



 *Ilirija d.d.*

Financial statements for the period from 01/01 to 30/09/2019

Biograd na Moru, November 2019



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OVERVIEW OF KEY PERFORMANCE INDICATORS FOR THE PERIOD FROM 01/01-30/09/2019

in HRK	I-IX 2019	I-IX 2018	% of change 2019/2018
Financial indicators			
Total revenues	149.899.928,49	143.925.093,73	104,15
Operating revenues	149.848.902,06	143.746.360,96	104,25
<i>Hotel sector</i>	53.319.674,24	51.616.255,74	103,30
<i>Nautics</i>	44.576.303,32	42.259.650,40	105,48
<i>Camping</i>	34.446.659,53	33.212.679,80	103,72
<i>Other revenues</i>	17.506.264,97	16.657.775,02	105,09
Revenues from sales	148.849.796,71	142.709.977,08	104,30
EBITDA	63.018.543,97	65.348.314,49	96,43
EBITDA margin	42,05%	45,46%	92,51
EBIT	53.420.871,97	56.981.707,13	93,75
Profit	50.320.923,09	53.578.976,45	93,92
Net profit	41.263.156,93	43.934.760,69	93,92

in HRK	I-IX 2019	I-IX 2018	% of change 2019/2018
Balance sheet indicators			
Net debt	99.995.060,79	105.985.930,24	94,35
Interest coverage	16,24	15,75	103,11
Capital investments	14.476.918,41	32.233.032,90	44,91
ROE	11,27%	12,83%	87,85
ROA	8,40%	9,39%	89,48
Adjusted ROCE	15,37%	13,68%	112,42

in HRK	I-IX 2019	I-IX 2018	% of change 2019/2018
Indicators of the financial position			
Value of assets	484.072.792,03	467.858.439,62	103,47
Capital	366.048.215,17	342.411.182,35	106,90
Total liabilities	118.024.576,86	125.447.257,27	94,08

in HRK	I-IX 2019	I-IX 2018	% of change 2019/2018
Achievements on the capital market			
Market capitalization	492.351.552,00	458.562.720,00	107,37
EV	599.323.652,52	564.548.650,24	106,16
EV / EBITDA	9,51	8,64	110,08
P / E	11,93	10,41	114,60
EPS	17,10	18,3	93,65
DPS	3,50	3,00	116,67

Physical indicators	I-IX 2019	I-IX 2018	% of change 2019/2018
Hotel sector			
Number of accommodation units	443	443	100,00
Overnight stays of tourists	128.067	127.067	100,79
Occupancy days	140	140	100,00
Annual occupancy	38,49%	38,48%	100,03
Nautical sector			
Number of berths	805	805	100,00
Contracted vessels	729	726	100,41
Transith berth, overnight stays of vessels	10.223	9.520	107,38
Transith berth, inbound sail of vessels	3.230	3.085	104,70
Port service - number of operations	3.144	3.080	102,08
Days of work	365	365	100,00
Camping			
Number of accommodation units	1.220	1.220	100,00
Days of work	214	163	131,29
Occupancy days*	123,40	101,02	122,15
<i>Mobile homes</i>	92,92	102,68	90,49
<i>Individuals</i>	44,23	48,44	91,31
<i>Fixed lease</i>	214,00	163,00	131,29
<i>Lump sum</i>	214,00	163,00	131,29
Occupancy	57,66%	61,98%	93,03
<i>Mobile homes</i>	43,42%	63,00%	68,92
<i>Individuals</i>	20,67%	29,71%	69,57
<i>Fixed lease</i>	100,00%	100,00%	100,00
<i>Lump sum</i>	100,00%	100,00%	100,00
Overnight stays of tourists	286.209	300.878	95,12

* The campsite "Park Soline" was opened for 214 days as at 30/9/ 2019, while it was opened for 163 days last year. 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 the same period in 2018.

Physical indicators	I-IX 2019	I-IX 2018	% of change 2019/2018
Ilirija Travel			
Number of events	509	519	98,07
Number of persons (events)	37.019	41.441	89,33
Real-estate			
Number of leesses	37	35	105,71
Common expenses	36	33	109,09
Common areas	21	21	100,00
Advertising space	8	7	114,29
Garage - number of parking space	410	410	100,00
Rented area (m ²)	9.897,60	9.897,60	100,00
Number of vehicles	560.864	492.763	113,82

KEY INFORMATION FOR THE PERIOD FROM 01/01 TO 30/09/2019

1 The achieved operating indicators of the Company's operations are at the level expected for the observed period showing slight deviations from the forecasted ones taking into account the specifics of the fiscal year. The hotel sector retained the growth in overnight stays after the first half of 2019, despite the trend of late booking and the return of particularly competitive countries in the eastern Mediterranean, accompanied by a rise in key market performance indicators expressed in a form of average daily rates and the revenue per accommodation unit, resulted the best fiscal year of the Company's hotel sector insofar as the operating revenues are concerned ending its third quarter. The nautical sector records the absolute best and most successful fiscal year, especially in its key profit center Marina Kornati since its existence. The record-breaking fiscal year refers to the growth in all fundamental business indicators of the Marina Kornati, i.e. the growth in all operating indicators, i.e. the growth in physical achievements, growth in revenues and growth in profitability. The Company's camping sector, as well as the rest of the Croatian camping market, records stagnation insofar as operating results are concerned due to the lack of Croatian camping tourism guests from the key source markets who stayed

in their own countries, and at the same time as a result of an increase in Croatian campsite accommodation capacities, which ultimately resulted in a decrease in arrivals and overnight stays, but the same has not been reflected in the financial results of the Company's camping sector business operations, which have continued to grow and are the best so far. Despite a lower number of events and persons, the Destination management company Ilirija Travel has achieved a considerable growth in revenues as a result of a higher number of corporate and MICE events of domestic and international companies with a greater number of participants, while combining a greater number of programs and contents organized by other sectors of the Company, primarily the hotel sector through Ilirija Travel. The real-estate sector records a rise in key operating indicators of business operations with occupancy of 99.77% of all capacities, while the operating revenues were slightly lower as a result of the lack of extraordinary revenues, which resulted in a decrease in total real-estate sector revenues, i.e. they are at the level of forecasted and expected revenues.

Despite the challenging high season, in which most of the physical turnover and consequently

the financial one is generated, all of the Company's key tourism sectors recorded a rise in operating revenues at a rate of 3% in the hotel sector, the camping sector recorded a rise by 4%, the nautical sector recorded a rise in operating revenues by 5%, while the destination management company Ilirija Travel owing to its pre- and post-season activities as a complementary and integrated product of the Company, achieved a rise in operating revenues by 23% compared to those in the same period of the previous fiscal year. The results of the destination management company achieved in the nine months indicate the success of the Company in the development of the year-round business.

2 In the tourism sectors of the Company, taking into account the characteristics of this year's season or the fiscal year, the nautical sector has achieved the best fiscal year so far by 30th September in all key operating and financial indicators of the business operations, which resulted in an increase in revenues of all segments of the nautical sector (Marina Kornati - accommodation of vessels, boat show and hospitality) by a total of 5% or to the amount of HRK 44,576,243.32. The nautical sector and destination management company Ilirija Tra-

vel, owing to the growth in corporate and MICE events, have achieved the best financial business results so far even better ones than planned by the Business Plan.

Croatian tourism at the national level in the high season was marked by the last-minute sales (the month of July) and as a result of bad weather conditions in the pre-season, the same resulted in challenging and difficult sales at the level of its key sectors - hotel and camping. In spite of the foregoing, the Company's hotel sector recorded a growth by 1% in overnight stays, as a key operating indicator of business operations, where with 128,067 overnight stays realized, with slightly lower arrivals and an average occupancy of 140 days it records the best financial business results so far, which is, the revenues that increased by 3% and they amount to HRK 53,319,674.24. The Company's camping sector, as well as the rest of the camping sector at the Croatian level, achieved lower operating indicators; despite that, however, it records a significant growth according to the financial indicators with an increase in revenues by 4% or the revenues generated in the amount of HRK 34,446,659.53.

3 Total revenues for the reporting period amounted to HRK 149,899,928.49 and increased by 4.15% compared to those in same period in 2018, when they amounted to HRK 143,925,093.73, as a result of the growth in operating revenues and sales revenues by 4.30%, of which domestic sales increased by 3%, while foreign sales increased by 7%.

4 Operating revenues were realized in the amount of HRK 149,848,902.06 with a rate of growth by 4.25% compared to those in the same period of the previous fiscal year, when they were generated in the amount of HRK 143,746,360.96 and are the result of a growth in revenues in all of the Company's tourism sectors, while in the real-estate sector, the operating revenues were slightly lower due to the absence of extraordinary single item of revenue generated in the previous fiscal year.

5 Sales revenues amount to HRK 148,849,796.71 compared to those in the same period of 2018, when they amounted to HRK 142,709,773.08, which grew by 4.30% as a result of growth in revenues on the foreign and domestic market.

6 Total expenses amount to HRK 99,579,005.40 and rose by 10.22% compared to those in the

same period in 2018 when they amounted to HRK 90,346,117.28 as a result of growth in operating expenses by 10.57% and amortization by 15%.

The rise in expenses in the reporting period was mostly realized in the absolute amounts in the part of the gross salary expense which increased by HRK 3,109,547.76 or in the relative amount by 11% as a result of the continuous and targeted policy of the Company in improving the financial position of employees as an indispensable and essential asset for its business results, then as a consequence of the development of the all year-round business operations, and consequently the need for longer retention of seasonal employees employed due to the early opening or later closing of the facilities, and the Company's targeted policy in the area of personnel development through the recruitment of eight trainees. The increase in the cost of gross salaries is accompanied by an increase in other employment costs in the amount of HRK 835,931.50 or by 20%, by which the total costs of wages and salaries grew in the reporting period by HRK 3,945,479.26. The amount of an increase in the employees' salaries accounts for almost 66% of the share in the Company's total revenues for the nine months of business operations in 2019,

which exceeds the Company's proportionate expenses at the level of this part of the year.

The development of the year-round business operations has also resulted in an increase in other costs related to the development of new products and services, their enhanced year-round promotion and overall marketing and sales activities, as well as entertainment program services. Taking into account the specifics of this fiscal year, primarily the last-minute sales as well as strengthening competition in the Eastern Mediterranean, it also resulted in additional benefits for business partners, especially agencies and other market segments regarding the costs.

The aforementioned expense items in the nine months of the fiscal year compared to those in the same period in 2018 increased by 41.92% or HRK 2,309,999.17.

The expenses were also significantly impacted by the growth of utility costs, which increased by 10%, of which the utility fee increased by as much as 53% compared to that in the same period in 2018.

7 The increase in operating expenses, mainly as a result of the increase in the cost of gross sala-

ries and other employment benefits, i.e. conscious and targeted decision of the Company in terms of improving the financial position of employees, and to a lesser extent other operating expenses, had an impact on slightly decreased profitability of the Company's business operations for the nine months in 2019.

Operating profit was generated in the amount of HRK 62,967,517.54 and decreased by 3.38%, while profit was generated in the amount of HRK 50,320,923.09. For the nine months of the current fiscal year, EBITDA was realized in the amount of HRK 63,018,543.97, and it is lower than in the same period of 2018, when it amounted to HRK 65,348,314.49. The proportion of gross salary expense in the operating revenues continued to grow and for the first nine months of 2019, it accounted for 21.38% of share in the operating revenues, or 24.71% with other employment expenses (benefits), which ultimately had an impact on the realized EBITDA.

8 The balance sheet of the Company as at 30/09/2019 confirms the continuous strengthening of the Company's business security, i.e. its better overall financial condition, the ability to duly and

timely fulfill all assumed financial obligations, as well as long-term financial stability, of which we emphasize that the Company's own sources of financing account for 75.62% of total sources of funds (capital and reserves) compared to 73.18% for the same period of 2018, which is an increase in own sources of financing in the absolute amount of HRK 23,637,298.00, while foreign sources of financing at the end of the third quarter of 2019 have a proportion of 24.38%.

9 The value of the assets amounts to HRK 484,072,792.03 and increased by HRK 16,214,352.41 or by 3.47% compared to that in the same period of the previous fiscal year when it amounted to HRK 467,858,439.62.

10 In the reporting period, capital increased by 6.90% or HRK 23,637,032.82 or from the amount of HRK 342,411,182.35 as much as it amounted in the same period of 2018, to the amount of HRK 366,048,215.17, which we find an extraordinary success of the Company.

11 Total liabilities amount to HRK 118,024,576.86 and decreased by HRK 7,422,680.41 or by 5.92% as a result of a decrease in the Company's long-term liabilities.

12 The Company distributed a dividend 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 2009 till the third quarter of 2019, a total amount of HRK 52,778,420.00 was disbursed to the Company's shareholders.



1 ABOUT ILIRIJA D.D.

1.1 GENERAL DETAILS

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 28.500m² gross area in total six floors and total 9.897,60m² 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.

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 m² with a total capacity of 705 berths on land and sea. Today, Marina Kornati is among the Top 3 Croatian marinas according to the number of berths, technical equipment, quality of service, cleanliness and neatness.

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

Year 1988 | The construction of Aquatic Center, that is, a beach facility as a part of a unique, technological and functional unit of the existing hotel capacities, that is basically an Olympic outdoor swimming pool with many additional amenities, as a supplement to the existing and basic hotel amenities. Built as a swimming, beach and sports, entertainment and hospitality facility with bleachers with the capacity of 4,000 seats and a terrace of

1.000 m², whereby it represents a center for holding almost all sports, entertaining and dance events in the City Biograd na Moru.

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

Year 1991 | 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 30/09/2019, the Company has invested HRK 528,847,604.73 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 902,045,645.19.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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)

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.

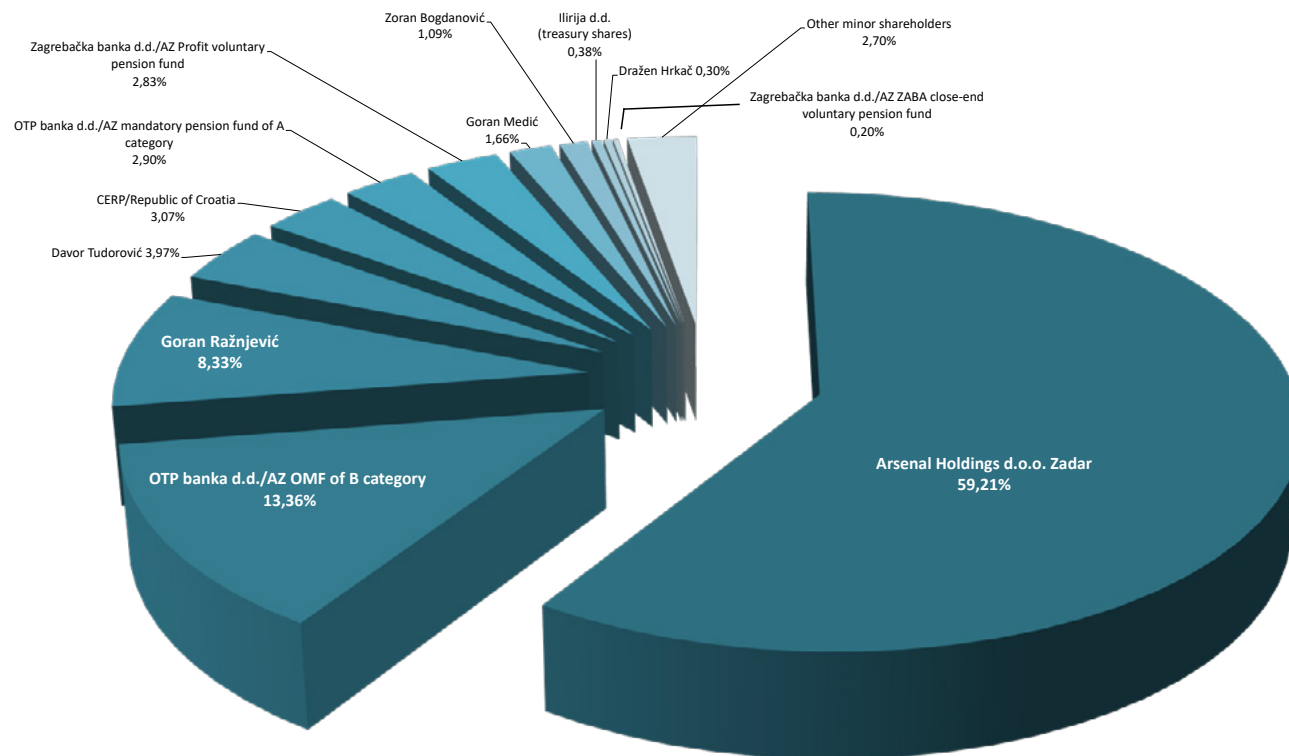
I.6. OWNERSHIP STRUCTURE OF THE COMPANY AND TRADING IN THE COMPANY'S SHARES AT THE ZAGREB STOCK EXCHANGE

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 30th September 2019, there occurred no significant change in the ownership structure, and below is an overview of the major shareholders of the Company as at 30 September 2019.

Owners - shareholders	Number of shares	Share in %
Arsenal Holdings d.o.o. Zadar	1.429.032	59,21
OTP banka d.d./AZ OMF of B category	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 banka d.d./AZ mandatory pension fund of A category	69.898	2,90
Zagrebačka banka d.d./AZ Profit voluntary pension fund	68.200	2,83
Goran Medić	40.000	1,66
Zoran Bogdanović	26.216	1,09
Ilirija d.d. (treasury shares)	9.056	0,38
Dražen Hrkač	7.224	0,30
Zagrebačka banka d.d./AZ ZABA close-end voluntary pension fund	4.904	0,20
Other minor shareholders	65.463	2,70
TOTAL	2.413.488	100

OWNERSHIP STRUCTURE OF THE COMPANY AS AT 30/09/2019



**TRADING IN SHARES OF THE
COMPANY ON THE CROATIAN
CAPITAL MARKET IN THE
PERIOD FROM 01/01 -
30/09/2019:**

	I-IX 2019	*I-IX 2018	% of change
(amounts in HRK)			
Total turnover	396.251,00	463.429,00	-14,50%
Average share price	183,62	179,48	2,31%
Average turnover per transaction	9.215,14	9.086,84	1,41%
Average daily turnover	18.869,10	14.949,32	26,22%
Last share price	204,00	190,00	7,37%
Market capitalization	492.351.552,00	458.562.720,00	7,37%
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.

At the end of third quarter of 2019, a total of 2158 Company's shares were traded in, which resulted in an a turnover of HRK 396,251.00. The average share price was realized in the amount of HRK 183.62, recording thus a rise by 2.31% compared to that in the same period of the previous fiscal year, when the average share price was realized in the amount of HRK 179.48. The average turnover per transaction was realized in the amount of HRK 9,215.14 and increased by 1.41%, while the average daily turnover was realized in the amount of HRK 18,869.10 and increased by 26.22% compared to that in the same period of 2018.

