but only due to exceptional circumstances and disturbance in the operations which are not attributable to the Company.

In order to reduce the credit risk, the Company strives to reduce the total loan debts to an appropriate level that would be inferior to their own funding source.

The Company has most of its prices quoted in EUR and collects the majority of claims in the same currency, thereby being hedged against the price risk.

The Company is exposed to changes in tax and other regulations in the legal system of the Republic of Croatia. This, in particular applies to legislation in the field of maritime domain and the tourism land plots on which the Company has significant and crucial commercial long-term investments and not all the constitutionally guaranteed rights have been fully exercised in the field of acquired rights before, during and after the conversion, protection of legal capital investment and legitimate expectations regarding the legitimate investments.

Pursuant to the Act on Tourism and Other Construction Land not evaluated in the transformation and privatization process (hereinafter: the Act), the Company submitted to the Republic of Croatia a request 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 to date regarding the Company's request. According to the information available to the Company, no concession contract for tourism land plots in campsites has been concluded in the Republic of Croatia since the Act came into force (01/01/2011). Until the issue of concession for tourism land in campsites is resolved, the Company timely pays its debts arising from using the said land in the campsite.

The Company is a concessionaire of the Kornati nautical tourism port in Biograd na Moru (hereinafter: the Marina Kornati) for a period of 32 years, counting from 13th January 1999, and in accordance with Article 22 of the Act on maritime domain and seaports (hereinafter: ZPDML) on 17th 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 to the Decision on Concession and the Concession Agreement, that is for extending the term of the concession by a period of 50 years, i.e. until the year 2049 (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, according to the request for extension of the concession term submitted by other companies engaging in nautical tourism and which compete with Ilirija d.d., the concession term was extended to them in marinas by a period of 50 years.

As a matter of fact, the Company had built a marina by engaging its own resources before the concession was issued, and during the period from 01/01/2000 to 31/12/2013, the Company invested a total amount of: HRK 41,365,161.00 in the marina and in the last investment cycle it offered to make an investment in the further amount of HRK 45,144,206.00 in the maritime - construction part, inland part and in the environmental protection, i.e. in the port understructure and port superstructure in the Marina Kornati out of which HRK 18,505,822.26 has already been invested on the basis of obtained building permits and an additional amount of HRK 26,638,383.38 would be invested after the extension of the concession term is issued.

To date, the decision on the Company's request for the extension of the concession term in the Marina Kornati by a total of 50 years has not been issued yet.

Climate changes, which have a significant impact on the tourism industry globally, also pose a potential risk to the Company in terms of a significant increase in the incidence of extreme weather conditions (storms, hurricanes, etc.), enhancing their intensity and unpredictability, and can cause extraordinary and unpredictable damage and threats to the Company's business operations. The Company pays the highest attention to overcoming such sudden and extreme climatic and weather conditions by ensuring preventive, technical-spatial and functional and organizational elimination of sudden and accidental risks of any nature to the highest degree possible.

Other business risks, such as large-scale fires, epidemics of infectious and easily transmitted infectious diseases, accidental pollution of the coastal and marine aquatorium, which are beyond the Company's control, but may potentially jeopardize the Company's business safety, are the circumstances which the Company attends to insofar as it can actively contribute to as low impact on the Company's long-term business viability as possible, being aware of the fact that the Company's impact here is reduced to measures which cannot be of key importance to the elimination of all the risks posed

to the Company.

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 review of other key obstacles or restrictions in the development of Croatian tourism in general, and thus of tourism companies and the Company as one of them. Overview of key obstacles or restrictions in development 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 or unresolved issue of conversion on the maritime domain, i.e. of acquired rights, legitimate investments and legitimate expectations in the maritime domain, having in mind, in particular, the contracted permanent right to utilization of the maritime domain, while companies which completed the conversion process as is the case with our Company carry out economic activity on the maritime domain,

(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) bureaucracy, administrative barriers, frequent changes to 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, and

(VII) fiscal and parafiscal benefits unsuitable



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

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









## 3.1 HOTEL SECTOR

**Hotel sector capacity** consists of 443 accommodation units (hotel rooms and apartments) with a total of 922 beds located in Biograd na Moru (Ilirija\*\*\*\*, Kornati\*\*\*\*, Adriatic\*\*\*) and Sv. Filip i Jakov (hotel Villa Donat\*\*\*/\*\*), mainly classified as four star hotels.

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

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

### ILIRIJA RESORT – HOTEL & VILLAS

**Hotel Ilirija** the largest hotel in Ilirija Resort classified as a four-star hotel, with a capacity of 165 rooms and 338 beds, and includes a restaurant with 200 seats, a terrace with 70 and aperitif bar with 50 seats. It is located the along the coast, close to the old town, surrounded by magnificent nature, sea and pinewood, as well as many amenities.

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

**Hotel Adriatic** classified as a three star hotel, with the capacity of 100 rooms and 210 beds, with a restaurant with the capacity for 230 persons, a terrace for 300 persons and a bar with the capacity for 110 persons. It is

located in a pine forest, almost on the beach, and there is Aquatic center next to it, which is ideal for family fun and for a range of attractive summer sea activities.

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









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## 3.2 NAUTICS

Nautical sector the Company began to develop in 1976 when it concluded the Contract on purchase of 40 ELAN vessels from Slovenia or 1977 when the Company began with the construction of the first nautical marina in Croatia (Hotel port Kornati) with 100 berths and organization of the first own charter fleet in the Adriatic sea with more than 40 vessels for the needs of sailors. Therefore Ilirija d.d. deserves to be considered to be a pioneer of nautical tourism at the Adriatic sea.

Today, the nautical sector of the Company consists of Marina Kornati and Hotel port Kornati, in which the Company has 805 berths on sea and land, which in one day can accept up to 2000 sailors, and by the number of berths, modern technical equipment, quality of service, cleanliness and neatness (Blue Flag) the Marina Kornati is one of the three leading Croatian marinas which annually attracts over 60,000 sailors.

Marina Kornati is the winner of numerous awards, where we wish to emphasize the Special Award in the "XVI Tourism Flower - Quality for Croatia 2012" action, organized by the Croatian Chamber of Commerce and the Croatian Radio and Television, which is an award for the best marina in the category of over 450 berths. In 2013, in the "XVII Tourism Flower - Quality for Croatia 2013" action, it received an

award in the competition of the largest marinas, while in the same action in 2014 and 2015 it ranked second in the "Best big marina" category and in 2016 it ranked third in the same category. In 2017, it received an award for the third place in the category of Large marina in the addition to "XXI Tourism Flower - Quality for Croatia".

In 2018, Marina Kornati was awarded with two prizes: (I) a special prize from The Nautical Patrol of the Jutarnji List for the greatest progress in the tourism season 2018 and for an exceptional contribution to the development of Croatian nautical tourism and (II) in the "XXII Tourism Flower - Quality for Croatia" action, it was ranked third in the Large marina category.

In 2019, the Company was awarded the recognition "XXIII. Tourist Flower - Quality for Croatia", organized by the Croatian Chamber of Commerce and the Croatian Radio and Television for the 2nd place in the category Large Marina and Nautical patrol of the Jutarnji List awarded special recognition and gratitude to Marina Kornati for its outstanding contribution to the organization and success of the nautical patrol.

Ilirija d.d. is the organizer of the leading boat show in Croatia „BIOGRAD BOAT SHOW" which has been continuously held in Marina Kornati for 21 years in a row.







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### 3.3 CAMPSITE PARK SOLINE

The four-star "Park Soline" Campsite is located in Biograd na Moru within the boundaries of the populated area, but as a separate town-planning and urban and economic entity in the southeastern part of the town of Biograd na Moru, right by the main beach in the coastal length of approx. 1.5 km where the beach of 450 meters is positioned right in front of the campsite itself.

The campsite covers an area of 20.00 ha, includes 1,220 accommodation units with a total capacity of up to 3,660 persons. It is situated in the exceptional natural environment of the predominantly high pine forest which enables 90% shade of the campsite. Adhering to the principles of sustainability and environmental protection and the natural features of the area thereby using indigenous plant species, the landscaping of the Campsite has been completed to the level of arboretum, which is a remarkable and rare example in Croatia of creating added value for tourism camping products.

In addition to the enriched restaurant offer, the newly built promenade that stretches along the entire campsite and the beach leading to the Biograd city center, the "Park Soline" Campsite is the right choice for a family vacation. In addition to entertainment for children and evening entertainment, active holiday with attractive sports, you can relax

walking along the long walking trails and recreational routes in a healthy environment, and the campsite is an excellent 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 landscape architecture 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 so far in the campsite "Park Soline" from the year 2000 till the end of 2019 amounted to approximately HRK 200,000,000.00 and owing to these investments, the number of overnight stays rose from 4,556 in 1996 to 290,487 overnight stays in 2019.





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## 3.4 ILIRIJA TRAVEL

### **Ilirija Travel – destination management company:**

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

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

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

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

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

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

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





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## 3.5 HOSPITALITY

**Restaurant „Marina Kornati“**, is located in Marina Kornati, having the capacity for over 350 persons, which together with the recently refurbished Captain's Club having the capacity to accommodate 70 persons, or with the overall capacity for 420 persons meets the requirements of boaters for holding various and numerous events in Marina Kornati. Besides hospitality services, Captain's Club also provides services for a number of presentations on nautical products, and is an ideal venue for holding small conferences and events. In 2019, a total of 92 events were organized in Marina Kornati attended by over 9.021 persons.

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

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

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







## 3.6 ADDITIONAL FACILITIES

**Event:** Biograd Boat Show, the largest international autumn boat show in the Republic of Croatia and the largest boat show in South East Europe among the shows, which takes place on the water and brings together all the key representatives of the nautical industry and tourism. At the beginning, that is, in the year 1999 the boat show was 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 win the top nautical event considering its status of the city as a cradle of nautical tourism, at which all sectors of the nautical and charter business will be presented, the Open Days grew into Biograd Boat Show. Since 2004, the event has been organized as an autumn boat show which has contributed to an improved boat offer and extension of the tourism season. Biograd Boat Show was admitted to the International Federation of Boat Show Organisers-IFBSO at the 50th meeting of the Federation that took place in Istanbul, Turkey, in June 2014, and in 2015 it became its gold member. The shows of former members of the Federation were mainly organized in the major world centers, and the fact that the Biograd Boat Show is organized in the city of only 5,000 residents makes this success even greater, which is a great recognition not only to the Company as the boat show organizer, but also the Croatian nautical industry and tourism.

Today the leading international autumn nautical show has grown into the major Croatian nautical event and in the last three years it has grown into the nautical

industry congress in the Republic of Croatia. From its early beginnings the boat show brings together all representatives of the nautical industry and tourism, government institutions, major organizations in tourism and nautics as well as professional associations. Owing to this partnership with all relevant subjects, and now longterm exhibitors and partners, we have been developing Biograd Boat Show by listening to their needs, keeping up with trends in the nautical and trade fair industry while implementing our own vision of its development creating a high quality, distinctive, and above all, sustainable economic and tourism product, which since its beginnings further enriches the Croatian tourism supply, especially its post-season.

In 2019 the show which celebrated twenty-one years of its existence, was attended by over 400 registered exhibitors that participated with 350 vessels, while the number of visitors surpassed the figure of 18,500 with over 2000 realized business visits via the Biograd B2B business networking platform. The novelty is the new B2B event named Croatia Charter Expo-event of Nautical business networking platform.

**Sports facilities:** "Tenis centar Ilirija", located in a pine-wood Soline near the old city center, covers an area of 48.000 m<sup>2</sup>, consists of 20 tennis courts and multipurpose courts (14 clay and 6 artificial grass tennis courts) with night lighting, restaurant and changing rooms as well as related facilities.





City Galleria



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### 3.7 COMMERCIAL-SHOPPING CENTER CITY GALLERIA

**Commercial-shopping center City Galleria** is located near the old town center of Zadar, one of the two largest shopping centers in the city and the wider Zadar region, completed and opened to the public in October 2008 with a total gross surface of more than 28,500 m<sup>2</sup> spread over a total of six floors (two garage and four sale areas). The gross area of the center consists of the belonging underground garage with total area of 10,863 m<sup>2</sup> followed by 9,897.60m<sup>2</sup> of net lettable surface area and ancillary rooms and corridors. The occupancy of the center was 99.77% of all of its capacities as at 31st December 2019.

The following facilities are found in the Center: an underground car garage with over 400 parking spaces on the two floors, opened and closed market, supermarket, specialized food and beverage shop, fashion clothing, footwear and sporting equipment shops, children's shops, cafés and 6 multiplex movie theaters. The offer is conceptually divided into floors, so the ground floor of the center is envisioned as a space with a mixed offering of food and services; the first floor is designed as a fashion floor with the supply of clothing, footwear, fashion accessories stores and perfumery/drug store; the second floor of the Center is created as a floor for fun and recreation

with an offer of cafés, entertainment, cosmetic and sports services; while the third floor is intended for the lease of office premises.

The unique features of the Commercial-shopping center City Galleria have been recognized at the international level when in 2010 at the award ceremony 'International Property Award', the most prestigious international competition in the real estate business, the Commercial shopping center City Galleria Zadar received the prestigious five-star award in the category of "Best Retail Development". The unique features of the Commercial-shopping center City Galleria, which distinguish it from the rest of the market offer can be summarized in a few features, such as; very attractive location within the city's pedestrian zone that provides great visibility of the building; accommodation of the town marketplace with accompanying food facilities in the Centre; and offer of the first and only multiplex cinema in the city of Zadar.

## 4 KEY PHYSICAL OPERATING RESULTS OF THE COMPANY

The 2019 fiscal year was challenging in the company's tourism sector, and in some periods of the high season, it was also a demanding year, especially in the segment of sales of the hotel and camping sectors. Despite the rather demanding environment in which the tourism season took place at the national level, the nautical sector of the Company has achieved the best physical and financial operating results so far, i.e. record-breaking fiscal year.

In addition to the significant return of directly competitive markets in the Mediterranean, primarily Turkey and Greece for Croatian tourism, followed by uncertainties in the first quarter of the fiscal year due to the absence of pre-season and high season announcements and bookings, due to a very late or delayed booking and last minute announcements for the month of July, bad weather conditions and stay of guests from the key camping markets of Croatian tourism in their own countries, especially from the Dutch, German and Belgian markets and increase in camping capacities, which was especially reflected in the performance of the camping sector in the pre-season, we consider the fiscal 2019 year due to the above features, a challenging and demanding year, especially in the camping sector, followed by the hotel sector.

Despite the demanding and challenging season, the Company's hotel sector has achieved the best key physical and financial operating results so far. During the relevant period, 146,815 overnight stays were realized, which is 1% more, while arrivals remained at the level of the ones in 2018, while maintaining the occupancy rate at 165 days and capacity occupancy of 45.30%. The hotel sector records an increase in the share of individual guests by 13% and an increase in the revenue from the board services by 5%, that is, and an increase in the revenue of the entire hotel sector by 5%, which is considered successful given the market circumstances in which the pre-season and the high season took place.

The fiscal year of the camping sector was particularly demanding in the field of sales, especially considering the circumstances in which the season took place, which resulted in a decrease in the key operating results of operations reported through arrivals and overnight stays. In the reporting period, 41,507 arrivals and 290,487 overnight stays were realized, which is a decrease by 1.50% in arrivals and 4.08% in overnight stays, which was not reflected at the same time on the overall financial results of the "Park Soline" Campsite operations, which from realized HRK 32,036,373.30 realized a rise in revenues only in the segment of accommodation by 5%.



In 2019, in the nautical sector, the best business results were achieved so far, which are mostly generated owing to the results achieved in the segment of accommodation of vessels, that is, in Marina Kornati. In Marina Kornati, 250,999 overnight stays were realized in charter, which is an increase by 16.88% compared to the ones in the previous fiscal year, which accounts for 34% of the total charter overnight stays in Zadar County or 83% of the charter overnight stays in Biograd na Moru. Key operating indicators in the segment of accommodation of vessels that generate the highest revenues of Marina Kornati, except for the contract-based berth which is at the level of the previous fiscal year, recorded an increase compared to the ones in the previous fiscal year. In the segment of the contract-based berth with the contracted 740 vessels, although the operating figures are at the level of 2018, HRK 30,107,718.92 was generated with an increase by 4.44% and 67% of the total revenue of the Marina Kornati. In the segment of transit vessels, physical and financial operating results increased. During the said period, 3,418 vessels sailed in transit, which is 5% more than in 2018, which realized 11,227 overnight stays, or 6% more. Operating revenues in the segment of transit berth also resulted in a rise in revenues by 13.42%, while the

boat show Biograd Boat Show with generated HRK 3,877,991.31 generated the highest revenue growth in relative amounts by 20.34%. In addition to the rise in revenues in the segment of accommodation and boat show, the hospitality sector also helped the nautical sector of the Company to achieve the best fiscal year so far by increasing operating revenues.

In the part of the complementary and integrated product that the Company realizes through the destination management company Ilirija Travel, with an aim to develop the year-round business, i.e. strengthen the activities in the pre and post-season, 609 events were realized with a total of 54,749 persons, which resulted in an increase in revenues by 16% or 21%, respectively, including the revenues generated in other profit centers, compared to those generated in 2018.

The Company's real estate sector, the Commercial-Shopping center City Galleria, achieved positive business results in 2019. With 37 active Premises lease agreements and a 99.77% occupancy rate, the operating revenues of the center were realized through the lease of business premises, shared costs, use of common parts of the center, lease

of advertising space, and garage revenues in the amount of HRK 14,161,104.78, while in 2018 they amounted to HRK 13,963,944.29, which is a rise by 1.41%.



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## 4.1 HOTEL SECTOR

In the reporting period, there were 46,296 arrivals, i.e. at the level of the previous fiscal year, and 146,815 overnight stays with a rise by 1%, which resulted in an increase in revenues by 5%. This result was achieved partly thanks to an increase in overnight stays and a rise in prices, which is assessed as a successful continuation of the improvement of business, since the business operations in 2019 were challenging in the hotel industry at the Company level, as well as the entire Croatian tourism in its specific parts during the high seasons (the month of July), which made the achievements of the hotel sector particularly significant and represent continuity compared to the year 2018. When it comes to hotel occupancy, the 165 days' average occupancy was maintained as in the previous year in the same period. The number of days of average stay slightly rose from 3.12 to 3.17 days.

The revenue from the hotel sector from the last year's amount of HRK 52,991,935.51 rose to HRK 55,822,975.50, that is, by 5%. This is the result of the above rise in overnight stays by 1% and rise in prices by 4%. The average daily rate rose from HRK 366.11 to HRK 380.23, or from EUR 49.38 to EUR 51.27. This increased the revenue per room sold to EUR 102.75 compared to EUR 97.98 last year. If we add the revenue from hotel sector and hospitality-related and other ser-

vices in the Aquatic center, Tennis center and hospitality facilities, the average daily rate is EUR 110.24.

No significant changes were made to the guest structure, while the most represented markets are: Croatia, Germany, Slovenia, Austria, Slovakia, France, South Korea, Sweden, Hungary, the Netherlands and Belgium. The most pronounced change is related to a significant 25% increase in domestic overnight stays, by which the Croatian market reached 19.31% share in all overnight stays. In addition to a more significant increase in overnight stays from the domestic market, the results achieved by the hospitality sector are the consequence of the significant capacity occupancy in the pre-season by congress, seminar, team-building programs of groups related to domestic companies and agencies. Germany, as the key foreign market, still shows the last year's figures, recording a slight drop of 1% and a share of 14% (last year the share was 14.28%), while overnight stays from guests from Slovenia were 12% higher, accounting for 10.6% of the total share in overnight stays of the hotel sector. A rise by 2% was achieved by the Austrian market, which increased its share to 10.3% as the stable fourth source market in the hotel sector. We saw a more pronounced decrease by 15% from the South Korean market, partly because the same channels are now



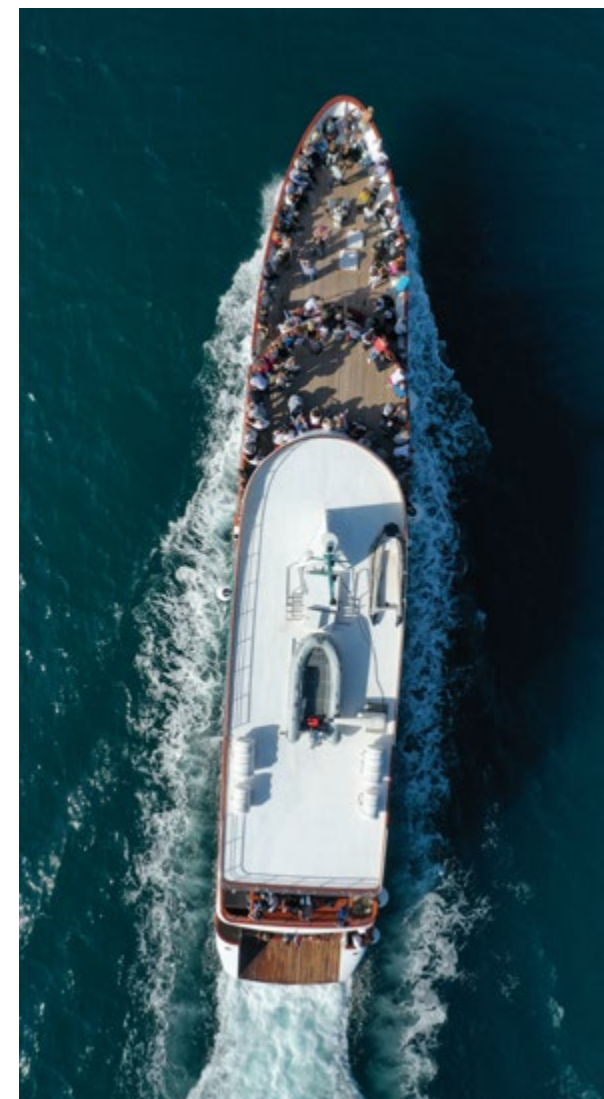
used to acquire guests from China and Singapore. The Swedish market is among the ten key markets is, whose guests are significant in the period before and after the season (May and September), while the Dutch market has recorded an increase in overnight stays by 8%, Hungarian by 5% and Belgium by 3%.

We continue to make our efforts focused on the risk dispersion by being present in as many markets as possible, especially focusing on the activities of winning the markets that are not exclusively tied to the peak season, with which we are continuously working on extending the season by making additional offer and contents based on our DMC agency Ilirija Travel. In this regard, in addition to all contacts established with the existing clients, we have undertaken stronger first-minute actions, online marketing and a stronger presence at trade shows in late 2019 and early 2020.

In sales channels, the most pronounced changes are related to a rise in individual guests by 13% or a rise in fixed lease by 15%, a slight increase by 3% in sales to groups while reducing the allotment placement by 6.5%. Being aware of the announcement of a very demanding season, we chose to increase our reliance on individual arrivals and increase fixed lease (as a sort of insurance) at the expense of allotments. In the

group segment, an emphasis was placed on business groups, which resulted in an increase in average occupancy with the additional effects of service placement. This was reflected in the significant rise in the revenues of the destination management company Ilirija Travel by 50% by using additional services and value added offers.

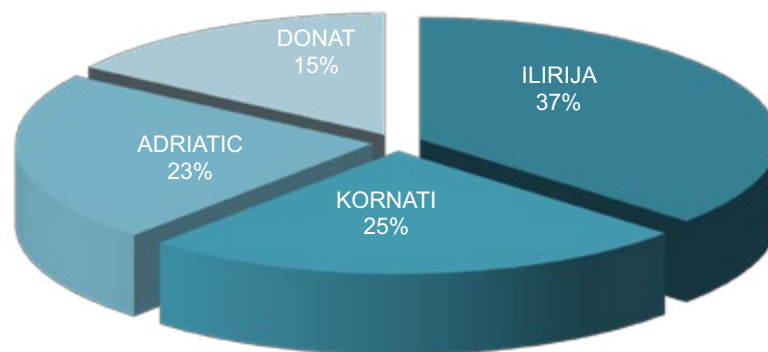
New trends in tourism products, the experience of the destination and interweaving or erasing the boundaries between business and leisure travel with the guests' desire to merge it in a unique experience can already be largely seen in the hotel sector business operations, and we expect this trend to continue in the pre- and post-season, which is therefore necessary to extend the season. Experience tourism or special interest tourism, adventure as well as gastronomy, hobby, active or culture tourism is a necessity of companies focused on the year-round business, which we attempt and manage to answer through Ilirija Travel as an integrated product of the Company through which we offer these products, with the support by the hotel industry to a large extent and also its other tourism sectors. Also, regarding the same activities, we record the most significant growth in October and April, which remains a strategic commitment in the pursuit of better year-round business operations.



Hotel sector capacities

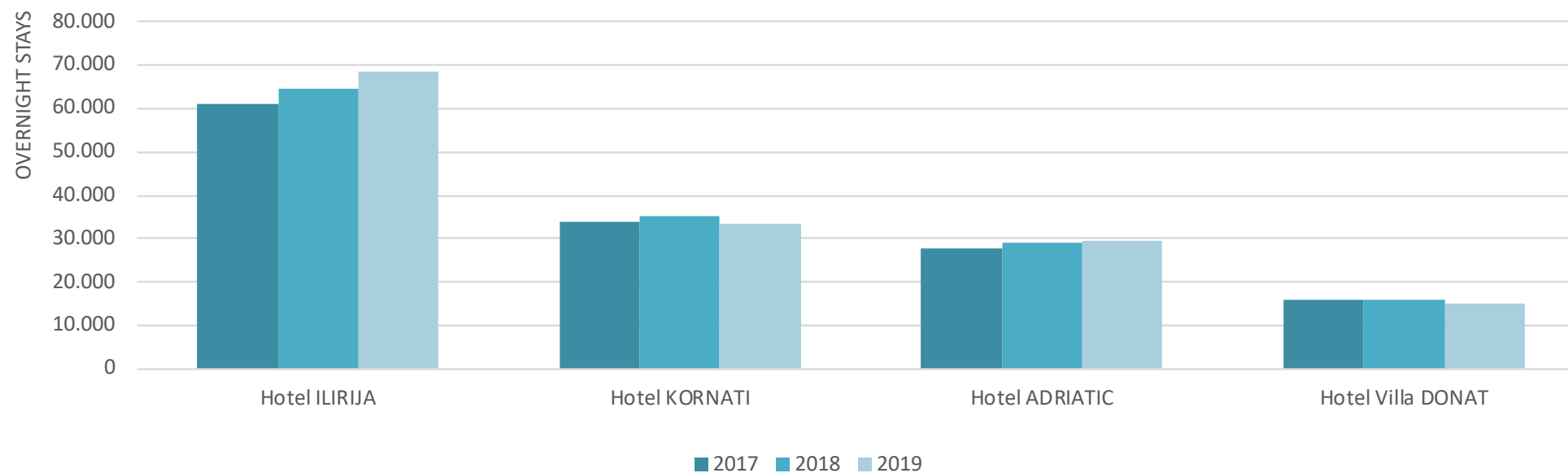
ILIRIJA D.D.	NUMBER OF ROOMS				NUMBER OF BEDS			
	2017	2018	2019	INDEX 2019/2018	2017	2018	2019	INDEX 2019/2018
ILIRIJA	165	165	165	1,00	337	338	338	1,00
KORNATI	106	106	106	1,00	216	230	230	1,00
ADRIATIC	100	100	100	1,00	210	210	210	1,00
DONAT	72	72	72	1,00	144	144	144	1,00
TOTAL	443	443	443	1,00	907	922	922	1,00

% Share of indiv. hotel (number of beds )

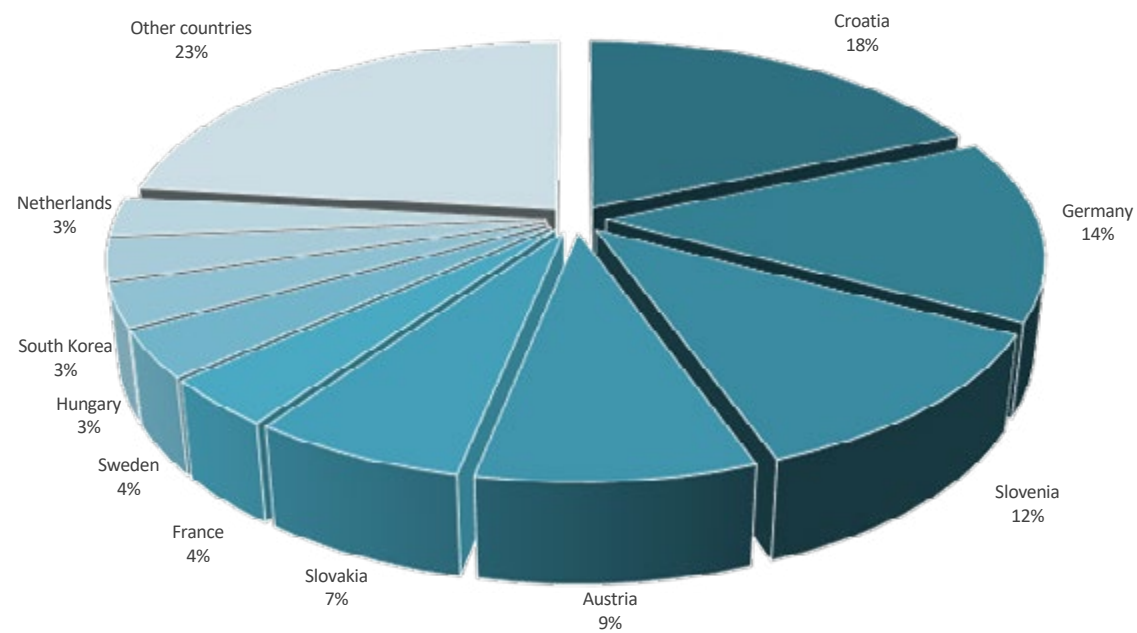


Overview and comparison of realized arrivals and overnight stays in 2019 to the years 2018 and 2017

PROFIT CENTER	HOTEL SECTOR							
	ARRIVALS			INDEX	OVERNIGHT STAYS			INDEX
	2017	2018	2019	2019/2018	2017	2018	2019	2019/2018
Hotel ILIRIJA	21.715	23.315	25.573	110	61.168	64.583	68.706	106
Hotel KORNATI	11.224	12.180	10.784	89	33.912	34.997	33.551	96
Hotel ADRIATIC	6.378	7.163	6.979	97	27.772	29.044	29.307	101
Hotel Villa DONAT	3.022	3.725	2.960	79	15.936	16.121	15.251	95
TOTAL	42.339	46.383	46.296	100	138.788	144.745	146.815	101



Graph of the realized overnight stays by source markets in the year 2019



## Occupancy ratios in 2019 and the comparison with those in the year 2018

## Percentage share

MONTH	ILIRIJA					KORNATI					ADRIATIC					DONAT					GRANDTOTAL				
	Total rooms	2018	%	2019	%	Total rooms	2018	%	2019	%	Total rooms	2018	%	2019	%	Total rooms	2018	%	2019	%	Total rooms	2018	%	2019	%
JANUARY (I)	5.115	141	2,76%	1.050	20,53%	3.286	416	12,66%	165	5,02%	3.100	152	4,90%	156	5,03%	2.232	0	0,00%	0	0,00%	13.733	709	5,16%	1.371	9,98%
FEBRUARY (II)	4.620	0	0,00%	473	10,24%	2.968	444	14,96%	0	0,00%	2.800	0	0,00%	0	0,00%	2.016	0	0,00%	0	0,00%	12.404	444	3,58%	473	3,81%
MARCH (III)	5.115	1.304	25,49%	1.716	33,55%	3.286	903	27,48%	0	0,00%	3.100	0	0,00%	0	0,00%	2.232	0	0,00%	0	0,00%	13.733	2.207	16,07%	1.716	12,50%
APRIL (IV)	4.950	3.072	62,06%	3.193	64,51%	3.180	587	18,46%	994	31,26%	3.000	404	13,47%	276	9,20%	2.160	90	4,17%	0	0,00%	13.290	4.153	31,25%	4.463	33,58%
MAY (V)	5.115	4.112	80,39%	3.779	73,88%	3.286	2.073	63,09%	2.066	62,87%	3.100	1.244	40,13%	1.592	51,35%	2.232	412	18,46%	312	13,98%	13.733	7.841	57,10%	7.749	56,43%
JUNE (VI)	4.950	4.281	86,48%	4.094	82,71%	3.180	2.467	77,58%	2.589	81,42%	3.000	2.325	77,50%	2.478	82,60%	2.160	1.263	58,47%	1.265	58,56%	13.290	10.336	77,77%	10.426	78,45%
JULY (VII)	5.115	4.663	91,16%	4.538	88,72%	3.286	2.918	88,80%	2.831	86,15%	3.100	2.858	92,19%	2.858	92,19%	2.232	1.960	87,81%	1.960	87,81%	13.733	12.399	90,29%	12.187	88,74%
AUGUST (VIII)	5.115	4.764	93,14%	4.721	92,30%	3.286	3.106	94,52%	3.106	94,52%	3.100	2.981	96,16%	2.970	95,81%	2.232	2.028	90,86%	2.132	95,52%	13.733	12.879	93,78%	12.929	94,15%
SEPTEMBER (IX)	4.950	4.599	92,91%	4.403	88,95%	3.180	2.785	87,58%	2.525	79,40%	3.000	2.475	82,50%	2.580	86,00%	2.160	1.396	64,63%	1.413	65,42%	13.290	11.255	84,69%	10.921	82,17%
OCTOBER (X)	5.115	3.575	69,89%	3.858	75,43%	3.286	1.644	50,03%	1.961	59,68%	3.100	1.113	35,90%	1.297	41,84%	2.232	399	17,88%	288	12,90%	13.733	6.731	49,01%	7.404	53,91%
NOVEMBER (XI)	4.950	1.465	29,60%	1.665	33,64%	3.180	270	8,49%	123	3,87%	3.000	293	9,77%	0	0,00%	2.160	0	0,00%	0	0,00%	13.290	2.028	15,26%	1.788	13,45%
DECEMBER (XII)	5.115	1.370	26,78%	1.249	24,42%	3.286	360	10,96%	314	9,56%	3.100	238	7,68%	264	8,52%	2.232	0	0,00%	0	0,00%	13.733	1.968	14,33%	1.827	13,30%
<b>TOTAL</b>	<b>60.225</b>	<b>33.346</b>	<b>55,37%</b>	<b>34.739</b>	<b>57,68%</b>	<b>38.690</b>	<b>17.973</b>	<b>46,45%</b>	<b>16.674</b>	<b>43,10%</b>	<b>36.500</b>	<b>14.083</b>	<b>38,58%</b>	<b>14.471</b>	<b>39,65%</b>	<b>26.280</b>	<b>7.548</b>	<b>28,72%</b>	<b>7.370</b>	<b>28,04%</b>	<b>161.695</b>	<b>72.950</b>	<b>45,12%</b>	<b>73.254</b>	<b>45,30%</b>



## Occupancy ratios in 2019 and the comparison with those in the year 2018

## Occupancy days

MONTH	ILIRIJA					KORNATI					ADRIATIC					DONAT					GRANDTOTAL				
	Total rooms	2018	Days	2019	Days	Total rooms	2018	Days	2019	Days	Total rooms	2018	Days	2019	Days	Total rooms	2018	Days	2019	Days	Total rooms	2018	Days	2019	Days
JANUARY (I)	5.115	141	1	1.050	6	3.286	416	4	165	2	3.100	152	2	156	2	2.232	0	0	0	0	13.733	709	2	1.371	3
FEBRUARY (II)	4.620	0	0	473	3	2.968	444	4	0	0	2.800	0	0	0	0	2.016	0	0	0	0	12.404	444	1	473	1
MARCH (III)	5.115	1.304	8	1.716	10	3.286	903	9	0	0	3.100	0	0	0	0	2.232	0	0	0	0	13.733	2.207	5	1.716	4
APRIL (IV)	4.950	3.072	19	3.193	19	3.180	587	6	994	9	3.000	404	4	276	3	2.160	90	1	0	0	13.290	4.153	9	4.463	10
MAY (V)	5.115	4.112	25	3.779	23	3.286	2.073	20	2.066	19	3.100	1.244	12	1.592	16	2.232	412	6	312	4	13.733	7.841	18	7.749	17
JUNE (VI)	4.950	4.281	26	4.094	25	3.180	2.467	23	2.589	24	3.000	2.325	23	2.478	25	2.160	1.263	18	1.265	18	13.290	10.336	23	10.426	24
JULY (VII)	5.115	4.663	28	4.538	28	3.286	2.918	28	2.831	27	3.100	2.858	29	2.858	29	2.232	1.960	27	1.960	27	13.733	12.399	28	12.187	28
AUGUST (VIII)	5.115	4.764	29	4.721	29	3.286	3.106	29	3.106	29	3.100	2.981	30	2.970	30	2.232	2.028	28	2.132	30	13.733	12.879	29	12.929	29
SEPTEMBER (IX)	4.950	4.599	28	4.403	27	3.180	2.785	26	2.525	24	3.000	2.475	25	2.580	26	2.160	1.396	19	1.413	20	13.290	11.255	25	10.921	25
OCTOBER (X)	5.115	3.575	22	3.858	23	3.286	1.644	16	1.961	19	3.100	1.113	11	1.297	13	2.232	399	6	288	4	13.733	6.731	15	7.404	17
NOVEMBER (XI)	4.950	1.465	9	1.665	10	3.180	270	3	123	1	3.000	293	3	0	0	2.160	0	0	0	0	13.290	2.028	5	1.788	4
DECEMBER (XII)	5.115	1.370	8	1.249	8	3.286	360	3	314	3	3.100	238	2	264	3	2.232	0	0	0	0	13.733	1.968	4	1.827	4
<b>TOTAL</b>	<b>60.225</b>	<b>33.346</b>	<b>202</b>	<b>34.739</b>	<b>211</b>	<b>38.690</b>	<b>17.973</b>	<b>170</b>	<b>16.674</b>	<b>157</b>	<b>36.500</b>	<b>14.083</b>	<b>141</b>	<b>14.471</b>	<b>145</b>	<b>26.280</b>	<b>7.548</b>	<b>105</b>	<b>7.370</b>	<b>102</b>	<b>161.695</b>	<b>72.950</b>	<b>165</b>	<b>73.254</b>	<b>165</b>

## Monthly comparison of revenues/overnight stays of Ilirija Resort hotel in 2019 with that in 2018

MONTH	GENERATED REVENUES			OVERNIGHT STAYS			AVERAGE PRICE IN HRK		AVERAGE PRICE IN €		
	2018	2019	INDEX	2018	2019	INDEX	2018	2019	2018	2019	INDEX
JANUARY	803.080,98	1.406.055,11	1,75	1.233	2.322	1,88	651,32	605,54	87,86	81,58	0,93
FEBRUARY	168.772,98	351.380,76	2,08	738	869	1,18	228,69	404,35	30,73	54,45	1,77
MARCH	1.165.923,76	963.108,71	0,83	4.005	3.084	0,77	291,12	312,29	39,17	42,06	1,07
APRIL	2.127.454,35	2.216.611,41	1,04	7.308	8.369	1,15	291,11	264,86	39,27	35,73	0,91
MAY	4.458.081,78	4.619.475,38	1,04	13.779	13.173	0,96	323,54	350,68	43,82	47,27	1,08
JUNE	7.144.094,97	7.728.383,78	1,08	20.462	20.192	0,99	349,14	382,74	47,31	51,77	1,09
JULY	11.251.800,27	11.236.894,24	1,00	29.680	29.848	1,01	379,10	376,47	51,28	51,06	1,00
AUGUST	12.961.474,61	13.389.920,46	1,03	29.670	31.415	1,06	436,85	426,23	58,82	57,63	0,98
SEPTEMBER	7.506.346,22	7.560.643,74	1,01	20.170	18.795	0,93	372,15	402,27	50,13	54,34	1,08
OCTOBER	3.585.605,98	3.914.412,58	1,09	10.914	12.200	1,12	328,53	320,85	44,24	43,05	0,97
NOVEMBER	1.115.714,74	866.306,40	0,78	3.362	3.358	1,00	331,86	257,98	44,75	34,69	0,78
DECEMBER	703.584,87	1.569.782,92	2,23	3.424	3.190	0,93	205,49	492,09	27,70	66,15	2,39
TOTAL	52.991.935,51	55.822.975,50	1,05	144.745	146.815	1,01	366,11	380,23	49,38	51,27	1,04

Revenues per sold room 31/12/19	762,05 kn	102,75 €
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Revenues per sold room 31/12/18	726,41 kn	97,98 €
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## Selected profit centers within the hotel sector

Lavender	2018	2019	INDEX
31/12/	1.108.597,04	1.049.685,47	95

Aquatic center	2018	2019	INDEX
31/12/	2.614.786,04	2.397.917,11	92

Tennis center	2018	2019	INDEX
31/12/	389.337,04	514.179,54	132

Beach bar Donat	2018	2019	INDEX
31/12/	284.975,84	107.430,44	38

## Hotel sector total

TOTAL	2018	2019	INDEX
31/12/	57.389.631,47	59.892.188,06	1,04

Revenues per sold room - 2019	817,60 kn	110,24 €
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Revenues per sold room - 2018	786,70 kn	106,11 €
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## REVENUES BY ACTIVITIES

Revenues from hotel services amount to HRK 55,822,975.50 and rose by 5% in comparison to those in the previous fiscal year.

Other revenues from the hotel sector including Beach bar Donat, which is a part of the business unit hotel Villa Donat, Sv. Filip i Jakov, were generated in the amount of HRK 4,069,212.56 and are lower by 7,50% than those generated in the year 2018.

Overall, the revenues of the hotel sector amount to HRK 59,892,188.06 which are higher by 5% than those in 2018, accounting for 35% of the operating revenues of the Company for the observed period.



## Summary of key operating market indicators for hotel sector of Ilirija d.d.

The results of the hotel sector are shown separately for the hotels in Biograd and hotel in Sv. Filip i Jakov considering a different market profile of these two tourist destinations and also considering the different market position of the hotel in Biograd compared to the hotel in Sv. Filip i Jakov.

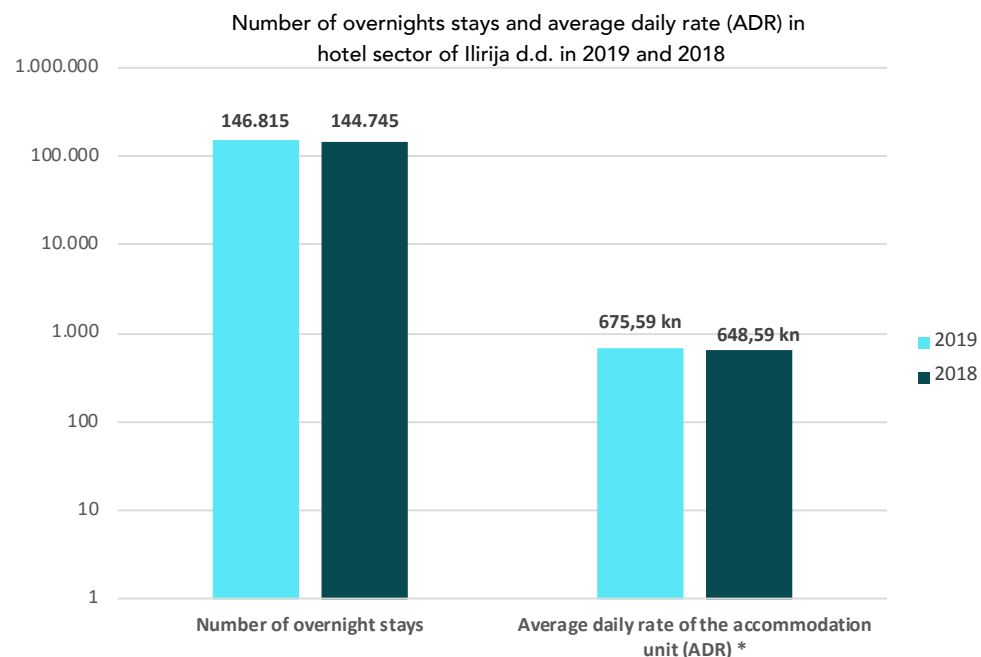
In 2019, the Company's hotel sector achieved the best results so far in the market occupancy indica-

tors as well as in financial revenue indicators, which due to a significant increase in costs was not indicated in the overall business results. In doing so, these market results are being achieved on a continuous basis, after the record-breaking year 2018 for the whole of Croatia, partly due to specific international tourism opportunities or strengthened competition and local circumstances when tax burdens and movements in the labor market are concerned.

Compared to the previous fiscal year, the increased volume of physical demand was recorded, which resulted in an increase in capacity occupancy by 1.43%, followed by an increase in average daily rate by 4.16%, and an increase in revenues per available accommodation unit by 4.60% but also a decrease in revenues by 2.30% based on open days.

Due to their market position, the hotels in Biograd achieved an increase in the average daily rate by 4.34% and increase in revenues per available accommodation unit by 5.11% or decrease by 4.32% per accommodation unit based on open days.

Hotel in Sv. Filip i Jakov also saw an increase in average realized price of 2.13% and a decrease in revenue per available accommodation unit by 0.28%, but also an increase in revenue per accommodation unit by 14.68% on the basis of open days, because we decreased open days by the features dictated by the destination.



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



## Key market indicators of the hotel sector

	2019	2018	2019/2018
<b>HOTELS IN BIOGRAD</b>			
<b>Accommodation capacities:</b>			
Number of hotels	3	3	0,00%
Number of accommodation units	371	371	0,00%
Number of beds	778	778	0,00%
<b>Physical turnover:</b>			
Number of overnight stays	131.564	128.624	2,29%
Number of accommodation units sold	65.884	65.402	0,74%
The occupancy of accommodation units based on a total number of days in a period (%)	48,65%	48,30%	0,74%
Occupancy rate of the accommodation units on an open days basis (%)	71,97%	78,48%	-8,30%
<b>Financial results:</b>			
Average daily rate of the accommodation unit (ADR) *	683,63 kn	655,21 kn	4,34%
Revenue per accommodation unit (RevPAR) on a total number of days basis in period **	332,61 kn	316,45 kn	5,11%
Revenue per accommodation unit (RevPAR) on an open days basis **	492,00 kn	514,22 kn	-4,32%
<b>HOTEL IN SV. FILIP I JAKOV</b>			
<b>Accommodation capacities:</b>			
Number of hotels	1	1	0,00%
Number of accommodation units	72	72	0,00%
Number of beds	144	144	0,00%
<b>Physical turnover:</b>			
Number of overnight stays	15.251	16.121	-5,40%
Number of accommodation units sold	7.370	7.548	-2,36%
The occupancy of accommodation units based on a total number of days in a period (%)	28,04%	28,72%	-2,36%
Occupancy rate of the accommodation units on an open days basis (%)	73,12%	65,11%	12,29%
<b>Financial results:</b>			
Average daily rate of the accommodation unit (ADR) *	603,73 kn	591,16 kn	2,13%
Revenue per accommodation unit (RevPAR) on a total number of days basis in period **	169,31 kn	169,79 kn	-0,28%
Revenue per accommodation unit (RevPAR) on an open days basis **	441,42 kn	384,93 kn	14,68%
<b>HOTELS - TOTAL ILIRIJA d.d.</b>			
<b>Accommodation capacities:</b>			
Number of hotels	4	4	0,00%
Number of accommodation units	443	443	0,00%
Number of beds	922	922	0,00%
<b>Physical turnover:</b>			
Number of overnight stays	146.815	144.745	1,43%
Number of accommodation units sold	73.254	72.950	0,42%
The occupancy of accommodation units based on a total number of days in a period (%)	45,30%	45,12%	0,42%
Occupancy rate of the accommodation units on an open days basis (%)	72,08%	76,85%	-6,20%
<b>Financial results:</b>			
Average daily rate of the accommodation unit (ADR) *	675,59 kn	648,59 kn	4,16%
Revenue per accommodation unit (RevPAR) on a total number of days basis in period **	306,07 kn	292,61 kn	4,60%
Revenue per accommodation unit (RevPAR) on an open days basis **	486,98 kn	498,43 kn	-2,30%

## Notes:

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

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

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

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## 4.2 NAUTICS – MARINA KORNATI

The Company's nautical sector in terms of vessel accommodation, i.e. Marina Kornati, has achieved the best operating results so far in all its key operating segments. Realized operating results, followed by operating revenues and profitability indicators indicate that in 2019, which was extremely demanding and challenging for the tourism sector especially in the high season, the continuity of business development and growth was achieved, thus observing the achievements of the Marina Kornati in the context of the conditions in which the high season took place at the national level was far more significant. Operational and financial achievements are the result of the constant reorganization of both the port and the marina service area, which leads to the maximum utilization of berths, while in cooperation with partners operating in the marina, we provide our guests with services of complete boat servicing and maintenance, which makes Marina Kornati have all the prerequisites to be the principal port for many vessels. In 2019, with all the aforementioned pricing policies, that is, their growth for vessel accommodation services, optimization of vessel placement and the growth in the number of larger vessels in the contract-based berth have resulted in the best operating results so far.

The key physical indicators of the Marina Kornati business are mainly the same, i.e. at the level of the previ-

ous fiscal year, as a contract-based berth, while other key physical indicators in the segment of the vessel accommodation service recorded growth, including transit berth – inbound sailing in and overnight stay of the vessels. During the reporting period, there were 740 vessels on the contract-based berth in Marina Kornati, of which 413 individual vessels and 327 charter vessels were contracted, which is at the level of the previous fiscal year, while at the same time revenues increased by 4.44%, generating the largest revenue growth in absolute amounts. Marina Kornati achieved the highest growth in the segment of the transit berth - sailing in of vessels from realized 3,418 inbound vessels, which in comparison to 3,263 sailing in achieved a rise by 5% in 2018. Also, 11,227 overnight stays of transit berth were realized, which increased by 6% compared to those in the previous fiscal year. The rise in transit berths, sailing in and overnight stays is the result of many years of activities of the nautical sector of the Company with an aim to extend their stay in Marina Kornati by granting additional price-marketing incentives to vessels in transit that arrive and stay in the marina for more than 40 days, where the minimum price is always higher than or the same as the transit service berth. At the same time, we also attract guests from other marinas to bring their vessels for the service berth, which is reflected in the financial results of the transit berth operation, which

in relative amounts achieved the highest growth compared to other services of Kornati Marina.

A slight decrease in physical turnover is recorded in the port service which is a result of a higher number of mobile cranes that lower smaller vessels past the marinas and designated places.

In 2019, Marina Kornati generated revenues in the amount of HRK 44,785,688.43, which is an increase by 5.40% compared to those in 2018. The most significant increase in revenue in the absolute amount relates to the contract-based berth services with accessories realized in the amount of HRK 30,107,718.92 with an increase by 4.44% or HRK 1,280,812.12, generating over 55% growth in total revenue of Marina Kornati and are the result partly of the rise in the prices and change in vessel structure (length) compared to that in 2018, with a consequential higher price of accommodation. The highest growth in relative amounts compared to those in 2018 was realized in the revenues of the boat show and events, which rose by 20.34% and were realized in the amount of HRK 3,877,991.31 and daily-transit berth with a growth by 13.42% or by HRK 333,726.77. The revenues increased by 10.12% in the segment of parking services and were generated in the amount of HRK 2,232,293.00, while in the segment of business cooper-

ation the amount of HRK 2,450,017.27 was generated, i.e. the revenues increased by 6.08%.

In October 2019, the 21st International Boat Show, Biograd Boat Show was held, with more than 400 contracted exhibitors and over 350 vessels exhibited, 18,500 visitors and over 2,000 business visits paid, by which the boat show outgrew the national borders and it became the largest sea boat show in the world among the Central European countries. Biograd Boat Show introduced a new service, Croatia Charter Expo - a two-day nautical business networking event aimed at connecting Croatian charter companies with charter agents from whole world. It brought together more than 120 charter companies and agents with over 600 realized business meetings on the new Biograd B2B software platform. As a pioneer and leader of the development of Croatian nautical tourism, by presenting and networking the strongest and most competitive part of the Croatian tourist offer worldwide - charter tourism through the organization of the Croatia Charter Expo, the Company strengthens and contributes to the further development, recognition and competitiveness of the Croatian charter tourism.

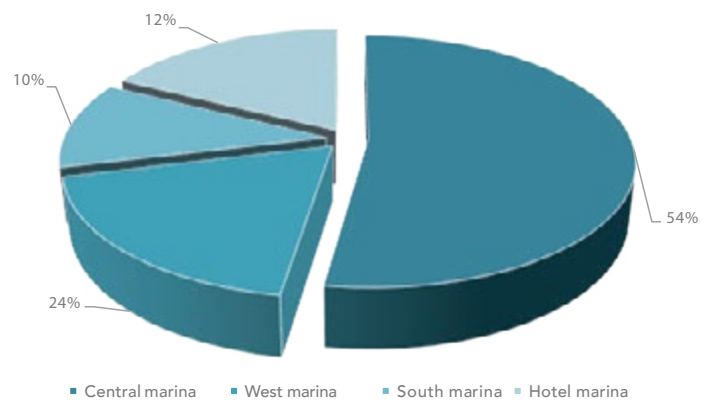
In 2019, 92 special events were held in the "Marina Kornati" restaurant, of which 38 regatta events. About

5,000 sailors took part in the regatta events on about 350 vessels, which realized about 12,000 overnight stays in the marina (average stay was 2.3 days). Among the regattas, the international regatta Kornati Cup 2019 is to be especially mentioned, with about 750 sailors from all over Europe on 117 vessels and the Business Cup 2019 with 130 sailors and 20 sailing boats mainly from Austria which can be characterized as a kind of Austrian open sailing championship. In recent years, regattas, especially those with a high number of participants, have seen a decline in both the number of participants and vessels and the length of time, while the share of flotillas with fewer participants and vessels increases.

### Marina Kornati capacities

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

% Share of individual marina (number of berths)





## Cumulative overview of physical turnover of Marina Kornati in the year 2019 and comparison to that in the year 2018

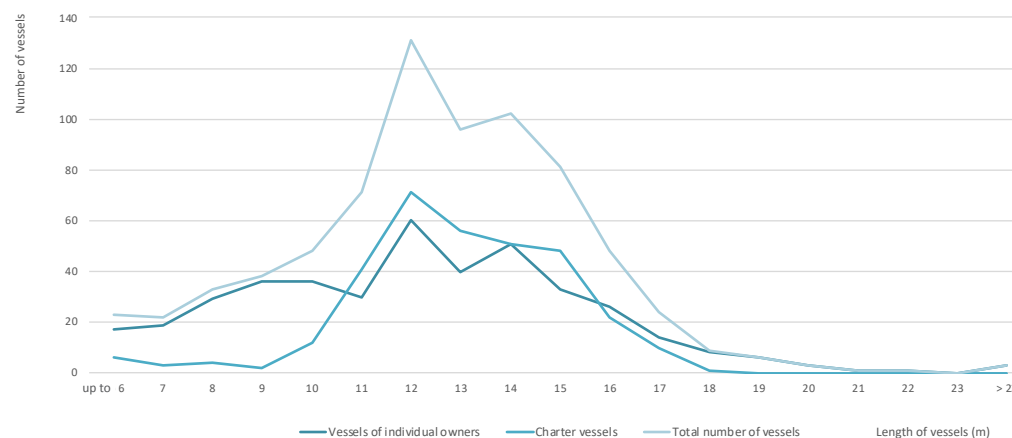
Physical turnover items		2019 by month											
Name of position	Measurement unit	1	2	3	4	5	6	7	8	9	10	11	12
Contract-based berth - individual	Contracted vessel	99	248	303	353	374	384	396	400	402	403	413	413
Contract-based berth - charter	Contracted vessel	0	2	81	291	315	326	327	327	327	327	327	327
<b>TOTAL Contract-based berth</b>	<b>Contracted vessel</b>	<b>99</b>	<b>250</b>	<b>384</b>	<b>644</b>	<b>689</b>	<b>710</b>	<b>723</b>	<b>727</b>	<b>729</b>	<b>730</b>	<b>740</b>	<b>740</b>
Transit berth-sailing in port	Sailing in port	1	9	30	143	526	1.058	1.823	2.709	3.230	3.403	3.415	3.418
Transit berth-overnight stay of vessel	Boat/day	132	320	563	1.364	2.301	3.472	5.775	8.773	10.223	10.937	11.123	11.227
Transit berth-overnight stay of vessel crew	Overnight stay of a person												
Port service	Operation	118	402	673	1.070	1.485	1.945	2.356	2.888	3.144	3.303	3.551	3.688

Physical turnover items		2018 by month											
Name of position	Measurement unit	1	2	3	4	5	6	7	8	9	10	11	12
Contract-based berth - individual	Contracted vessel	77	233	293	351	381	396	402	405	405	405	407	418
Contract-based berth - charter	Contracted vessel	4	6	91	293	316	319	320	321	321	321	322	323
<b>TOTAL Contract-based berth</b>	<b>Contracted vessel</b>	<b>81</b>	<b>239</b>	<b>384</b>	<b>644</b>	<b>697</b>	<b>715</b>	<b>722</b>	<b>726</b>	<b>726</b>	<b>726</b>	<b>729</b>	<b>741</b>
Transit berth-sailing in port	Sailing in port	1	7	29	139	520	1.005	1.835	2.648	3.085	3.242	3.261	3.263
Transit berth-overnight stay of vessel	Boat/day	134	298	625	1.233	2.190	3.356	5.832	8.509	9.520	10.179	10.517	10.639
Transit berth-overnight stay of vessel crew	Overnight stay of a person												
Port service	Operation	171	379	689	1.111	1.536	1.926	2.410	2.859	3.080	3.254	3.585	3.682

### Vessels with contract-based berth in 2019 and comparison to those in the year 2018

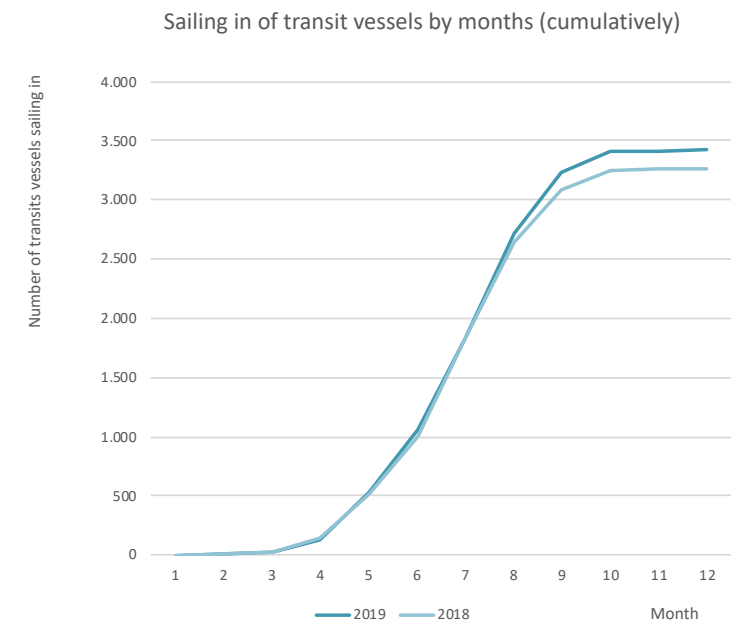
Purpose	Type of berth	Position of berth	01/01-31/12	% Total	01/01-31/12	% Total	Index
			2019	Vessels	2018	Vessels	
VESSEL OF INDIVIDUAL OWNERS	Annual berth in the sea	Central aquatorium	287	39	280	38	103
		South aquatorium	45	6	45	6	100
		Western aquatorium	1	0	8	1	13
	Annual berth on the land	Hotel port	34	5	36	5	94
		Marina land	4	1	5	1	80
	Seasonal berth in the sea	Marina aquatorium	30	4	25	3	120
		Hotel port	12	2	19	3	63
Total individual vessels:			413	56	418	56	99
CHARTER VESSELS	Annual berth in the sea	Central aquatorium	103	14	92	12	112
		South aquatorium	0	0	0	0	#DIV/0!
		Western aquatorium	224	30	231	31	97
		Hotel port	0	0	0	0	#DIV/0!
	Total charter vessels:			327	44	323	44
Total vessels 2019:			740	100	741	100	100