The highest share price was achieved in the amount of HRK 204.00 per share, while in the same period last fiscal year the highest price achieved was HRK 200.00 per share. The highest share price is also the latest price of the Company's share, achieved in the amount of HRK 204.00, which is 7.37% higher than the last share price of HRK 190.00 realized in the same period of the previous fiscal year, as a consequence of which the Company's market capitalization grew indicated by means of the methodology of calculation according to the last share price. For the reporting period, the market capitalization amounts to HRK 492,351,552.00 and increased by HRK 33,788,832.00 compared to the same period of the previous fiscal year, when it amounted to HRK 458,562,720.00.

The Company acquired 800 treasury shares and as at 30th September 2019 it held 9,056 treasury shares, accounting for 0.38% of shares in the share capital.

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

In the nine months of 2019, the turnover in shares was realized in the order book of bids in amount of HRK 1,624,991,993 on the Zagreb Stock Exchange. This is a turnover higher by 44.65% than that in the same period in 2018. Since the block of share and bond transactions in the first three quarters of 2019 is lower than that in the same period 2018, the total turnover on the Zagreb Stock Exchange in the nine months is lower by 0.26% and amounts to HRK 2,098,934,784.

One of the characteristics of the share price movement on the Zagreb Stock Exchange is the marked trend of their growth in the third quarter. On 30th September, 2019, the CROBEX Index reached its highest value in the last 2.5 years, with a rising trend.

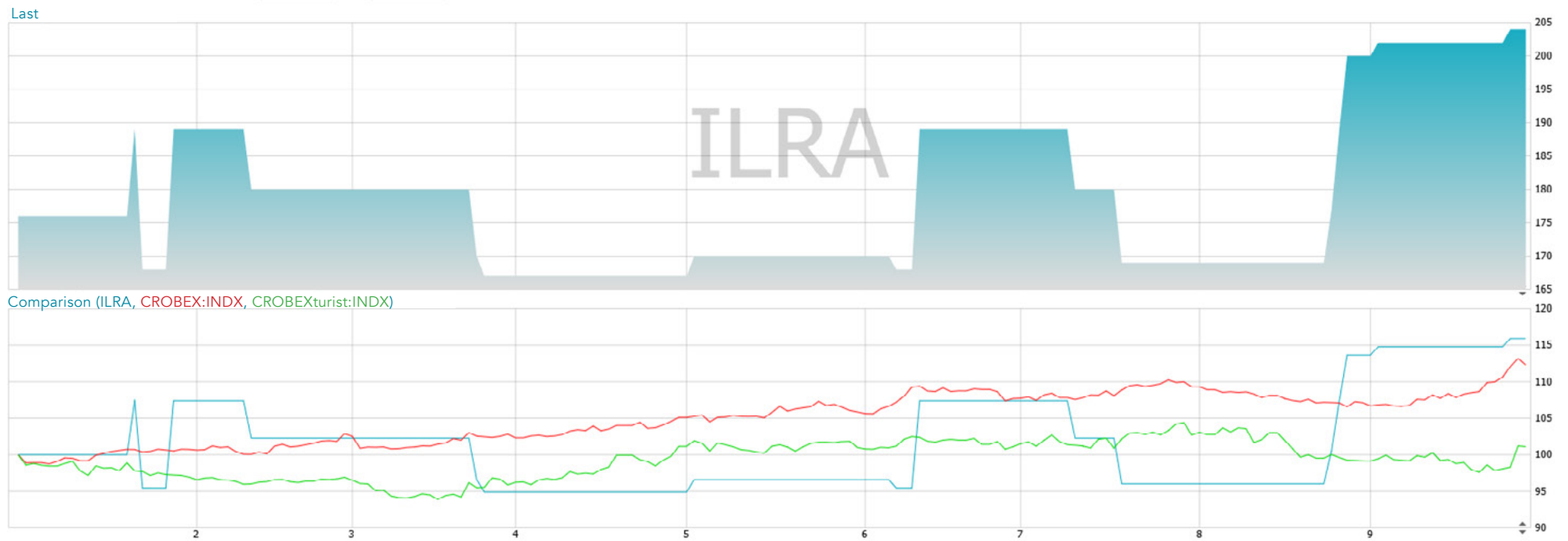
The turnover in the ILRA share was realized in the amount of HRK 396,251 in the first three quarters of 2019. This was a decrease by 14.5% compared to the same period of 2018. The main reason is the investors' low interest in investing in the shares on the

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. The average price of the ILRA share has increased along with the reduced turnover, equaling to the price after the corporate share split activity from HRK 179.48 in 2018 to HRK 183.62 in the third quarter of 2019 or by 2.31%. The last ILRA share price in the third quarter of 2019 was HRK 204.00 and is 7.37% higher than the last price in the same quarter of 2018.

In the first three quarters of 2019, the CROBEX index increased the value by 12.28%, while the CROBEXTURIST sector index rose by 1.10%. ILRA share price increased by 15.91% over the same period (from HRK 176.00 to HRK 204.00 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:



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 2018 were organized 561 special events for 58,023 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. In such a diverse portfolio, the Company manages all business

processes (management and operations) within the sector or facility.

Diverse tourism and real estate portfolios are based on the resources of the region and on a continuous investment in the improvement of the existing contents and products as well as the development of 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.

I.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

I.9 PRIZES AND AWARDS, STANDARDS AND CERTIFICATES

Standards and certificates:

The Croatian Commission 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 according to the standard ISO 9001:2015 and the environmental management system ISO 14001:2015 was audited.



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.

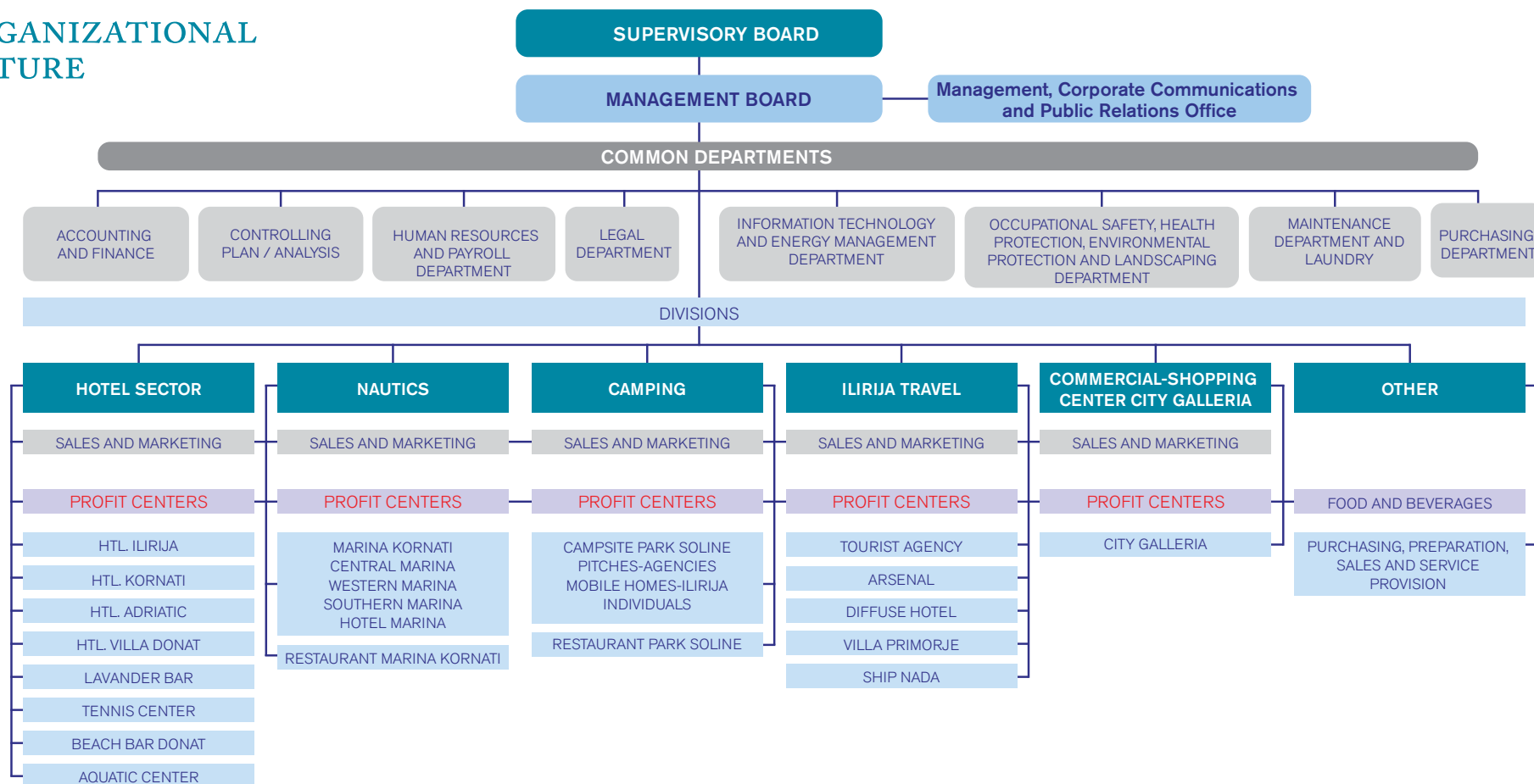
Quality – a top-quality product, professional service and individual approach to clients are the basis of the relation to the guest which is at the heart of the company's service.

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.

2.2 ORGANIZATIONAL STRUCTURE



2.3. SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY

At the end of the third quarter of 2019, the Company continued its corporate social responsibility policy in the key areas:

I) **Environmental protection** where the Company's activities were focused on raising environmental protection measures and standards by:

- improving and enhancing the environmental protection process by means of the waste management process by building a new waste yard approximately measuring approx. 150m²,
- renewal, i.e. recertification, of the "Sustainable hotel by UPUHH" certificate for the largest Company hotel – Ilirija ****, which until then was the holder of the basic certificate, while after the re-certification was completed, it became the holder of the advanced certificate,
- Marina Kornati has been awarded the Blue Flag as the leading international standard for the protection of the sea and the coast for already 16 years in a row,
- at the beginning of the month of September, the re-certification of the quality management sys-

tem was carried out according to the standard ISO 9001:2015 and the environmental management system ISO 14001:2015 was audited.

- In cooperation with external partners, the Company held educational workshops for children on the importance of the protection of the environment, flora and fauna by organizing the Bat Nights at the Campsite "Park Soline" in cooperation with the Vrana Lake Nature Park and holding National Geographic Croatia workshops for children that also covered the topics on the environmental protection, including a workshop on environmental protection, natural and cultural heritage as the fundamental value of sustainable tourism development.

II) **Relation towards the employees** with the activities aimed at continuous improvement of the financial position of employees and activities in the area of human resources development. In the nine months of 2019, the Company increased the cost of gross salaries by 11%, while the other compensation for employment costs increased by 20% for the purpose of improving the financial position of employees. At the end of the third quarter, as at 30th September there were 409 persons employed

or 5% more than in the same period in 2018. In the area of human resources development, the Company has employed eight trainees, young highly educated persons of different professions, who are acquainted with and educated on all aspects of the tourism and hospitality industry through a system of job rotation.

III) **Community relations** the activities aimed at developing the destination offer prevail by organizing, initiating, participating in and supporting events in order to create its added value, primarily through the development of its recognizability and diversity of the tourist offer. Among them, we distinguish the Company's contribution through the activities of destination management company Ilirija Travel through whose system we are the organizers and initiators of numerous activities, especially in the period of the shoulder season, or we support their organizers in their realization. We wish to distinguish the following activities among them: performances, stand-up performances, concerts, events such as Wine & music evenings - two-day jazz concerts held in Arsenal organized by the Company, Bike&Wine – Ravni kotari Tour 2019 where the Company is the main organizer in the cooperation with the local tourist board, Tuna, Wine & Sushi Festival,

the International Trekking Race Škraping Pašman 2019, Wedding Festival, Zadar Wine Festival, Mirko Miočić Memorial tournament, dance events.

The significant contribution of the Company to the community during the reporting period was also maintained through the corporate philanthropy system (donations and sponsorships).



2.4 RISKS

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.

In order to reduce the credit risk, the Company strives to reduce the total loan debts to an appropriate level, that is the optimal level, so to make them inferior to their own funding source.

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.

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, event ship „Nada“, 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 town 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, out-door 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 along the coast, close to the old town, surrounded by magnificent nature, sea and pinewood, as well as many amenities.

Hotel Kornati classified as a four star hotel, with the capacity of 106 rooms and 230 beds, a restaurant with the capacity for 220 persons, a terrace for 50 persons and a bar for 40 persons, by its design and atmosphere is linked to and associated with the most beautiful Croatian national park – Kornati.

Kornati Hotel is a unique for its connection with the Nautical tourism port Hotel port Ilirija - Kornati, which is located in the very center of Biograd with a beach right next to the hotel.

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

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

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





3.2 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 Ilijija 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.

Ilijija 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.



3.3 CAMPSITE PARK SOLINE

Campsite „Park Soline“ classified as a four-star campsite, also located in Biograd na Moru covers an area of 20.00 Ha, contains 1,220 accommodation units with a total capacity to accommodate up to 3,660 persons. In addition to the enriched restaurant offer, newly built promenade that stretches along the entire camp and the beach leading to the Biograd town center, the campsite “Park Soline” 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 value of investments made so far in the campsite “Park Soline” from the year 2000 till the end of 2018 amounted to approximately HRK 175,000,000.00 and owing to these investments, the number of overnight stays rose from 4,556 in 1996 to 302,845 overnight stays in 2018.



ARSENAL

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

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

Offers of trips, special offers according to the requirements of clients, sports programs, MICE etc.



3.5 HOSPITALITY

Restaurant „Marina Kornati“, is located in Marina Kornati, having the capacity for over 350 persons, which together with the recently refurbished Captain's Club having the capacity to accommodate 70 persons, or with the overall capacity for 420 persons meets the requirements of boaters for holding various and numerous events in Marina Kornati. Besides hospitality services, Captain's Club also provides services for a number of presentations on nautical products, and is an ideal venue for holding small conferences and events. In 2018, a total of 50 events were organized in Marina Kornati attended by over 6.598 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 bed 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. 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 long-term 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 2018 the show, which celebrated twenty years of its existence, was attended by over 310 registered exhibitors that participated with 320 vessels, while the number of visitors surpassed the figure of 16,000 with over 2000 realized business visits via Biograd B2B business networking platform.

Sports facilities:

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



Müller
M

SPAR

DES
WEEKEND

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 m² 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 of total area of 10,863 m² followed by 9,897.60 m² of net lettable surface area and ancillary rooms, corridors, technical and common areas. The occupancy of the center on 30/09/2019 is 99.77% of all capacities.

There are following facilities in the Center itself: an underground car garage with over 400 parking spaces on two floors, opened and closed market, supermarket, specialized food and beverage shops, fashion clothing, footwear and sporting equipment shops, children's shops, cafés and 6 multiplex movie theaters. The offer is conceptually divided in 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 is created as a floor for fun and recreation with an offer of

cafés, entertainment, cosmetic and sports services; while the third floor offers lease of office spaces.

The unique features of the Commercial-shopping center City Galleria have been also 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".

Special characteristics of the Commercial-shopping center City Galleria, which distinguish it from the rest of the market can be summarized in a few features, such as; very attractive location within the city's pedestrian zone that provides great visibility of the facility; accommodation of the town marketplace with accompanying food facilities in the Centre; and offer the first and only multiplex cinema in the city of Zadar.

4 KEY PHYSICAL OPERATING RESULTS OF THE COMPANY

The first nine months of 2019, especially the high season in which the Croatian tourism generates the majority of physical and financial turnover, was particularly challenging in some of its segments, especially the camping tourism and with bad weather conditions (the month of May) and stay of guests from key the camping markets in their destinations resulted in stagnation primarily in the operating indicators of the business operations of the Croatian camping tourism. In addition, the season was marked by a significant return of competitive markets to the Croatian tourism, primarily the countries of the Eastern Mediterranean, the high season (June-August) was marked by a rather challenging last minute sales, and an increase in accommodation facilities primarily in households, OPGs (Family agricultural farms) and non-commercial accommodation.

In the Company's tourism sectors, the characteristics of this year's tourist season were mostly reflected in the camping sector, although its camping sector, despite a rather challenging fiscal year for the whole Croatian camping tourism, saw growth in the financial indicators primarily the growth in operating revenues, and to a lesser extent in the hotel sector, which according to the key operating indicators (overnight stays) has achieved the best business results so far.

In the hotel sector, despite the last-minute bookings that marked the month of July, the growth in physical results of the business operations continued in the first semi-annual period of the fiscal year. In the nine months of 2019, the key operating indicator for overnight stays saw a growth by 1%, while the arrivals were slightly lower than in the same period in 2018. The hotel sector also records 140 occupancy days with a capacity occupancy of 38.49%, which resulted in a rise of revenues of the sector by 3% and a rise in revenue from room sold by 2.98%.

The nautical sector has achieved its best fiscal year to date, ending the month of September, in its key operating and financial results, although significant nautical sector business activities in the Company are carried out in the month of October, given its year-round business character. The most significant item is the contract-based berth, where in the nine months of 2019, 729 vessels were contracted, of which the number of vessels in the charter rose by 1.87%, which also generated a rise in revenues in the part of the contract-based berth, since charter vessels also have a higher accommodation price. In the part of transit, an increase in physical indicators of the business operations was recorded, both in the number of vessels sailing in, which increased by 4.7% and in the overnight stays of the vessels in transit which increased by 7.38%. The increase in

the number of the vessels on the contract-based berth and in transit has also resulted in an increase in the number of port service operations by 2%. The increase in the key operating indicators of Marina Kornati resulted in revenues in the amount of HRK 41,889,892.12 or 5.67%, which, together with an increase in revenues from hospitality services resulted in the best season in the Company's nautics so far.

Due to the above mentioned characteristics of the season at the national level, the camping sector of the Company recorded 40,643 arrivals and 286,209 overnight stays in the nine months of the fiscal year, which is 2.44% fewer arrivals and 4.88% fewer overnight stays. In spite of lower operating indicators, the financial indicators of the camping sector recorded a rise in the operating revenues by 4% both in the segment of accommodation and in the segment of hospitality, i.e. "Park Soline" restaurant.

509 events were realized with a total of 37,019 persons through the destination management company/DMC Ilirija Travel, but despite a lower number of events and persons in the reporting period, the growth in revenues was achieved as a result of a higher number of more lucrative corporate and MICE events generating higher revenues with a combination of a higher number of programs and contents

organized by other sectors of the Company primarily through the destination management company system of the Company as an integrated and complementary Company's product.