Vessels on berth contract from 01/01-31/12/2019



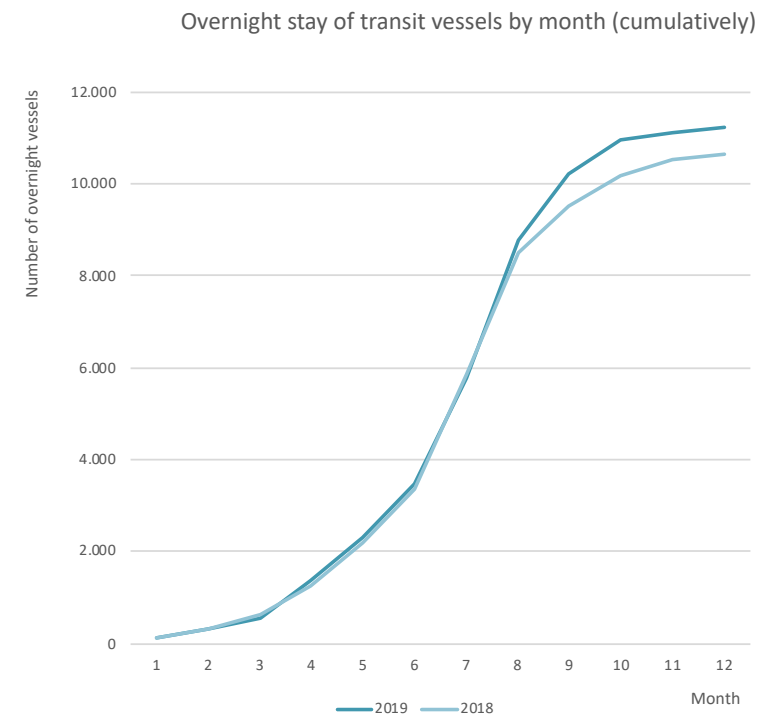
Transit berth – inbound vessels in the year 2019 and comparison to that in the year 2018

2019	Individually monthly			Cumulatively monthly		
	2019	2018	INDEX	2019	2018	INDEX
Month	2019/2018			2019/2018		
1	1	1	100	1	1	100
2	8	6	133	9	7	129
3	21	22	95	30	29	103
4	113	110	103	143	139	103
5	383	381	101	526	520	101
6	532	485	110	1.058	1.005	105
7	765	830	92	1.823	1.835	99
8	886	813	109	2.709	2.648	102
9	521	437	119	3.230	3.085	105
10	173	157	110	3.403	3.242	105
11	12	19	63	3.415	3.261	105
12	3	2	150	3.418	3.263	105
<b>Total 2019</b>	<b>3.418</b>					
<b>Total 2018</b>	<b>3.263</b>					
<b>Index 2019/2018</b>	<b>105</b>					



Transit berth – overnight stays for the year 2019 and comparison with that in the year 2018

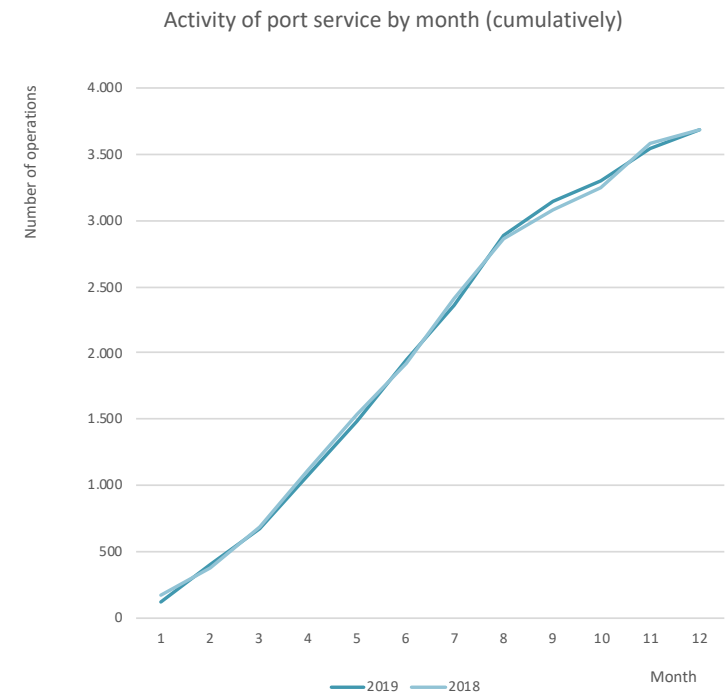
2019	Individually monthly			Cumulatively monthly		
	2019	2018	INDEX	2019	2018	INDEX
Month	2019/2018			2019/2018		
1	132	134	99	132	134	99
2	188	164	115	320	298	107
3	243	327	74	563	625	90
4	801	608	132	1.364	1.233	111
5	937	957	98	2.301	2.190	105
6	1.171	1.166	100	3.472	3.356	103
7	2.303	2.476	93	5.775	5.832	99
8	2.998	2.677	112	8.773	8.509	103
9	1.450	1.011	143	10.223	9.520	107
10	714	659	108	10.937	10.179	107
11	186	338	55	11.123	10.717	104
12	104	122	85	11.227	10.639	106
<b>Total 2019</b>	<b>11.227</b>					
<b>Total 2018</b>		<b>10.639</b>				
<b>Index 2019/2018</b>			<b>106</b>			





Port service operations in the year 2019 and comparison to those in the year 2018

2019	Individually monthly			Cumulatively monthly		
	2019	2018	INDEX	2019	2018	INDEX
Month	2019/2018			2019/2018		
1	118	171	69	118	171	69
2	284	208	137	402	379	106
3	271	310	87	673	689	98
4	397	422	94	1.070	1.111	96
5	415	425	98	1.485	1.536	97
6	460	390	118	1.945	1.926	101
7	413	484	85	2.358	2.410	98
8	530	449	118	2.888	2.859	101
9	256	221	116	3.144	3.080	102
10	159	174	91	3.303	3.254	102
11	248	331	75	3.551	3.585	99
12	137	97	141	3.688	3.682	100
<b>Total 2019</b>	<b>3.688</b>					
<b>Total 2018</b>		<b>3.682</b>				
<b>Index 2019/2018</b>			<b>100</b>			



## Revenues of Marina Kornati in the year 2019 separately by months and comparison to the year 2018

REVENUES OF MARINA KORNATI 2019 SEPARATE BY MONTHS																
Revenue positions		Months 2019												2019 CUMULAT.	2018 TOTAL	Index 2019/2018
		1	2	3	4	5	6	7	8	9	10	11	12			
I	Daily berths	1.648,80	32.992,80	58.792,80	173.765,59	253.712,57	407.783,60	632.060,91	640.748,00	371.107,30	189.705,97	29.671,70	28.570,04	2.820.560,08	2.486.833,31	113,42
II	Contracted berth with accessories	3.601.219,03	5.969.253,39	3.932.524,46	6.304.730,80	1.352.030,32	642.848,11	7.828.376,06	204.247,73	83.521,23	99.770,21	87.138,38	2.059,20	30.107.718,92	28.826.906,80	104,44
III	Port service	117.641,15	280.501,71	328.496,19	376.837,03	451.646,96	360.644,18	215.958,37	271.113,78	106.556,35	82.669,38	97.940,05	77.725,70	2.767.730,86	2.976.178,12	93,00
IV	Vehicle parking	1.452,00	2.352,00	18.968,00	117.644,29	231.024,28	422.789,76	385.121,27	487.805,69	402.095,62	137.324,18	23.076,00	2.640,00	2.232.293,00	2.027.214,88	110,12
V	Other services	1.140,69	17.349,49	-22.713,17	26.028,75	34.922,33	153.010,75	35.154,78	74.524,70	74.369,19	31.125,53	65.878,82	11.585,04	502.376,99	615.978,78	81,56
VI	Business cooperation	0,00	7.409,92	0,00	1.198.675,12	23.800,33	3.713,00	1.188.874,17	27.544,74					2.450.017,27	2.309.656,98	106,08
VII	Boat fair and events	4.043,75	0,00	8.415,00	0,00	24.605,00	70.915,67	250.215,87	218.241,11	1.399.638,80	1.976.586,31	-74.670,20		3.877.991,31	3.222.510,08	120,34
	<b>TOTAL:</b>	<b>3.727.145,42</b>	<b>6.309.859,31</b>	<b>4.324.483,28</b>	<b>8.197.681,58</b>	<b>2.371.741,79</b>	<b>2.061.705,07</b>	<b>10535761,43</b>	<b>1.924.225,75</b>	<b>2.437.288,49</b>	<b>2.517.181,58</b>	<b>229.034,75</b>	<b>122.579,98</b>	<b>44.758.688,43</b>	<b>42.465.278,95</b>	<b>105,40</b>

REVENUES OF MARINA KORNATI 2018 SEPARATE BY MONTHS																
Revenue positions		Months 2018												2018 CUMULAT.	2017 TOTAL	Index 2018/2017
		1	2	3	4	5	6	7	8	9	10	11	12			
I	Daily berths	21.798,53	17.162,98	52.765,59	137.407,35	257.811,82	336.771,25	547.611,97	614.909,89	261.303,69	175.699,67	57.819,38	5.771,20	2.486.833,31	2.889.334,82	86,07
II	Contracted berth with accessories	3.055.113,30	5.666.701,26	4.040.807,17	6.138.972,98	1.491.753,01	648.604,10	7.412.226,30	73.727,75	24.525,24	59.817,06	51.203,58	163.455,05	28.826.906,80	27.491.171,96	104,86
III	Port service	136.539,66	221.275,21	350.618,77	430.464,87	394.404,73	293.203,91	266.638,50	215.071,96	108.994,10	126.659,32	313.717,12	118.589,98	2.976.178,12	2.692.082,41	110,55
IV	Vehicle parking	924,00	4.812,00	16.769,20	116.172,16	243.356,04	328.993,60	423.876,39	398.572,88	332.824,89	139.197,72	19.084,00	2.632,00	2.027.214,88	1.971.217,83	102,84
V	Other services	5.298,19	22.435,64	-47.587,88	16.907,04	128.366,56	142.568,98	-64.339,85	148.390,61	171.353,03	7.435,72	72.841,39	12.309,43	615.978,78	669.373,77	92,02
VI	Business cooperation	0,00	0,00	0,00	1.170.278,80	686,40	28.560,48	1.110.131,30						2.309.656,98	2.183.879,37	105,76
VII	Boat fair and events	40.000,00	0,00	0,00	22.625,00	3.430,00	0,00	178.062,11	19.392,32	1.460.781,16	1.416.646,05	37.189,44	44.384,00	3.222.510,08	2.707.355,59	119,03
	<b>TOTAL:</b>	<b>3.259.673,68</b>	<b>5.932.387,09</b>	<b>4.413.372,85</b>	<b>8.032.828,20</b>	<b>2.519.808,56</b>	<b>1.778.702,23</b>	<b>9.874.206,72</b>	<b>1.470.065,41</b>	<b>2.359.782,11</b>	<b>1.925.455,54</b>	<b>551.854,91</b>	<b>347.141,66</b>	<b>42.465.278,95</b>	<b>40.604.415,75</b>	<b>104,58</b>

## Revenue of Marina Kornati in the year 2019 cumulatively by months and comparison to that in the year 2018

REVENUES OF MARINA KORNATI 2019 CUMULATIVE BY MONTHS														
Revenue positions		Months 2019												% of total revenues
		1	2	3	4	5	6	7	8	9	10	11	12	
I	Daily berths	1.648,80	34.641,60	93.434,40	267.199,99	520.912,56	928.696,16	1.560.757,07	2.201.505,07	2.572.612,37	2.762.318,34	2.791.990,04	2.820.560,08	6,30
II	Contracted berth with accessories	3.601.219,03	9.570.472,42	13.502.996,88	19.807.727,68	21.159.758,00	21.802.606,11	29.630.982,17	29.835.229,90	29.918.751,13	30.018.521,34	30.105.659,72	30.107.718,92	67,27
III	Port service	117.641,15	398.142,86	726.639,05	1.103.476,08	1.555.123,04	1.915.767,22	2.131.725,59	2.402.839,38	2.509.395,72	2.592.065,11	2.690.005,16	2.767.730,86	6,18
IV	Vehicle parking	1.452,00	3.804,00	22.772,00	140.416,29	371.440,57	794.230,33	1.179.351,60	1.667.157,29	2.069.252,91	2.206.577,09	2.229.653,09	2.232.293,00	4,99
V	Other services	1.140,69	18.490,18	-4.222,99	21.805,77	56.728,10	209.738,84	244.893,63	319.418,32	393.787,51	424.913,04	490.791,86	502.376,99	1,12
VI	Business cooperation	0,00	7.409,92	7.409,92	1.206.085,04	1.229.885,37	1.233.598,37	2.422.472,54	2.450.017,28	2.450.017,28	2.450.017,27	2.450.017,27	2.450.017,27	5,47
VII	Boat fair and events	4.043,75	4.043,75	12.458,75	12.458,75	37.063,75	107.979,42	358.195,29	576.436,40	1.976.075,20	3.952.661,51	3.877.991,31	3.877.991,31	8,66
TOTAL:		3.727.145,42	10.037.004,73	14.361.488,01	22.559.169,60	24.930.911,39	26.992.616,45	37.528.377,89	39.452.603,64	41.889.892,12	44.407.073,70	44.636.108,45	44.758.688,43	100,00

REVENUES OF MARINA KORNATI 2018 CUMULATIVE BY MONTHS														
Revenue positions		Months 2018												% of total revenues
		1	2	3	4	5	6	7	8	9	10	11	12	
I	Daily berths	21.798,53	38.961,50	91.727,10	229.134,45	486.946,27	823.717,52	1.371.329,48	1.986.239,37	2.247.543,06	2.423.242,73	2.481.062,12	2.486.833,31	5,86
II	Contracted berth with accessories	3.055.113,30	8.721.814,56	12.762.621,73	18.901.594,71	20.393.347,72	21.041.951,82	28.454.178,12	28.527.905,87	28.552.431,11	28.612.248,17	28.663.451,75	28.826.906,80	67,88
III	Port service	136.539,66	357.814,87	708.433,64	1.138.898,51	1.533.303,24	1.826.507,15	2.093.145,65	2.308.217,61	2.417.211,71	2.543.871,03	2.857.588,15	2.976.178,12	7,01
IV	Vehicle parking	924,00	5.736,00	22.505,20	138.677,36	382.033,40	711.027,00	1.134.903,39	1.533.476,27	1.866.301,16	2.005.498,88	2.024.582,88	2.027.214,88	4,77
V	Other services	5.298,19	27.733,84	-19.854,05	-2.947,01	125.419,55	267.988,44	203.648,59	352.039,20	523.392,23	530.827,95	603.669,33	615.978,78	1,45
VI	Business cooperation	0,00	0,00	0,00	1.170.278,80	1.170.965,20	1.199.525,68	2.309.656,98	2.309.656,98	2.309.656,98	2.309.656,98	2.309.656,98	2.309.656,98	5,44
VII	Boat fair and events	40.000,00	40.000,00	40.000,00	62.625,00	66.055,00	66.055,00	244.117,11	263.509,43	1.724.290,59	3.140.936,64	3.178.126,08	3.222.510,08	7,59
TOTAL:		3.259.673,68	9.192.060,77	13.605.433,62	21.638.261,82	24.158.070,38	25.936.772,61	35.810.979,32	37.281.044,73	39.640.826,84	41.566.282,38	42.118.137,30	42.465.278,95	100,00

## Summary of key operating market indicators for Marina Kornati

The Nautics of Ilirija d.d. consists of three business units Marina Kornati, Boat Show and restaurant „Marina Kornati. Good organization of business processes, good planning and listening to the nautical market and in the fiscal year 2019 have contributed to a continuous growth and development of the nautical sector. The nautical sector of the Company in all of its business units recorded an increase in operating revenues ranging from 3% to 20%, i.e. the operating revenues of the nautical sector in the segment of vessel accommodation services (Marina Kornati) increased by 4% and amounted to HRK 40,880,637.12. In the business unit boat show (Biograd Boat Show), the revenues increased by 20.34% and were generated in the amount of HRK 3,877,991.31, while in the segment of hospitality services, the revenues were generated in the amount of HRK 3,851,911.21 with growth of 3%. At the level of the entire sector, the revenue was generated in the amount of HRK 48,610,539.64, which is a rise by 5% compared to that in the previous fiscal year when the revenues amounted to HRK 46,219,397.68.

Although the capacity of the Marina Kornati did not change, the results of the nautical sector in segment

of vessel placement and ultimately of the entire nautics of the Company were mostly aided by the turnover of the contract-based berth, which, although it in physical terms, a number of vessels on the contract-based berth is at the level of 2018, generated the revenues in the amount of HRK 30,107,718.92 in the revenue segment with the highest growth in revenue in the absolute amount. Also, the nautical sector in the segment of vessel accommodation recorded an increase in transit berth and arrivals by 5% and overnight stays by 6%, which generated a growth in revenue from transit berth by 13.42% to the amount of HRK 2,820,560.08. The revenues from other parking services and business cooperation also increased. In addition to the growth in the revenue from accommodation and other services, i.e. parking and business cooperation, the average revenue items have also risen, of which the most significant is certainly the average revenue per contract-based berth, which increased by 4.58% and amounts to HRK 40,686.11, while the average revenue per overnight stay of the transit berth was realized in the amount of HRK 251.23 with a growth rate of 7.48%.





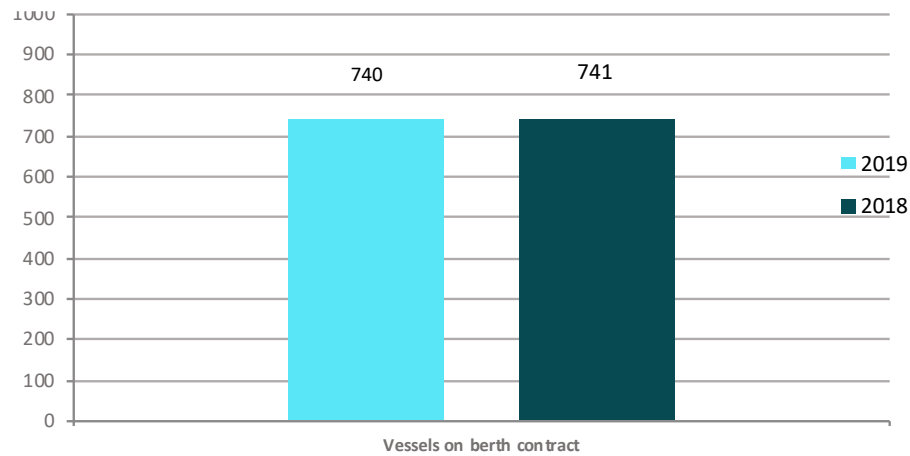
## Key market indicators of Marina Kornati

	2019	2018	2019/2018
<b>Capacity (number of berths): *</b>			
Central marina	435	435	0,00%
Western marina	190	190	0,00%
Southern marina	80	80	0,00%
Hotel marina	100	100	0,00%
Total number of berths	805	805	0,00%
<b>Physical turnover:</b>			
Vessels on berth contact	740	741	-0,13%
Number of overnight stays (vessels having transit berth)	11.227	10.639	5,53%
Number of service operations	3.688	3.682	0,16%
Number of parking places	500	500	0,00%
Number of business cooperation agreements	50	49	2,04%
<b>Financial results:</b>			
<b>Total operating revenue of the marina</b>	<b>40.880.637,12 kn</b>	<b>39.242.678,09 kn</b>	<b>4,17%</b>
<b>Berth contract:</b>			
Revenue from berth contracts	30.107.718,92 kn	28.826.906,80 kn	4,44%
Aver. revenue per berth contract	40.686,11 kn	38.902,71 kn	4,58%
Share in the total operating revenue of the marina	73,6%	73,5%	0,26%
<b>Transit berth:</b>			
Revenue from transit berth	2.820.560,08 kn	2.488.833,31 kn	13,42%
Aver. revenue per overnight stay (transit berth)	251,23 kn	233,75kn	7,48%
Share in the total operating revenue of the marina	6,9%	6,3%	8,88%
<b>Servicing:</b>			
Revenue from servicing	2.767.730,86 kn	2.976.178,12 kn	-7,00%
Aver. revenue per servicing operation	750,47 kn	808,30 kn	-7,16%
Share in the total operating revenue of the marina	6,8%	7,6%	-10,73%
<b>Parking:</b>			
Revenue from parking	2.232.293,00 kn	2.027.214,88 kn	10,12%
Aver. revenue per parking space	4.464,59 kn	4.054,43 kn	10,12%
Share in the total operating revenue of the marina	5,5%	5,2%	5,70%
<b>Bussines cooperation:</b>			
Revenue from bussines cooperation	2.450.017,27 kn	2.309.656,98 kn	6,08%
Aver. revenue from bussines cooperation	49.000,35 kn	47.135,86 kn	3,96%
Share in the total operating revenue of the marina	6,0%	5,9%	1,83%

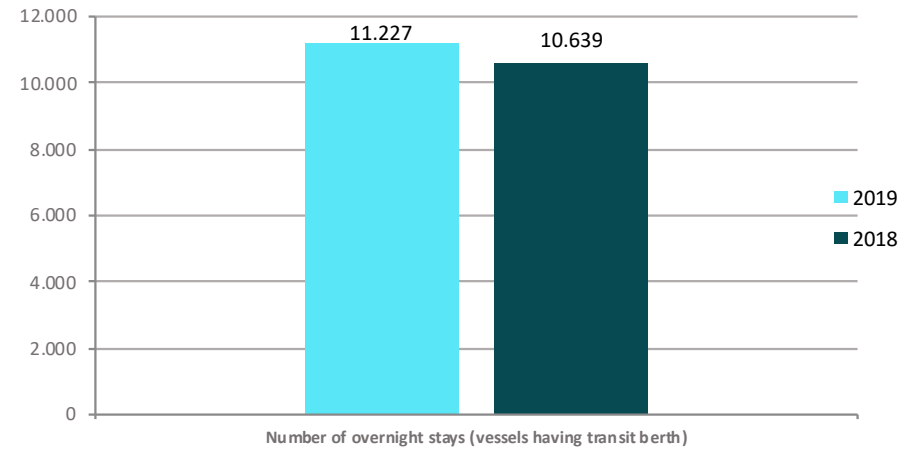
Notes:

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

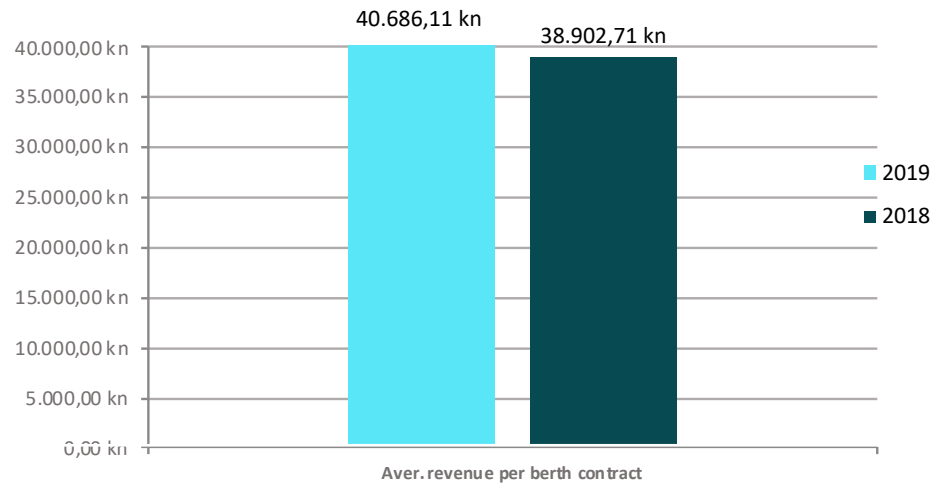
Number of vessels per berth contract in Marina Kornati in 2019 and 2018



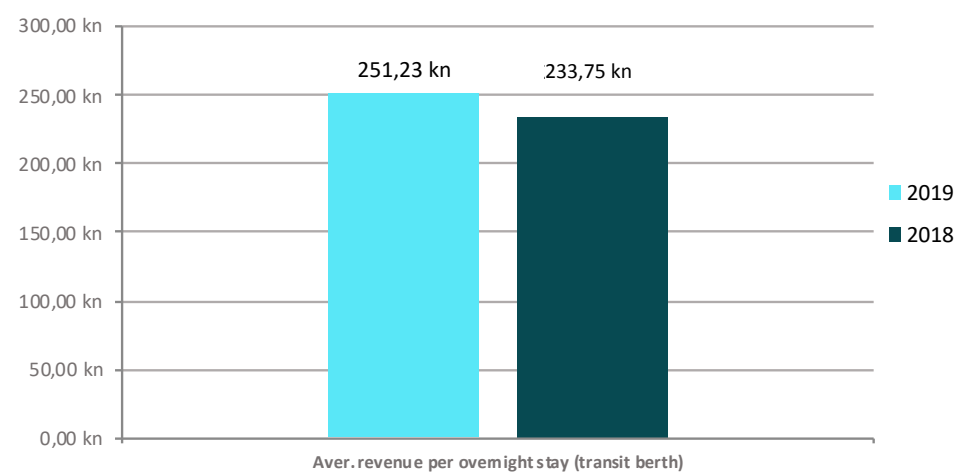
Number of overnight stays in transit vessels in Marina Kornati in 2019 and 2018



Average revenues per berth contract in Marina Kornati in 2019 and 2018



Average revenue earned per overnight stay of transit vessels at Marina Kornat in 2019 and 2018



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## 4.3 CAMPING – CAMPSITE "PARK SOLINE"

2019 was an extremely challenging fiscal year in the camping sector at the national level and consequently in the camping sector of the Company. The uncertainty in business operations was affected by negative announcements at the beginning of the year, rainy May, and a drop in turnover in July, which ultimately resulted in a drop in physical turnover, although the campsite's performance in the segment of revenue generation is the best so far. During the reporting period, 41,507 arrivals were realized in the Campsite "Park Soline", which is a decrease by 1.50% compared to those in the same period of the previous fiscal year. Accordingly, the decreased number of arrivals resulted in a decrease in the number of overnight stays by 4.08% compared to those in 2018 and the number of realized overnight stays in the reporting period was 290,487.

This decrease is due to the state of the market, the slowdown in the European economy, the opening of the eastern Mediterranean and good weather conditions in the north of Europe on the one hand, where, for example, the Dutch and Germans, partly the Belgians as well decided to spend their holidays in their country, and ever later booking decisions on the other hand, because guests are increasingly opting for last minute bookings.

Two segments of the campsite business operations (lump sum and mobile homes) have seen an increase in arrivals and the lump sum segment has seen an increase in overnight stays. This increase with lump sum guests was largely due to the increase in leased flat rentals and a good schedule of holidays in June (the markets of Slovenia and Croatia make for the largest share of lump sum guests). The market segment allotment records a decline in overnight stays by 6.50% and a decline in arrivals by 9.27%, and the result of this relationship is that the agency guests record an increase in average days of stay from 7.67 to 7.90 days. The market segment of individuals realized a decline in physical turnover by 15.11% in arrivals and by 20.73% in overnight stays. Mobile homes as a segment recorded an increase by 4.68% in arrivals, but a decrease by 0.32% in overnights compared to those in 2018. The largest share of this increase has come from the Slovenian and Croatian markets.

The campsite "Park Soline" recorded an increase in revenue items, where the generated revenues amounted to HRK 32,036,373.30 and increased by 5% compared to those in the previous fiscal year, with an increase in agency revenues by 5% as a result of an increase in the number of leased pitches.

The rise in the operating revenues was achieved with lump sum guests with a rise in contracted revenues by 25%, which is a result of a higher number of rented lump-sum pitches compared to those in the previous year, of which the majority of the lump sum relates to mobile homes that bring higher revenues. Revenues from mobile homes have risen by 5%, while the revenues from individual guests dropped by 14%. One of the factors that influenced the revenues from individuals is certainly the substitution of outbound by inbound trips undertaken by German and Dutch guests, the key source markets for the Croatian camping, who decided to spend their vacations in their domestic campsites.