The Company also expects significant business activities in the last quarter of the fiscal year, especially in October in the nautical sector as part of the organization of the 21st International Boat Show -

Biograd Boat Show and nautical events, followed by the activities that will be implemented through the destination management company system/DMC Ilirija Travel through the entire fourth quarter of the fiscal year and significant activities in the hotel sector from October to the end of December.



4.1 HOTEL SECTOR

The hotel sector of Ilirija continued its operations in the first nine months of 2019 with approximately same capacities as in the previous year, with 922 beds. After a significant increase in physical and financial indicators during the exceptionally good year 2017, continuing into 2018, in 2019, we had a challenging tourist year the same as the whole Croatian tourism.

In the reporting period, there were 37,058 arrivals recorded, which is 1% less than in the same period of the previous fiscal year, and 128,067 overnight stays were recorded showing a rise by 1%, which we estimate as the successful continuation of the improved business operations recording a rise in revenues by 4%, partly due to the increase in overnight stays, and partly due to rise in prices. When it comes to hotel occupancy, the 140 days' average occupancy was maintained as in the previous year in the same period. The number of days of average stay slightly rose from 3.41 to 3.46 days.

The hotel sector revenue rose from last year's HRK 47,587,029.92 in the nine months of this fiscal year to 49,472,473.59, or by 4%. This is the result of the above rise in overnight stays by 1% and rise in pri-

ces by 6%. The average daily rate rose from HRK 375 to HRK 386, or from EUR 50.45 to EUR 52.19. This increased the revenue per room sold to EUR 107.31 compared to EUR 103.16 last year. If we add the revenue from hotel sector and hospitality-related and other services in the Aquatic center, tennis center and hospitality facilities, the average daily rate is EUR 115.86.

In the structure of guests of the most represented markets: Croatia, Germany, Slovenia, Austria, Slovakia, France, Sweden, Hungary, South Korea, the Netherlands, there were no significant changes recorded. The most pronounced change is related to a significant 28% increase in domestic overnight stays, by which the Croatian market reached 18.58% share in all overnight stays. This is an expression of a significant concentration on filling the pre-season with 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 and a share of 14.28%, while overnight stays from guests from Slovenia were 10% higher, accounting for 11.63% of the total share in overnight stays of the hotel sector. We recorded a slight decrease by 3% from the Austrian

market, which with a share of 8.67% remains the fourth market. The Swedish market recorded a more pronounced decline, but we consider it a success to keep this important market stable in the top ten markets of the hotel sector, while the Dutch market records a rise in overnight stays by 8%.

We continue to make our efforts focused on the risk dispersion by being present in as many markets as possible, as well as efforts to win 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 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 in sales to groups while reducing the allotment placement. Being aware of the announcement of a very demanding season, we decided to increase our reliance on individual arrivals and increase our fixed lease 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 revenues of the destination management company Ilirija Travel using additional services and value added offers.

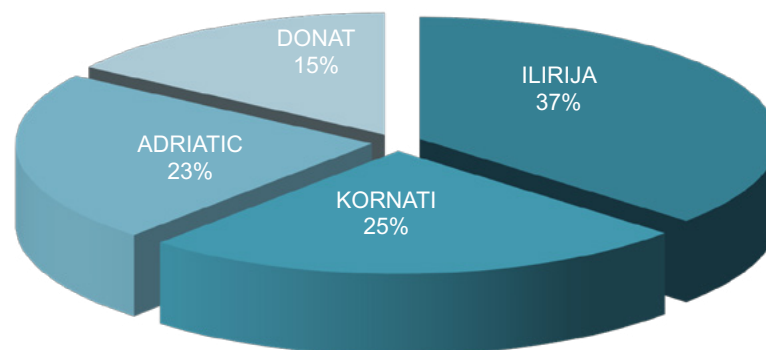
New trends in tourism products, the experience of the destination and interweaving or erasing the boundaries between business and leisure travel with the guests' desire to merge it in a unique experience can already be largely seen in the hotel sector business operations, and we expect this trend to continue in the 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 strive for and succeed in answering through Ilirija Travel as an integrated product of the Company through which we offer these products, with the support by the hotel sector to a large extent and also its other tourism sectors.



Hotel sector capacities

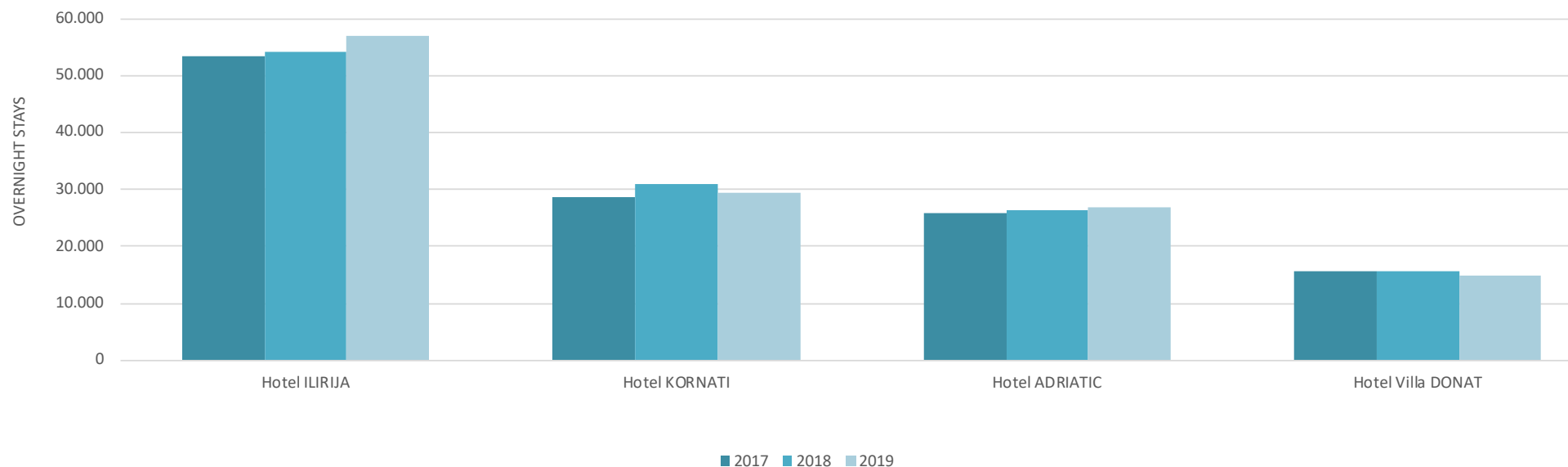
ILIRIJA D.D.	NUMBER OF ROOMS				NUMBER OF BEDS			
	2017	2018	2019	INDEX 2019/2018	2017	2018	2019	INDEX 2019/2018
ILIRIJA	165	165	165	1,00	337	337	338	1,00
KORNATI	106	106	106	1,00	216	216	230	1,06
ADRIATIC	100	100	100	1,00	210	210	210	1,00
DONAT	72	72	72	1,00	144	144	144	1,00
TOTAL	443	443	443	1,00	907	907	922	1,02

% SHARE OF INDV. HOTEL (number of beds)

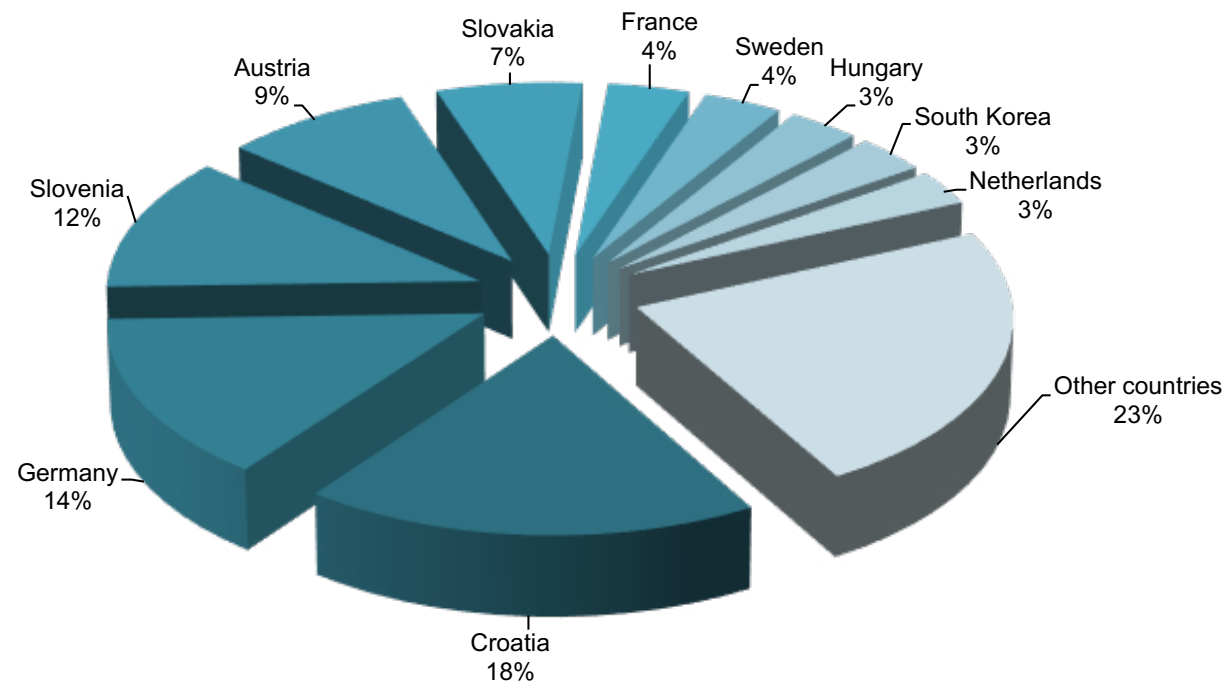


Overview and comparison of realized arrivals and overnight stays from 01/01-30/09/2019 and comparison to the same period in 2017 and 2018

PROFIT CENTER	HOTEL SECTOR							
	ARRIVALS			INDEX	OVERNIGHT STAYS			INDEX
	2017	2018	2019	2019/2018	2017	2018	2019	2019/2018
Hotel ILIRIJA	17.810	17.162	19.452	113	53.450	54.077	57.061	106
Hotel KORNATI	8.502	10.376	8.787	85	28.714	31.027	29.290	94
Hotel ADRIATIC	5.721	6.245	5.977	96	25.887	26.382	26.925	102
Hotel Villa DONAT	2.988	3.505	2.842	81	15.714	15.581	14.791	95
TOTAL	35.021	37.288	37.058	99	123.765	127.067	128.067	101



Graph of realized overnight stays in source markets for the period from 01/01–30/09/2019



Occupancy rate for the period from 01/01-30/09/2019 and the comparison to the same period in 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	0	0,00%	0	0,00%	3.286	0	0,00%	0	0,00%	3.100	0	0,00%	0	0,00%	2.232	0	0,00%	0	0,00%	13.733	0	0,00%	0	0,00%
NOVEMBER (XI)	4.950	0	0,00%	0	0,00%	3.180	0	0,00%	0	0,00%	3.000	0	0,00%	0	0,00%	2.160	0	0,00%	0	0,00%	13.290	0	0,00%	0	0,00%
DECEMBER (XII)	5.115	0	0,00%	0	0,00%	3.286	0	0,00%	0	0,00%	3.100	0	0,00%	0	0,00%	2.232	0	0,00%	0	0,00%	13.733	0	0,00%	0	0,00%
TOTAL	60.225	26.936	44,73%	27.967	46,44%	38.690	15.699	40,58%	14.276	36,90%	36.500	12.439	34,08%	12.910	35,37%	26.280	7.149	27,20%	7.082	26,95%	161.695	62.223	38,48%	62.235	38,49%

Occupancy rate for the period from 01/01-30/09/2019 and the comparison to the same period in 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	0	0	0	0	3.286	0	0	0	0	3.100	0	0	0	0	2.232	0	0	0	0	13.733	0	0	0	0
NOVEMBER (XI)	4.950	0	0	0	0	3.180	0	0	0	0	3.000	0	0	0	0	2.160	0	0	0	0	13.290	0	0	0	0
DECEMBER (XII)	5.115	0	0	0	0	3.286	0	0	0	0	3.100	0	0	0	0	2.232	0	0	0	0	13.733	0	0	0	0
TOTAL	60.225	26.936	163	27.967	169	38.690	15.699	148	14.276	135	36.500	12.439	124	12.910	129	26.280	7.149	99	7.082	98	161.695	62.223	140	62.235	140

Monthly comparison of revenues/overnight stays of Ilirija Resort hotel from 01/01-30/09/2019 and comparison with those in the same period of 2018 and with the whole year 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	0,00	0,00	10.914	0	0,00	328,53	0,00	44,24	0,00	0,00
NOVEMBER	1.115.714,74	0,00	0,00	3.362	0	0,00	331,86	0,00	44,75	0,00	0,00
DECEMBER	703.584,87	0,00	0,00	3.424	0	0,00	205,49	0,00	27,70	0,00	0,00
TOTAL	52.991.935,51	49.472.473,59	0,93	144.745	128.067	0,88	366,11	386,30	49,38	52,15	1,06
30/09/2019	47.587.029,92	49.472.473,59	1,04	127.045	128.067	1,01	374,57	386,30	50,45	52,19	1,03

Revenues per sold room 30/09/19	794,93 kn	107,31 €
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Revenues per sold room 30/09/18	764,78 kn	103,16 €
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Selected profit centers within the hotel sector

Lavander	2018	2019	INDEX
31/12	1.108.597,04		
30/09	1.070.896,73	1.019.818,15	0,95

Aquatic Center	2018	2019	INDEX
31/12	2.614.786,04		
30/09	2.591.745,37	2.385.872,61	0,92

Tennis center	2018	2019	INDEX
31/12	389.337,04		
30/09	366.583,72	441.509,89	1,20

Beach bar Donat	2018	2019	INDEX
31/12	284.975,84		
30/09	283.511,03	95.390,17	0,34

Hotel sector total

TOTAL	2018	2019	INDEX
31/12	57.389.631,47		
30/09	51.899.766,77	53.415.064,41	1,03

Revenues per sold room - 2019:	858,28 kn	115,86 €
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Revenues per sold room - 2018:	834,09 kn	112,50 €
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REVENUES BY ACTIVITIES

Revenues from hotel services amount to HRK 49,472,473.59 and rose by 4% in comparison with those in the same period last fiscal year.

Other revenues from 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 3,942,590.82 and are lower by 8.58% than those in the same period in 2018.

Overall, the revenues of the hotel sector amount to HRK 53,415,064.41 and are higher by 3% than those in the nine months of the previous fiscal year, accounting for 35.65% of the operating revenues of the Company for the observed period.



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

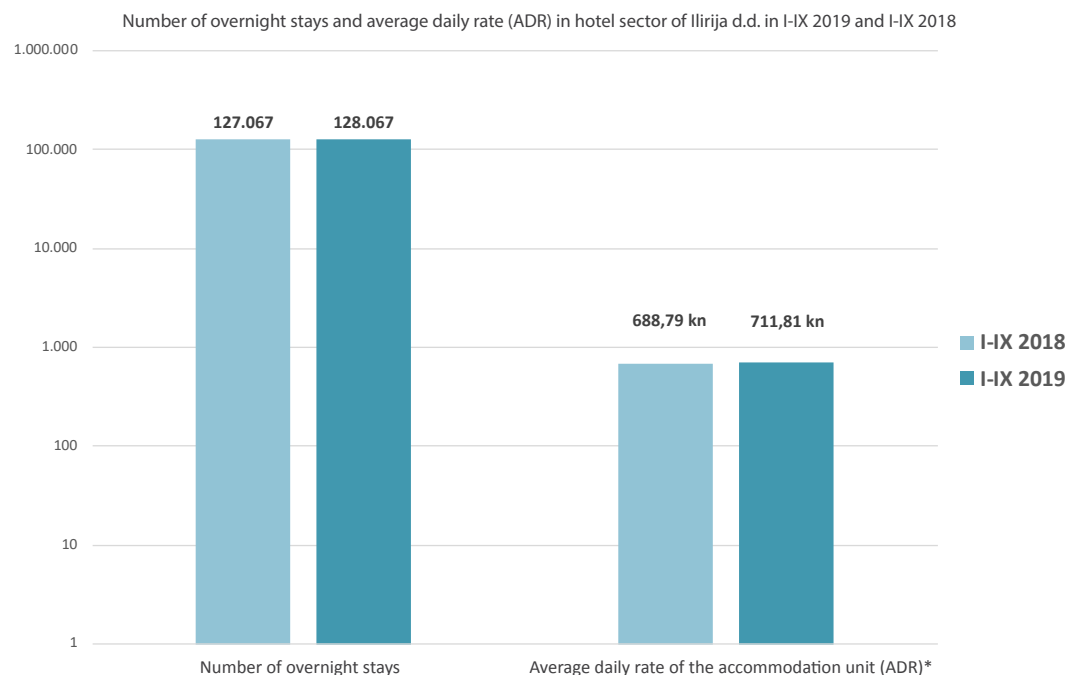
The results of the hotel sector is shown separately for the hotels in Biograd na Moru and hotel in Sv. Filip i Jakov considering a different market profile of these two tourist destinations and also considering the different market position of the hotel in the destination of Biograd na Moru compared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

In the nine months of 2019, the Company's hotel se-

ctor has achieved the best results so far in the market occupancy indicators 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. Compared

to the previous year, there is a rise in the volume of physical demand, i.e. an increase in overnight stays with a slight increase in capacity occupancy on the basis of the total number of days in the period, but when considering it on the basis of open days, the increase in capacity occupancy is more significantly pronounced, i.e. it amounted to 11.22% with an increase of the average daily rate by 3.34%. The hotels in Biograd na Moru, recorded an increase in average daily rate by 3.51%, and an increase in revenues per available accommodation unit by 12.87% based on open days.

Hotel in Sv. Filip i Jakov also saw an increase in average daily rate realized of 1.68%, a symbolic increase in revenues by 0.73% per available accommodation unit, but also a significant increase by 31.1% on the basis of open days, which was achieved by calculation with redistribution of labor costs and other costs in proportion to the market movements.