In the structure of realized overnight stays, the top five source markets are (I) the Slovenian market with a share of 25% overnight stays, (II) the Czech market with a share of 19% overnight stays, (III) the German market with a share of 14% overnight stays, (IV) the Croatian market with a share of 10% overnight stays and (V) the Dutch market with a share of 6% overnight stays. The largest increase in overnight stays was realized by the guests from the Slovak market of 71.13%, Croatian market of 13.24% and Slovenian market of 6.35%. At the same time, the agencies with a share of 29% and mobile homes with a share

of 25% of overnight stays prevail in the structure of overnight stays by market segments that compared to those in the same period of the previous year have grown as a result of channeling the marketing and sales activities to the target and more lucrative Western European source markets whose customers seek higher quality of accommodation in campsites, followed by lump sum guests with a share of 24% and individual guests with a share of 22%.

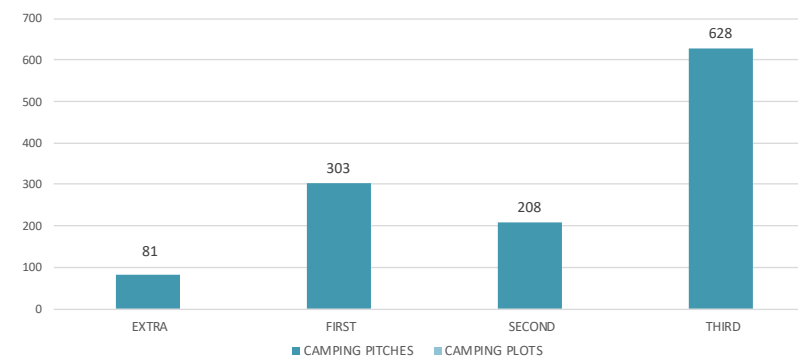
The increase in revenues in 2019 compared to those in 2018 is the result of investments in new mobile homes, the quality of the facilities, services and amenities of the campsite, the growth of leasing of lump sum pitches for accommodating the mobile homes and the price optimization, which certainly had a significant impact on the achieved operating results.





## Capacities of the campsite „Park Soline“

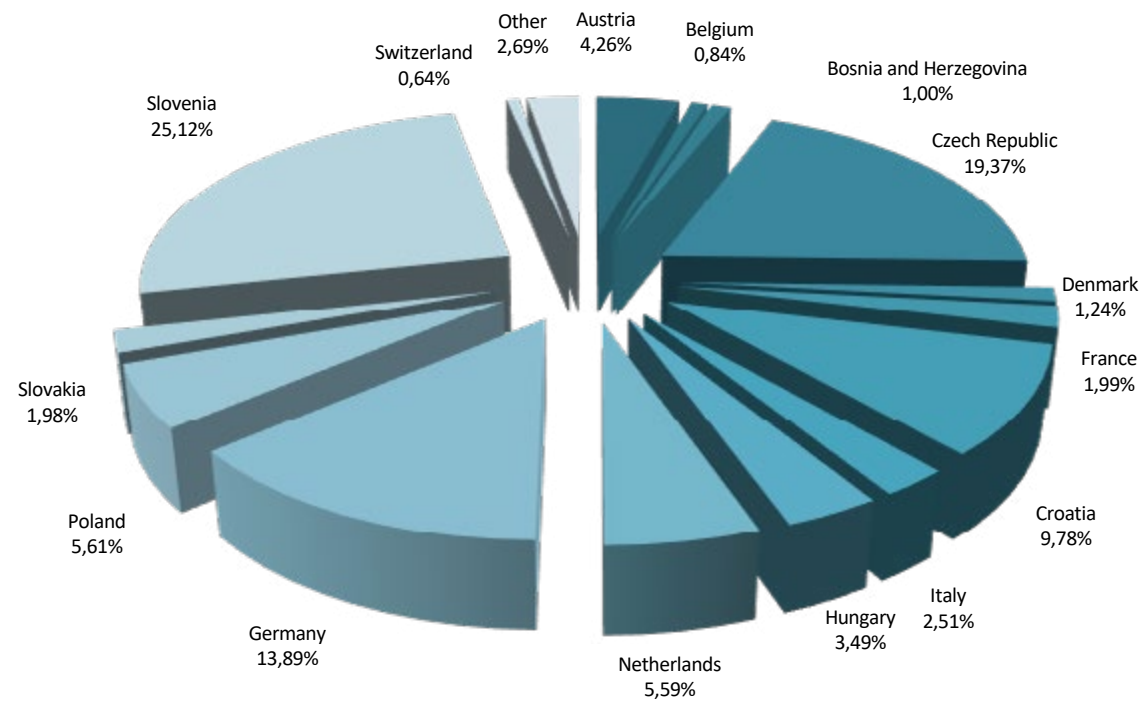
		2015	2016	2017	2018	2019
I	EXTRA ZONE					
	CAMPING PITCHES	81	81	81	81	81
	CAMPING PLOTS	0	0	0	0	0
	TOTAL	81	81	81	81	81
II	FIRST ZONE					
	CAMPING PITCHES	326	326	326	303	303
	CAMPING PLOTS	0	0	0	0	0
	TOTAL	326	326	326	303	303
III	SECOND ZONE					
	CAMPING PITCHES	182	182	182	198	208
	CAMPING PLOTS	0	0	0	0	0
	TOTAL	182	182	182	198	208
IV	THIRD ZONE					
	CAMPING PITCHES	347	347	347	638	628
	CAMPING PLOTS	187	194	194	0	0
	TOTAL	534	541	541	638	628
Σ	GRANDTOTAL					
	CAMPING PITCHES	936	936	936	1220	1220
	CAMPING PLOTS	187	194	194	0	0
	GRANDTOTAL	1123	1130	1130	1220	1220



## Arrivals and overnight stays by source markets and average days of stays in 2019 and comparison with those in the year 2018

Market	2019		2018		INDEX 2019/2018		AVERAGE DAYS OF STAY	
	Arrivals	Overnight stays	Arrivals	Overnight stays	Arrivals	Overnight stays	2019	2018
Austria	1.997	12.363	2.085	14.825	95,78	83,39	6,19	7,11
Belgium	334	2.427	493	4.014	67,75	60,46	7,27	8,14
Bosnia and Herze- govina	617	2.924	451	2.126	136,81	137,54	4,74	4,71
Czech Republic	7.274	56.268	7.672	58.258	94,81	96,58	7,74	7,59
Denmark	445	3.602	819	7.446	54,33	48,37	8,09	9,09
France	832	5.759	711	5.078	117,02	113,41	6,92	7,14
Croatia	4.331	28.422	3.569	25.097	121,35	113,25	6,56	7,03
Italy	1.168	7.305	1.211	7.262	96,45	100,59	6,25	6,00
Hungary	1.559	10.146	2.219	14.260	70,26	71,15	6,51	6,43
Netherlands	1.863	16.232	2.329	20.250	79,99	80,16	8,71	8,69
Germany	5.373	40.361	5.499	42.918	97,71	94,04	7,51	7,80
Poland	2.251	16.284	2.734	19.770	82,33	82,37	7,23	7,23
Slovakia	896	5.750	541	3.360	165,62	171,13	6,42	6,21
Slovenia	10.805	72.971	10.018	68.615	107,86	106,35	6,75	6,85
Switzerland	364	1.872	408	1.965	89,22	95,27	5,14	4,82
Other	1.398	7.801	1.379	7.601	101,38	102,63	5,58	5,51
<b>TOTAL</b>	<b>41.507</b>	<b>290.487</b>	<b>42.138</b>	<b>302.845</b>	<b>98,50</b>	<b>95,92</b>	<b>7,00</b>	<b>7,19</b>

## Overnight stays per source market in 2019



## Arrivals, overnight stays, number of pitches by source markets in 2019 and comparison with those in 2018

MARKET SEGMENT	2019			2018			INDEX 2019/2018			AVERAGE DAYS OF STAY	
	Arrivals	Overnight stays	Pitch	Arrivals	Overnight stays	Pitch	Arrivals	Overnight stays	Pitch	2019	2018
Allotment	10.736	84.853	270	11.833	90.751	264	90,73	93,50	102,27	7,90	7,67
Lump sum	10.042	69.989	242	8.144	59.488	210	123,31	117,65	115,24	6,97	7,30
Individuals	10.590	63.976	508	12.475	80.710	562	84,89	79,27	90,39	6,04	6,47
Mobile homes	10.139	71.669	200	9.686	71.896	184	104,68	99,68	108,70	7,07	7,42
<b>TOTAL</b>	<b>41.507</b>	<b>290.487</b>	<b>1.220</b>	<b>42.138</b>	<b>302.845</b>	<b>1.220</b>	<b>98,50</b>	<b>95,92</b>	<b>100,00</b>	<b>7,00</b>	<b>7,19</b>



## Overview of overnight stays by source markets and market segments in 2019 and the comparison with that in 2018

Market	MOBILE HOMES			AGENCIES			LUMP SUM			INDIVIDUALS			TOTAL		
	2018	2019	Index	2018	2019	Index	2018	2019	Index	2018	2019	Index	2018	2019	Index
Austria	4.343	3.740	86,12	2.431	1.668	68,61	2.022	2.441	120,72	6.031	4.514	74,85	14.827	12.363	83,38
Belgium	1.127	695	61,67	464	666	143,53	241	124	51,45	2.182	942	43,17	4.014	2.427	60,46
B&H	821	716	87,21	139	353	253,96	950	1.530	161,05	216	325	150,46	2.126	2.924	137,54
The Czech Republic	3.749	2.838	75,70	46.920	46.775	99,69	3.374	3.782	112,09	4.209	2.873	68,26	58.252	56.268	96,59
Denmark	2.013	1.310	65,08	2.453	781	31,84	125	166	132,80	2.855	1.345	47,11	7.446	3.602	48,37
France	751	682	90,81	3.096	3.880	125,32	250	108	43,20	981	1.085	110,60	5.078	5.755	113,33
Croatia	5.345	5.741	107,41	1.423	2.465	173,23	13.242	16.446	124,20	5.088	3.770	74,10	25.098	28.422	113,24
Italy	1.595	2.206	138,31	969	1.017	104,95	721	631	87,52	3.977	3.451	86,77	7.262	7.305	100,59
Hungary	3.466	3.513	101,36	7.905	3.889	49,20	1.412	1.115	78,97	1.477	1.629	110,29	14.260	10.146	71,15
Netherlands	6.051	5.532	91,42	3.030	2.779	91,72	696	433	62,21	10.473	7.488	71,50	20.250	16.232	80,16
Germany	13.941	13.551	97,20	5.233	5.649	107,95	3.665	4.125	112,55	20.079	17.036	84,84	42.918	40.361	94,04
Poland	7.093	6.481	91,37	5.447	4.019	73,78	2.335	2.854	122,23	4.895	2.930	59,86	19.770	16.284	82,37
Slovakia	743	1.898	255,45	825	932	112,97	1.268	1.807	142,51	524	1.113	212,40	3.360	5.750	171,13
Slovenia	18.774	19.986	106,46	9.122	9.087	99,62	27.722	31.907	115,10	12.996	11.990	92,26	68.614	72.970	106,35
Switzerland	521	411	78,89	83	158	190,36	221	332	150,23	1.140	971	85,18	1.965	1.872	95,27
Others	1.563	2.369	151,57	1.211	735	60,69	1.244	2.188	175,88	3.587	2.514	70,09	7.605	7.806	102,64
<b>TOTAL</b>	<b>71.896</b>	<b>71.669</b>	<b>99,68</b>	<b>90.751</b>	<b>84.853</b>	<b>93,50</b>	<b>59.488</b>	<b>69.989</b>	<b>117,65</b>	<b>80.710</b>	<b>63.976</b>	<b>79,27</b>	<b>302.845</b>	<b>290.487</b>	<b>95,92</b>

## Cumulative overview of daily and monthly occupancy of accommodation units of the campsite during the period from 01/03 to 30/11/2019

MONTH	MARCH				APRIL				MAY			
	SEGMENT	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %
MOBILE HOMES ILIRIJA	6.200	57	0,92%	0,29	6.000	523	8,72%	2,62	6.200	708	11,42%	3,54
AGENCIES	8.370	8.370	100,00%	31,00	8.100	8.100	100,00%	30,00	8.370	8.370	100,00%	31,00
LUMP SUM	7.471	7.471	100,00%	31,00	7.230	7.230	100,00%	30,00	7.471	7.471	100,00%	31,00
INDIVIDUALS PITCHES STANDARD MARE - CAMPING PLACE STANDARD III ZONE	10.974	56	0,51%	0,16	10.620	678	6,38%	1,92	10.974	1.240	11,30%	3,50
INDIVIDUALS CAMPING PLACE STANDARD IV ZONE	4.805	0	0,00%	0,00	4.650	3	0,06%	0,02	4.805	24	0,50%	0,15
INDIVIDUALS TOTAL	15.779	56	0,35%	0,11	15.270	681	4,46%	1,34	15.779	1.264	8,01%	2,48
<b>TOTAL</b>	<b>37.820</b>	<b>15.954</b>	<b>42,18%</b>	<b>13,08</b>	<b>36.600</b>	<b>16.534</b>	<b>45,17%</b>	<b>13,55</b>	<b>37.820</b>	<b>17.813</b>	<b>47,10%</b>	<b>14,60</b>

MONTH	JUNE				JULY				AUGUST			
	SEGMENT	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %
MOBILE HOMES ILIRIJA	6.000	4.030	67,17%	20,15	6.200	5.214	84,10%	26,07	6.200	5.764	92,97%	28,82
AGENCIES	8.100	8.100	100,00%	30,00	8.370	8.370	100,00%	31,00	8.370	8.370	100,00%	31,00
LUMP SUM	7.260	7.260	100,00%	30,00	7.502	7.502	100,00%	31,00	7.502	7.502	100,00%	31,00
INDIVIDUALS PITCHES STANDARD MARE - CAMPING PLACE STANDARD III ZONE	10.620	3.841	36,17%	10,85	10.974	6.231	56,78%	17,60	10.974	5.937	54,10%	16,77
INDIVIDUALS CAMPING PLACE STANDARD IV ZONE	4.620	165	3,57%	1,07	4.774	442	9,26%	2,87	4.774	1.091	22,85%	7,08
INDIVIDUALS TOTAL	15.240	4.006	26,29%	7,89	15.748	6.673	42,37%	13,14	15.748	7.028	44,63%	13,83
<b>TOTAL</b>	<b>36.600</b>	<b>23.396</b>	<b>63,92%</b>	<b>19,18</b>	<b>37.820</b>	<b>27.759</b>	<b>73,40%</b>	<b>22,75</b>	<b>37.820</b>	<b>28.664</b>	<b>75,79%</b>	<b>23,50</b>

MONTH	SEPTEMBER				OCTOBER				NOVEMBER			
SEGMENT	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY
MOBILE HOMES ILIRIJA	6.000	2.287	38,12%	11,44	6.200	264	4,26%	1,32	6.000	43	0,72%	0,22
AGENCIES	8.100	8.100	100,00%	30,00	8.370	8.370	100,00%	31,00	8.100	8.100	100,00%	30,00
LUMP SUM	7.260	7.260	100,00%	30,00	7.502	7.502	100,00%	31,00	7.260	7.260	100,00%	30,00
INDIVIDUALS PITCHES STANDARD MARE - CAMPING PLACE STANDARD III ZONE	10.620	2.771	26,09%	7,83	10.974	543	4,95%	1,53	10.620	26	0,24%	0,07
INDIVIDUALS CAMPING PLACE STANDARD IV ZONE	4.620	10	0,22%	0,06	4.774	0	0,00%	0,00	4.620	0	0,00%	0,00
INDIVIDUALS TOTAL	15.240	2.781	18,25%	5,47	15.748	543	3,45%	1,07	15.240	26	0,17%	0,05
<b>TOTAL</b>	<b>36.600</b>	<b>20.428</b>	<b>55,81%</b>	<b>16,74</b>	<b>37.820</b>	<b>16.679</b>	<b>44,10%</b>	<b>13,67</b>	<b>36.600</b>	<b>15.429</b>	<b>42,16%</b>	<b>12,65</b>

MONTH	TOTAL 2019					TOTAL 2018					INDEX 2019 / 2018				
SEGMENT	NUMBER OF ACCOMMODATING UNITS	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	NUMBER OF ACCOMMODATING UNITS	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY	NUMBER OF ACCOMMODATING UNITS	MAXIMUM POSSIBLE PITCH DAYS	PITCH DAYS	OCCUPANCY IN %	DAYS OF OCCUPANCY
MOBILE HOMES ILIRIJA	200	55.000	18.890	34,35%	94,45	184	41.216	19.217	46,63%	104,44	108,69	133	98	73,66%	90,43
AGENCIES	270	74.250	74.250	100,00%	275,00	264	59.136	59.136	100,00%	224,00	102,27	126	126	100,00%	122,77
LUMP SUM	242	66.458	66.458	100,00%	275,00	210	46.857	46.857	100,00%	224,00	115,23	142	142	100,00%	122,77
INDIVIDUALS PITCHES STANDARD MARE - CAMPING PLACE STANDARD III ZONE	354	97.350	21.323	21,90%	60,23	328	73.472	22.272	30,31%	67,90	107,92	132	96	72,26%	88,71
INDIVIDUALS CAMPING PLACE STANDARD IV ZONE	154	42.442	1.735	4,09%	11,24	234	52.599	5.201	9,89%	22,15	65,81	81	33	41,34%	50,76
INDIVIDUALS TOTAL	508	139.792	23.058	16,49%	45,36	562	126.071	27.473	21,79%	48,81	90,39	111	84	75,69%	92,93
<b>TOTAL</b>	<b>1220</b>	<b>335.500</b>	<b>182.656</b>	<b>54,44%</b>	<b>149,72</b>	<b>1220</b>	<b>273.280</b>	<b>152.683</b>	<b>55,87%</b>	<b>125,15</b>	<b>100</b>	<b>123</b>	<b>120</b>	<b>97,44%</b>	<b>119,63</b>

## Revenues of the campsite during the period in 2019 and comparison to those in the year 2018

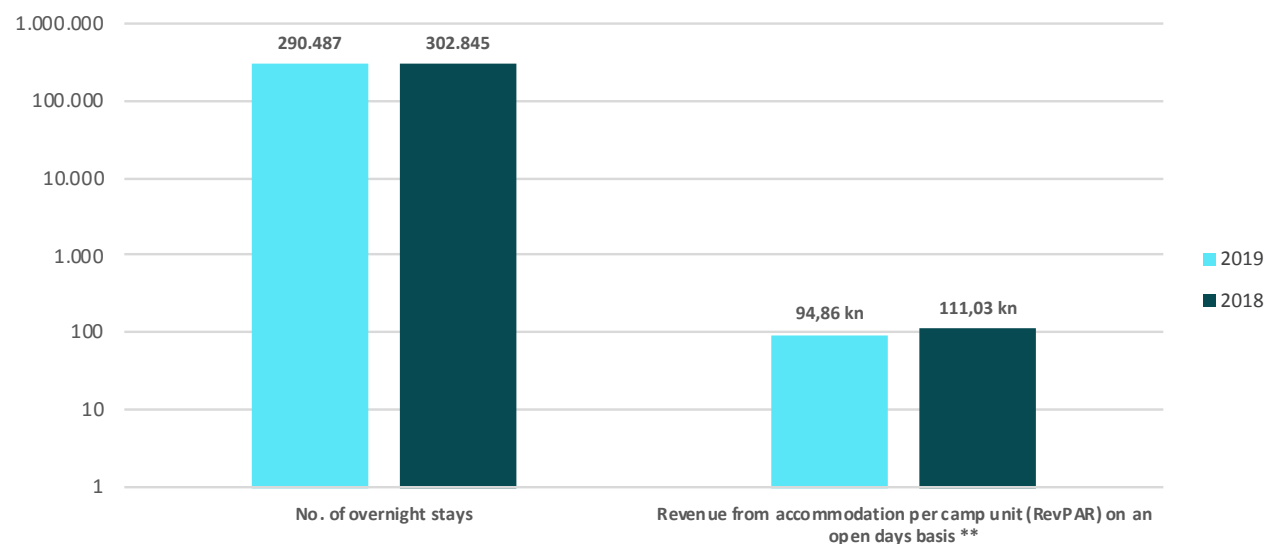
SEGMENT		2018					2019			INDEX	
		GENERATED IN 2018			CONTRACTED TILL 31/12/2018		GENERATED TILL 31/12/2019			2019/2018	
		NUMBER OF PITCHES	OVERNIGHT STAYS	REVENUES	REALIZED OVERNIGHT STAYS	REVENUES	NUMBER OF PITCHES	REALIZED OVERNIGHT STAYS	CONTRACTED REVENUE	OVERNIGHT STAYS	REVENUES
1	MOBILE HOMES ILIRIJA	184	71.896	12.501.103,72 kn	71.896	12.501.103,72 kn	200	71.669	13.080.977,08 kn	100	105
2	AGENCIES	264	90.751	4.723.061,00 kn	90.751	4.723.061,00 kn	270	84.853	4.961.578,20 kn	94	105
3	INDIVIDUALS	562	80.710	7.412.227,01 kn	80.710	7.412.227,01 kn	508	63.976	6.409.705,47 kn	79	86
4	LUMP SUM	210	59.488	4.419.277,04 kn	59.488	4.419.277,04 kn	242	69.989	5.534.344,91 kn	118	125
5	OTHER SERVICES	-	-	1.471.105,42 kn	-	1.471.105,42 kn	0	0	2.049.767,64 kn	#DIV/0!	139
<b>TOTAL:</b>		<b>1220</b>	<b>302.845</b>	<b>30.526.774,19 kn</b>	<b>302.845</b>	<b>30.526.774,19 kn</b>	<b>1220</b>	<b>290.487</b>	<b>32.036.373,30 kn</b>	<b>96</b>	<b>105</b>



## Summary of key market indicators of the campsite

The camping sector of the Company, consisting of the „Park Soline“ campsite and „Park Soline“ restaurant recorded a significant growth in 2019 compared to that in the previous year according to financial indicators. During the reporting period, a lower number of arrivals and overnight stays were recorded in the Park Soline campsite, but the number of campsite units sold increased by 19.63% as a result of a higher number of open days of the campsite from 224 to 275 days. The foregoing resulted in a reduction of capacity occupancy by -2.56%, by reducing the average realized price by -12.32% and rising the revenues from accommodation per campsite unit by 4.90% based on the occupancy of campsite units on 365 open days' basis.

Number of overnight stays and revenue from accommodation per camp unit in the campsite Park Soline in 2019 and 2018



Notes:

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

## Key market indicators of the "Park Soline" campsite

	2019	2018	2019/2018
<b>Accommodation capacities:</b>			
Number of camping units	1.220	1.220	0,00%
Number of guests	3.660	3.360	8,93%
<b>Physical turnover:</b>			
No. of overnight stays	290.487	302.845	-4,08%
No. of sold camp units	182.656	152.683	19,63%
Annual occupancy rate of the camp units (%)	41,02%	34,29%	19,63%
Occupancy rate of the units on an open days basis (%)	54,44%	55,87%	-2,56%
<b>Financial results:</b>			
Average daily rate of the camp unit (ADR)*	174,24 kn	198,72 kn	-12,32%
Revenue from accommodation per camp unit (RevPAR) on a basis of 365 days **	71,47 kn	68,14 kn	4,90%
Revenue from accommodation per camp unit (RevPAR) on an open days basis **	94,86 kn	111,03 kn	-14,56%

## Notes:

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

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

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## 4.4 COMMERCIAL-SHOPPING CENTER CITY GALLERIA

The Commercial-Shopping Center City Galleria due to its excellent location in the vicinity of the old city center, with a large number of new housing projects currently underway, is easily accessible to a large numbers of local citizens and foreign visitors. The total gross surface area of the facility is over 28,500 m<sup>2</sup> spread over a total of 6 floors - 2 floors with underground garages and 4 floors with commercial premises and sales outlets. The gross surface area of the Center consists of the surface area of the underground garage of 10,863.50 m<sup>2</sup>, net rentable area with business premises of 9,897.60 m<sup>2</sup> increased by the commercial activation of the third floor of the Center, communication, technical and common areas.

As at 31st December 2019, the occupancy of the center was 99.77% of all capacities, that is, 37 premises lease contracts are active with unit areas ranging from 9.80m<sup>2</sup> to 1,836m<sup>2</sup>. By commercializing the third floor of the Center and creating new office business units, the total net lettable surface of the center increased by 241.30 m<sup>2</sup>, of which 218.90 m<sup>2</sup> is currently rented. The operating revenues from the City Galleria Center, generated in 2019 through lease of business premises, shared costs, use of

common areas of the center, lease of advertisement space and revenues from the garage, amount to HRK 14,161,104.78, while they amounted to HRK 13,963,944.29 in the same period of 2018, which is a rise by 1.41%. While revenues from common costs increased by 3.89%, the use of common areas increased by 8.13%, lease of advertising space by 8.24% and lease of parking spaces in the garage increased by as much as 17.10%, a decrease by HRK 101,276.52 or 1.07% was recorded in the category of revenues from the lease of premises.

Although the regular revenues from leases were higher by 4.94% than those a year ago, in 2019 the extraordinary revenue that amounted to HRK 543,665.91 in 2018, was not achieved. Due to objectively favorable circumstances for the lessee, the lessee had a significant increase in revenues, which ultimately resulted in a high difference in rental fee based on turnover collected in June 2018. During the following period from July 2018 to September 2019, the lessee recorded a regular increase in business operations, and according to the calculation of the rental fee based on turnover, it was at the level of the monthly installments calculated on an annual level.

Other operating revenues relating to insurance indemnities decreased by HRK 109,347.55 in 2019 compared to those in 2018 as there were fewer damages for which claims could be asserted. Total revenues in 2019 amounted to HRK 14,225,205.21 and were 0.62% higher than in 2018 when they amounted to HRK 14,167,392.27.

In this period, 65.95% of operating revenues, or HRK 9,401,885.85 was generated from the calculation of the rental fees of premises. The average rental fee per square meter of premises during the relevant period was EUR 10.70 or about 79.34 HRK/m<sup>2</sup>. The largest lessees according to the leased area are Spar Hrvatska d.o.o., Müller trgovina d.o.o. and Blitz - Cinestar d.o.o. These three lessees have taken lease of 49.04% of the net lettable surface area in the Commercial-Shopping Center City Galleria. In addition to the lease of business premises, the operating revenues generated from the calculation of shared costs to the leasees amount to HRK 3,201,496.63, which is 22.46% of total revenues; the revenues from leasing and commercial use of common areas of the center amount to HRK 639,869.40, or 4.49%; the revenues from one-time parking charge and leasing of the parking spaces amount to HRK 881,048.10 or 6.18%; and in the

smallest part, the revenues from lease of advertising space on the facade of the center amounts to HRK 36,804.80, which makes up for 0.26% of total revenues generated.

The usage of the underground garage of the Center rose by 20.22% in 2019 and it was used by 763,982 vehicles, while it was used by 635,505 vehicles in 2018. The revenues generated from the garage of the Commercial-Shopping Center City Galleria in the amount of HRK 881,048.10 were mostly realized from one-time parking of visitors to the garage, which makes up for 89.04% of the mentioned revenues, or HRK 784,475.88.

In 2019, premises on the third floor of the center were activated and their conversion from service to office premises was completed. In addition to the lessee ROSS d.o.o. that engages in the media activity and operates via the radio station 057 and web portal 057info.hr on the local media market, the lessee Drugačije d.o.o., Zdrava navika j.d.o.o. and the lessee Securitas Hrvatska d.o.o. started performing their business activity on the third floor, with only 22.40 m<sup>2</sup> remaining unoccupied.





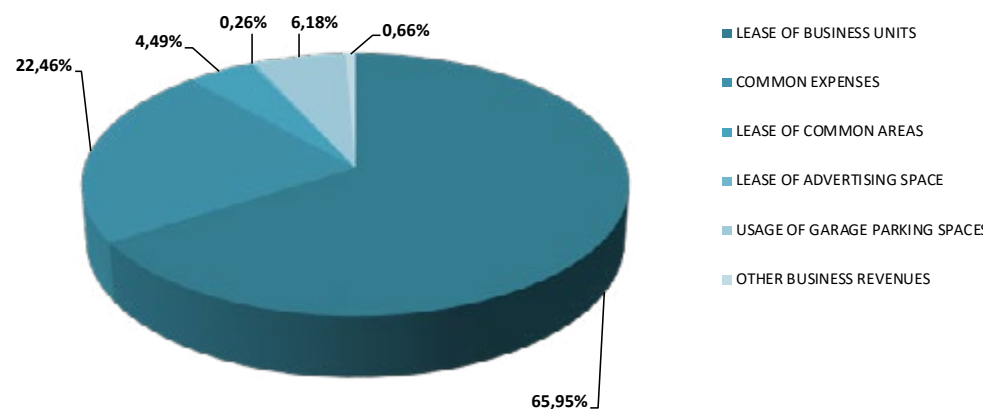
## Operating revenues of the Commercial and shopping center City Galleria in Zadar in 2019 and comparison with those in 2018

DESIGNATION	DESCRIPTION	NUMBER OF ACTIVE CONTRACTS	SURFACE AREA (m <sup>2</sup> )	REVENUES 01-12/2019	%	REVENUES 01-12/2018	%	INDEX 2019/2018
1	LEASE OF BUSINESS UNITS	37	9.897,60*	9.401.885,85 kn	65,95%	9.503.162,37 kn	67,08%	99
2	COMMON EXPENSES	36	7.173,53**	3.201.496,63 kn	22,46%	3.082.631,95 kn	21,76%	104
3	LEASE OF COMMON AREAS	21	1.018,80	639.869,40 kn	4,49%	591.771,92 kn	4,18%	108
4	LEASE OF ADVERTISING SPACE	8	129,18	36.804,80 kn	0,26%	34.004,33 kn	0,24%	108
5	USAGE OF GARAGE PARKING SPACES	410***	10.863,50	881.048,10 kn	6,18%	752.373,72 kn	5,31%	117
REVENUES:				14.161.104,78 kn	99,34%	13.963.944,29 kn	98,56%	101
6	OTHER BUSINESS REVENUES			94.100,43 kn	0,66%	203.447,98 kn	1,44%	46
TOTAL REVENUES				14.255.205,21 kn	100,00%	14.167.392,27 kn	100,00%	101

\* Total net leasable surface area

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

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



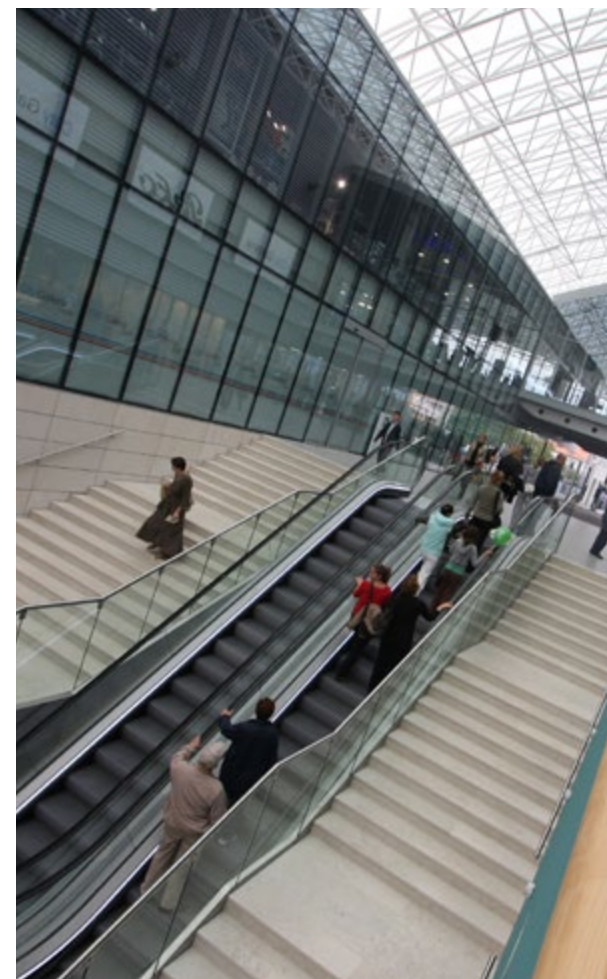
## Summary of the key operating results of the Commercial-shopping center City Galleria

The Commercial-Shopping Center City Galleria continued its business growth in 2019 as a result of the rise in key market indicators over the relevant period.

After activating the third floor of the Center for commercial purposes and having it converted into office premises, the total net lettable surface area of the building increased to 9,897.60 m<sup>2</sup>. As at 31st December, 2019, a total of 37 premises lease contracts were active. The Commercial-Shopping Center City Galleria generates the majority of its revenues by lease of premises. The average rental fee achieved per square meter of the active premises in 2019 amounted to 952.08 HRK/m<sup>2</sup> or 79.34 HRK/m<sup>2</sup> on a monthly basis. Other revenues were generated from charging for the shared costs to the lessees (calculated on the area of 7,173.53m<sup>2</sup>), leasing and the commercial use of the common areas of the commercial-shopping center (a total 1,018.80m<sup>2</sup>), charging for one-time parking and leasing of parking spaces in the underground garage of the center (to-

tal area of 10,863.50m<sup>2</sup>), and in the smallest segment, renting out the advertising space on the facade of the center (total area 129.18m<sup>2</sup>).

The public underground garage of the center has a total 410 parking spaces, while the usage of the underground garage by customers in 2019 is 763,982 vehicles, which makes up for a rise by 14.41% compared to that in the last fiscal year, with the average retention of vehicles in the garage of 01:01 hour. The revenue generated from the garage from one-time parking; monthly, weekly and daily tickets; annual subscriptions and leased parking spaces as at 31st December 2019 totals to HRK 881.048,10. The average revenue generated from the garage per parking space amounts HRK 2,148.90 in 2019. The average revenue per parking space in 2018 was HRK 1,835.06 according to which indicator an increase by 17.10% was accomplished in 2019.



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

	2019	2018	2019/2018
<b>Commercial capacities:</b>			
Premises - floor area (m <sup>2</sup> )	9.897,60	9.897,60	0,00%
Common costs - floor area (m <sup>2</sup> )	7.173,53	7.083,53	1,27%
Common areas - floor area (m <sup>2</sup> )	1.018,80	999,80	1,90%
Advertising space - floor area (m <sup>2</sup> )	129,18	118,52	8,99%
Garage - floor area (m <sup>2</sup> )	10.863,50	10.863,50	0,00%
<b>Commercial turnover:</b>			
Premises - number of active contracts	37	36	2,78%
Common costs - number of active contracts	36	34	5,88%
Common areas - number of active contracts	21	24	-12,50%
Advertising space - number of active contracts	8	8	0,00%
Garage - number of parking spaces	410	410	0,00%
Garage - turnover of vehicles	763.982	667.753	14,41%
<b>Financial results:</b>			
Average monthly rent earned per m <sup>2</sup> of premises (AMR)*	79,34 kn	81,30 kn	-2,41%
Average rent earned per m <sup>2</sup> of premises for the period	952,08 kn	975,60 kn	-2,41%
Average revenue from the garage per parking space for the period**	2.148,90 kn	1.835,06 kn	17,10%

## Notes:

\* AMR - Average Monthly Rent - The average monthly price achieved for m<sup>2</sup> of the premises is calculated based on the revenue from the rent of premises and net available floor area of active premises.

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

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## 4.5 ILIRIJA TRAVEL

By developing new services and facilities through the complementary tourism product that combines all the Company's components, Ilirija Travel as a destination management company meets the needs of modern tourist demand, includes the products and value-added programs that are based on creating experiences and meeting a range of special interests. The basic purpose of these programs is to activate facilities in the pre- and post-season and stay of guests with more contents offered, so partly by using the basic capacities of the Company and partly by using separate products outside of its facilities.

During 2019, a service was provided to 54,749 persons through a total of 609 events, starting from simpler individual events, excursions to special programs, incentives, events, conferences, congresses, weddings, excursions, regattas etc. mainly organized in the shoulder season, thus increasing the number of events by 9% and reducing the number of persons by 6% compared to those in 2018 (561 events, 58,023 persons). As a result of organizing new value-added events, this year's revenue increased by 16%, that is, 21% respectively, including revenues generated in other profit centers as well, compared to those in the last year.

The business operations conducted in own additional capacities such as Arsenal in Zadar, "Nada" event boat, diffuse hotel Ražnjevića dvori, Villa Promorje complex, along with cars and vessels, excursion offer, the sports and event area capacities within the Company are the most important cornerstones of offering and implementing special programs and products realized through DMC Ilirija Travel. All these segments are seeing an increase in revenues in 2019. The highest increase in the revenues from events was recorded by the "Nada" event boat by providing services for other companies and in other Croatian counties (Istrian County, County of Primorje and Goran, County of Split and Dalmatia, County of Šibenik and Knin), and the Company's hotel facilities. The multifunctional "Nada" event boat, the venue for holding congresses, seminars, unique business meetings, gala receptions and banquets, unique weddings, exclusive day and night cruises, incentive events, etc., surpassed the record-breaking year 2017.

It should be emphasized that the use of additional facilities of the Company consequently generates business in the accommodation facilities itself, providing additional motives for arrivals, especially in the form of a sales channel for groups.

## Realized events in 2019

Period	Realized in 2019			Realized in 2018	Index 2019/2018
	Number of events	Number of people	Revenue		
January	1	80	6.688,00 kn	914,50 kn	731
February	10	3.659	427.558,55 kn	876.828,17 kn	49
March	16	5.446	488.936,34 kn	411.921,46 kn	119
April	33	4.785	1.025.690,53 kn	630.022,53 kn	163
May	79	7.813	1.636.129,45 kn	1.131.813,84 kn	145
June	84	3.547	1.255.856,73 kn	827.980,14 kn	152
July	92	2.318	647.275,29 kn	864.684,76 kn	75
August	99	2.937	607.552,88 kn	722.650,46 kn	84
September	95	6.434	2.128.492,38 kn	879.535,89 kn	242
October	29	5.041	1.027.287,78 kn	932.444,92 kn	110
November	7	2.902	413.569,95 kn	621.708,04 kn	67
December	64	9.787	1.372.320,60 kn	1.204.600,04 kn	114
<b>Total</b>	<b>609</b>	<b>54.749</b>	<b>11.037.358,48 kn</b>	<b>9.105.104,75 kn</b>	<b>121</b>





## ARSENAL

Significant contribution to the offer of Ilirija Travel is certainly made by Arsenal, a cultural heritage of the Republic of Croatia built during the reign of the Republic of Venice in the 17th century next to the harbor and the city walls (the UNESCO World Cultural Heritage monument) in the old city center of Zadar. In 2005, Arsenal was rebuilt and reopened as a unique space for events on a floor surface of 1,800 m<sup>2</sup> and consists of the ground floor (parter) and upper gallery, which allow for a unique opportunity to exploit the space. Since then, Arsenal has been going through the process of conversion into the unbeatable cultural, entertainment, MICE and event center of Zadar and the wider Zadar region where gala dinners, weddings, receptions, concerts, events, festivals, fairs, conferences, theater performances, lectures, book promotions, thematic evenings, art and other exhibitions, video projections and similar contents are organized.

During 2019, Arsenal hosted a total of 99 events with 32,501 persons, which is a decrease of events by 17% and a number of persons by 11% compared

to those in 2018 (120 events, 36,430 persons). The complexity of the events themselves and the additional offer contents, despite a lower total number of events and persons, led to a 2% increase in revenues. The growth in revenues was achieved by organizing larger concert programs, organizing major public programs with richer offer of complex contents, stronger sales activities in the segment of MICE events and the planned improvement of the quality and efficiency of the hospitality services. The growth relates to the first and last quarter periods of the fiscal year, when indoor events are more frequent and Arsenal acts as a "Mediterranean indoor square". Refreshments are introduced in the Arsenal public program, such as showing popular performances of the Zagreb theaters, fair events such as the traditional Wedding Festival and the Tuna & Wine & Sushi Festival, the Wine Festival, the Scholarship Fair, the Fair of Jobs, various educational workshops etc., which is also the direction which Arsenal will take and in addition to the existing events, it will expand its offer in the years to come.



## Realized events in 2019

Period	Ostvareno u 2019.			Realized in 2018	Index 2019/2018
	Number of events	Number of people	Revenue		
January	0	0	30.492,83 kn	226.867,90 kn	13
February	8	3.615	408.835,31 kn	624.657,93 kn	65
March	10	5.199	537.432,89 kn	333.034,57 kn	161
April	9	4.022	661.732,99 kn	485.572,90 kn	136
May	17	3.551	814.520,49 kn	368.285,95 kn	221
June	7	665	291.978,20 kn	401.332,56 kn	73
July	6	377	95.133,57 kn	264.023,15 kn	36
August	7	481	253.595,09 kn	195.749,45 kn	130
September	9	975	552.936,83 kn	509.377,00 kn	109
October	10	4.362	636.716,47 kn	704.981,04 kn	90
November	7	2.807	591.381,35 kn	656.188,12 kn	90
December	9	6.447	1.110.731,18 kn	1.088.629,63 kn	102
<b>Total</b>	<b>99</b>	<b>32.501</b>	<b>5.985.487,20 kn</b>	<b>5.858.700,20 kn</b>	<b>102</b>

## 5 FINANCIAL OPERATING RESULTS OF THE COMPANY

### 5.1 KEY FINANCIAL OPERATING RESULTS BY SECTORS:

#### 5.1.1 HOTEL SECTOR

##### Notes:

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

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

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

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

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

	2019	2018	2019/2018
<b>HOTEL SECTOR - BIOGRAD</b>			
Operating revenues	54.894.923,16 kn	52.264.711,79 kn	5,03%
Revenues from board services	45.040.247,93 kn	42.852.303,43 kn	5,11%
TRRevPAR *	147.964,75 kn	140.875,23 kn	5,03%
Operating costs **	35.871.643,10 kn	33.340.334,23 kn	7,59%
Gross operating profit (GOP) ***	19.023.280,06 kn	18.924.377,56 kn	0,52%
GOP per accommodation unit	51.275,69 kn	51.009,10 kn	0,52%
GOP margin****	34,7%	36,2%	-4,29%
Capital investments	3.835.373,22 kn	13.909.312,76 kn	-72,43%
<b>HOTEL SECTOR - SV. FILIP I JAKOV</b>			
Operating revenues	4.889.834,46 kn	4.839.943,84 kn	1,03%
Revenues from board services	4.449.478,60 kn	4.462.053,65 kn	-0,28%
TRRevPAR *	67.914,37 kn	67.221,44 kn	1,03%
Operating costs **	3.826.827,45 kn	3.500.866,93 kn	9,31%
Gross operating profit (GOP) ***	1.063.007,01 kn	1.339.076,91 kn	-20,62%
GOP per accommodation unit	14.763,99 kn	18.598,29 kn	-20,62%
GOP margin****	21,7%	27,7%	-21,43%
Capital investments	1.146.282,66 kn	538.946,40 kn	112,69%
<b>HOTEL SECTOR - TOTAL ILIRIJA d.d.</b>			
Operating revenues	59.784.757,62 kn	57.104.655,63 kn	4,69%
Revenues from board services	49.489.726,53 kn	47.314.357,08 kn	4,60%
TRRevPAR *	134.954,31 kn	128.904,41 kn	4,69%
Operating costs **	39.698.470,55 kn	36.841.201,16 kn	7,76%
Gross operating profit (GOP) ***	20.086.287,07 kn	20.263.454,47 kn	-0,87%
GOP per accommodation unit	45.341,51 kn	45.741,43 kn	-0,87%
GOP margin****	33,6%	35,5%	-5,32%
Capital investments	4.981.655,88 kn	14.448.259,16 kn	-65,52%

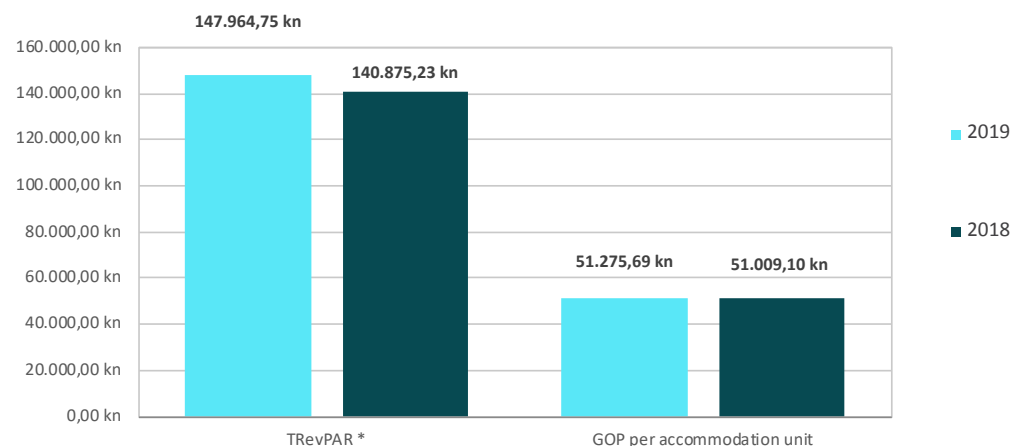
In 2019, the hotel industry of Ilirija d.d. generated HRK 59,784,757.62 million in operating revenues which is an increase by 4.69% compared to that in the previous year. The operating expenses of the hotel sector compared to those in the previous year grew by 7.76%. The increase in operating expenses of the hotel sector mainly occurred as a result of increased volume of business operations and the increased costs of labor and other expenses. Gross operating profit (GOP) at the level of the hotel sector in the observed period decreased by 0.87% compared to that in the same period last year, while GOP per accommodation unit amounts to HRK 51,275.69 for the hotels in Biograd with an increase by 0.52% and HRK 45,341.51 for the hotel sector of the company with a decrease by 0.87, because it was reduced in Sv. Filip i Jakov by 20.62%. The investment in the amount of HRK 4,981,655.88 was made in the improvement of the competitiveness of the products of the hotel industry in the year 2019.

Notes:

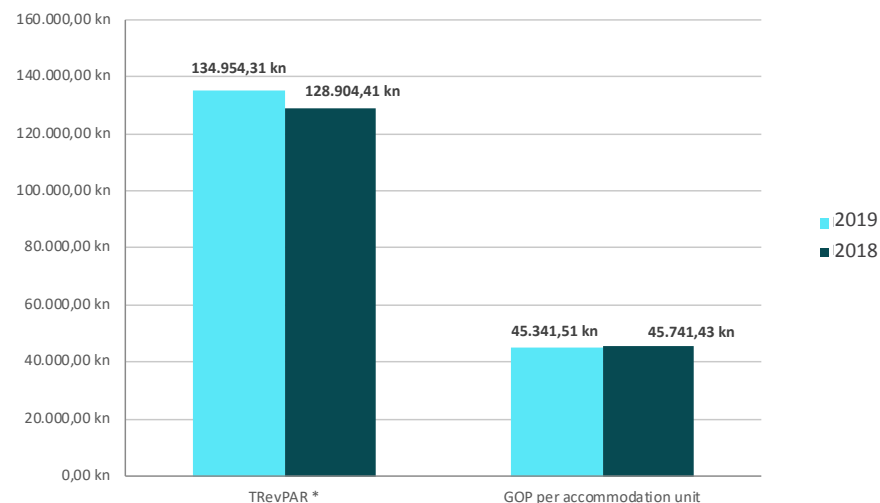
\* TRRevPAR denotes the total operating revenue of the hotel sector divided by a number of physical accommodation units.

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

Total revenue per accommodation unit (TrevPar) and GOP per accommodation unit in the hotels in Biograd in 2019 and 2018



Total revenue per accommodation unit (TrevPar) and GOP per accommodation unit in the hotels Ilirija d.d. in 2019 and 2018





**FINANCIAL OPERATIONS**reporting system according to **USALI** standards

01/01/2019-31/12/2019

**HOTEL SECTOR** (after the allocation of common revenues and common costs)

Items	Annual cumulative achievements in 2017	Annual cumulative achievements in 2018	Annual cumulative achievements in 2019	Index 2019/2018
TOTAL NET REVENUE (operating)	51.477.272,82	57.275.346,85	59.860.840,19	104,51
Total direct costs	7.228.664,10	7.766.312,41	8.270.516,67	106,49
Total salary and labor costs	13.247.152,10	14.564.860,19	15.974.876,13	109,68
Total other department costs	4.983.193,48	5.269.410,05	5.772.018,11	109,54
<b>TOTAL CONTRIBUTION</b>	<b>26.018.303,14</b>	<b>29.674.764,20</b>	<b>29.843.429,28</b>	<b>100,57</b>
Total costs to GOP	37.298.300,36	40.880.331,82	43.323.544,66	105,98
GOP	14.178.972,46	16.395.015,03	16.537.295,53	100,87
<b>Grandtotal net revenues</b>	<b>52.654.340,99</b>	<b>58.023.786,51</b>	<b>60.079.902,56</b>	<b>103,54</b>
<b>Grandtotal costs</b>	<b>44.612.774,64</b>	<b>48.206.802,73</b>	<b>51.627.670,62</b>	<b>107,10</b>
<b>PROFIT BEFORE TAXATION</b>	<b>8.041.566,34</b>	<b>9.816.983,78</b>	<b>8.452.231,94</b>	<b>86,10</b>
Corporate income tax	1.447.481,94	0,00	0,00	#DIV/0!
NET PROFIT	6.594.084,40	9.816.983,78	8.452.231,94	86,10
<b>EBITDA</b>	<b>14.422.529,74</b>	<b>16.273.311,36</b>	<b>15.314.698,27</b>	<b>94,11</b>
<b>EBIT</b>	<b>10.722.842,58</b>	<b>12.261.733,87</b>	<b>10.983.397,51</b>	<b>89,57</b>

## 5.1 KEY FINANCIAL OPERATING RESULTS BY SECTORS:

### 5.1.2 NAUTICS

The operating results of Nautics are divided into three segments, with Marina Kornati's most significant revenue having a growth rate of 5.4%. The most significant impact on the revenue growth of Marina Kornati was the increase in the revenue from the contract-based berth (4.44%), which for the year 2019 amounts to HRK 30,107,718.92 compared to that in the same period in 2018 when it amounted to HRK 28,826,906.80. In addition to the contract-based berth, the revenue items of Marina Kornati that recorded a growth are a daily berth with a growth by 13.42%, parking by 10.12%, and business cooperation with a growth rate of 6.08%, while the revenue reduction was realized in segment of the port servicing and other services. The impact on revenue growth is partly the result of an increase in contract-based berth prices by average 3%, followed by the maximum utilization of the marina aquatorium in the segment of vessel accommodation and the new operational regulation of parking.

The restaurant "Marina Kornati" generated revenue in the amount of HRK 3,851,911.21, which is by 2.60% higher than in the previous year. Despite the increase in operating revenues due to the increase in operating expenses, which grew at a rate high-

er than operating revenues, especially in the segment of raw material and material costs and other expenses, the same resulted in a decrease in the gross operating profit of the hospitality sector.

Owing to the expansion of the exhibition space and the continuous introduction of new services, the boat show and events achieved the highest growth in operating revenues within the nautical sector of the Company, in relative amounts, i.e. HRK 3,877,991.31 of operating revenues was generated, which is an increase by 20.34%. At the same time, by controlling the operating expenses, which grew as a result of business expansion and introduction of new products and services, the gross operating profit grew by 32.92% and amounted to HRK 574,491.62.

## Key financial indicators of nautics

	2019	2018	2019/2018
<b>NAUTICS TOTAL</b>			
Operating revenues	48.610.539,64 kn	46.219.397,68 kn	5,17%
Operating revenue per berth	60.385,76 kn	57.415,40 kn	5,17%
Operating costs*	21.369.246,63 kn	20.387.353,51 kn	4,82%
(GOP) **	27.241.293,01 kn	25.832.044,17 kn	5,46%
GOP per berth	33.840,12 kn	32.089,50 kn	5,46%
GOP margin ***	56,0%	55,9%	0,27%
Capital investments	1.441.883,06 kn	3.323.681,04 kn	-56,62%
<b>MARINA KORNATI</b>			
Operating revenues	40.880.637,12 kn	39.242.678,09 kn	4,17%
Operating revenue per berth	50.783,40 kn	48.748,67 kn	4,17%
Operating costs*	13.592.672,86 kn	13.440.377,29 kn	1,13%
(GOP) **	27.287.964,26 kn	25.802.300,80 kn	5,76%
GOP per berth	33.898,09 kn	32.052,55 kn	5,76%
GOP margin ***	66,8%	65,8%	1,52%
<b>RESTAURANT MARINA KORNATI</b>			
Operatin revenues	3.851.911,21 kn	3.754.209,51 kn	2,60%
Operating costs*	4.473.074,08 kn	4.153.095,54 kn	7,70%
(GOP) **	-621.162,87 kn	-398.886,03 kn	55,72%
GOP margin ***	-16,1%	-10,6%	51,77%
<b>BOAT FAIR</b>			
Operating revenues	3.877.991,31 kn	3.222.510,08 kn	20,34%
Operating costs*	3.303.499,69 kn	2.790.196,51 kn	18,40%
(GOP) **	574.491,62 kn	432.213,57 kn	32,92%
GOP margin ***	14,8%	13,4%	10,45%

## Notes:

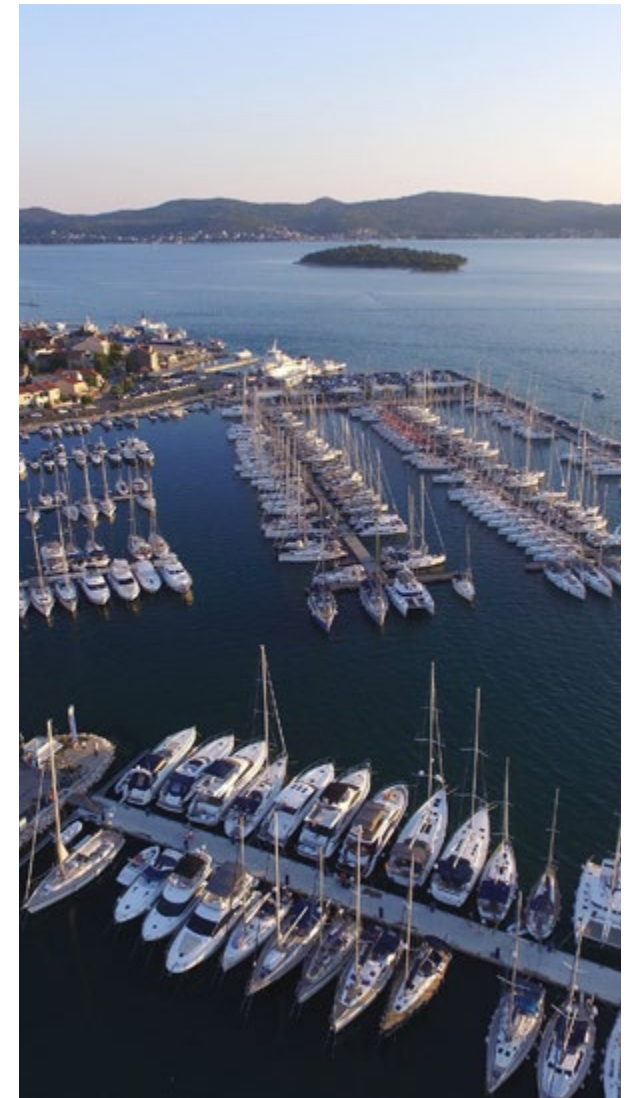
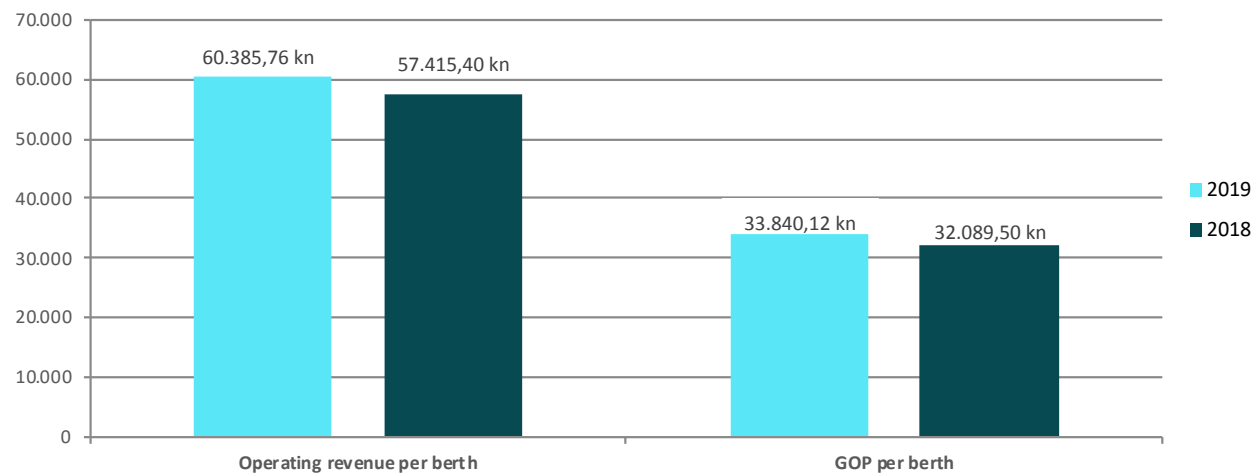
The nautics consists of three business units: Marina Kornati, Biograd Boat Show and restaurant „Marina Kornati.