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

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

	I-IX 2019	I-IX 2018	2019/2018
HOTELS IN BIOGRAD			
Accommodation capacities:			
Number of hotels	3	3	0,00%
Number of accommodation units	371	371	0,00%
Number of beds	778	778	0,00%
Physical turnover:			
Number of overnight stays	113.276	111.486	1,61%
Number of accommodation units sold	55.153	55.074	0,14%
The occupancy of accommodation units based on a total number of days in a period (%)	54,45%	54,38%	0,14%
Occupancy rate of the accommodation units on an open days basis (%)	77,86%	71,40%	9,05%
Financial results:			
Average daily rate of the accommodation unit (ADR) *	724,92 kn	700,36 kn	3,51%
Revenue per accommodation unit (RevPAR) on a total number of days basis in period **	394,75 kn	380,83 kn	3,66%
Revenue per accommodation unit (RevPAR) on an open days basis **	564,46 kn	500,08 kn	12,87%
HOTEL IN SV. FILIP I JAKOV			
Accommodation capacities:			
Number of hotels	1	1	0,00%
Number of accommodation units	72	72	0,00%
Number of beds	144	144	0,00%
Physical turnover:			
Number of overnight stays	14.791	15.581	-5,07%
Number of accommodation units sold	7.082	7.149	-0,94%
The occupancy of accommodation units based on a total number of days in a period (%)	36,03%	36,37%	-0,94%
Occupancy rate of the accommodation units on an open days basis (%)	82,66%	64,06%	29,03%
Financial results:			
Average daily rate of the accommodation unit (ADR) *	609,68 kn	599,63 kn	1,68%
Revenue per accommodation unit (RevPAR) on a total number of days basis in period **	219,66 kn	218,09 kn	0,72%
Revenue per accommodation unit (RevPAR) on an open days basis **	503,94 kn	384,12 kn	31,19%
HOTELS - TOTAL ILIRIJA d.d.			
Accommodation capacities:			
Number of hotels	4	4	0,00%
Number of accommodation units	443	443	0,00%
Number of beds	922	922	0,00%
Physical turnover:			
Number of overnight stays	128.067	127.067	0,79%
Number of accommodation units sold	62.235	62.223	0,02%
The occupancy of accommodation units based on a total number of days in a period (%)	51,46%	51,45%	0,02%
Occupancy rate of the accommodation units on an open days basis (%)	78,38%	70,47%	11,22%
Financial results:			
Average daily rate of the accommodation unit (ADR) *	711,81 kn	688,79 kn	3,34%
Revenue per accommodation unit (RevPAR) on a total number of days basis in period **	366,29 kn	354,38 kn	3,36%
Revenue per accommodation unit (RevPAR) on an open days basis **	557,92 kn	485,42 kn	14,94%

Notes:

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

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

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

4.2 NAUTICS – MARINA KORNATI

The nautical sector records the absolute best and most successful fiscal year, especially in its key profit center Marina Kornati since its existence. The record fiscal year refers to the growth in all fundamental business indicators of the Marina Kornati, i.e. the growth in all operating indicators, i.e. the growth in physical achievements, growth in revenues and growth in profitability.

During the first nine months of 2019, the operations of the Marine Kornati recorded an overall increase in both physical turnover and revenues. In the segment of physical turnover, the growth was recorded in all key business indicators. In the segment of vessels on contract-based berth, 729 berth contracts were concluded for 726 contracted vessels for the same period in 2018. Transit vessels sailing in during the first nine months of the year increased by 5% from 3,085 realized transit vessels in the same period in 2018 to 3,233 realized transit vessels by the end of the third quarter of the current fiscal year, while transit vessel overnight stays increased by 7% from 9,520 overnight stays to a total of 10,223 overnight stays. The reason for the increase in sailing in and overnight stays on the transit berth in the reporting period is the bad weather in the first half of June, which is usually reflected in the increa-

se in sailing in and overnight stays of transit vessels in nautical ports and marinas. There were 3,144 port service operations (lifting, lowering and washing of vessels) performed, which is a rise by 2% compared to those in the first half of 2018 when 3,080 port service operations were performed.

Growth in total revenue in the reporting period compared to that in the same period of the previous fiscal year is one of the most important indicators, since revenue growth was achieved in all items except for other services, which are already the lowest revenue item of marina revenues. The revenue was generated in the amount of HRK 41,889,952.12, while in the same period of 2018, the revenues amounted to HRK 39,640,826.84, which is a rise by 5.67%. Individually, in relative amounts, the largest increase was recorded in revenue from the boat show and events by 14.60%, followed by daily berthing services by 14.46%, parking vehicles with a growth rate of 10.78%, business cooperation by 6.08% and contract-based berth with accessories by 4.79% and port service by 3.81%. The annual berth with the accessories from the realized HRK 29,918,751.13 makes up for about 71.42% of the total revenues and in the absolute amount contributed the most to the growth in the operating re-

venue of Marina Kornati. The increase in revenue is the result of an increase in the number of contracted vessels, the maximum utilization of the aquatorium in the segment of the vessel accommodation and the new operational regulation of parking.

The largest Croatian and Central European boat show "21st Biograd Boat Show" will be held in Marina Kornati in October from 17th to 20th October. The boat show has grown over the past twenty years into a congress of the Croatian boating industry and tourism that brings together all its key segments. At this year's exhibition, we expect over 350 announced exhibitors and over 300 vessels, on 38,000m² gross floor area, with a new event, Croatia Charter Expo that will be held as part of the Biograd B2B business platform as a new two-day business networking event with over 60 charter expo exhibitors and brokers in the new D exhibition hall. In the nine months of 2019, a total of 31 different events were organized in Marina Kornati, of which 23 domestic and international regatta events took place in which 3209 sailors with about 380 vessels participated. Judging by a number of participants, the most important events are Kornati Cup with 750 participants, Carnival Regatta with 221 participants, Erste Trophy with 215 people, Seawolf with 155 par-

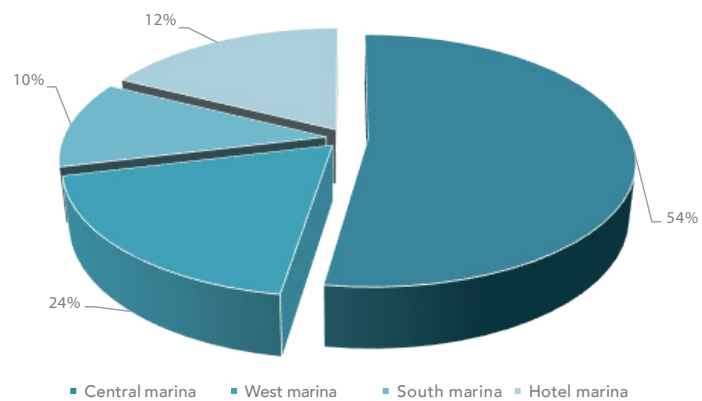
ticipants, Business Cup with 133 participants, Bavaria Cup Regatta with 140 participants and ICC Regatta with 96 participants who sail in Marina Kornati for 5 days.



Marina Kornati capacities

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

% Share of individual marina (number of berths)



Cumulative overview of physical turnover of Marina Kornati during the period from 01/01-30/09/2019 and comparison to the same period in 2018

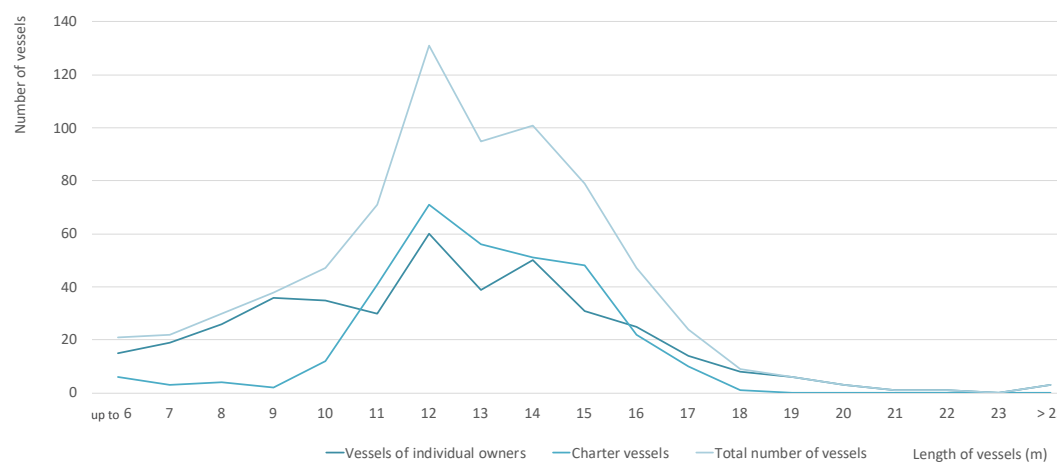
Physical turnover items		2019 by month											
Name of position	Measurement unit	1	2	3	4	5	6	7	8	9	10	11	12
Contract-based berth -individual	Contracted vessel	99	248	303	353	374	384	396	400	402			
Contract-based berth -charter	Contracted vessel	0	2	81	291	315	326	327	327	327			
TOTAL Contract-based berth	Contracted vessel	99	250	384	644	689	710	723	727	729			
Transit berth-sailing in port	Sailing in port	1	9	30	143	526	1.058	1.823	2.709	3.230			
Transit berth-overnight stay of vessels	Boat / day	132	320	563	1.364	2.301	3.472	5.775	8.773	10.223			
Transit berth-overnight stay of vessels crew	Overnight stay of a person							52	56	63			
Port service	Operation	118	402	673	1.070	1.485	1.945	2.358	2.888	3.144			

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			
Contract-based berth -charter	Contracted vessel	4	6	91	293	316	319	320	321	321			
TOTAL Contract-based berth	Contracted vessel	81	239	384	644	697	715	722	726	726			
Transit berth-sailing in port	Sailing in port	1	7	29	139	520	1.005	1.835	2.648	3.085			
Transit berth-overnight stay of vessels	Boat / day	134	298	625	1.233	2.190	3.356	5.832	8.509	9.520			
Transit berth-overnight stay of vessels crew	Overnight stay of a person							98	120	139			
Port service	Operation	171	379	689	1.111	1.536	1.926	2.410	2.859	3.080			

Vessels on berth contract during the period from 01/01-30/09/2019 and comparison to the same period in 2018

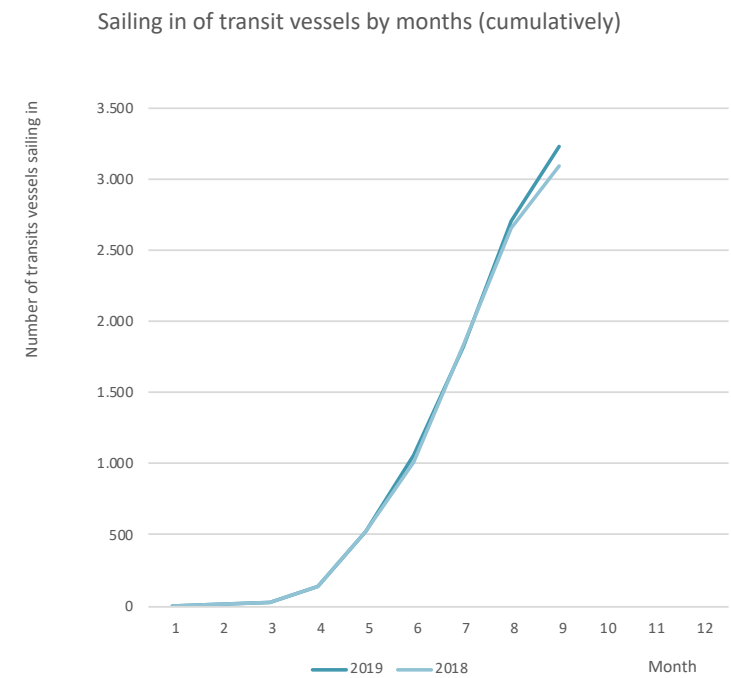
Purpose	Type of berth	Position of berth	01/01-30/09	% Total	01/01-30/09	% Total	Index
			2019	Vessels	2018	Vessels	
Vessels of individual owners	Annual berth in the sea	Central aquatorium	283	39	277	38	101
		South aquatorium	45	6	45	6	100
		Western aquatorium	1	0	8	1	13
	Annual berth on the land	Hotel port	32	4	36	5	89
		Marina land	4	1	3	1	80
	Seasonal berth in the sea	Marina aquatorium	25	3	20	3	100
		Hotel port	12	2	16	3	63
Total individual vessels:			402	55	405	56	96
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	31	229	31	97
		Hotel port	0	0	0	0	#DIV/0!
	Total charter vessels:			327	45	321	44
Total vessels 2019:			729	100	726	100	98

Vessels on berth contract 01/01-30/09/2019



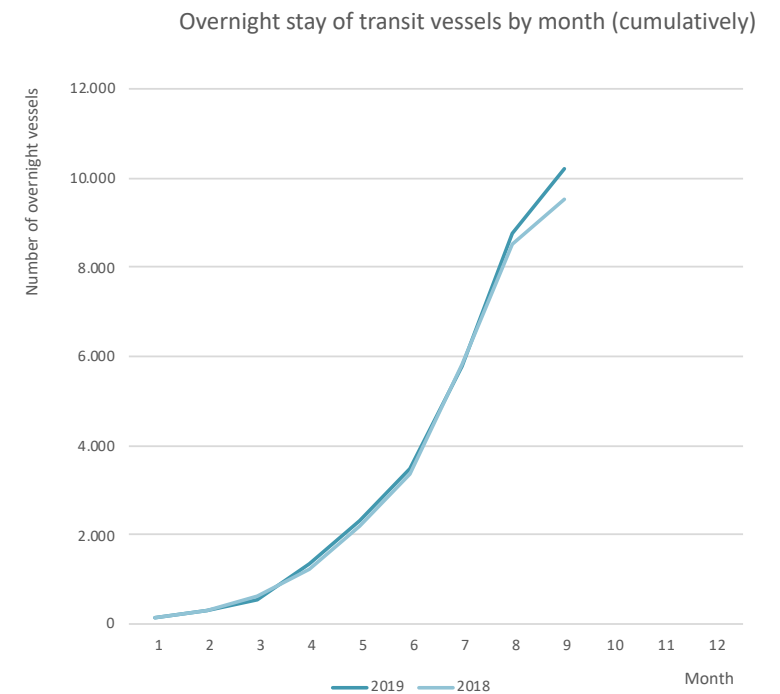
Transit berth – inbound vessels sailing in during the period from 01/01-30/09/2019 and comparison to the same period in 2018

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						
11						
12						
Total 2019	3.230					
Total 2018		3.085				
Index 2019/2018			105			



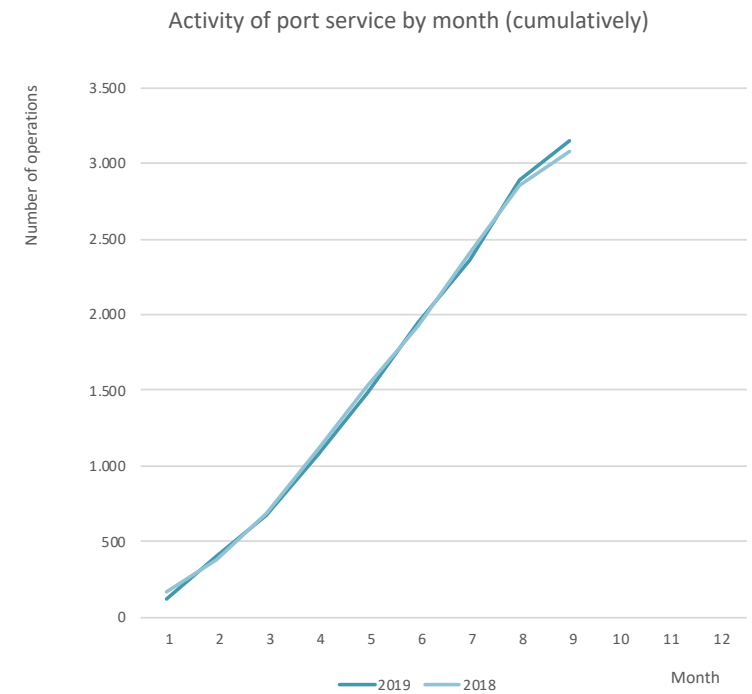
Transit berth – overnight stays during the period from 01/01-30/09/2019 and comparison to the same period in 2018

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						
11						
12						
Total 2019	10.223					
Total 2018	9.520					
Index 2019/2018	107					



Activities of port repair services during the period from 01/01-30/09/2019 and comparison to the same period in 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						
11						
12						
Total 2019	3.144					
Total 2018		3.080				
Index 2019/2018			102			



Revenue generated by Marina Kornati during the period in 01/01-30/09/2019 individually by months and comparison to that in the same period in 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				2.572.612,37	2.247.543,06	114,46
II	Contracted berths 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				29.918.751,13	28.552.431,11	104,79
III	Port services	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				2.509.395,72	2.417.211,71	103,81
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				2.069.252,91	1.866.301,16	110,87
V	Other services	1.140,69	17.349,49	-22.713,17	26.028,76	34.922,33	153.010,75	35.154,78	74.524,70	74.369,19				393.787,51	523.392,23	75,24
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					2.450.017,28	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				1.976.075,20	1.724.290,59	114,60
	TOTAL:	3.727.145,42	6.309.859,31	4.324.483,28	8.197.681,59	2.371.741,79	2.061.705,07	10.535.761,43	1.924.225,75	2.437.288,49	0,00	0,00	0,00	41.889.892,12	39.640.826,84	105,67

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				2.247.543,06	2.675.218,47	84,01
II	Contracted berths 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				28.552.431,11	27.174.702,88	105,07
III	Port services	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				2.417.211,71	2.269.125,52	106,53
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				1.866.301,16	1.825.611,33	102,23
V	Other services	5.298,19	22.435,64	-47.587,88	16.907,04	128.366,56	142.508,89	-64.339,85	148.390,61	171.413,03				523.392,23	507.656,35	103,10
VI	Business cooperation	0,00	0,00	0,00	1.170.278,80	686,40	28.560,48	1.110.131,30	0,00					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				1.724.290,59	1.498.134,24	115,10
	TOTAL:	3.259.673,68	5.932.387,09	4.413.372,85	8.032.828,20	2.519.808,56	1.778.642,23	9.874.206,72	1.470.065,41	2.359.842,11	0,00	0,00	0,00	39.640.826,84	38.134.328,16	103,95

Revenue generated by Marina Kornati during the period in 01/01-30/09/2019 cumulatively by months and comparison to that in the same period in 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				6,14
II	Contracted berths 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				71,42
III	Port services	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				5,99
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				4,94
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				0,94
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	2.450.017,27	2.450.017,28				5,85
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				4,72
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	39.452.603,63	41.889.892,12	0,00	0,00	0,00	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				5,67
II	Contracted berths 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				72,03
III	Port services	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				6,10
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				4,71
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				1,32
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				5,83
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				4,35
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	0,00	0,01	0,00	100,00

Summary of key operating market indicators for Marina Kornati

Conducting the continuous investments and modernization of the nautical sector, Ilirija d.d. places its nautical sector at the very top not only of Croatian nautical tourism, but also at the top of European nautical tourism. The Nautics of Ilirija d.d. consists of three business units Marina Kornati, Boat Show and restaurant „Marina Kornati.