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

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

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

Total operating revenue and GOP per berth of Nautics of Ilirija d.d. in 2019 and 2018



**FINANCIAL OPERATIONS**  
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**NAUTICS** (after the allocation of common revenues and common costs)

Items	Annual cumulative achievements in 2017	Annual cumulative achievements in 2018	Annual cumulative achievements in 2019	Index 2019/2018
TOTAL NET REVENUE (operating)	45.044.747,82	46.134.529,55	48.502.768,05	105,13
Total direct costs	1.705.239,52	1.570.419,82	1.689.665,35	107,59
Total salary and labor costs	4.727.344,84	5.046.685,27	5.467.229,89	108,33
Total other department costs	1.865.302,01	2.301.009,75	2.002.673,41	87,03
<b>TOTAL CONTRIBUTION</b>	<b>36.746.861,45</b>	<b>37.216.414,71</b>	<b>39.343.199,40</b>	<b>105,71</b>
Total costs to GOP	20.999.060,46	22.528.153,98	23.184.669,37	102,91
GOP	24.045.687,36	23.606.375,57	25.318.098,68	107,25
<b>Grandtotal net revenues</b>	<b>46.115.218,93</b>	<b>46.853.643,50</b>	<b>48.798.314,14</b>	<b>104,15</b>
<b>Grandtotal costs</b>	<b>28.564.205,83</b>	<b>29.938.804,80</b>	<b>31.571.169,28</b>	<b>105,45</b>
<b>PROFIT BEFORE TAXATION</b>	<b>17.551.013,10</b>	<b>16.914.838,70</b>	<b>17.227.144,86</b>	<b>101,85</b>
Corporate income tax	3.159.182,36	0,00	0,00	#DIV/0!
NET PROFIT	14.391.830,74	16.914.838,70	17.227.144,86	101,85
<b>EBITDA</b>	<b>22.473.476,94</b>	<b>21.958.855,53</b>	<b>22.514.677,57</b>	<b>102,53</b>
<b>EBIT</b>	<b>20.277.342,97</b>	<b>19.474.323,17</b>	<b>19.882.339,99</b>	<b>102,10</b>



## 5.1 KEY FINANCIAL OPERATING RESULTS BY SECTORS:

### 5.1.3 CAMPING

#### Notes:

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

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

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

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

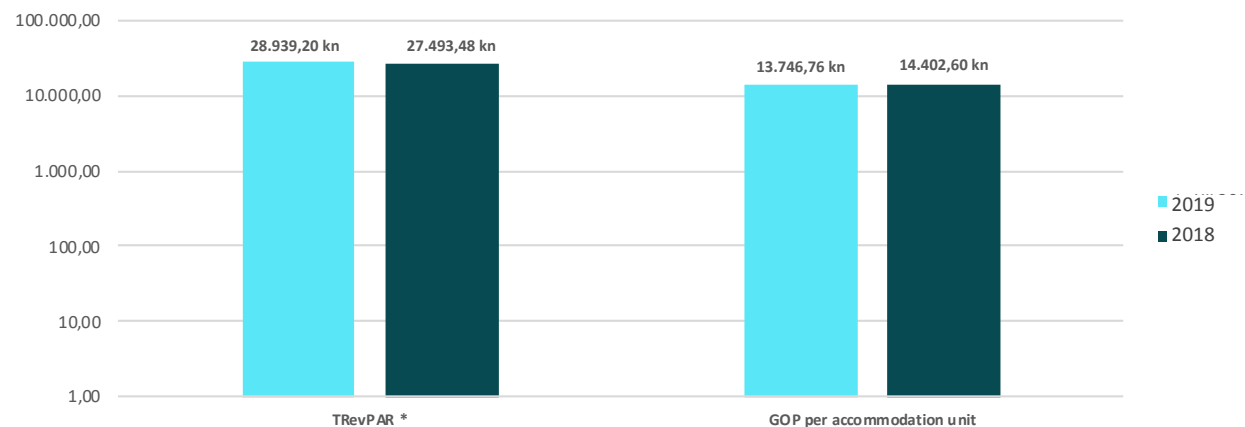
\*\*\*\* GOP margin is calculated by correlating the amount of GOP of camping / campsite / restaurant before the allocation of costs of common services and operating revenues.

	2019	2018	2019/2018
<b>CAMPING TOTAL</b>			
Operating revenue	35.305.818,53 kn	33.542.041,42 kn	5,26%
TRRevPAR *	28.939,20 kn	27.493,48 kn	5,26%
Operating costs**	18.534.768,73 kn	15.970.871,05 kn	16,05%
GOP ***	16.771.049,80 kn	17.571.170,37 kn	-4,55%
GOP per accommodation unit	13.746,76 kn	14.402,60 kn	-4,55%
GOP margin ****	47,5%	52,4%	-9,32%
Capital investments	14.745.262,56 kn	16.035.642,84 kn	-8,05%
<b>CAMPSITE PARK SOLINE</b>			
Operating revenue	32.036.373,30 kn	30.526.774,19 kn	4,95%
TRRevPAR *	26.259,32 kn	25.021,95 kn	4,95%
Operating costs**	14.952.932,18 kn	12.799.798,25 kn	16,82%
GOP ***	17.083.441,12 kn	17.726.975,94 kn	-3,63%
GOP per accommodation unit	14.002,82 kn	14.530,31 kn	-3,63%
GOP margin ****	53,3%	58,1%	-8,17%
<b>RESTAURANT PARK SOLINE</b>			
Operating revenue	3.269.445,23 kn	3.015.267,23 kn	8,43%
Operating costs**	3.581.836,55 kn	3.171.072,80 kn	12,95%
GOP ***	-312.391,32 kn	-155.805,57 kn	100,50%
GOP margin ****	-9,6%	-5,2%	84,91%

The camping sector of the Company generated the operating revenue in the amount of HRK 35,305,818.53 in 2019, which is an increase by 5.26% compared to that in the previous year. First of all, the increase in revenues was realized from lump sum guests (growth rate of 25%) and from own mobile homes (growth rate of 5%), while at the same time the revenue from restaurant increased by 8.43%. The increase in operating costs at the level of the whole camp is 16.05%, as a consequence of the increase in labor costs by 10%, due to the earlier opening or subsequent closing of the camp and consequently the need for early engagement and longer retention of seasonal employees. The growth in the costs of the camping sector was also significantly influenced by the growth in rental fees by 19% and utilities by 50%, which despite the growth in revenues from accommodation and hospitality services of the camping sector influenced the generation of the gross operating profit of the entire sector realized in the amount of HRK 16,771,049.80 in the reporting period.

In 2019, the amount of HRK 14,745,262.56 of capital investments was spent for the improvement of competitiveness and quality of services.

TrevPAR and GOP of the camping per camp unit of the campsite Park Soline in 2019 and 2018



Notes:

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

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

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**CAMPING** (after the allocation of common revenues and common costs)

Items	Annual cumulative achievements in 2017	Annual cumulative achievements in 2018	Annual cumulative achievements in 2019	Index 2019./2018.
TOTAL NET REVENUE (operating)	29.820.237,11	33.526.002,42	35.297.744,43	105,28
Total direct costs	990.018,22	1.117.763,39	1.209.698,37	108,22
Total salary and labor costs	2.553.191,57	2.947.110,10	3.255.513,92	110,46
Total other department costs	1.713.517,96	2.155.890,09	2.647.969,16	122,82
<b>TOTAL CONTRIBUTION</b>	<b>24.563.509,36</b>	<b>27.305.238,84</b>	<b>28.184.562,98</b>	<b>103,22</b>
Total costs to GOP	16.123.834,32	17.931.662,10	19.904.048,07	111,00
GOP	13.696.402,79	15.594.340,32	15.393.696,36	98,71
<b>Grandtotal net revenues</b>	<b>30.574.198,83</b>	<b>33.995.009,30</b>	<b>35.439.900,30</b>	<b>104,25</b>
<b>Grandtotal costs</b>	<b>22.406.366,81</b>	<b>24.838.936,86</b>	<b>28.573.274,31</b>	<b>115,03</b>
<b>PROFIT BEFORE TAXATION</b>	<b>8.167.832,02</b>	<b>9.156.072,45</b>	<b>6.866.625,98</b>	<b>75,00</b>
Corporate income tax	1.470.209,76	0,00	0,00	#DIV/0!
NET PROFIT	6.697.622,26	9.156.072,45	6.866.625,98	75,00
<b>EBITDA</b>	<b>12.894.424,54</b>	<b>14.804.542,22</b>	<b>13.394.851,45</b>	<b>90,48</b>
<b>EBIT</b>	<b>10.295.726,57</b>	<b>11.359.801,74</b>	<b>9.154.051,51</b>	<b>80,58</b>

## 5.1 KEY FINANCIAL OPERATING RESULTS BY SECTORS:

### 5.1.4 COMMERCIAL-SHOPPING CENTER CITY GALLERIA

	2019	2018	2019/2018
Operating revenues	14.255.205,21 kn	14.167.392,27 kn	0,62%
Operating costs*	6.068.418,99 kn	6.006.657,57 kn	1,03%
GOP **	8.186.786,22 kn	8.160.734,70 kn	0,32%
GOP margin ***	57,4%	57,6%	-0,30%
Capital investments	407.143,91 kn	451.734,04 kn	-9,87%

#### Notes:

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

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

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

The operating revenues of the Center City Galleria were generated by leasing the premises, through common costs, use of common parts of the center, lease of the advertisement space and revenues from the garage, which in total amount to HRK 14,161,104.78. The grand-total operating revenues of the center total to HRK 14,255,205.21 including the other operating revenues in the amount of HRK 94,100.43. The total operating revenues recorded a rise by 0.62%. Although the categories of regular rental fee, common costs, use of common parts of the center, leasing advertisement space and revenue from the garage grew, there were no extraordinary additional revenues earned based on the lessees' turnover that amounted to HRK 543,665.91

in 2018.

The operating expenses of the Commercial-Shopping Center City Galleria, that do not include the depreciation costs, financial and extraordinary expenses amount to HRK 6,068,418.99 in 2019. The operating expenses rose by 1.03% compared to those in 2018 and the major proportion in the rise in expenses relates to the rise in the labor cost or gross pay. The operating gross profit of the center for the relevant period amounts to HRK 8,186,786.22, which makes for the margin of 57.4%.

**FINANCIAL OPERATIONS**reporting system according to **USALI** standards

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**CITY GALLERIA** (after the allocation of common revenues and common costs)

Items	Annual cumulative achievements in 2017	Annual cumulative achievements in 2018	Annual cumulative achievements in 2019	Index 2019/2018
TOTAL NET REVENUE (operating)	11.634.254,37	9.919.550,03	9.895.341,36	99,76
Total direct costs	0,00	0,00	0,00	0,00
Total salary and labor costs	1.740.999,86	1.735.050,27	2.121.685,32	122,28
Total other department costs	406.285,81	381.640,60	355.086,47	93,04
<b>TOTAL CONTRIBUTION</b>	<b>9.486.968,70</b>	<b>7.802.859,16</b>	<b>7.418.569,57</b>	<b>95,08</b>
Total costs to GOP	5.965.740,48	6.181.824,10	6.217.802,76	100,58
GOP	5.668.513,88	3.737.725,93	3.677.538,60	98,39
<b>Grandtotal net revenues</b>	<b>12.589.842,82</b>	<b>14.257.985,85</b>	<b>14.282.021,56</b>	<b>100,17</b>
<b>Grandtotal costs</b>	<b>9.488.260,21</b>	<b>9.463.390,13</b>	<b>9.810.294,56</b>	<b>103,67</b>
<b>PROFIT BEFORE TAXATION</b>	<b>3.101.582,61</b>	<b>4.794.595,72</b>	<b>4.471.727,00</b>	<b>93,27</b>
Corporate income tax	558.284,87	0	0,00	#DIV/0!
NET PROFIT	2.543.297,74	4.794.595,72	4.471.727,00	93,27
<b>EBITDA</b>	<b>5.926.854,43</b>	<b>7.607.308,60</b>	<b>7.511.555,86</b>	<b>98,74</b>
<b>EBIT</b>	<b>4.695.097,02</b>	<b>6.354.893,93</b>	<b>6.189.864,64</b>	<b>97,40</b>



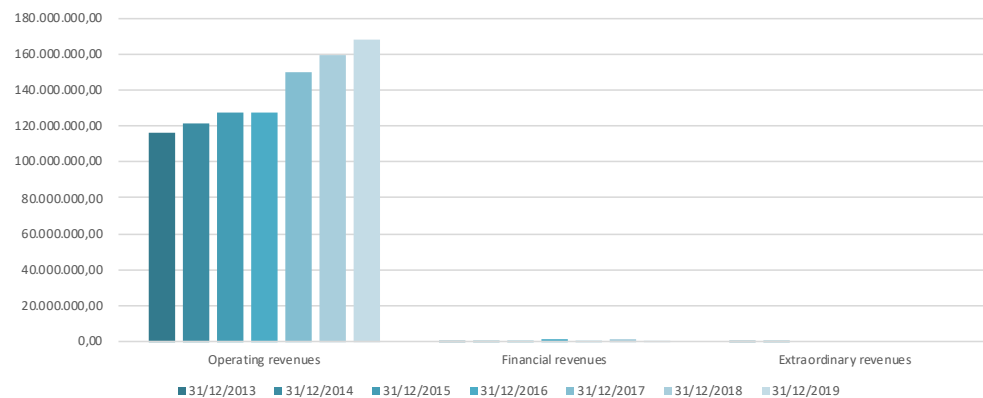
## 5.2 FINANCIAL OPERATING RESULTS AT THE LEVEL OF THE COMPANY:

### 5.2.1 FINANCIAL OPERATING RESULTS OF THE COMPANY

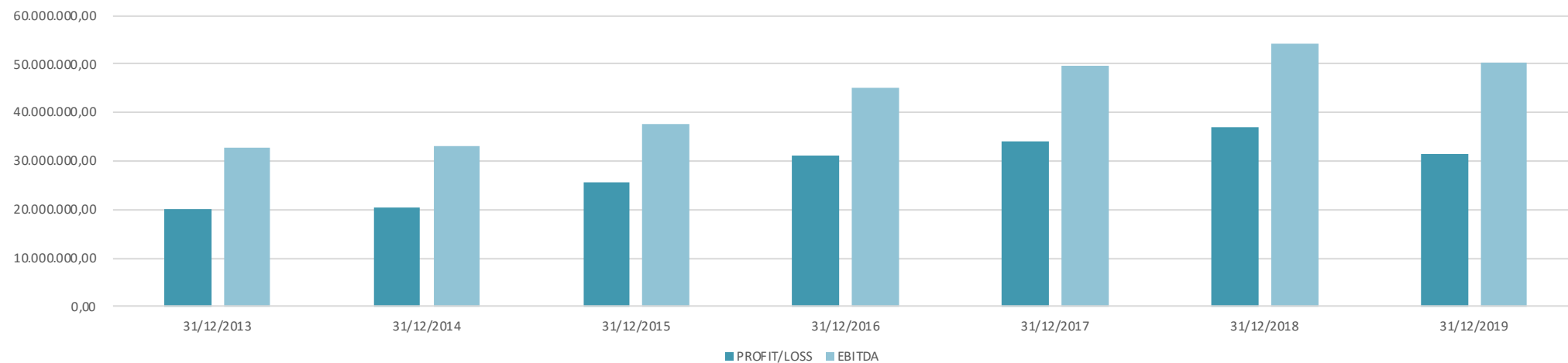
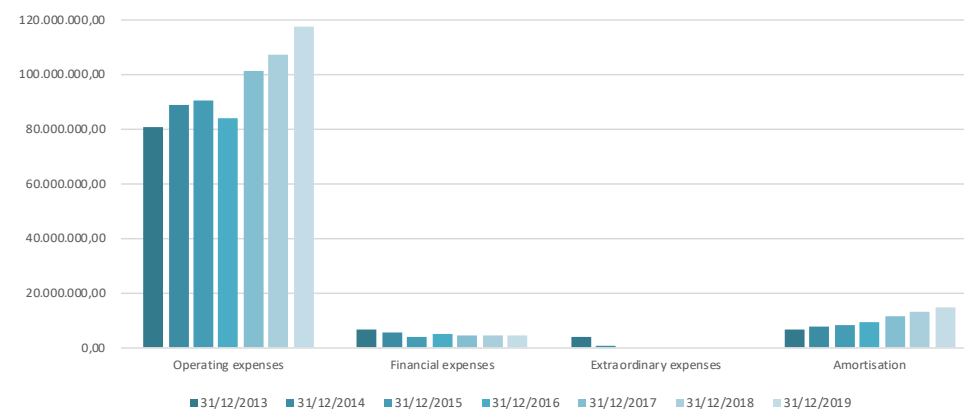
Overview of financial operating results in 2019 and comparison to those in same period from 2013 to 2018

DESCRIPTION	31/12/2013	31/12/2014	31/12/2015	31/12/2016	31/12/2017	31/12/2018	31/12/2019	Index 2019/2018
Operating revenues	116.431.304,58	121.792.647,35	127.662.219,39	127.591.140,20	149.515.545,23	159.490.115,09	167.711.919,32	105,16
Financial revenues	272.620,92	136.259,45	484.269,24	1.427.867,11	961.132,18	1.558.764,96	85.637,54	5,49
Extraordinary revenues	616.481,19	944.845,32	0,00	0,00	0,00	0,00	0,00	#DIV/0!
<b>TOTAL REVENUES</b>	<b>117.320.406,69</b>	<b>122.873.752,12</b>	<b>128.146.488,63</b>	<b>129.019.007,31</b>	<b>150.476.677,41</b>	<b>161.048.880,05</b>	<b>167.797.556,86</b>	<b>104,19</b>
Operating expenses	80.774.385,77	88.837.309,12	90.379.281,57	83.991.877,85	100.879.406,31	106.832.625,88	117.487.302,65	109,97
Financial expenses	6.333.307,89	5.355.803,37	4.030.686,50	4.774.080,17	4.564.585,65	4.384.189,54	4.596.906,56	104,85
Extraordinary expenses	3.698.321,67	825.305,72	0,00	0,00	0,00	0,00	0,00	#DIV/0!
Amortisation	6.385.207,46	7.470.218,79	8.225.981,02	9.012.252,49	11.146.900,91	12.796.897,41	14.379.433,99	112,37
<b>TOTAL EXPENSES</b>	<b>97.191.222,79</b>	<b>102.488.637,00</b>	<b>102.635.949,09</b>	<b>97.778.210,51</b>	<b>116.590.892,87</b>	<b>124.013.712,83</b>	<b>136.463.643,20</b>	<b>110,04</b>
<b>PROFIT/LOSS</b>	<b>20.129.183,90</b>	<b>20.385.115,12</b>	<b>25.510.539,54</b>	<b>31.240.796,80</b>	<b>33.885.784,54</b>	<b>37.035.167,22</b>	<b>31.333.913,66</b>	<b>84,61</b>
<b>OPERATING PROFIT/LOSS</b>	<b>35.656.918,81</b>	<b>32.955.338,23</b>	<b>37.282.937,82</b>	<b>43.599.262,35</b>	<b>48.636.138,92</b>	<b>52.657.489,21</b>	<b>50.224.616,67</b>	<b>95,38</b>
<b>EBITDA</b>	<b>32.847.699,25</b>	<b>33.211.137,28</b>	<b>37.767.207,06</b>	<b>45.027.129,46</b>	<b>49.597.271,10</b>	<b>54.216.254,17</b>	<b>50.310.254,21</b>	<b>92,80</b>

REVENUES 2013-2019



EXPENSES 2013-2019



## I

Total revenues amount to HRK 167,797,556.86 and recorded a rise by 4.19% compared to those in 2018 as a result of the growth of operating and sales revenues.

Operating revenues amounting to HRK 167,711,919.32 compared to those in the previous fiscal year recorded a growth by 5.15% as a result of rise in turnover on the local and foreign market.

Sales revenues amount to HRK 165,072,177.40 and are higher by 4.47%, as compared to those in the previous fiscal year, when they amounted to HRK 157,999,499.71 which is a result of the increase in sales revenues on the foreign market by 7% and local market by 4%. The sales revenues make up for 98.42% of the operating and 98.37% of the total revenues.

## 2

Total expenses amount to HRK 136,463,643.20 and compared to those in the year 2018 they are higher by 10.04% as a result of the growth in depreciation by 12.37%, operating expenses by 9.97 and financial expenditures by 4.85%.

The operating expenses in the observed period amount to HRK 117,487,302.65 and are higher by 9.97% or by HRK 10,654,676.76 compared to those in 2018 as a result of an increase in costs of services and other costs by 13%, gross pay cost by 10%, and raw material and material costs by 5%.

## 3

The Company's operating profit or the profit from operating activities decreased by 4.62% compared to that in the previous fiscal year and amounts to HRK 50,224,616.67.

EBITDA or Earnings before interest, taxes, depreciation and amortization was realized in the amount of HRK 50,310,254.21 and fell by HRK 7.20% compared to that in the previous fiscal year.

EBIT - or earnings before interest and tax was realized in the amount of HRK 35,930,820.22 and fell by HRK 13.25%.

Profit for 2019 amounts to HRK 31,333,913.66 and fell by 15.39% compared to that in the same period in 2018.

Operating profit, EBITDA, EBIT and profit compared to those in 2018 are lower due to the growth in operating expenses where in absolute figures, the highest growth was generated by the cost of gross pays and other expenses related to employment. This is a result of the Company's conscious and targeted policy of managing human resources through the continuous improvement of the financial position of employees, recruitment of the local citizens in the high season, which partly resulted in higher labor costs and longer retention of seasonal employees in employment as a consequence of the development of year-round business. With the growth of operating revenues, the Company generated the newly created value which was consciously and purposefully redistributed to the costs of gross pays and other costs and/or employment benefits in this uncertain and challenging fiscal year from the point of view of sales and provision of high quality domestic (local) workforce, in which way the achieved operating results were consequently expected in the segment of the profitability indicators.

**FINANCIAL OPERATIONS**reporting system according to **USALI** standards

01/01/2019-31/12/2019

**ILIRIJA d.d.** total (after the allocation of common revenues and common costs)

Items	Annual cumulative achievements in 2017	Annual cumulative achievements in 2018	Annual cumulative achievements in 2019	Index 2019/2018
TOTAL NET REVENUE (operating)	146.515.367,92	154.730.525,93	162.572.725,53	105,07
Total direct costs	11.961.883,77	12.125.059,28	13.074.369,96	107,83
Total salary and labor costs	24.297.162,99	26.803.096,21	29.948.241,60	111,73
Total other department costs	10.881.499,85	11.971.394,44	14.261.204,73	119,13
<b>TOTAL CONTRIBUTION</b>	<b>99.374.821,31</b>	<b>103.830.976,00</b>	<b>105.288.909,24</b>	<b>101,40</b>
Total costs to GOP	88.724.947,11	95.914.637,37	103.939.195,48	108,37
GOP	57.790.420,81	58.815.888,56	58.633.530,05	99,69
<b>Grandtotal net revenues</b>	<b>150.476.677,41</b>	<b>161.048.880,05</b>	<b>167.797.556,86</b>	<b>104,19</b>
<b>Grandtotal costs</b>	<b>116.590.892,87</b>	<b>124.013.712,83</b>	<b>136.463.643,20</b>	<b>110,04</b>
<b>PROFIT BEFORE TAXATION</b>	<b>33.885.784,54</b>	<b>37.035.167,22</b>	<b>31.333.913,66</b>	<b>84,61</b>
Corporate income tax	6.099.441,22	0,00	0,00	#DIV/0!
NET PROFIT	27.786.343,32	37.035.167,22	31.333.913,66	84,61
<b>EBITDA</b>	<b>49.597.271,10</b>	<b>54.216.254,17</b>	<b>50.310.254,21</b>	<b>92,80</b>
<b>EBIT</b>	<b>38.450.370,19</b>	<b>41.419.356,76</b>	<b>35.930.820,22</b>	<b>86,75</b>

### Financial statements of the Company as at 31/12/2019 and comparison with those in the same period in the years 2018 and 2017

REVENUES	2017	2018	INDEX 2018/2017	2019	INDEX 2019/2018
Revenues on the domestic market	112.784.382,37	121.382.130,52	108	125.815.700,92	104
Revenues on foreign market	34.375.832,23	37.017.115,81	108	39.673.309,28	107
Other operating revenues	2.355.330,63	1.090.868,76	46	2.222.909,12	204
<b>OPERATING REVENUES</b>	<b>149.515.545,23</b>	<b>159.490.115,09</b>	<b>107</b>	<b>167.711.919,32</b>	<b>105</b>
FINANCIAL REVENUES	961.132,18	1.558.764,96	162	85.637,54	5
EXTRAORDINARY REVENUES	0,00	0,00	#DIV/0!	0,00	#DIV/0!
<b>TOTAL REVENUES</b>	<b>150.476.677,41</b>	<b>161.048.880,05</b>	<b>107</b>	<b>167.797.556,86</b>	<b>104</b>
EXPENSES					#DIV/0!
Raw material and material costs	22.588.537,09	23.269.427,09	103	24.356.172,13	105
Costs of services	18.855.044,37	19.133.296,83	101	21.654.174,87	113
Gross salaries	35.265.395,20	38.668.915,13	110	42.362.521,92	110
Other expenses	24.170.429,65	25.760.986,83	107	29.114.433,73	113
TOTAL EXPENSES	100.879.406,31	106.832.625,88	106	117.487.302,65	110
AMORTISATION	11.146.900,91	12.796.897,41	115	14.379.433,99	112
FINANCIAL EXPENSES	4.564.585,65	4.384.189,54	96	4.596.906,56	105
EXTRAORDINARY EXPENSES	0,00	0,00	#DIV/0!	0,00	#DIV/0!
<b>TOTAL EXPENSES</b>	<b>116.590.892,87</b>	<b>124.013.712,83</b>	<b>106</b>	<b>136.463.643,20</b>	<b>110</b>
PROFIT/LOSS	33.885.784,54	37.035.167,22	109	31.333.913,66	85
OPERATING PROFIT	48.636.138,92	52.657.489,21	108	50.224.616,67	95
EBITDA	49.597.271,10	54.216.254,17	109	50.310.254,21	93



Income statement			
period 01/01/2019 to 31/12/2019			
Position	AOP	Previous period	Current period
		Cummulative	Cummulative
1	2	3	4
<b>I. OPERATING INCOME (112 to 113)</b>	<b>111</b>	<b>159.490.115</b>	<b>167.711.919</b>
1. Sales revenues	112	157.999.499	166.424.854
2. Other operating revenues	113	1.490.616	1.287.065
<b>II. OPERATING COSTS (115+116+120+124+125+126+129+130)</b>	<b>114</b>	<b>119.629.524</b>	<b>131.866.736</b>
1. Change in inventories of work in progress	115		
2. Material expenses (117 to 119)	116	42.402.724	46.010.347
a) Costs of raw materials	117	23.269.427	24.356.172
b) Cost of goods sold	118		
c) Other material expenses	119	19.133.297	21.654.175
3. Employee benefits expenses (121 to 123)	120	38.668.915	42.362.522
a) Net salaries	121	23.386.708	25.510.353
b) Tax and contributions from salary expenses	122	9.598.379	10.836.002
c) Contributions on salary	123	5.683.828	6.016.167
4. Depreciation and amortisation	124	12.796.897	14.379.434
5. Other expenses	125	24.366.259	27.974.740
6. Write down of assets (127+128)	126	0	0
a) non-current assets (except financial assets)	127		
b) current assets (except financial assets)	128		
7. Provisions	129		
8. Other operating costs	130	1.394.729	1.139.693
<b>III. FINANCIAL INCOME (132 to 136)</b>	<b>131</b>	<b>1.558.765</b>	<b>85.638</b>
1. Interest, foreign exchange differences, dividends and similar income from related parties	132		
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	1.558.765	85.638
3. Income from investments in associates and joint ventures	134		
4. Unrealised gains (income) from financial assets	135		
5. Other financial income	136		
<b>IV. FINANCIAL EXPENSES (138 to 141)</b>	<b>137</b>	<b>4.384.189</b>	<b>4.596.907</b>
1. Interest, foreign exchange differences, dividends and similar income from related parties	138		
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	4.384.189	4.596.907
3. Unrealised losses (expenses) from financial assets	140		
4. Other financial expenses	141		
V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES	142		
VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES	143		
VII. EXTRAORDINARY - OTHER INCOME	144		
VIII. EXTRAORDINARY - OTHER EXPENSES	145		
<b>IX. TOTAL INCOME (111+131+142+144)</b>	<b>146</b>	<b>161.048.880</b>	<b>167.797.557</b>
<b>X. TOTAL EXPENSES (114+137+143+145)</b>	<b>147</b>	<b>124.013.713</b>	<b>136.463.643</b>
<b>XI. PROFIT OR LOSS BEFORE TAXES (146-147)</b>	<b>148</b>	<b>37.035.167</b>	<b>31.333.914</b>
1. Profit before taxes (146-147)	149	37.035.167	31.333.914
2. Loss before taxes (147-146)	150	0	0
<b>XII. TAXATION</b>	<b>151</b>	<b>0</b>	<b>0</b>
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	<b>37.035.167</b>	<b>31.333.914</b>
1. PROFIT FOR THE PERIOD (149-151)	153	37.035.167	31.333.914
2. LOSS FOR THE PERIOD (151-148)	154	0	0

## REVENUES BY ACTIVITIES:

**Operating expenses** in the hotel sector amount to HRK 59,784,757.62 and are higher by 5% compared to those in the previous fiscal year and are the result of: (I) growth in key physical operating results, i.e. over-night stays and the best operating results achieved so far, (ii) growth in the generation of the domestic revenue by 7% (iii) growth in the revenue per room while keeping occupancy days at the level of the previous year, which we find success considering such a demanding and challenging fiscal year.

**Nautical revenues** amount to HRK 48,610,539.64 and are higher by 5.17% as a result of growth in revenues in all business units of the nautical sector achieving far best operating results with the growth and profitability indicators, according to which these are the best nautical operating results so far. In the part of the vessel accommodation service, the growth in revenues by 4% is the result of the growth in the revenues from the contract-based and daily berth, which in absolute figure contributed most to the increase in the revenue of the nautical sector with a share of 70.40% or HRK 1,614,538.89 in the total increase in revenues of the nautical sector, (II) growth in revenues from the boat show by 20.34% and (III) revenue from hospitality that grew by 3%.

**Revenues from camping** amount to HRK 35,305,818.53 and rose by 5.25%. The growth in reve-

nues is the consequence of (I) the growth in revenues in the segment of accommodation by 5% which is generated by the growth in the revenues from lump sum, agencies and own mobile homes and (II) growth in revenues from hospitality by 8%.

**Revenues from the real-estate sector**, that is, Commercial-Shopping Center City Galleria amount to HRK 14,255,205.21 and are higher by 1% despite the absence of the extraordinary item of revenue generated in the same period of the previous fiscal year.

**The revenues from other activities**, that is, from other sectors and profit centers, including Ilirija Travel or Arsenal, event boat „Nada“, agrotourism, Villa Primorje and hospitality were generated in the amount of HRK 9,755,538.32 and grew by 15.36% because of growth in revenues generated through the destination management company Ilirija Travel or by organizing 609 separate events realized in the pre- and postseason especially in the Arsenal facilities and Nada event boat and are at the same time the result of the development of products and services that contribute to the development of the year-round business activities.

**GRANDTOTAL:** Operating revenues by activities amount to HRK 167,711,919.32 and rose by 5.16% in comparison with those in the year 2018.