The growth in physical turnover in key segments of the nautical sector supply resulted in the growth of revenues, which amounted to HRK 39,913,816.92 for the reporting period, which is by 5.27% more than in the same period in 2018. The service of accommodation of the vessels or contract-based and daily berths most contributed to the increase in the revenue of the nautical sector, despite its same capacities, as a consequence of the increase in the number of vessels on the berth and the sailing in of the vessels in transit. In addition to the nautical services sector, the revenues generated from other services, primarily parking, followed by services and business cooperation, increased in the segment of vessel accommodation. All of these items record an increase in average revenue, of which the most significant increase in the average revenue is generated from the contract-based berth by 4.35% to the amount of HRK 41,040.81 and the increase in the average

revenue per overnight stay of the transit berth by 6.59% to the amount of HRK 251.65 and the average revenue per parking space, which grew at a rate of 10.87% and amounted to HRK 4,138.51.



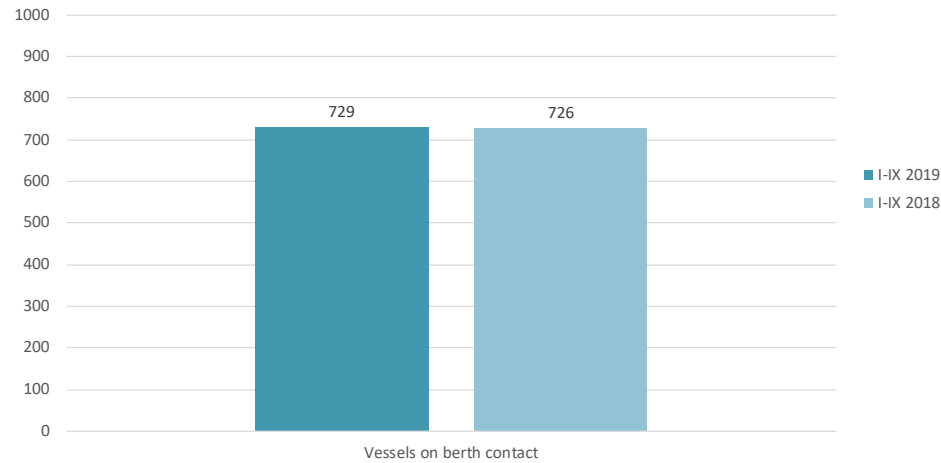
Key market indicators of Marina Kornati

	I-IX 2019	I-IX 2018	2019/2018
Capacity (number of berths): *			
Central marina	435	435	0,00%
Western marina	190	190	0,00%
Southern marina	80	80	0,00%
Hotel marina	100	100	0,00%
Total number of berths	805	805	0,00%
Physical turnover:			
Vessels on berth contact	729	726	0,41%
Number of overnight stays (vessels having transit berth)	10.223	9.520	7,38%
Number of service operations executed	3.144	3.080	2,08%
Number of parking places	500	500	0,00%
Number of business cooperation agreements	50	49	2,04%
Financial results:			
Total operating revenue of the marina	39.913.816,92 kn	37.916.536,25 kn	5,27%
Berth contract:			
Revenue from berth contracts	29.918.751,13 kn	28.552.431,11 kn	4,79%
Aver. revenue per berth contract	41.040,81 kn	39.328,42 kn	4,35%
Share in the total operating revenue of the marina	75,0%	75,3%	-0,46%
Transit berth:			
Revenue from the transit berth	2.572.612,37 kn	2.247.543,06 kn	14,46%
Aver. revenue per overnight stay (transit berth)	251,65 kn	236,09 kn	6,59%
Share in the total operating revenue of the marina	6,4%	5,9%	8,74%
Servicing:			
Revenue from servicing	2.509.395,72 kn	2.417.211,71 kn	3,81%
Aver. revenue per serv. operation	798,15 kn	784,81 kn	1,70%
Share in the total operating revenue of the marina	6,3%	6,4%	-1,38%
Parking:			
Revenue from parking	2.069.252,91 kn	1.866.301,16 kn	10,87%
Aver. revenue per parking space	4.138,51 kn	3.732,60 kn	10,87%
Share in the total operating revenue of the marina	5,2%	4,9%	5,33%
Business cooperation:			
Revenue from business cooperation	2.450.017,28 kn	2.309.656,98 kn	6,08%
Aver. revenue from business cooperation	49.000,35 kn	47.135,86 kn	3,96%
Share in the total operating revenue of the marina	6,1%	6,1%	0,77%

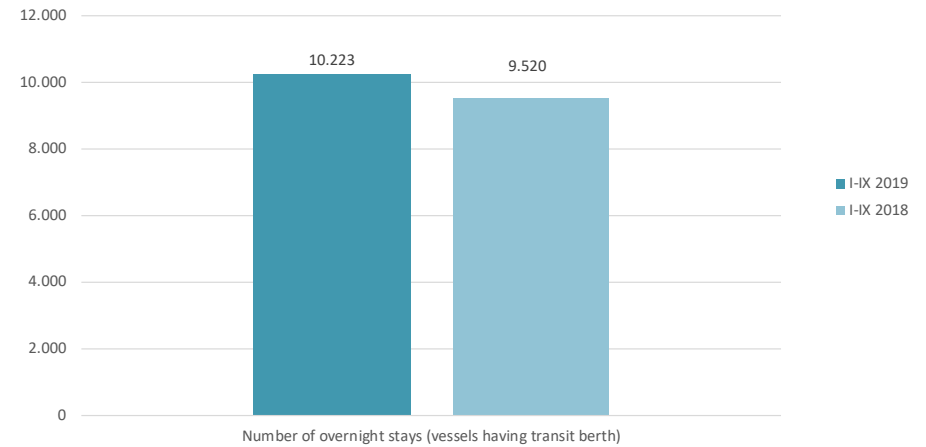
Notes:

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

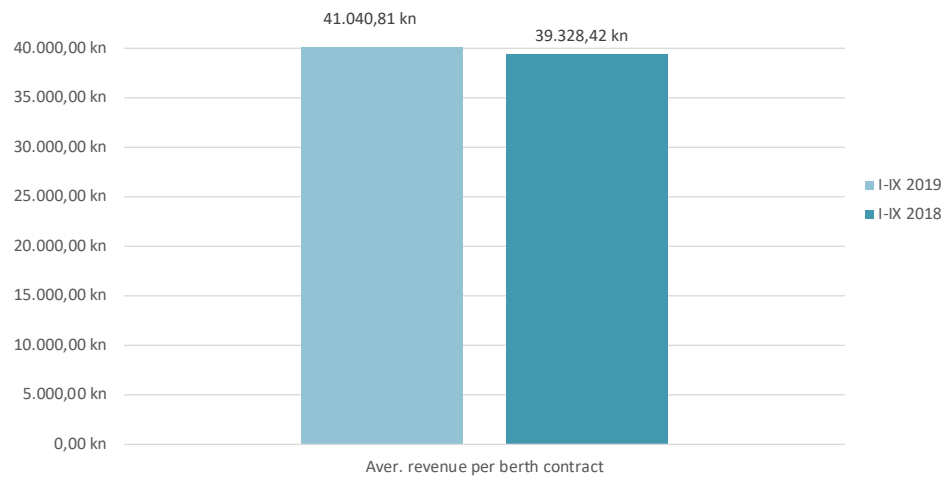
No. of vessels per berth contract in the Marina Kornati in I-IX 2019 and I-IX 2018



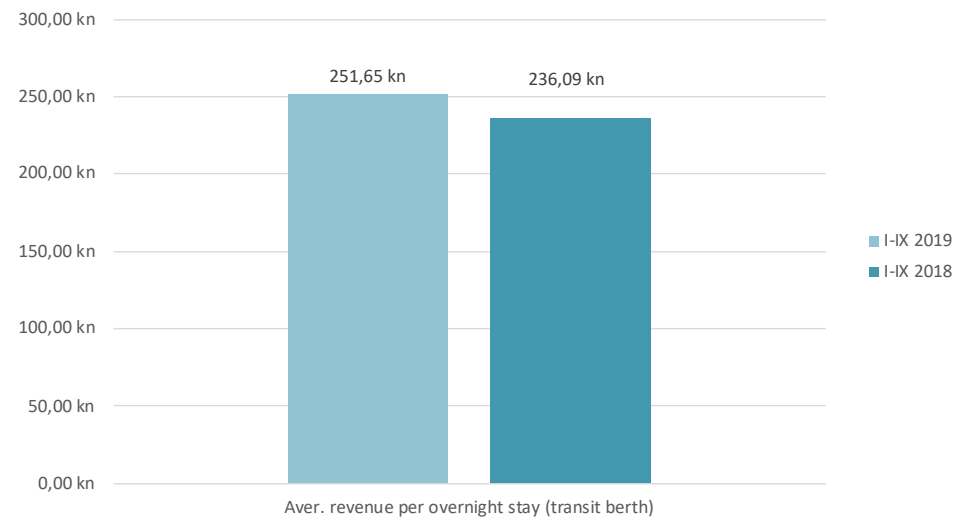
No. of overnight stay of transit vessels in Marina Kornati in I-IX 2019 and I-IX 2018



Average revenues earned per berth contract in Marina Kornati in I-IX 2019 and I-IX 2018



Average revenue earned per overnight stay of transit vessel in Marina Kornati in I-IX 2019 and I-IX 2018





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4.3 CAMPING – CAMPSITE „PARK SOLINE“

In the first nine months of 2019, some 40,643 arrivals were realized in the camping sector, which constitutes a drop by 2.44% compared to those in the same period last year. In part, the decrease is due to (I) the market situation, the opening of the Eastern Mediterranean, and good weather in the north of Europe (Netherlands, Germany), and (II) partly as a result of decisions that are made later and later on booking the accommodation, as guests increasingly choose last minute bookings. The reduced number of arrivals consequently resulted in a decrease of the number of overnight stays by 4.88% compared to those in the same period in 2018.

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 in 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 7.01% and a decline in arrivals by 9.57%, and the result of this relationship is that the agency guests record an increase in average days of stay

from 7.67 to 7.88 days. The market segment of individuals dropped by 16.65% in arrivals and by 21.82% in overnight stays. The mobile homes as a segment has also seen a rise by 4.77% in arrivals and a decline by 0.71% in overnight stays in nine months this year compared to those in the observed period in 2018. The largest share of this increase has come from the Slovenian and German markets.

The camping sector or the campsite "Park Soline" has seen both the rise in physical turnover and revenues, where the realized revenues amount to HRK 31,259,904.75 which is an increase by 3% compared to those in the same period last year, with the rise in revenues from the agencies by 5% as a result of an increase in the number of leased camping pitches and lump sum guests with a rise in generated revenues by 26%, which is the result of a higher number of leased lump sum pitches compared to that in the last year, of which the major portion of the lump sum-based rent relates to the mobile homes that bring higher revenues. Revenues from mobile homes have risen by 5%, while the revenues from individual guests have dropped by 14% compared to those figures last year.

Given that the increase in the number of arrivals is greater than the increase in overnight stays, the average number of day of stay for nine months in 2019 is 7.04 days.

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. In the business segment of mobile homes, the highest increase was recorded by the guests from the Italian market (38.31%), the Slovenian market (6.77%) and the Croatian market (9.05%) compared to that in the same period in the year 2018. In the business segments for camping units, there was a decline recorded in arrivals and overnight stays from the source markets of Germany, the Netherlands and Slovenia. This is largely a consequence of the weather conditions in domicile countries, where warm and nice weather discouraged guests from travelling abroad during the holidays. 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

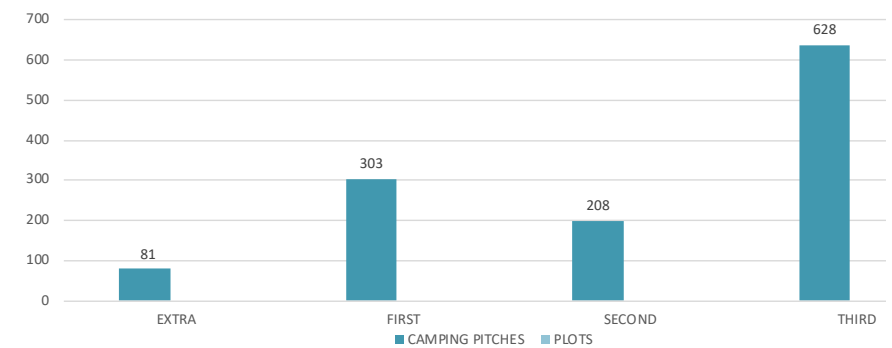
structure of overnight stays by market segments that compared to those in the same period of the previous year have grown as a result of channeling the marketing and sales activities to the target and more lucrative Western European source markets whose customers seek higher quality of accommodation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

share of 24% and individual guests with a share of 22%. The increase in revenues for the nine months of 2019 is the result of the investments made in new mobile homes, an increase in the lease of lump sum pitches for mobile home accommodation and price optimization.



Capacities of the Campsite "Park Soline"

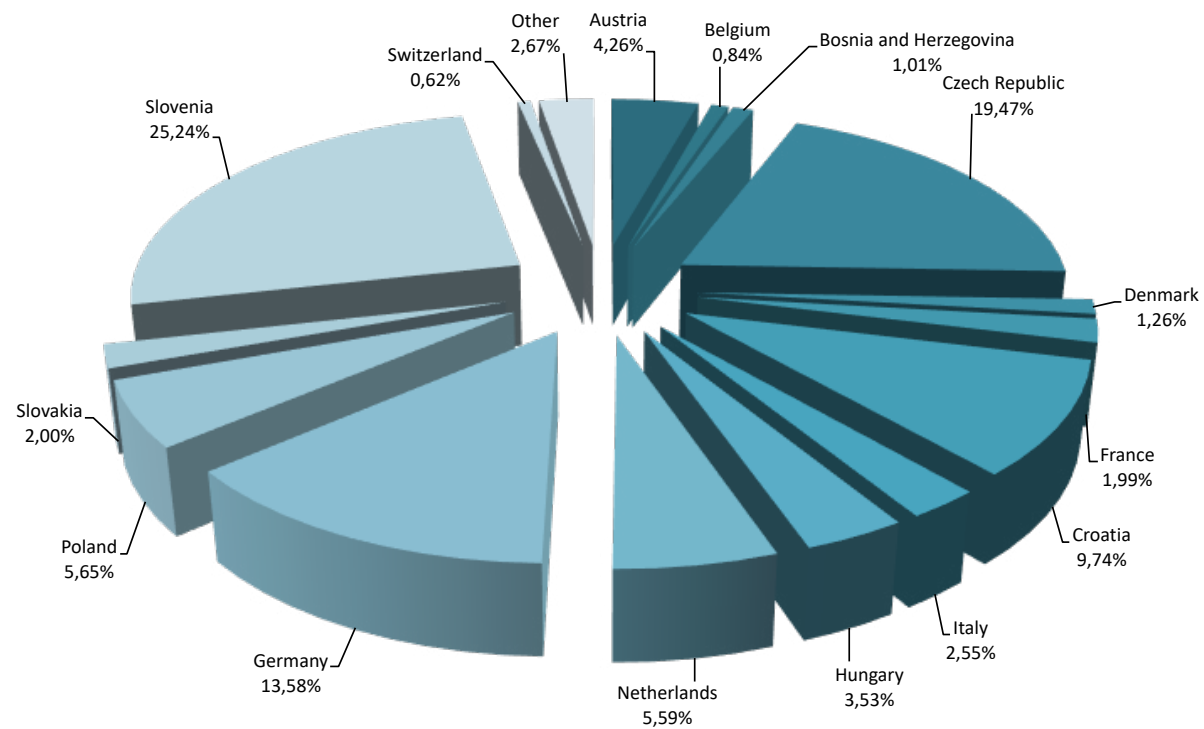
		2015	2016	2017	2018	2019
I	EXTRA ZONE					
	CAMPING PITCHES	81	81	81	81	81
	CAMPING PLOTS	0	0	0	0	0
	TOTAL	81	81	81	81	81
II	FIRST ZONE					
	CAMPING PITCHES	326	326	326	303	303
	CAMPING PLOTS	0	0	0	0	0
	TOTAL	326	326	326	303	303
III	SECOND ZONE					
	CAMPING PITCHES	182	182	182	198	208
	CAMPING PLOTS	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 stay during the period from 01/01-30/09/2019 and comparison to those in the same period in 2018

Market	2019		2018		INDEX 2019/2018		AVERAGE STAY (DAYS)	
	Arrivals	Overnight stays	Arrivals	Overnight stays	Arrivals	Overnight stays	2019	2018
Austria	1.959	12.186	2.055	14.697	95,33	82,91	6,22	7,15
Belgium	330	2.409	489	3.991	67,48	60,36	7,30	8,16
B&H	612	2.889	450	2.125	136,00	135,95	4,72	4,72
Czech Republic	7.234	55.739	7.659	58.062	94,45	96,00	7,71	7,58
Denmark	444	3.601	819	7.446	54,21	48,36	8,11	9,09
France	820	5.711	709	5.076	115,66	112,51	6,96	7,16
Croatia	4.183	27.880	3.446	24.687	121,39	112,93	6,67	7,16
Italy	1.166	7.298	1.211	7.262	96,28	100,50	6,26	6,00
Hungary	1.552	10.098	2.208	14.221	70,29	71,01	6,51	6,44
Netherlands	1.830	15.989	2.326	20.214	78,68	79,10	8,74	8,69
Germany	5.132	38.847	5.400	42.471	95,04	91,47	7,57	7,87
Poland	2.227	16.169	2.728	19.739	81,63	81,91	7,26	7,24
Slovakia	893	5.738	536	3.340	166,60	171,80	6,43	6,23
Slovenia	10.574	72.226	9.881	68.136	107,01	106,00	6,83	6,90
Switzerland	335	1.787	377	1.874	88,86	95,36	5,33	4,97
Other	1.352	7.642	1.364	7.537	99,12	101,39	5,65	5,53
TOTAL	40.643	286.209	41.658	300.878	97,56	95,12	7,04	7,22

Overnight stays per source market from 01.01.-30.09.2019.



Arrivals and overnight stays and number of pitches by market segments till 30/09/2019

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	10.677	84.167	270	11.807	90.512	264	90,43	92,99	102,27	7,88	7,67
Lump sum	9.723	68.601	242	8.013	58.913	210	121,34	116,44	115,24	7,06	7,35
Individuals	10.259	62.730	508	12.309	80.239	562	83,35	78,18	90,39	6,11	6,52
Mobile homes	9.984	70.711	200	9.529	71.214	184	104,77	99,29	108,70	7,08	7,47
TOTAL	40.643	286.209	1.220	41.658	300.878	1.220	97,56	95,12	100,00	7,04	7,22

Cumulative overview of daily and monthly occupancy of accommodation units of the camp " Park Soline " from 01/03/2019-30/09/2019

MONTH	MARCH				APRIL				MAY				JUNE				JULY			
SEGMENT	MAX-IMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCU-PANCY IN %	DAYS OF OCCU-PANCY	MAX-IMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCU-PANCY IN %	DAYS OF OCCU-PANCY	MAX-IMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCU-PANCY IN %	DAYS OF OCCU-PANCY	MAX-IMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCU-PANCY IN %	DAYS OF OCCU-PANCY	MAX-IMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCU-PANCY IN %	DAYS OF OCCU-PANCY
MOBILE HOMES ILIRIJA	6.200	57	0,92%	0,29	6.000	523	8,72%	2,62	6.200	708	11,42%	3,54	6.000	4.030	67,17%	20,15	6.200	5.214	84,10%	26,07
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	8.100	8.100	100,00%	30,00	8.370	8.370	100,00%	31
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	7.260	7.260	100,00%	30,00	7.502	7.502	100,00%	31
INDIVIDUALS PITCHES STANDARD MARE, COMFORT AND 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	10.620	3.841	36,17%	10,85	10.974	6.231	56,78%	17,6
INDIVIDUALS CAMPING STANDARD IV ZONE	4.805	0	0,00%	0,00	4.650	3	0,06%	0,02	4.805	24	0,50%	0,15	4.620	165	3,57%	1,07	4.774	442	9,26%	2,87
INDIVIDUALS TOTAL	15.779	56	0,35%	0,11	15.270	681	4,46%	1,34	15.779	1.264	8,01%	2,48	15.240	4.006	26,29%	7,89	15.748	6.673	42,37%	13,14
TOTAL	37.820	15.954	42,18%	13,08	36.600	16.534	45,17%	13,55	37.820	17.813	47,10%	14,60	36.600	23.396	63,92%	19,18	37.820	27.759	73,40%	22,75

MONTH	AUGUST				SEPTEMBER				TOTAL TILL 30/09/2019				TOTAL TILL 30/09/2018				INDEX 2019/2018						
SEGMENT	MAX-IMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCU-PANCY IN %	DAYS OF OCCU-PANCY	MAX-IMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCU-PANCY IN %	DAYS OF OCCU-PANCY	NUMBER OF ACCOMODATING UNITS	MAX-IMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCU-PANCY IN %	DAYS OF OCCU-PANCY	NUMBER OF ACCOMODATING UNITS	MAX-IMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCU-PANCY IN %	DAYS OF OCCU-PANCY	NUMBER OF ACCOMODATING UNITS	MAX-IMUM POSSIBLE PITCHES DAYS	PITCH DAYS	OCCU-PANCY IN %	DAYS OF OCCU-PANCY
MOBILE HOMES ILIRIJA	6.200	5.764	92,97%	28,82	6.000	2.287	38,12%	11,44	200	42.800	18.583	43,42%	92,92	184	29.992	18.894	63,00%	102,68	108,70	142,70	98,35	68,92	90,49
AGENCIES	8.370	8.370	100,00%	31,00	8.100	8.100	100,00%	30,00	270	57.780	57.780	100,00%	214,00	264	43.032	43.032	100,00%	163,00	102,27	134,27	134,27	100,00	131,29
LUMP SUM	7.502	7.502	100,00%	31,00	7.260	7.260	100,00%	30,00	242	51.696	51.696	100,00%	214,00	210	34.047	34.047	100,00%	163,00	115,24	151,84	151,84	100,00	131,29
INDIVIDUALS PITCHES STANDARD MARE, COMFORT AND STANDARD III ZONE	10.974	5.937	54,10%	16,77	10.620	2.771	26,09%	7,83	354	75.756	20.754	27,40%	58,63	328	53.464	22.074	41,29%	67,30	107,93	141,70	94,02	66,35	87,11
INDIVIDUALS CAMPING STANDARD IV ZONE	4.774	1.091	22,85%	7,08	4.620	10	0,22%	0,06	154	33.048	1.735	5,25%	11,23	234	38.325	5.201	13,57%	22,12	65,81	86,23	33,36	38,69	50,79
INDIVIDUALS TOTAL	15.748	7.028	44,63%	13,83	15.240	2.781	18,25%	5,47	508	108.804	22.489	20,67%	44,23	562	91.789	27.275	29,71%	48,44	90,39	118,54	82,45	69,56	91,32
TOTAL	37.820	28.664	75,79%	23,50	36.600	20.428	55,81%	16,74	1220	261.080	150.548	57,66%	123,40	1220	198.860	123.248	61,98%	101,02	100,00	131,29	122,15	93,04	122,15

Revenues of the campsite during the period from 01/01-30/09/2019 and comparison to those in the same period in 2018

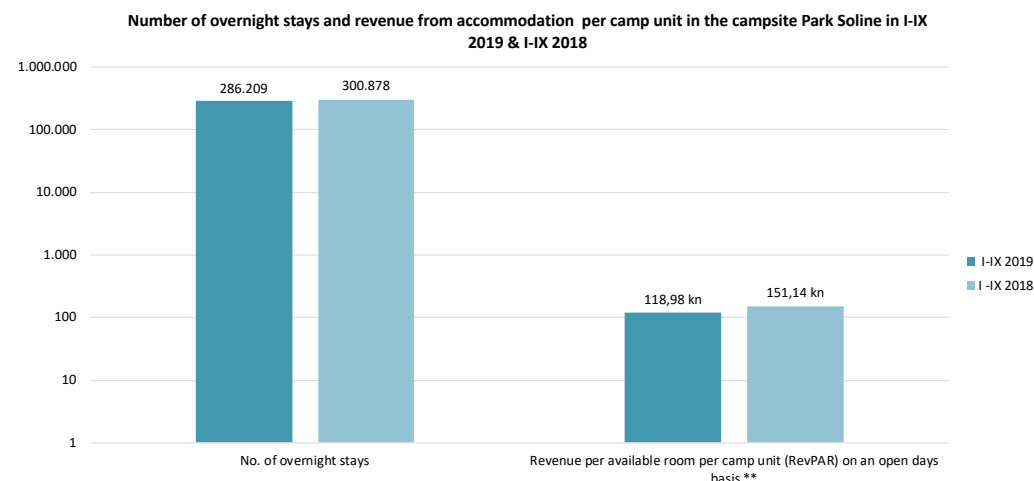
SEGMENT		2018					2019			INDEX	
		REALIZED IN 2018			REALIZED PRIOR 30/09/2018		REALIZED PRIOR 30/09/2019			2019/2018	
		NUMBER OF PITCHES	OVERNIGHT STAYS	REVENUES	REALIZED OVERNIGHT STAYS	REVENUES	NUMBER OF PITCHES	REALIZED OVERNIGHT STAYS	REVENUES	OVERNIGHT STAYS	REVENUES
1	MOBILE HOMES ILIRIJA	184	71.896	12.501.103,72 kn	71.214	12.419.859,12 kn	200	70.711	12.982.741,50 kn	99	105
2	AGENCIES	264	90.751	4.723.061,00 kn	90.512	4.723.061,00 kn	270	84.167	4.961.578,20 kn	93	105
3	INDIVIDUALS	562	80.710	7.412.227,01 kn	80.239	7.358.516,02 kn	508	62.730	6.364.434,45 kn	78	86
4	LUMP SUM	210	59.488	4.419.277,04 kn	58.913	4.340.817,37 kn	242	68.601	5.468.888,09 kn	116	126
5	OTHER SERVICES	-	-	1.471.105,42 kn	-	1.431.712,02 kn			1.482.262,51 kn	#DIV/0!	104
TOTAL:		1220	302.845	30.526.774,19 kn	300.878	30.273.965,53 kn	1220	286.209	31.259.904,75 kn	95	103

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

The camping sector of the Company, consisting of the „Park Soline“ campsite and „Park Soline“ restaurant recorded a lower number of arrivals and overnight stays in the first nine months of 2019 compared to that in the previous year, but despite that, it records a significant increase according to the financial indicators.

In spite of lower operational indicators in the segment of physical turnover, the number of the camp units sold increased by 22.15%, which resulted in an increase in the annual occupancy of the camp units by 33.81%, while the occupancy on the basis of open days was 57.66%. The decrease in operating indicators of business operations primarily in the number of arrivals and overnight stays and lower occupancy on the basis of open days resulted in a decrease in the average realized rate of the camp unit, which for the observed period amounts to HRK 206.33, as well as a lower revenue of the accommodation on the basis of open days generated in the amount of HRK 118.98.

All of the indicators on the open day basis are slightly lower compared to those in the period of the last year, primarily due to different base comparative data. As a matter of fact, the campsite „Park Soline“ started its operations on 01st March, which is 214 open days ending 30th September, while the number of open days in 2018 was 163. In this sense, the revenue from the accommodation per camp unit based on openness of 365 days shows a more realistic picture and comparison with the last year's results, and it increased by 3.35%.



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 campsite Park Soline

	I-IX 2019	I-IX 2018	2019/2018
Accommodation capacities:			
Number of camping units	1.220	1.220	0,00%
Number of guests	3.660	3.660	0,00%
Physical turnover:			
No. of overnight stays	286.209	300.878	-4,88%
No. of sold camp units	150.548	123.248	22,15%
Annual occupancy rate of the camp units (%)	33,81%	27,68%	22,15%
Occupancy rate of the units on an open days basis (%)	57,66%	61,98%	-6,96%
Financial results:			
Average daily rate of the camp unit (ADR)*	206,33 kn	243,86 kn	-15,39%
Revenue per available room per camp unit (RevPAR) on a basis of 365 days **	69,76 kn	67,50 kn	3,35%
Revenue per available room per camp unit (RevPAR) on an open days basis **	118,98 kn	151,14 kn	-21,28%

Notes:

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

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

4.4 ILIRIJA TRAVEL

In the nine months of the year 2019, some 509 events - individual events, special programs, incentives, conferences, congresses, weddings, trips, regattas and concerts with a total number of 37,019 visitors were realized through the system and organization of DMC Ilirija Travel including other profit centers of the company. These activities constitute the backbone of the Company's season extension and strengthening the guests' experience and impressions by offering complementary forms of tourism and special interest tourism as well as tailor-made events. A total of HRK 8,222,065.65 of revenues was realized through the other profit centers, and it is the result of Ilirija Travel activities as an integrated product of the Company.

In affirming the complementary forms of tourism and special interest tourism as well as tailor made events, 2% fewer events were cumulatively realized with a lower number of visitors (participants) by 11%, which resulted in the generation of higher revenue by 38% (last year's revenue in the same period 2018 amounted to HRK 6,932,514.21), which is the result of the offer enrichment, but also a step forward made in terms of a higher number of arrivals of the groups that, in addition to working, congress and similar facilities, sought the complete

events combined with excursions, entertainment, socializing. It is a growing trend of removing the boundaries between business and leisure travel, that is, an increasingly pronounced desire of creating a unique experience, which we witness and actively participate in. It is evident that prominent domestic, European and international companies organized regional gatherings, social gatherings, presentations, regattas and reward trips for their customers or employees. Through the Ilirija Travel system, this is especially pronounced with the event boat Nada, which has increased revenues by 106% this season by organizing such events throughout the whole Adriatic coast (Rovinj, Opatija, Krk, Brijuni, Split, Sibenik, Brac, ...) offering a combination of presentations or educations, gastro events with cruising. The number of private, business and incentive events with the guests of Ilirija Resort on the Biograd and Zadar Riviera increased, thus extending the season in our facilities and increasing the satisfaction of the guests.

The premises and facilities of Arsenal in Zadar are confirmed as the basic off-season venue for the entire Zadar region. Agritourism complex has become a prominent venue for organizing receptions, weddings, gatherings on festive occasions or

vacations and eno-gastro delights combined with the new excursion programs of the Zadar-Biograd hinterland - Ravni kotari. This increased the revenue in this segment by 31%. The Biograd Riviera also remains one of the more significant regatta centers in the country with a backbone in our Marina Korinati, providing them with complete logistics as well as complementary services, whose revenues from events increased by 59%. Due to the more pronounced growth in the arrivals of organized groups, which is one of the strategic goals of the Company, the Lavander open lounge bar, complemented by indoor swimming pool, for socializing and relaxation during meetings, seminars, presentations and congresses has been more utilized, and for this reason we record the revenues increased in this facility by 277%. All in all, the trend of using additional offer and complementary facilities, which are the fundamentals of Ilirija Travel activity as a destination management company is pronounced in this year.



4.5 COMMERCIAL-SHOPPING CENTER CITY GALLERIA

The Commercial – shopping center City Galleria is located in a highly residential area, only 10 minutes walk from the old city center and bus station. The high quality location of the building, close to the old city center with a large number of new housing projects currently underway, provides to the Commercial-shopping center City Galleria an exceptional visibility and easy accessibility for large numbers of local citizens and foreign visitors. The total gross surface area of the facility is over 28,500 m² 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 m², net rentable area with business premises of 9,897.60 m² increased by the commercial activation of the third floor of the Center, communication, technical and common areas.

As at 30th September 2019, the occupancy of the center was 99.77% of all capacities, that is, 37 premises lease contracts are active with floor areas ranging from 9.80 m² to 1,836 m². By commercializing the area on the third floor of the Center and creating new office business units, the total net rentable surface of the center increased by 241.30

m², of which 218,90 m² is being rented at the moment.

The operating revenues from the City Galleria Center, generated in the first three quarters of 2019 by leasing the premises, through shared costs, using common areas of the center, lease of advertisement space and revenues from the garage, amount to HRK 10,637,486.53, while they amounted to HRK 10,649,746.29 in the same period of 2018, which is a fall by 0.12%. While the revenues from shared costs, lease of the advertising space and lease of the parking spaces in the garage has recorded a rise, decline by HRK 181,281.71 has been recorded in the category of revenues from the lease of business premises.

Although the regular revenues from leases were higher by 5.21% than those a year ago, the Company failed to earn extraordinary revenue that amounted to HRK 543,665.91 in 2018. Due to objectively favorable circumstances, the lessee had a significant increase in revenues in the City Galleria premises, which ultimately resulted in a high difference in rental fee based on turnover collected in June 2018. During the period from July 2018 to September 2019, the lessee recorded a regular

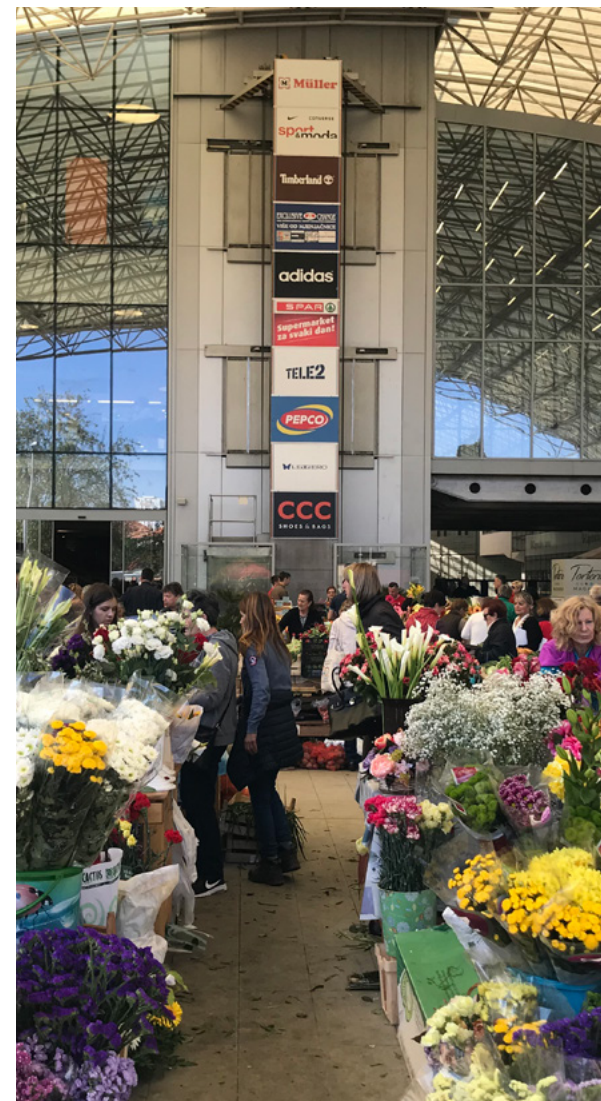
increase in business operations, and according to the calculation of the rental fee based on turnover, it was at the level of the monthly installments calculated on an annual level.

Other operating revenues relating to insurance indemnities decreased by HRK 131,933.74 in 2019 compared to those in the same period of 2018 as there were fewer damages for which claims could be asserted.

In this period, 66.26% of the operating revenues, or HRK 7,077,180.21 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 10.75 or about 79.62 HRK/m². In addition to the lease of business premises, the operating revenues generated from charging of shared costs to the leasees amount to HRK 2,403,009.69, which is 22.50% of total revenues; the revenues from leasing and commercial use of common areas of the center amount to HRK 470,812.50 or 4.41%; the revenues from one-time parking charges and leasing of parking spaces amount to HRK 659,193.62 or 6.17%; and in the smallest part, the revenues from the lease of advertising space on the facade of the Commercial-shopping center amount to HRK 27,272.71,

which is 0.26% of total revenues generated.

The usage of the underground garage by customers of the Center rose by 13.82% in the first three quarters of 2019 and it was used by 560,864 vehicles, while it was used by 492,763 vehicles in the same period of 2018. The revenues generated from the garage of the Commercial-shopping center City Galleria amount to HRK 659,193.62. In the observed period, the Company continued the activation of business premises on the third floor of the center and their conversion from service to office premises. In addition to the lessee ROSS d.o.o. which engages in the media activity and operates via the radio station 057 and web portal 057info.hr on the local media market, the lessees Drugačije d.o.o., Zdrava navika j.d.o.o. and Securitas Hrvatska d.o.o. started performing their business activity on the third floor, where only 22.40 m² remained unoccupied.