## 5.2 FINANCIAL OPERATING RESULTS AT THE LEVEL OF THE COMPANY:

### 5.2.2 COMPANY'S FINANCIAL POSITION

BALANCE SHEET as at 31/12/2019

Company: ILIRIJA d.d. BIOGRAD NA MORU

Item	ADP code	Last day of the preceding business year	"At the reporting date of the current period"
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	<b>439.597.308</b>	<b>451.237.022</b>
I INTANGIBLE ASSETS (ADP 004 to 009)	003	370.339	491.093
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	0	0
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	0
6 Other intangible assets	009	370.339	491.093
II TANGIBLE ASSETS (ADP 011 to 019)	010	439.188.275	450.707.235
1 Land	011	43.295.283	43.295.283
2 Buildings	012	257.064.450	260.792.927
3 Plant and equipment	013	59.648.779	66.366.411
4 Tools, working inventory and transportation assets	014	0	0
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	888.533	1.042.209
7 Tangible assets in preparation	017	601.691	2.540.833
8 Other tangible assets	018	0	0
9 Investment property	019	77.689.539	76.669.572
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	38.694	38.694
1 Investments in holdings (shares) of undertakings within the group	021	38.694	38.694
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	0	0
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	0	0
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	0	0
V DEFERRED TAX ASSETS	036	0	0
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	<b>22.794.604</b>	<b>34.041.069</b>
I INVENTORIES (ADP 039 to 045)	038	2.305.187	1.767.333
1 Raw materials and consumables	039	2.305.187	1.767.333
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	0	0
5 Advances for inventories	043	0	0

6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	13.038.920	15.740.381
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	5.700.756	6.538.208
4 Receivables from employees and members of the undertaking	050	691.024	934.008
5 Receivables from government and other institutions	051	6.446.660	8.087.553
6 Other receivables	052	200.480	180.612
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	2.152.027	1.293.052
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	2.152.027	1.293.052
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	5.298.470	15.240.303
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	<b>0</b>	
<b>E ) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	<b>462.391.912</b>	<b>485.278.091</b>
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
<b>A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)</b>	<b>067</b>	<b>324.375.413</b>	<b>346.783.375</b>
I INITIAL (SUBSCRIBED) CAPITAL	068	229.146.480	229.146.480
II CAPITAL RESERVES	069	2.932.389	2.932.389
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	25.895.176	27.737.949
1 Legal reserves	071	12.477.986	14.677.986
2 Reserves for treasury shares	072	6.975.716	6.975.716
3 Treasury shares and holdings (deductible item)	073	-1.081.205	-1.438.432
4 Statutory reserves	074	0	0
5 Other reserves	075	7.522.679	7.522.679
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Fair value of financial assets available for sale	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	29.366.201	55.632.643
1 Retained profit	082	29.366.201	55.632.643
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	37.035.167	31.333.914
1 Profit for the business year	085	37.035.167	31.333.914
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
<b>B) PROVISIONS (ADP 089 to 094)</b>	<b>088</b>	<b>0</b>	<b>0</b>
1 Provisions for pensions, termination benefits and similar obligations	089	0	0

2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	0	0
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	0	0
<b>C) LONG-TERM LIABILITIES (ADP 096 to 106)</b>	<b>095</b>	<b>103.363.082</b>	<b>98.390.585</b>
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0
3 Liabilities to companies linked by virtue of participating interests	098	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099	0	0
5 Liabilities for loans, deposits etc.	100	0	0
6 Liabilities to banks and other financial institutions	101	103.363.082	98.390.585
7 Liabilities for advance payments	102	0	0
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	0	0
11 Deferred tax liability	106	0	0
<b>D) SHORT-TERM LIABILITIES (ADP 108 to 121)</b>	<b>107</b>	<b>32.711.088</b>	<b>38.250.098</b>
1 Liabilities to undertakings within the group	108	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	0	0
3 Liabilities to companies linked by virtue of participating interests	110	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	0	0
6 Liabilities to banks and other financial institutions	113	13.372.716	18.874.300
7 Liabilities for advance payments	114	0	0
8 Liabilities to suppliers	115	13.909.591	14.968.333
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	2.415.605	2.566.738
11 Taxes, contributions and similar liabilities	118	1.689.643	679.607
12 Liabilities arising from the share in the result	119	0	0
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	1.323.533	1.161.120
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>122</b>	<b>1.942.329</b>	<b>1.854.033</b>
<b>F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)</b>	<b>123</b>	<b>462.391.912</b>	<b>485.278.091</b>
G) OFF-BALANCE SHEET ITEMS	124	0	0





## FUNDAMENTAL FINANCIAL PERFORMANCE INDICATORS AS AT 31/12/2019

Since the tabular overview of fundamental indicators of the Company is given from 2019 to 2009 (eleven years) backwards, the realized and described indicators in absolute figures and growth rates are listed.

### I

The value of the Company's assets as at 31/12/2019 amounts to HRK 485,278,090.92 and has risen by HRK 22,886,179.97 or by 4.95% compared to that in 2018 when it amounted to HRK 462,391,910.95, whose growth is the result of the investments made.

The value of assets of the Company since 2009, when it amounted to HRK 269,834,822.99, grew by HRK 215,443,267.93 or by 79.84%.

### 2

Total liabilities of the Company amount to HRK 138,494,716.54 and rose by HRK 478,218.67 that is, by 0.35% compared to those in 2018 when they amounted to HRK 138,016,497.87 as a result of growth in short-term liabilities of the Company.

Total liabilities of the Company as at 31/12/2019 decreased by HRK 3,495,305.60 or by HRK 2.46% compared to the total liabilities of the Company as at 31/12/2009 when they amounted to HRK 141,990,022.14.

### 3

Capital and reserves of the Company as at 31/12/2019 amount to HRK 346,783,374.38 and rose by HRK 22,407,961.30 that is by 6.91% compared to those in the year 2018 when they amounted to HRK 324,375,413.08.

Comparing the Company's capital and reserves as at 31/12/2019, they increased by HRK 218,938,573.53 or by 171.25% compared to those in the same period in 2009 when they amounted to HRK 127,844,800.85.

#### 4

The total revenues of the Company amount to HRK 167,797,556.86 and are higher by HRK 6,784,676.81 or by 4.19% compared to those in 2018 when they amounted to HRK 161,048,880.05 the increase of which is the consequence of rise in operating revenues and sales revenue.

The total revenues of the Company compared to those in the same period in 2009 when they amounted to HRK 90,832,774.16 have grown by HRK 76,964,782.70 or by 84.73%.

#### 5

The operating profit of the Company has been generated in the amount of HRK 50,224,616.67 and has fallen by HRK 2,432,872.54 or by 4.62% compared to that in the same period in 2018 when it amounted to HRK 52,657,489.21 as a consequence of rise in total and operating expenses.

Comparing the operating profit generated in the reporting period of 2019 compared to the operating profit in 2009 generated in the amount of HRK 25,001,34.39, a rise by 100.89% has been recorded.

#### 6

EBITDA was realized in the amount of HRK 50,310,254.21 and fell by 7.20% or HRK 3,905,999.96 compared to that in the same period of 2018 when it amounted to HRK 54,216,254.17.

The realized EBITDA in the reporting period grew by HRK 28,483,140.64 or by HRK 130.49% compared to that in 2009 when it was realized in the amount of HRK 21,827,113.57.

#### 7

The profit of the Company for the reporting period amounts to HRK 31,333,913.66 and is lower by HRK 5,701,253.56 or by 15.39% compared to that in the previous fiscal year when it amounted to HRK 37,035,167.22.

The profit generated in 2019, compared to the profit generated in 2009, when it amounted to HRK 10,818,589.83 grew by HRK 20,515,323.83 or by 189.63%.

#### 8

The dividend in the amount of HRK 8,417,962.00 was distributed to the shareholders, which is by HRK 1,196,722.00 or 16.58% higher than in the same period of the previous fiscal year.

The Company has allocated 125.03% more HRK for the distribution of the dividend in 2019 in comparison to the dividend distributed to the shareholders in 2009 when the dividend was paid out in the total amount of HRK 3,740,790.00.

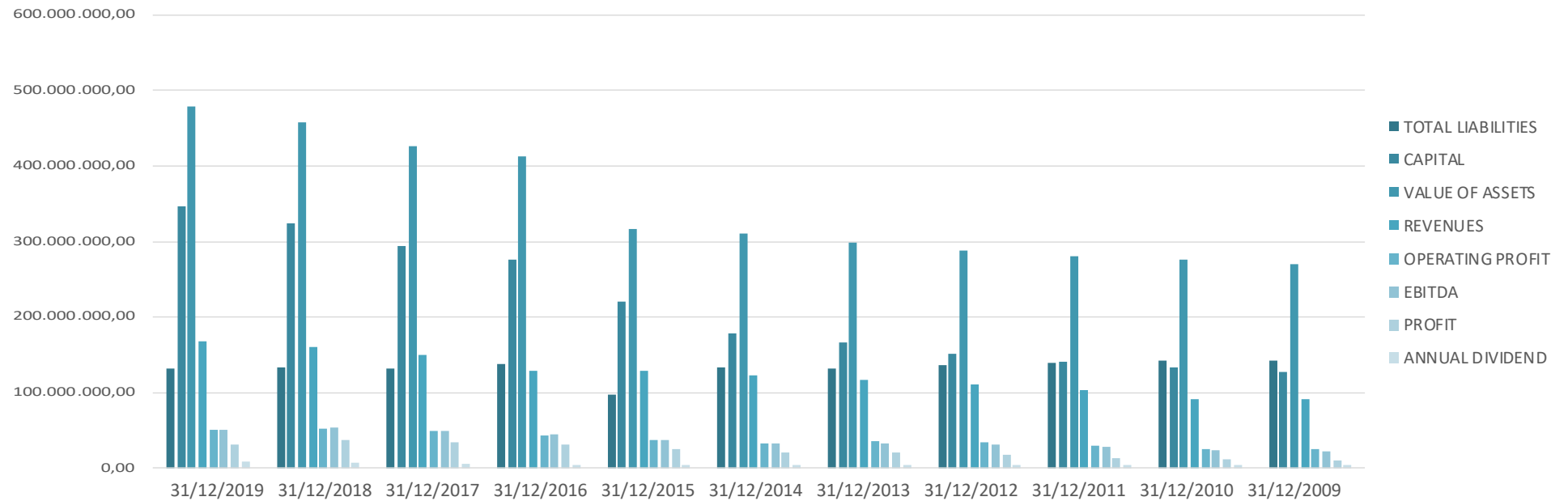
The total amount of HRK 52,778,420.00 was distributed to the shareholders for the dividend during the period from 2009 to 31/12/2019.

## CUMULATIVE COMPARATIVE OVERVIEW

of fundamental operating results and indicators on the position of assets, capital and liabilities of the Company as at 31/12/2019 and also for the period from 2009 to 2019

YEAR	TOTAL LIABILITIES	CAPITAL	VALUE OF ASSETS	REVENUES	OPERATING PROFIT	EBITDA	PROFIT	ANNUAL DIVIDEND
1	2	3	4	5	6	7	8	9
31/12/2019	138.494.716,54	346.783.374,38	485.278.090,92	167.797.556,86	50.224.616,67	50.310.254,21	31.333.913,66	8.417.962,00
31/12/2018	138.016.497,87	324.375.413,08	462.391.910,95	161.048.880,05	52.657.489,21	54.216.254,17	37.035.167,22	7.221.240,00
31/12/2017	131.841.078,15	294.216.184,59	426.057.262,74	150.476.677,41	48.636.138,92	49.597.271,10	33.885.784,54	6.016.540,00
31/12/2016	137.502.260,55	275.683.907,98	413.186.168,53	129.019.007,31	43.599.262,35	45.027.129,46	31.240.796,80	4.937.148,00
31/12/2015	96.706.510,04	220.353.306,88	317.059.816,92	128.146.488,63	37.282.937,82	37.767.207,06	25.510.539,54	3.740.790,00
31/12/2014	133.053.616,64	177.858.715,67	310.912.332,31	122.873.752,12	32.955.338,23	33.211.137,28	20.385.115,12	3.740.790,00
31/12/2013	131.195.062,79	166.861.394,25	298.056.457,04	117.320.406,69	35.656.918,81	32.847.699,25	20.129.183,90	3.740.790,00
31/12/2012	136.546.285,85	151.895.416,40	288.441.702,25	111.134.832,70	33.826.442,35	31.157.639,71	18.255.129,12	3.740.790,00
31/12/2011	139.927.300,98	140.262.242,54	280.189.543,52	103.735.228,95	30.013.975,99	28.030.097,35	13.249.683,38	3.740.790,00
31/12/2010	142.308.155,23	133.202.459,64	275.510.614,87	91.364.944,55	25.112.703,16	24.378.316,58	11.512.758,85	3.740.790,00
31/12/2009	141.990.022,14	127.844.800,85	269.834.822,99	90.832.774,16	25.001.384,39	21.827.113,57	10.818.589,83	3.740.790,00

Graph of fundamental operating results and indicators on the position of assets, capital and liabilities of the Company as at 31/12/2019 and also for the same period from 2009 to 2019



## Financial operating indicators in 2019 and 2018

The Company achieved successful and stable business operations in 2019, although the business performance indicators are slightly lower than those in 2018 affected by hard business circumstances.

Indicator	2018	2019	Index 2019/2018	
<b>Financial stability, liquidity and indebtedness</b>				
Self-financing rate	70,15%	71,46%	1,019	Share of equity capital in total fund sources (i.e. in total liabilities & stockholders' equity).
The degree of indebtedness	29,85%	28,54%	0,956	Share of debt in total fund sources (i.e. in total liabilities & stockholders' equity).
Financial stability coefficient	1,03	1,01	0,986	Fixed assets to long-term sources ratio (shareholders' capital and reserves increased by long-term liabilities).
Accelerated liquidity coefficient	0,59	0,80	1,361	Ratio of current assets reduced by the stocks and short-term liabilities.
Current liquidity coefficient	0,66	0,85	1,290	Current assets to short-term liabilities ratio.
<b>Activity indicators</b>				
Ratio of total assets turnover	0,35	0,35	0,993	Total revenue to total assets ratio shows how many times in a year the disposable assets are used to generate total revenues.
Short-term assets turnover ratio	7,07	4,93	0,698	Total revenue to current assets ratio shows how many times a year the disposable current assets are used to generate total revenues.
<b>Business performance indicators</b>				
Cost effectiveness	1,30	1,23	0,947	Total revenue and total expenses ratio.
Profitability	23,00%	18,67%	0,812	Net profit/loss and total revenue ratio.
Return on assets	8,01%	6,46%	0,806	Annual rate of return on invested assets indicates the profit/loss and total asset ratio.
Share of EBITDA in total revenue	33,66%	29,98%	0,891	Earnings before interests, taxes, depreciation and amortization to total revenue ratio.
Share of EBIT in total revenue	25,72%	21,41%	0,833	Earnings before interests and taxes to total revenue ratio.



## Structure of resources and source of resources in the balance sheet as at 31/12/2019

Indicator	Year 2018	Year 2019	Index 2019/2018
Share of fixed assets in the assets	95,07	92,99	97,81
Share of current assets in the assets	4,93	7,01	142,19
Share of capital in reserves and in liabilities	70,15	71,46	101,87
Share of long-term commitments in the liabilities	22,35	20,28	90,74
Share of short-term commitments in the liabilities	7,07	7,88	111,46
Share of operating revenue in equity and reserves	49,17	48,36	98,35
Share of operating revenue in long-term commitments	154,30	170,46	110,47
Share of operating revenue in total commitments	115,56	121,10	104,79
Share of operating revenue in liabilities	34,49	34,56	100,20

## Long-term loan liabilities as at 31/12/2019

	2019	2018	Index 2019/2018
<b>I LONG - TERM LIABILITIES (1+2+3)</b>	<b>83.101.427,18 kn</b>	<b>90.352.799,82 kn</b>	<b>91,97%</b>
1.Long term loan of ERSTE & STEIERMAERKISCHE BANK d.d. Agreement : 5116318912/5114430497 (6.378.944,30 EUR)	39.927.233,79 kn	43.508.934,66 kn	91,77%
2.Long term loan of ERSTE & STEIERMAERKISCHE BANK d.d. from HBOR-a Agreement: 5114305381 (1.598.423,86 EUR)	10.201.722,22 kn	11.005.221,81 kn	92,70%
3.Long term loan of ERSTE & STEIERMAERKISCHE BANK d.d. Agreement: 5116318929/ 5114670197 (5.242.856,68 EUR)	32.972.471,17 kn	35.838.643,35 kn	92,00%
<b>II LOAN TERMS (1 + 2 +3)</b>			
1 For the loan under number 1 loan will be repaid in 60 equal quarter installments in the amount of 124.850,14 EUR commencing as of 01/10/2016 till 01/07/2031. Interest: fixed in amount of 3,25%			
2 For the loan under number 2 repayment will be made in 60 quarter installments. The first instalment falls due at 30/06/2018, and the last 31/03/2033 in equal installments in the amount of 28.000,00 EUR. Interest 3% is computed and collected on a quarter basis.			
3 For the loan under number 3 repayment will be made in 180 monthly installments. The first installment falls due on 01/02/2017, and the last on 01/01/2032 in equal installments in the amount of 33.333,33 EUR Interest: fixed in amount of 3,25%			
Financial long-term leasing	15.289.157,60 kn	13.010.281,78 kn	117,52%
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>98.390.584,78 kn</b>	<b>103.363.081,60 kn</b>	<b>95,19%</b>

## OPERATING AND OTHER EXPENSES

Operating expenses in the year 2019 amount to HRK 117,487,302.65, which is a rise by 9.97% compared to those in the previous fiscal year. The increase in these costs is the consequence of an increase in all operating costs, especially the cost of gross pays that increased the most in the absolute figures, that is, by HRK 3,693,606.79 also with a significant increase in costs of services, other costs and raw material and material costs.

## FINANCIAL EXPENSES

The financial expenses for the year 2019 amount to HRK 4,596,906.56 and are higher by 4.85% compared to those in 2018.

## LIQUIDITY

It is assessed as satisfactory for current and accrued liabilities of the Company for the reporting period.

## SHARE SPLIT

There was no share split in the reported period.

## EARNING PER SHARE

Gross earning per share for the year 2019 amounts to HRK 13.03.

## UNCERTAINTY OF COLLECTION OF FUTURE COSTS

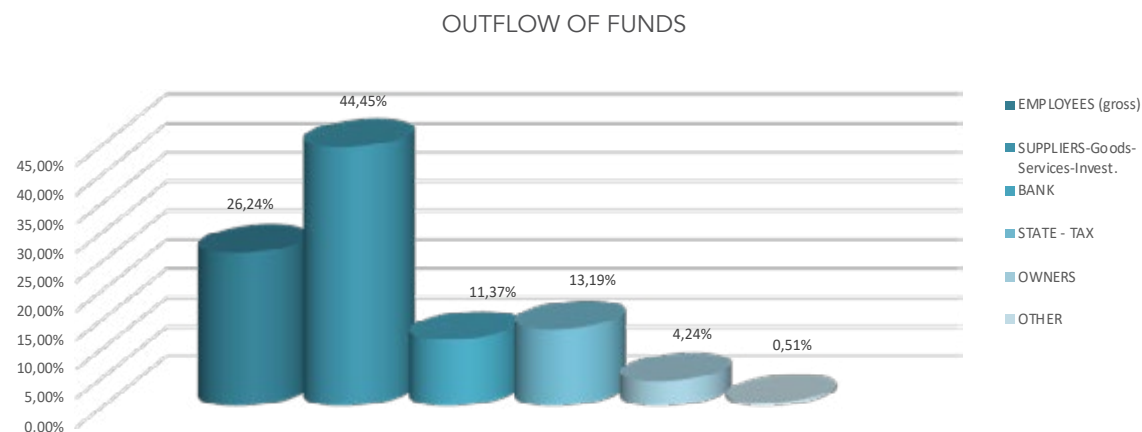
There is no such uncertainty that may substantially affect the financial position and financial operating results of the Company and can therefore be regarded as negligible.



## 5.2 FINANCIAL OPERATING RESULTS AT THE LEVEL OF THE COMPANY:

### 5.2.3 COMPANY'S CASH FLOW

Cash flow for the period 01/01-31/12/2019



INFLOW OF FUNDS (HRK)	12/2018	12/2019	Structure
OPERATING ACTIVITIES	190.218.867,76	195.497.313,09	96,19%
BANK	0,00	6.719.676,40	3,31%
OTHER	1.133.330,82	1.033.260,84	0,51%
<b>TOTAL</b>	<b>191.352.198,58</b>	<b>203.250.250,33</b>	<b>100,00%</b>

OUTFLOW OF FUNDS (HRK)	12/2018	12/2019	Structure
EMPLOYEES (gross)	45.557.179,92	52.002.705,82	26,24%
SUPPLIERS - Goods-Services-Invest.	90.246.675,79	88.071.938,84	44,45%
BANK	16.961.417,11	22.530.322,16	11,37%
STATE - TAX	27.766.393,18	26.127.961,43	13,19%
OWNERS	7.208.997,98	8.402.797,05	4,24%
OTHER	935.312,14	1.008.789,89	0,51%
<b>TOTAL</b>	<b>188.675.976,12</b>	<b>198.144.515,19</b>	<b>100,00%</b>

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## 6 ADDITIONAL INFORMATION

### 6.1 INVESTMENTS IN THE YEAR 2019

In 2019, the value of the Company's investments amounted to HRK 24,249,604.35. Investments were made in the preparation of the fiscal year with an emphasis on enhancing its competitiveness and market recognition by improving the level, quality and standards of the existing service as well as developing new products and services.

The most significant part of the Company's investments in 2019 was focused on the camping sector with an aim to increase the accommodation capacities, improve the campsite infrastructure itself and improve the existing services by purchasing new mobile homes with a floor area of 32 m<sup>2</sup> and their complete infrastructure equipment and development, decoration and additional equipping other mobile homes of the Company, reconstruction and adaptation of the largest sanitary facilities in the campsite, construction of a new substation, electrification and construction of the hydrant network in the IV. campsite zone, building an additional WiFi network, asphaltting the roads, construction of trails and parking lot inside the campsite, its further gasification and landscaping.

In the hotel sector the investments were focused on improving the existing services and contents, especially in the segment of additional offer by means

of complete development of the hotel beach, the wellness center, by connecting Ilirija Hotel with the indoor swimming pool and by reconstructing the external facade of the hotel Villa Donat in Sv. Filip i Jakov and reconstructing the laundry facility accompanied by the purchase of new washing and drying machines. The Company additionally invests in the development of accommodation units and raising the level of safety of the assets of the Company, employees and guests in its facilities.

Regarding the nautical sector, investments were made in the reconstruction of the anchoring system of piers D1 and D2 and the improvement of the nautical sector's hospitality offer.

In 2019 significant investments relate to the capacities of the destination management company/DMK Ilirija Travel, especially Arsenal and Villa Primorje, by which the Company further strengthened its business activities in the part of the development of the year-round complementary offer by increasing its hospitality capacities and by improving the existing offer. At the Villa Primorje, investment activities related to increasing the capacities of hospitality facilities (decorating the terrace by constructing an automatic pergola, thus increasing the possibility of



outdoor events, expanding and additional equipment of the kitchen) and landscaping.

A new automated car parking system was implemented in December 2018 in the Commercial-shopping center City Galleria. Following the installation of new ramps and self-checkouts in late 2018, the electronic displays of the garage floor occupancy and a self-checkout unit were installed on the ground floor of the Center, allowing the option of payment of parking fees in cash or by bank card. In addition to billing the parking fees, the so-called smart checkout installed on the ground floor of the Center enables the ticketing system for concerts and other events that take place in the Arsenal facility organized by the Company.

With regard to environmental protection, the Company's activities were focused on improving and enhancing the waste management process by building a new waste yard approximately measuring 150m<sup>2</sup>. Accordingly, the improvement and even better management of waste produced at all locations of the Company has also been improved after new waste containers and six new press containers were purchased which will speed up waste handling in the developed yards and reduce waste quantities and removal of waste by many times.



## 6.2 NON-OPERATING ASSETS

An additional impact on the value of the shares of the Company is exerted by non-operating assets owned by the company, which has been neither used for performing the core business activities of the company, nor does the company realize the economic benefit from the relevant assets.

The most important non-operating assets owned by the Company refers to unutilized land (total area of 10-12 hectares) at highly attractive locations:

**Land plot, Sv. Filip i Jakov:** The Company owns approximately 2.5 hectares of the building land plot in Sv. Filip i Jakov, of which a smaller portion thereof is utilized (Villa Donat), while approximately 20.000 m<sup>2</sup> of the land plot remain unused. According to the conceptual design, the Company is planning to build eight detached villas with apartments on the undeveloped part of the land plot and the Company is also planning to extend the existing accommodation and supporting facilities. With respect the planned project, the Municipality has adopted the Detailed development plan for the area intended for hospitality and tourism (T1-hotel) and for mixed-use purposes.

**Land plot, Villa Primorje:** The Company is the owner of approximately 2.5 hectares of land in the vicinity of the

Villa Primorje Hotel, of which only a small part of the land plot is utilized (about 10% of the total surface area). In addition to previous physical planning of the area, the undeveloped part of the land plot may be used for building settlements with traditional Dalmatian type villas. The unused land is in direct contact with the building land plot.

**Land plot, Tennis center Ilirija:** The Company owns approximately 4.9 hectares of the land plot in Biograd na Moru within the boundaries of the Forest Park Soline that is used only to a smaller part (Tennis center Ilirija built on about 25% of the total surface area) from which the company does not earn any financial income. In addition to the prior resolution of the physical planning documentation on the relevant land plot, there is a possibility of building a modern multifunctional hotel-health and tourist and recreation center.

**Land plot, Polača:** The Company is the owner of approximately 2.5 hectares of the land plot in the settlement of Polača, that is situated along the state road that connects Biograd to the nearby highway (is of regional significance). The land plot is equipped with basic utility infrastructure on which the company Ilirija d.d. is planning to build a dry marina that would be functionally linked to the existing nautical facilities owned by Ilirija d.d.

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## 6.3 IMPORTANT EVENTS

The Company acquired 1,334 equity shares, so the Company owns 9,590 shares making up for 0.40% share in the share capital.

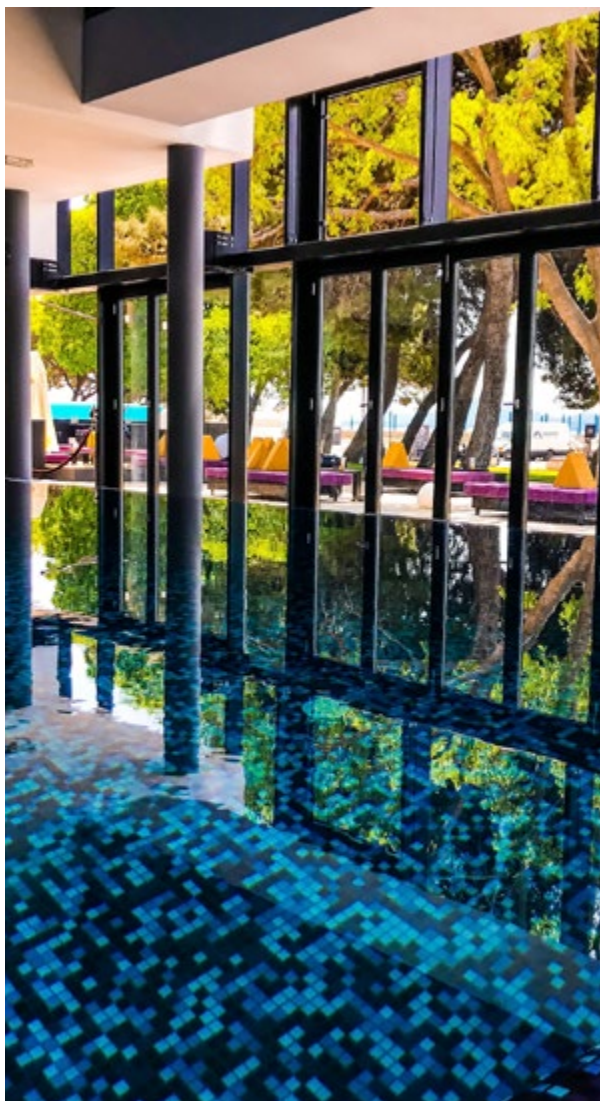
In January 2019 the Company published the document „ILIRIJA d.d. – The Driving force of the Economy and the Local Community: Economic and Social Aspects of Business“, where the contribution of the Company as a business entity is shown not only to the economy of the local, regional and national community through the overview of the business achievements of Ilirija d.d. from 1999 to October 2018, but the contribution to the social development of the community is also shown through the corporate philanthropy activity.

The Supervisory Board did at its session held on 05th April 2019 adopt the Annual report prepared by the Management Board on the operations and position of the Company for the year 2018, the Report by the Management Board on acquisition of the equity shares in 2018, the Audit Report on the Company's operations for 2018 and the Supervisory Board's Report on performed supervision of business operations in 2018. The Supervisory Board established the fundamental Annual Financial Statements for the year 2018 (Financial Operations Report, Financial Position Report and Cash Flow Statement), the draft decision on utilization of profit, distribution of dividends, draft decision on the appointment of the Company's auditor for 2019, the draft decision on granting authority to the Company's Management Board for the acquisition of equity shares and the draft call with the agenda for convening the General Shareholders' Assembly.

The Supervisory Board suggested that the profit generated in the fiscal year 2018 after taxation in the amount of HRK 29,795,129.95 should be apportioned in the way as follows:

- HRK 19,177,167.95 should be allocated to the retained profit,
- HRK 2,200,000.00 should be allocated to statutory reserves, and
- HRK 8,417,962.00 should be allocated for profit distribution.

The dividend per one share amounts to HRK 3.50.



On 24th May 2019, the ordinary Shareholders' General Assembly of the Company was held, at which all resolutions in identical content were adopted in accordance with the proposals contained in the Call to the Shareholders' General Assembly:

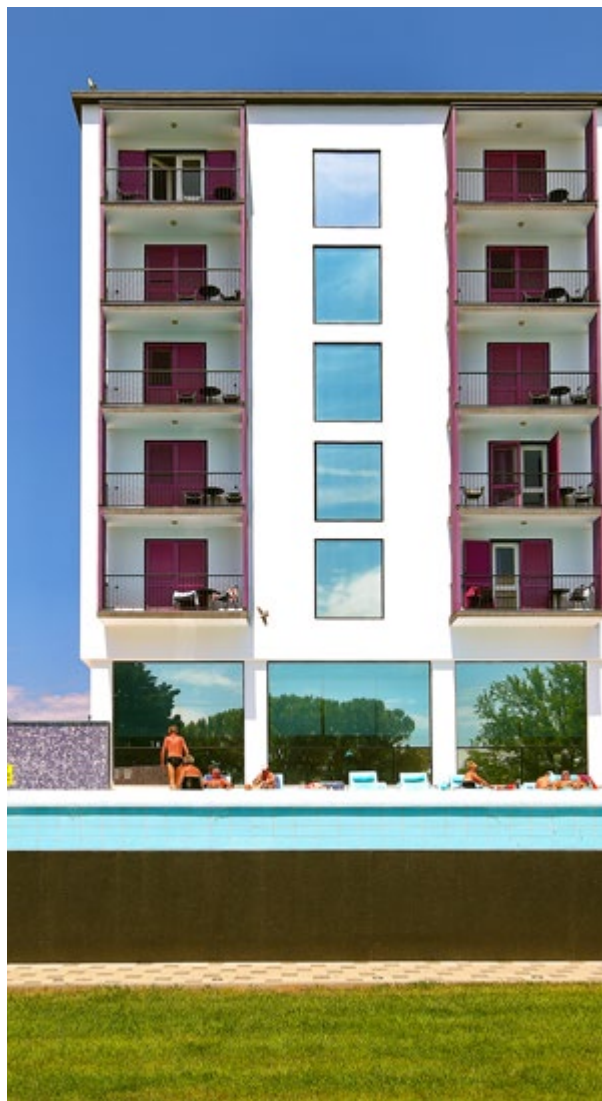
1 The following reports have been taken note of: The Management Board's Report on the business operations and position of the Company for the year 2018, the Management Board's Report on acquisition of the treasury shares in the year 2018, Report of the Company's Supervisory Board on the supervision of the Company's business performed in 2018, the Auditor's Report on the audit of the business operations of the Company in 2018 and the Decision on Establishing the Fundamental Annual Financial Statements of the Company for the year 2018 have been taken note of.

2 The Decision on the utilization of the profit of Ilirija d.d. for the fiscal year 2018, according to which the profit generated after taxation in the fiscal year 2018 in the amount of HRK 29,795,129.95 was allocated in the way as follows: - HRK 19,177,167.95 should be allocated to the retained profit, - HRK 2,200,000.00 should be allocated to statutory reserves, and - HRK 8,417,962.00 should be allocated for profit distribution.

3 Decision on the dividend distribution on the basis of which dividends were paid to the shareholders in the total amount of HRK 8,417,962.00. The dividend shall be paid from the profit generated in the year 2018. The dividend per one share amounts to HRK 3.50.

4 The Decision on giving remuneration to the Company's Management Board, according to which the General Shareholders' Assembly approves of the work of the Management Board in running the business of the Company in the year 2018.





5 Decision on giving remuneration to the members of the Supervisory Board for the supervision of the Company's operations performed in 2018.

6 Decision on giving powers to the Management Board of the Company to acquire treasury shares in the organized securities market for a period of 5 years from the date of taking the decision with no further special consents from the Shareholders' General Meeting of the Company.

7 Decision on appointment of auditor of the Company for the year 2019, according to which the chartered audit company "Revicon" d.o.o. Zadar, Ruđera Boškovića 4, Tax No. OIB: 31008688672, is appointed as an auditor to perform audit for the year 2019.

At its meeting held on November 8, 2019, the Supervisory Board approved the Company's Business Report for the period from 01/01/2019 to 30/09/2019, as well as the Investment Plan by Profit Centres.



## 6.4 POST-BALANCE SHEET EVENTS

The Company acquired 298 equity shares, so the Company, accordingly, owns 9,888 shares making up for 0.41% share in the share capital.

The Company signed The Memorandum of Understanding concerning the Principles of Joining the Research Coverage Programme for Listed SME Companies from the Southeastern Europe with the Zagreb Stock Exchange d.d., according to which the Company will participate in the two-year program of the Zagreb Stock Exchange d.d. and the European Bank for Reconstruction and Development, aims to increase the public availability of investment research coverage of small and medium enterprises ("SMEs") and provide additional information on un- or under-researched SME companies.



## 6.5 OTHER

### LEGAL ISSUES

The judgment rendered by the Higher Commercial Court of the Republic of Croatia as of 2016 affirmed the judgment rendered by the Commercial Court in Zadar, which designates Ilirija d.d. as the owner of the entire property with land plot 3232 cadastral municipality Biograd, with an area of 48,705 m<sup>2</sup>, which in the nature is "Tennis center Ilirija" with the surrounding land. In this way the dispute over the property of the "Tennis center Ilirija" has been completed to the benefit of the Company by rendering final and absolute judgment.

According to the Decision of the Constitutional Court of the Republic of Croatia Number U-III-4392/16 of 5th July 2017, the constitutional complaint of the Company was adopted and the judgment rendered by the Supreme Court of the Republic of Croatia was repealed which turned down the revision of Ilirija d.d. in the case of compensation of damages against the City of Biograd na Moru, for converting the property "Primorje" from the construction area to the so-called "area of landscape features", and the case was remanded to the Supreme Court of the Republic of Croatia for re-deciding.

According to the judgment of the County Court in

Zadar, Number: 6 Gž-751/16-2 of 13th June 2017, the judgment rendered by the Municipal Court in Zadar, Permanent Department in Biograd na Moru, as of January 2016 was reversed, thereby dismissing the statement of claim filed by the City of Biograd na Moru as unsubstantiated, according to which the City of Biograd na Moru requested that the Agreement of Lease of the Forest Land concluded between Ilirija d.d. and the Croatian Forests d.o.o. Zagreb, Forest Directorate, Split Regional Branch, should be declared null and void. In this way the dispute was finalized to the benefit of Ilirija d.d. by rendering an absolute judgment. Since the tourist land is in question, which was not evaluated in the transformation and privatization process, the company Ilirija d.d. already previously submitted a request to the Government of the Republic of Croatia through the Ministry of Tourism of the Republic of Croatia for obtaining the concession on the co-ownership part of the Republic of Croatia for using the campsite "Park Soline" for a period of 50 years within a legally prescribed term.

With respect to disputes in which the Company participates either as a plaintiff or a defendant, we estimate that these disputes can neither significantly cause a disturbance in the Company's operations nor can they cause significant financial expenses for the

Company nor negatively affect the current and future financial results of the Company.

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

The system of monitoring the business operations has been established in all of its segments at the level of all sectors and the Company as a whole on a daily, weekly and monthly basis in accordance with the applicable Croatian and international reporting standards in the tourism sector. This has enabled timely and high-quality monitoring of the achieved operating results and the production of high-quality forecasts and business plans throughout the whole fiscal year, creating thus the foundations for a more efficient and rational management of the entire business process and improving and speeding up the entire process of reporting at all levels, particularly in the operational part of the Company's business operations.

### **MERGERS AND ACQUISITIONS**

There have been no mergers and acquisitions.





## 7 BUSINESS EXPECTATIONS AND DEVELOPMENT PLAN OF THE COMPANY IN THE YEAR 2020

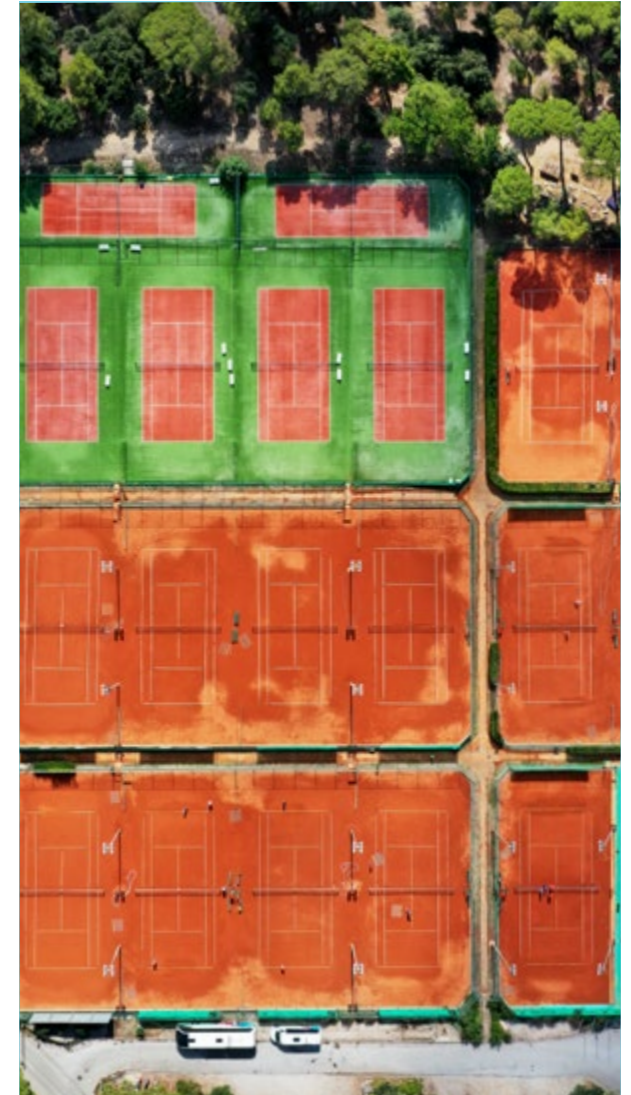
The Company has adopted the Business Plan for the year 2020, on the basis of which it aims further continuous development and growth in business at the level of the whole Company and all of its sectors individually. The fundamental business objectives of the Company as indicated in the Business Plan for 2020 are shown accordingly:

- **growth in total or operating revenues at a rate of 5%, and**
- **retention of the expenses at the level of 2019.**

The accomplishment of the Company's forecasted business results is based on:

(I) **continuous, sustainable and responsible investment policy regarding investing in the preparation of the 2020 fiscal year** at the level of all Company's sectors with a particular focus on the camping sector partly by increasing the accommodation capacities and improving the quality and standards of the existing service,

(II) **further development of the year-round business activities in the tourism-hospitality branch** mainly accomplished through the destination mana-



gement company Ilirija Travel, which enables business operations all 365 days a year,

**(III) pricing policy for the year 2020** reflecting market developments in the Company's key source markets,

**(IV) additional personnel and organizational strengthening of the Sales and Marketing Department** of all of its tourism sectors, with strengthening of the market-sales and marketing activities by taking part in much higher number of tourism fairs, works-

hops and congress exchanges and performing further digitization of the Company in the segment of sales and marketing processes,

**(V) efficient management of operating expenses** at all levels of the Company,

**(VI) reduction in the VAT rate in the hospitality industry,**

**(VII) further orientation of the Company's personnel policy towards the continuous manage-**

**ment, development and education of personnel**

as a key owner of the business process, further continuous strengthening of the financial position of employees and the personnel structure and capacities.





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## NOTES

There are no particularly significant events that could substantially affect the Company's smooth operations, and further achievement of the expected business results.

The Company owns all the proper permits to carry out the business activities, such as the decisions on the classification, meeting minimum technical requirements for the operation, water management licenses, etc.

Goran Ražnjević,  
President of the Management Board

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



Annex 1

**ISSUER'S GENERAL DATA**

Reporting period: 01/01/2019 to 31/12/2019  
 Year: 2019  
 Quarter: 4

**Quarterly financial statements**

Registration number (MB): 03311953 Issuer's home Member State code:  
 Entity's registration number (MBS):  
 Osobni identifikacijski broj (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.ilirjabiograd.com  
 Number of employees (end of the reporting period): 279  
 Consolidated report: KN (KN-not consolidated/KD-consolidated)  
 Audited: RN (RN-not audited/RD-audited)

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

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

BALANCE SHEET			
balance as at 31/12/2019			
in HRK			
Submitter:ILIRIJA d.d. BIOGRAD NA MORU			
Item	ADP code	Last day of the preceding business year	"At the reporting date of the current period"
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	<b>439.597.308</b>	<b>451.237.022</b>
I INTANGIBLE ASSETS (ADP 004 to 009)	003	370.339	491.093
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	0	0
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	0
6 Other intangible assets	009	370.339	491.093
II TANGIBLE ASSETS (ADP 011 to 019)	010	439.188.275	450.707.235
1 Land	011	43.295.283	43.295.283
2 Buildings	012	257.064.450	260.792.927
3 Plant and equipment	013	59.648.779	66.366.411
4 Tools, working inventory and transportation assets	014	0	0
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	888.533	1.042.209
7 Tangible assets in preparation	017	601.691	2.540.833
8 Other tangible assets	018	0	0
9 Investment property	019	77.689.539	76.669.572
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	38.694	38.694
1 Investments in holdings (shares) of undertakings within the group	021	38.694	38.694
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	0	0
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	0	0
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	0	0
V DEFERRED TAX ASSETS	036	0	0
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	<b>22.794.604</b>	<b>34.041.069</b>
I INVENTORIES (ADP 039 to 045)	038	2.305.187	1.767.333
1 Raw materials and consumables	039	2.305.187	1.767.333

2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	0	0
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	13.038.920	15.740.381
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	5.700.756	6.538.208
4 Receivables from employees and members of the undertaking	050	691.024	934.008
5 Receivables from government and other institutions	051	6.446.660	8.087.553
6 Other receivables	052	200.480	180.612
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	2.152.027	1.293.052
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	2.152.027	1.293.052
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	5.298.470	15.240.303
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	<b>0</b>	
<b>E ) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	<b>462.391.912</b>	<b>485.278.091</b>
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
<b>A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)</b>	<b>067</b>	<b>324.375.413</b>	<b>346.783.375</b>
I INITIAL (SUBSCRIBED) CAPITAL	068	229.146.480	229.146.480
II CAPITAL RESERVES	069	2.932.389	2.932.389
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	25.895.176	27.737.949
1 Legal reserves	071	12.477.986	14.677.986
2 Reserves for treasury shares	072	6.975.716	6.975.716
3 Treasury shares and holdings (deductible item)	073	-1.081.205	-1.438.432
4 Statutory reserves	074	0	0
5 Other reserves	075	7.522.679	7.522.679
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Fair value of financial assets available for sale	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	29.366.201	55.632.643
1 Retained profit	082	29.366.201	55.632.643
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	37.035.167	31.333.914
1 Profit for the business year	085	37.035.167	31.333.914

2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
<b>B) PROVISIONS (ADP 089 to 094)</b>	<b>088</b>	<b>0</b>	<b>0</b>
1 Provisions for pensions, termination benefits and similar obligations	089	0	0
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	0	0
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	0	0
<b>C) LONG-TERM LIABILITIES (ADP 096 to 106)</b>	<b>095</b>	<b>103.363.082</b>	<b>98.390.585</b>
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0
3 Liabilities to companies linked by virtue of participating interests	098	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099	0	0
5 Liabilities for loans, deposits etc.	100	0	0
6 Liabilities to banks and other financial institutions	101	103.363.082	98.390.585
7 Liabilities for advance payments	102	0	0
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	0	0
11 Deferred tax liability	106	0	0
<b>D) SHORT-TERM LIABILITIES (ADP 108 to 121)</b>	<b>107</b>	<b>32.711.088</b>	<b>38.250.098</b>
1 Liabilities to undertakings within the group	108	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	0	0
3 Liabilities to companies linked by virtue of participating interests	110	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	0	0
6 Liabilities to banks and other financial institutions	113	13.372.716	18.874.300
7 Liabilities for advance payments	114	0	0
8 Liabilities to suppliers	115	13.909.591	14.968.333
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	2.415.605	2.566.738
11 Taxes, contributions and similar liabilities	118	1.689.643	679.607
12 Liabilities arising from the share in the result	119	0	0
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	1.323.533	1.161.120
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>122</b>	<b>1.942.329</b>	<b>1.854.033</b>
<b>F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)</b>	<b>123</b>	<b>462.391.912</b>	<b>485.278.091</b>
G) OFF-BALANCE SHEET ITEMS	124	0	0



STATEMENT OF PROFIT OR LOSS					
for the period 01/01/2019 to 31/12/2019					
in HRK					
ILIRIJA d.d. BIOGRAD NA MORU					
Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 126 to 130)	<b>125</b>	159.490.115	15.743.754	167.711.919	17.864.018
1 Income from sales with undertakings within the group	<b>126</b>	75.143	18.785	63.548	18.785
2 Income from sales (outside group)	<b>127</b>	157.887.598	15.291.036	165.425.462	16.260.730
3 Income from the use of own products, goods and services	<b>128</b>	36.758	27.508	935.844	916.773
4 Other operating income with undertakings within the group	<b>129</b>				
5 Other operating income (outside the group)	<b>130</b>	1.490.616	406.425	1.287.065	667.730
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	<b>131</b>	119.629.524	32.444.462	131.866.736	34.839.213
1 Changes in inventories of work in progress and finished goods	<b>132</b>	0	0	0	0
2 Material costs (ADP 134 to 136)	<b>133</b>	42.402.724	10.914.690	46.010.347	11.658.840
a) Costs of raw materials and consumables	<b>134</b>	23.269.427	4.669.621	24.356.172	4.735.064
b) Costs of goods sold	<b>135</b>				
c) Other external costs	<b>136</b>	19.133.297	6.245.069	21.654.175	6.923.776
3 Staff costs (ADP 138 to 140)	<b>137</b>	38.668.915	9.738.075	42.362.522	9.737.941
a) Net salaries and wages	<b>138</b>	23.386.708	5.951.780	25.510.353	6.266.483
b) Tax and contributions from salary costs	<b>139</b>	9.598.379	2.353.379	10.836.002	2.004.614
c) Contributions on salaries	<b>140</b>	5.683.828	1.432.916	6.016.167	1.466.844
4 Depreciation	<b>141</b>	12.796.897	4.430.290	14.379.434	4.781.762
5 Other costs	<b>142</b>	24.366.259	7.116.582	27.974.740	8.246.974
6 Value adjustments (ADP 144+145)	<b>143</b>	0	0	0	0
a) fixed assets other than financial assets	<b>144</b>	0	0	0	0
b) current assets other than financial assets	<b>145</b>	0	0	0	0
7 Provisions (ADP 147 to 152)	<b>146</b>	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	<b>147</b>	0	0	0	0
b) Provisions for tax liabilities	<b>148</b>	0	0	0	0
c) Provisions for ongoing legal cases	<b>149</b>	0	0	0	0
d) Provisions for renewal of natural resources	<b>150</b>	0	0	0	0
e) Provisions for warranty obligations	<b>151</b>	0	0	0	0
f) Other provisions	<b>152</b>	0	0	0	0
8 Other operating expenses	<b>153</b>	1.394.729	244.825	1.139.693	413.696
III FINANCIAL INCOME (ADP 155 to 164)	<b>154</b>	1.558.765	1.379.889	85.638	32.020
1 Income from investments in holdings (shares) of undertakings within the group	<b>155</b>	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	<b>156</b>	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	<b>157</b>	0	0	0	0
4 Other interest income from operations with undertakings within the group	<b>158</b>	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	<b>159</b>	0	0	0	0
6 Income from other long-term financial investments and loans	<b>160</b>	0	0	0	0
7 Other interest income	<b>161</b>	0	0	0	0
8 Exchange rate differences and other financial income	<b>162</b>	1.558.765	1.379.889	85.638	32.020
9 Unrealised gains (income) from financial assets	<b>163</b>	0	0	0	0
10 Other financial income	<b>164</b>	0	0	0	0

IV FINANCIAL EXPENSES (ADP 166 to 172)	<b>165</b>	4.384.189	981.428	4.596.907	1.496.744
1 Interest expenses and similar expenses with undertakings within the group	<b>166</b>	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	<b>167</b>	0	0	0	0
3 Interest expenses and similar expenses	<b>168</b>	4.384.189	981.428	4.596.907	1.496.744
4 Exchange rate differences and other expenses	<b>169</b>	0	0	0	0
5 Unrealised losses (expenses) from financial assets	<b>170</b>	0	0	0	0
6 Value adjustments of financial assets (net)	<b>171</b>	0	0	0	0
7 Other financial expenses	<b>172</b>	0	0	0	0
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	<b>173</b>	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	<b>174</b>	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	<b>175</b>	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	<b>176</b>	0	0	0	0
<b>IX TOTAL INCOME (ADP 125+154+173 + 174)</b>	<b>177</b>	<b>161.048.880</b>	<b>17.123.643</b>	<b>167.797.557</b>	<b>17.896.038</b>
<b>X TOTAL EXPENDITURE (ADP 131+165+175 + 176)</b>	<b>178</b>	<b>124.013.713</b>	<b>33.425.890</b>	<b>136.463.643</b>	<b>36.335.957</b>
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	<b>179</b>	37.035.167	-16.302.247	31.333.914	-18.439.919
1 Pre-tax profit (ADP 177-178)	<b>180</b>	37.035.167	0	31.333.914	0
2 Pre-tax loss (ADP 178-177)	<b>181</b>	0	-16.302.247	0	-18.439.919
XII INCOME TAX	<b>182</b>	0	0	0	0
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)</b>	<b>183</b>	<b>37.035.167</b>	<b>-16.302.247</b>	<b>31.333.914</b>	<b>-18.439.919</b>
1 Profit for the period (ADP 179-182)	<b>184</b>	37.035.167	0	31.333.914	0
2 Loss for the period (ADP 182-179)	<b>185</b>	0	-16.302.247	0	-18.439.919
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 187-188)	<b>186</b>	0	0	0	0
1 Pre-tax profit from discontinued operations	<b>187</b>	0	0	0	0
2 Pre-tax loss on discontinued operations	<b>188</b>	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	<b>189</b>	0	0	0	0
1 Discontinued operations profit for the period (ADP 186-189)	<b>190</b>	0	0	0	0
2 Discontinued operations loss for the period (ADP 189-186)	<b>191</b>	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)	<b>192</b>	37.035.167	-16.302.113	31.333.914	-15.529.718
1 Pre-tax profit (ADP 192)	<b>193</b>	0	0	0	0
2 Pre-tax loss (ADP 192)	<b>194</b>	0	0	0	0
XVII INCOME TAX (ADP 182+189)	<b>195</b>	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	<b>196</b>	37.035.167	-16.302.113	31.333.914	-15.529.718
1 Profit for the period (ADP 192-195)	<b>197</b>	0	0	0	0
2 Loss for the period (ADP 195-192)	<b>198</b>	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)	<b>199</b>	0	0	0	0
1 Attributable to owners of the parent	<b>200</b>	0	0	0	0
2 Attributable to minority (non-controlling) interest	<b>201</b>	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	<b>202</b>	0	0	0	0
"II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)"	<b>203</b>	0	0	0	0
1 Exchange rate differences from translation of foreign operations	<b>204</b>	0	0	0	0
2 Changes in revaluation reserves of fixed tangible and intangible assets	<b>205</b>	0	0	0	0

3 Profit or loss arising from subsequent measurement of financial assets available for sale	<b>206</b>	0	0	0	0
4 Profit or loss arising from effective cash flow hedging	<b>207</b>	0	0	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	<b>208</b>	0	0	0	0
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	<b>209</b>	0	0	0	0
7 Actuarial gains/losses on the defined benefit obligation	<b>210</b>	0	0	0	0
8 Other changes in equity unrelated to owners	<b>211</b>	0	0	0	0
III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	<b>212</b>	0	0	0	0
IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)	<b>213</b>	0	0	0	0
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	<b>214</b>	0	0	0	0
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)	<b>215</b>	0	0	0	0
1 Attributable to owners of the parent	<b>216</b>	0	0	0	0
2 Attributable to minority (non-controlling) interest	<b>217</b>	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method			
for the period 01/01/2019 to 31/12/2019			
in HRK			
Submitter: ILIRIJA d.d. BIOGRAD NA MORU			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
1 Pre-tax profit	001	37.035.167	31.333.914
2 Adjustments (ADP 003 to 010):	002	12.796.897	14.379.434
a) Depreciation	003	12.796.897	14.379.434
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	0
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	0	0
e) Interest expenses	007	0	0
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	0	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	0
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	49.832.064	45.713.348
3 Changes in the working capital (ADP 013 to 016)	012	5.944.954	8.413.263
a) Increase or decrease in short-term liabilities	013	9.521.993	5.539.010
b) Increase or decrease in short-term receivables	014	-3.205.477	2.701.461
c) Increase or decrease in inventories	015	-235.099	-537.854
d) Other increase or decrease in working capital	016	-136.463	710.646
II Cash from operations (ADP 011+012)	017	55.777.018	54.126.611
4 Interest paid	018	0	0
5 Income tax paid	019	0	0
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>55.777.018</b>	<b>54.126.611</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	0
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	0	0
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	0	0
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-27.780.273	-11.328.353
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-27.780.273	-11.328.353
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-27.780.273</b>	<b>-11.328.353</b>
<b>Cash flow from financing activities</b>			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	0	0
4 Other cash receipts from financing activities	038	0	0

V Total cash receipts from financing activities (ADP 035 to 038)	<b>039</b>	0	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	<b>040</b>	-7.280.673	-13.752.492
2 Cash payments for dividends	<b>041</b>	-7.208.998	-8.402.797
3 Cash payments for finance lease	<b>042</b>	-6.324.054	-7.134.419
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	<b>043</b>	-357.900	-289.803
5 Other cash payments from financing activities	<b>044</b>	-3.037.514	-3.276.914
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>-24.209.139</b>	<b>-32.856.425</b>
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	<b>046</b>	-24.209.139	-32.856.425
1 Unrealised exchange rate differences in respect of cash and cash equivalents	<b>047</b>	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	<b>048</b>	3.787.606	9.941.833
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<b>049</b>	1.510.864	5.298.470
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	<b>5.298.470</b>	<b>15.240.303</b>



STATEMENT OF CHANGES IN EQUITY																				
for the period from 01/01/2019 to 31/12/2019																				
Item	ADP code	Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Attributable to owners of the parent						Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent	Minority (non-controlling) interest	Total capital and reserves
								Other reserves	Revaluation reserves	Fair value of financial assets available for sale										
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16 (3 to 6 - 7 + 8 to 15)	17	18 (16+17)			
<b>Previous period</b>																				
1 Balance on the first day of the previous business year	01	229.146.480	2.723.874	9.477.986	6.975.716	1.217.992	0	7.522.680	0	0	0	0	0	11.832.057	27.755.384	294.216.185	0	294.216.185		
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	229.146.480	2.723.874	9.477.986	6.975.716	1.217.992	0	7.522.680	0	0	0	0	0	11.832.057	27.755.384	294.216.185	0	294.216.185		
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
8 Profit or loss arising from subsequent measurement of financial assets available for sale	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
13 Other changes in equity unrelated to owners	13	0	208.514	3.000.000	0	-488.285	0	0	0	0	0	0	17.534.144	9.279.783	30.510.726	0	30.510.726			
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
18 Redemption of treasury shares/holdings	18	0	0	0	0	351.498	0	0	0	0	0	0	0	0	0	-351.498	0	-351.498		
19 Payment of share in profit/dividend	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
20 Other distribution to owners	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
21 Transfer to reserves according to the annual schedule	21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
23 Balance on the last day of the previous business year reporting period (04 to 22)	23	229.146.480	2.932.388	12.477.986	6.975.716	1.081.205	0	7.522.680	0	0	0	0	0	29.366.201	37.035.167	324.375.413	0	324.375.413		
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)	24	0	208.514	3.000.000	0	-488.285	0	0	0	0	0	0	17.534.144	9.279.783	30.510.726	0	30.510.726			
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	208.514	3.000.000	0	-488.285	0	0	0	0	0	0	17.534.144	9.279.783	30.510.726	0	30.510.726			



ILIRIJA d.d.  
BIOGRAD NA MORU

Biograd na Moru, 18/02/2020

Statement made by the persons responsible for the preparation of the financial statements for the period from  
01/01/2019–31/12/2019

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

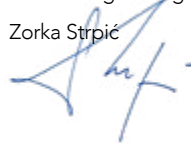
Financial statements of Ilirija d.d., Biograd na Moru, Tina Ujevića 7, Tax No. OIB: 05951496767, for the period January - December of 2019 have been prepared in accordance with International Financial Reporting Standards and Croatian Accounting Act.

The financial statements give a true and fair view of the financial position of the Company as at 31/12/2019, operating results and cash flows of the Company in accordance with International Financial Reporting Standards.

The Management's Report gives a true overview of operating results and position of the Company as at 31/12/2019.

Accounting Manager:

Zorka Strpić



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

Management Board:

Goran Ražnjević







ILIRIJA D.D.

TINA UJEVIĆA 7, BIOGRAD NA MORU, REPUBLIC OF CROATIA  
TEL: 023 383 165 FAX: 023 383 008 WWW.ILIRIJABIograd.COM