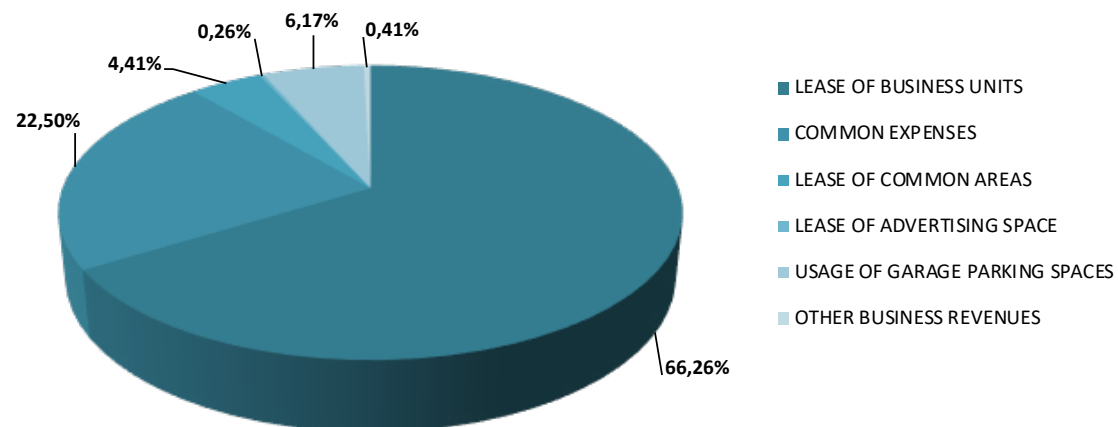
Operating revenues of the Commercial-shopping center City Galleria in Zadar for the period from 01/01 – 30/09/2019 and comparison with those in the same period in 2018

DESIGNATION	DESCRIPTION	NUMBER OF ACTIVE CONTRACTS	SURFACE AREA (m ²)	REVENUES 01-09/2019	%	REVENUES 01-09/2018	%	INDEX 2019/2018
1	LEASE OF BUSINESS UNITS	37	9.897,60*	7.077.180,21 kn	66,26%	7.258.461,92 kn	67,05%	98
2	COMMON EXPENSES	36	7.173,53	2.403.009,69 kn	22,50%	2.328.054,37 kn	21,51%	103
3	LEASE OF COMMON AREAS	21	1.018,80	470.812,50 kn	4,41%	462.449,45 kn	4,27%	102
4	LEASE OF ADVERTISING SPACE	8	129,18	27.272,51 kn	0,26%	25.882,83 kn	0,24%	105
5.	USAGE OF GARAGE PARKING SPACES	410***	10.863,50	659.193,62 kn	6,17%	574.897,72 kn	5,31%	115
REVENUES				10.637.468,53 kn	99,59%	10.649.746,29 kn	98,38%	100
6	OTHER BUSINESS REVENUES			43.958,07 kn	0,41%	175.891,81 kn	1,62%	25
TOTAL REVENUES				10.681.426,60 kn	100,00%	10.825.638,10 kn	100,00%	99

* total net leasable surface area

** total net leasable area for calculation of common expenses

*** number of parking spaces in the garage



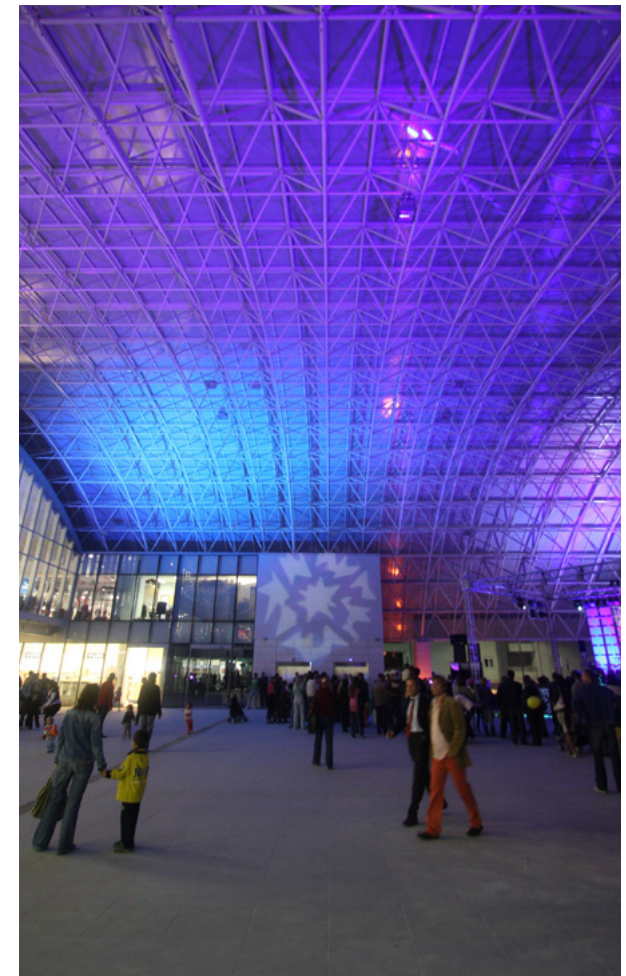
Summary of the key operating results of the Commercial-shopping center City Galleria

In its previous business operations as an organizational unit of the company Ilirija d.d., throughout 2017, 2018 and the first nine months of 2019, the City Galleria Center has achieved positive business results. The growth in key market indicators can be seen in the mentioned period.

After having activated the third floor of the Center for commercial purposes and after having converted it into the office premises, the total net rentable surface area of the building increased to 9,897.60m². As at 30th September, 2019, a total of 37 premises lease contracts were active. The Commercial-Shopping Center City Galleria generates a major portion of its revenues by leasing its premises. The average rental fee achieved per square meter of the active premises for the first nine months of 2019 amounted to 716.61 HRK/m² or 79.62 HRK/m² on a monthly basis. Other revenues were generated from charging for the shared costs to the lessees (calculated on the area of 7,173.53 m²), leasing and the commercial use of the common areas of the commercial-shopping center (total 1.018,80 m²), charging for one-time parking and leasing of parking spa-

ces in the underground garage of the center (total area of 10,863.50 m²), and in the smallest segment, renting out the advertising space on the facade of the center (total area 129.18 m²).

The public underground garage of the center has a total 410 parking spaces, while the usage of the underground garage by customers for the first nine months in 2019 is 560,864 vehicles, which makes up for a rise by 13.82% compared to that in the same period last year, while the average retention of the vehicles in the garage was 01:00 hour. The revenue generated from the garage as at 30 September, 2019 totals to HRK 659,193.62, while the average revenue generated from the garage per parking space for the first nine months was HRK 1,607.76. The average revenue per parking space in the same period of 2018 was HRK 1,402.16 according to which indicator increase of 14.67% was accomplished in 2019.



Key market indicators of the real estate sector – City Galleria

PERIOD	I-IX 2019	I-IX 2018	2019/2018
Commercial capacities:			
Premises - floor area (m ²)	9.897,60	9.897,60	0,00%
Shared costs - floor area (m ²)	7.173,53	7.083,53	1,27%
Common areas - floor area (m ²)	1.018,80	999,80	1,90%
Advertising space - floor area (m ²)	129,18	118,52	8,99%
Garage - floor area (m ²)	10.863,50	10.863,50	0,00%
Commercial turnover:			
Premises - number of active contracts	37	35	5,71%
Shared costs - number of active contracts	36	33	9,09%
Common areas - number of active contracts	21	21	0,00%
Advertising space - number of active contracts	8	7	14,29%
Garage - number of parking spaces	410	410	0,00%
Garage - turnover of vehicles	560.864	492.763	13,82%
Financial results:			
Average monthly rent earned per m ² of premises (AMR)*	79,62 kn	82,79 kn	-3,83%
Average rent earned per m ² of premises for the period	716,61 kn	745,12 kn	-3,83%
Average revenue from the garage per parking space for the period**	1.607,79 kn	1.402,16 kn	14,67%

Notes:

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

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

5 FINANCIAL OPERATING RESULTS OF THE COMPANY

5.1 KEY FINANCIAL OPERATING RESULTS BY SECTORS: 5.1.1 HOTEL INDUSTRY

	I-IX 2019	I-IX 2018	2019/2018
HOTEL SECTOR - BIOGRAD			
Operating revenues	48.593.919,20 kn	46.989.862,32 kn	3,41%
Revenues from board services	39.981.497,70 kn	38.571.621,97 kn	3,66%
TRevPAR *	130.980,91 kn	126.657,31 kn	3,41%
Operating costs **	28.588.740,85 kn	26.167.996,31 kn	9,25%
Gross operating profit (GOP) ***	20.005.178,35 kn	20.821.866,01 kn	-3,92%
GOP per accommodation unit	53.922,31 kn	56.123,63 kn	-3,92%
GOP margin****	41,2%	44,3%	-7,09%
Capital investments	3.620.838,69 kn	12.538.359,66 kn	-71,12%
HOTEL SECTOR - SV. FILIP I JAKOV			
Operating revenues	4.725.755,04 kn	4.626.393,42 kn	2,15%
Revenues from board services	4.317.720,44 kn	4.286.736,82 kn	0,72%
TRevPAR *	65.635,49 kn	64.255,46 kn	2,15%
Operating costs **	3.174.316,22 kn	2.897.116,00 kn	9,57%
Gross operating profit (GOP) ***	1.551.438,82 kn	1.729.277,42 kn	-10,28%
GOP per accommodation unit	21.547,76 kn	24.017,74 kn	-10,28%
GOP margin****	32,8%	37,4%	-12,17%
Capital investments	390.982,03 kn	544.395,00 kn	-28,18%
HOTEL SECTOR - TOTAL ILIRIJA d.d.			
Operating revenues	53.319.674,24 kn	51.616.255,74 kn	3,30%
Revenues from board services	44.299.218,14 kn	42.858.358,79 kn	3,36%
TRevPAR *	120.360,44 kn	116.515,25 kn	3,30%
Operating costs **	31.763.057,07 kn	29.065.112,31 kn	9,28%
Gross operating profit (GOP) ***	21.556.617,17 kn	22.551.143,43 kn	-4,41%
GOP per accommodation unit	48.660,54 kn	50.905,52 kn	-4,41%
GOP margin****	40,4%	43,7%	-7,46%
Capital investments	4.011.820,72 kn	13.082.754,66 kn	-69,34%

Notes:

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

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

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

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

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

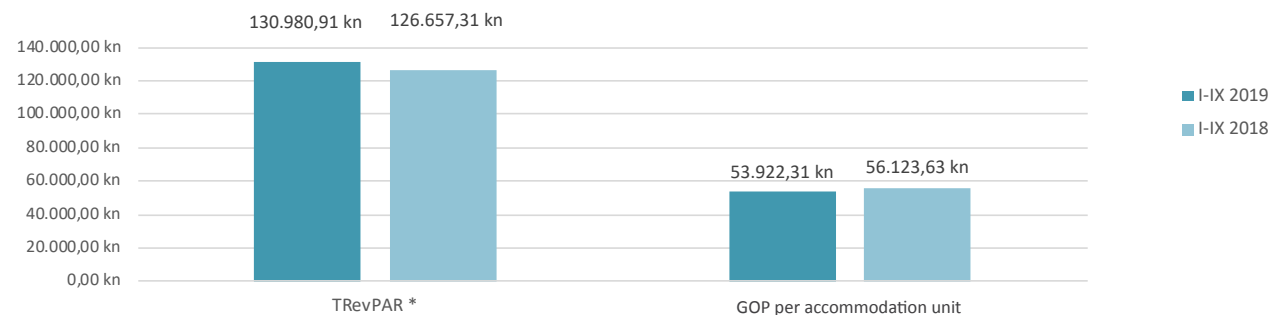
In the nine months of 2019, the hotel sector generated almost HRK 53.3 million in operating revenues which is an increase by 3.3% per cent compared to that in the previous year (when the increase was 11.2%). At the same time, the operating expenses of the hotel sector compared to those in the previous year grew by 9.28%. 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 hotel sector in the observed period decreased by -4.41% compared to that in the same period last year as much as GOP per accommodation unit and it amounts to HRK 53,922.31 for the hotels in Biograd with a decrease by -3.92% and HRK 48,660.54 for the whole hotel sector of Ilirija d.d. with a decrease by -4.41%. HRK 4 million of capital investments was made in the improvement of the competitiveness of the products of the hotel industry of the Company in the nine months of 2019.

Notes:

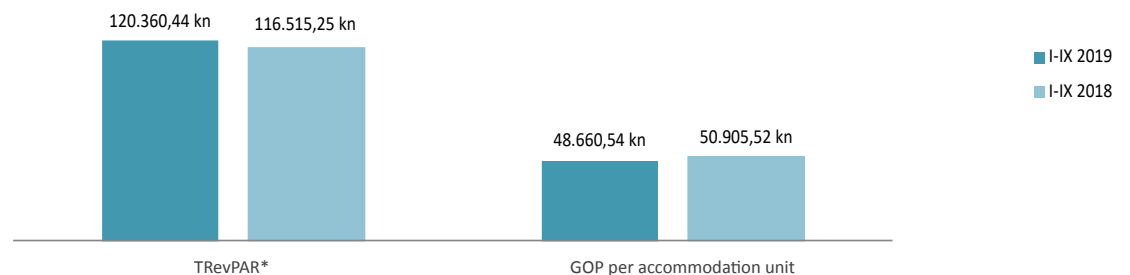
* TRevPAR denotes the total operating revenue of the hotel sector divided by a number of physical accommodation units.

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 hotels in Biograd in I-IX 2019 and I-IX 2018



Total revenue per accommodation unit (TrevPAR) and GOP per accommodation unit in the hotel sector of Ilirija d.d. in I-IX 2019 and I-IX 2018



5.1 KEY FINANCIAL OPERATING RESULTS BY SECTORS

5.1.2 NAUTICS

The operating results of the Nautics consist of three segments: Marina Kornati, „Marina Kornati“ restaurant i Boat show. The most significant contribution to the generation of revenues as well as the share in the entire nautical sector of the Company is the revenue of Marina Kornati, which in the first nine months achieved a growth rate of 5.27% and was generated in the amount of HRK 39,913,816.92, while maintaining the capacities at the same level.

The most significant impact on the revenue growth of Marina Kornati was the increase in the revenues from the contract-based berth, which for the reporting period amounts to HRK 29,918,751.13, compared to those in the same period in 2018 when they amounted to HRK 28,552,431.11. In addition to the contract-based berth, all other revenue items in the marina also grew, namely, the daily berth which grew by 14.46%, the port service by 3.81%, parking by 10.87%, and business cooperation by 6.08%. Only the item of revenue generated from other services was lower, since the said item accounts for only 0.94% of the total revenue, its results do not affect the realization of the total revenue of Marina Kornati. The impact on the revenue growth is partly the result of a rise in the price of the contract-based berth by 3%, and a rise in the average length of the

vessel, especially in the charter having higher prices than the individual prices of the contract-based berth.

Other segments of the offer in the nautical sector of the Company have also recorded growth in revenues, i.e. the revenues from the boat show grew by 14.60%, as well as hospitality revenues which recorded a rise by 2.58%.

The operating costs of the nautical sector for the observed period rose by 6.28%, which is related to the development of new products and services, especially in the part of the Boat show where the highest growth in costs was achieved.

In the nine months of 2019, the operating revenue per berth rose by 5.48% at the level of the nautical sector, and it amounts to HRK 55,347.22, as well as the GOP per berth which amounts to HRK 37,137.87, with a growth rate of 5.10%. The gross operating profit of the entire nautical sector amounts to HRK 29,895,988.80 and grew by 5.10%. The Company's investments in the nautical sector amount to HRK 670,047.65 for the reporting period.

Key financial indicators of the nautics

	I - IX 2019	I - IX 2018	2019/2018
NAUTICS TOTAL			
Operating revenues	44.576.243,32 kn	42.259.650,40 kn	5,48%
Operating revenue per berth	55.374,22 kn	52.496,46 kn	5,48%
Operating costs *	14.680.254,52 kn	13.813.259,51 kn	6,28%
GOP **	29.895.988,80 kn	28.446.390,89 kn	5,10%
GOP per berth	37.137,87 kn	35.337,13 kn	5,10%
GOP margin ***	67,1%	67,3%	-0,37%
Capital investments	670.047,65 kn	2.425.258,73 kn	-72,37%
MARINA KORNATI			
Operating revenues	39.913.816,92 kn	37.916.536,25 kn	5,27%
Operating revenue per berth	49.582,38 kn	47.101,29 kn	5,27%
Operating costs *	10.208.818,75 kn	10.077.177,51 kn	1,31%
GOP **	29.704.998,17 kn	27.839.358,74 kn	6,70%
GOP per berth	36.900,62 kn	34.583,05 kn	6,70%
GOP margin ***	74,4%	73,4%	1,36%
RESTAURANT "MARINA KORNATI"			
Operating revenues	2.686.351,20 kn	2.618.823,56 kn	2,58%
Operating costs *	3.277.560,40 kn	2.745.095,44 kn	19,40%
GOP **	-591.209,20 kn	-126.271,88 kn	368,20%
GOP margin ***	-22,0%	-4,8%	356,43%
BOAT SHOW			
Operating revenues	1.976.075,20 kn	1.724.290,59 kn	14,60%
Operating costs *	1.193.875,37 kn	990.986,56 kn	20,47%
GOP **	782.199,83 kn	733.304,03 kn	6,67%
GOP margin ***	39,6%	42,5%	-6,92%

Notes:

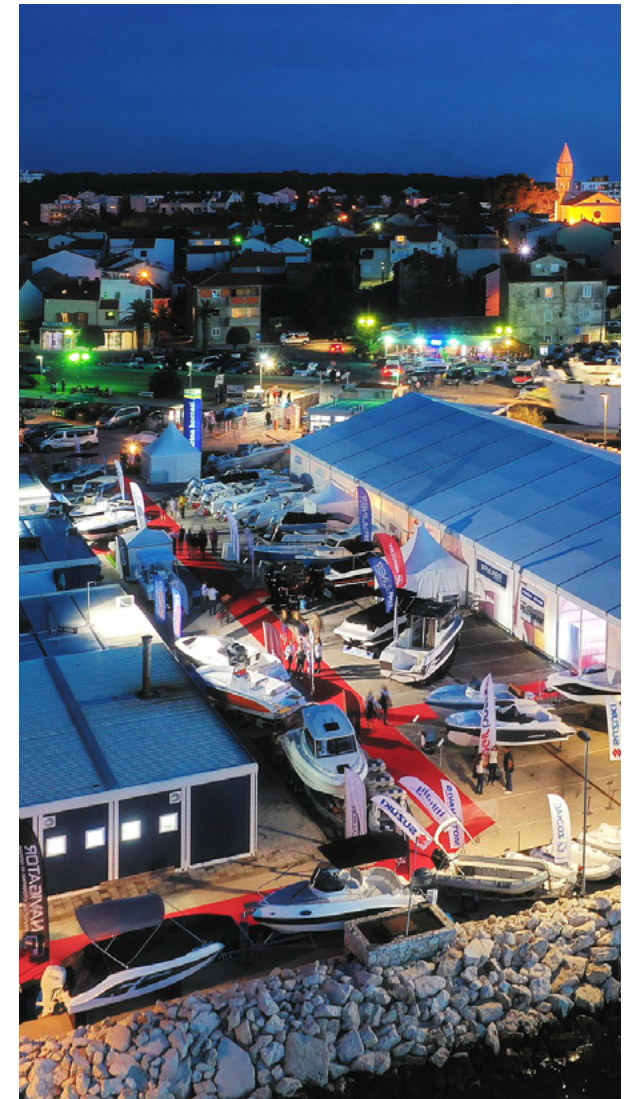
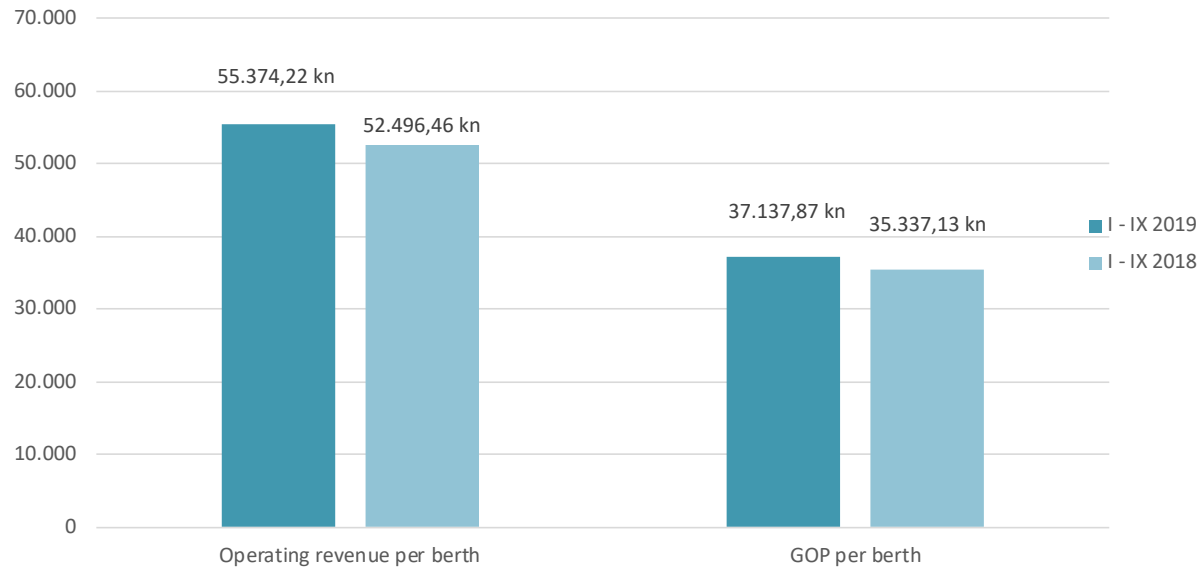
The Nautics of Ilirija d.d. consists of three business units Marina Kornati, Boat Show and restaurant of Marina Kornati.

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

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

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

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



5.1 KEY FINANCIAL OPERATING RESULTS BY SECTORS:

5.1.3 CAMPING

Notes:

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

* 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 the allocation, without depreciation and fixed costs).

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

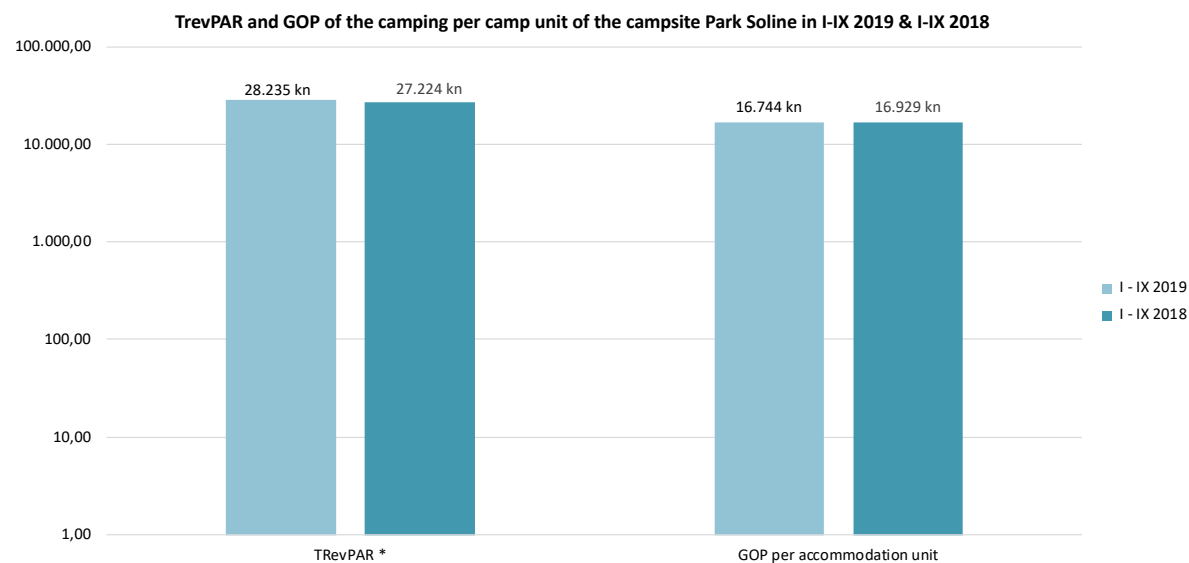
	I - IX 2019	I - IX 2018	2019/2018
CAMPING TOTAL			
Operating revenue	34.446.659,53 kn	33.212.679,80 kn	3,72%
TRRevPAR *	28.234,97 kn	27.223,51 kn	3,72%
Operating costs**	14.018.582,97 kn	12.559.016,75 kn	11,62%
GOP ***	20.428.076,56 kn	20.653.663,05 kn	-1,09%
GOP per accommodation unit	16.744,33 kn	16.929,23 kn	-1,09%
GOP margin ****	59,3%	62,2%	-4,64%
Capital investments	4.852.689,68 kn	10.666.335,27 kn	-54,50%
CAMPSITE PARK SOLINE			
Operating revenue	31.259.904,75 kn	30.273.965,53 kn	3,26%
TRRevPAR *	25.622,87 kn	24.814,73 kn	3,26%
Operating costs**	11.131.373,22 kn	9.858.466,48 kn	12,91%
GOP ***	20.128.531,53 kn	20.415.499,05 kn	-1,41%
GOP per accommodation unit	16.498,80 kn	16.734,02 kn	-1,41%
GOP margin ****	64,4%	67,4%	-4,52%
RESTAURANT PARK SOLINE			
Operating income	3.186.754,78 kn	2.938.714,27 kn	8,44%
Operating costs**	2.887.209,75 kn	2.700.550,27 kn	6,91%
GOP ***	299.545,03 kn	238.164,00 kn	25,77%
GOP margin ****	9,4%	8,1%	15,98%

The Company's camping, consisting of the "Park Soline" Campsite and the "Park Soline" Restaurant generated HRK 34,446,659.53 in operating revenues in the first nine months of 2019, which is by 3.72% more than in the same period last year, of which the revenue growth resulted from the growth in revenues from accommodation, that is, "Park Soline" Campsite by 3.26% and from the growth in revenues from the "Park Soline" restaurant by 8.44%. In the segment of accommodation services, the growth in revenues from lump sum guests (growth rate of 26%), the growth in revenues from own mobile homes (growth rate of 5%) and the growth in revenues in the segment of agencies – fixed lease (growth rate of 5%) was achieved.

The increase in operating revenues is the result of a higher number of concluded lump sum and agency contracts and an increase in the number of own mobile homes. Operating expenses at the level of the whole campsite increased by 11.62%, partly as a result of the improvements of the financial position of the employees, early opening of the campsite and consequently earlier employment of seasonal employees, which resulted in an increase in labor costs by 7%, but also as a result of increase in utility costs by 40% and other costs incurred as a result of

improving the quality and competitiveness of the products.

As at 30th September 2019, the Company invested HRK 4,852,689.68 in the camping sector.



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

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

5.1 KEY FINANCIAL OPERATING RESULTS BY SECTORS:

5.1.4 COMMERCIAL-SHOPPING CENTER CITY GALLERIA

	I-IX 2019	I-IX 2018	2019/2018
Operating revenues	10.681.426,60 kn	10.825.638,10 kn	-1,33%
Operating costs*	4.330.582,12 kn	3.975.362,70 kn	8,94%
GOP **	6.350.844,48 kn	6.850.275,40 kn	-7,29%
GOP margin ***	59,5%	63,1%	-5,80%
Capital investments	379.954,71 kn	21.400,00 kn	1675,49%

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 from the Commercial – shopping center City Galleria amount to HRK 10,637,468.53 in the first nine months of the year 2019 were generated by leasing the premises, through shared costs, using common areas of the center, lease of advertisement space and revenues from the garage. Grand-total operating revenues of the center amount to HRK 10,681,426.60 including the other operating revenues in the amount of HRK 43.958,07. The total revenues recorded a decline by 1.33%. Although the categories of regular rental fee, common costs, use of common areas of the center, lease of advertisement space and revenue from the garage were growing, there were no extraordinary additional revenues earned 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 for the nine months of 2019 amount to HRK 4,330,582.12. The operating expenses rose by 8.94% compared to those in same period of 2018 and the major proportion in the rise in expenses relates to the rise in the labor cost or a gross pay.

The operating gross profit of the center for the relevant period amounts to HRK 6,350,844.48 before the allocation of the costs of the common services, which makes for the margin of 59.5%.

5 FINANCIAL OPERATING RESULTS OF THE COMPANY

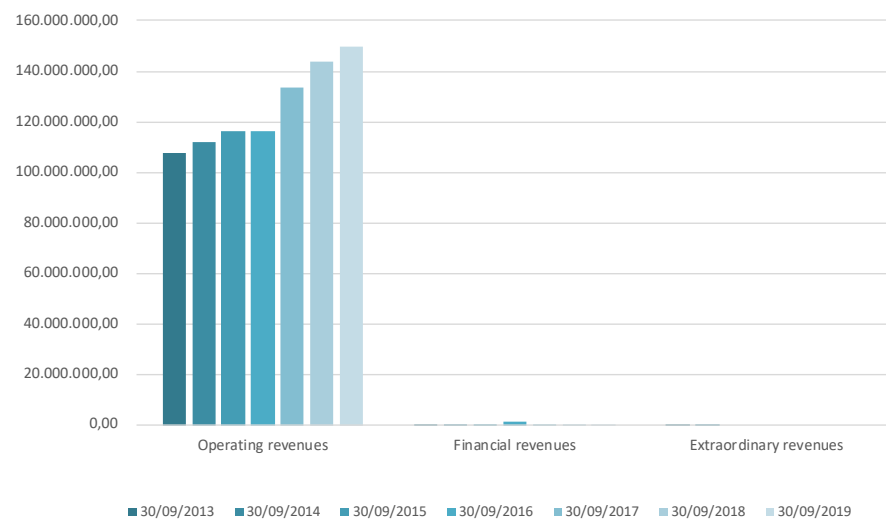
5.2 FINANCIAL OPERATING RESULTS AT THE LEVEL OF THE COMPANY

5.2.1 FINANCIAL OPERATING RESULTS OF THE COMPANY

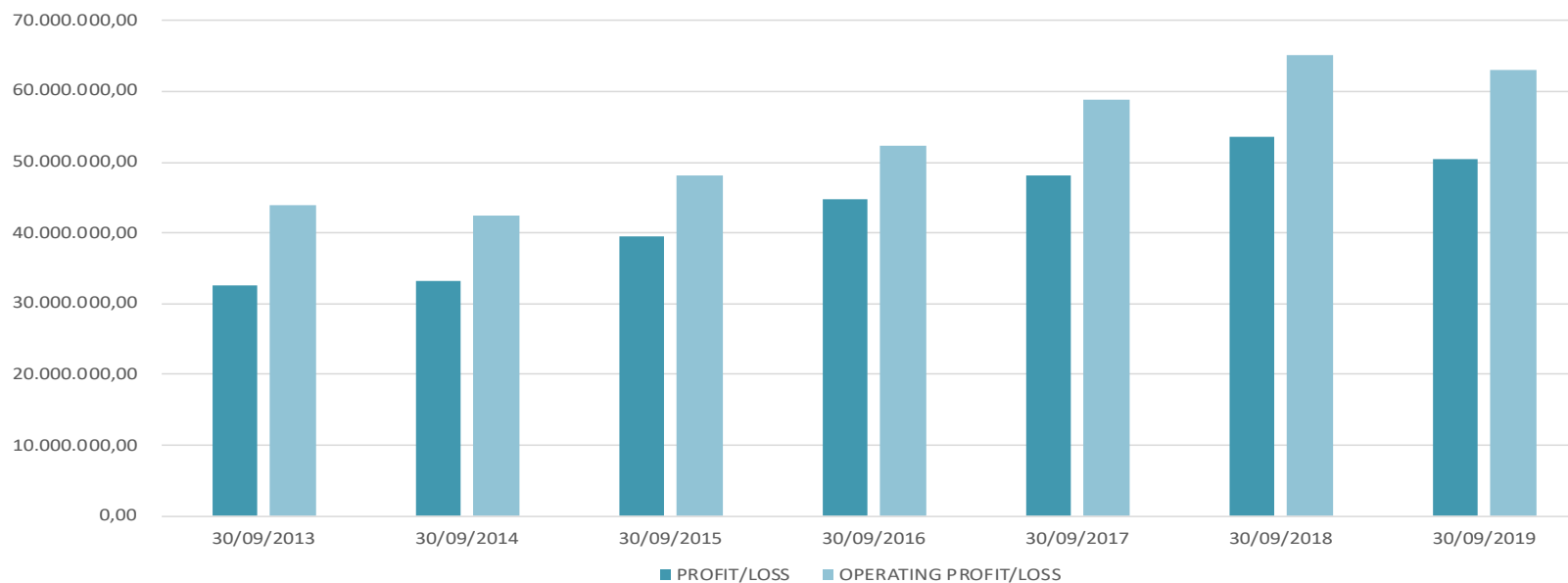
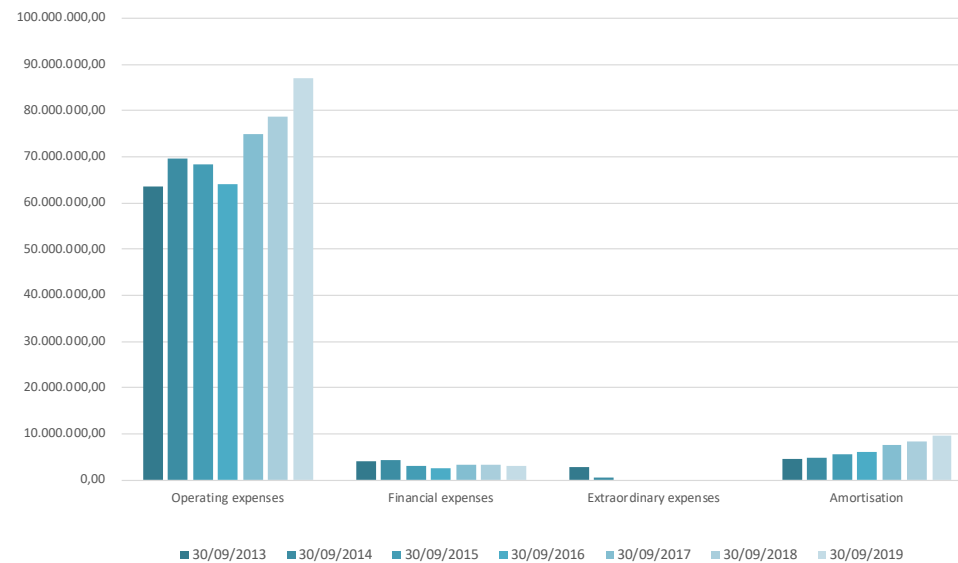
Overview of financial results during the period from 01/01-30/09/2019 and comparison with the same period from 2013 to 2018

DESCRIPTION	30/09/2013	30/09/2014	30/09/2015	30/09/2016	30/09/2017	30/09/2018	30/09/2019	Index 2019/2018
Operating revenues	107.612.475,44	112.063.612,03	116.438.694,86	116.341.032,15	133.683.991,24	143.746.360,96	149.848.902,06	104,25
Financial revenues	211.122,31	101.872,88	169.969,36	1.376.108,17	130.719,63	178.732,77	51.026,43	28,55
Extraordinary revenues	88.306,06	367.249,51	0,00	0,00	0,00	0,00	0,00	#DIV/0!
TOTAL REVENUES	107.911.903,81	112.532.734,42	116.608.664,22	117.717.140,32	133.814.710,87	143.925.093,73	149.899.928,49	104,15
Operating expenses	63.604.415,83	69.539.142,34	68.406.421,17	64.083.275,90	74.795.602,82	78.576.779,24	86.881.384,52	110,57
Financial expenses	4.033.062,83	4.390.325,97	3.131.122,26	2.675.230,13	3.356.649,98	3.402.730,68	3.099.948,88	91,10
Extraordinary expenses	2.926.069,57	667.960,12	0,00	0,00	0,00	0,00	0,00	#DIV/0!
Amortisation	4.679.634,18	4.788.904,95	5.602.665,15	6.169.485,96	7.650.121,51	8.366.607,36	9.597.672,00	114,71
TOTAL EXPENSES	75.243.182,41	79.386.333,38	77.140.208,58	72.927.991,99	85.802.374,31	90.346.117,28	99.579.005,40	110,22
PROFIT/LOSS	32.668.721,40	33.146.401,04	39.468.455,64	44.789.148,33	48.012.336,56	53.578.976,45	50.320.923,09	93,92
OPERATING PROFIT/LOSS	44.008.059,61	42.524.469,69	48.032.273,69	52.257.756,25	58.888.388,42	65.169.581,72	62.967.517,54	96,62
EBITDA	41.381.418,41	42.325.631,96	48.202.243,05	53.633.864,42	59.019.108,05	65.348.314,49	63.018.543,97	96,43

REVENUES 2013-2019



EXPENSES 2013-2019



I

In the nine months of 2019, total revenues amount to HRK 149,899,928.49 and they increased by 4.15% compared to those in the same period of 2018.

Operating revenues for the observed period amount to HRK 149,848,902.06 and compared to those in the previous fiscal year they recorded a growth by 4.25% as a result of rise in turnover on the local and foreign market.

Sale revenues amount to HRK 148,849,796.71 and are higher by 4.31%, as compared to those in the same period of the previous fiscal year, when they amounted to HRK 142,709,773.08 which is the result of an increase in sales revenues on the foreign market by 7% and on the local market by 4%. The sales revenues make up for 99.33% of the operating and 99.30% of the total revenues.

2

Total expenses amount to HRK 99,579,005.40 and compared to those in the nine months of 2018 they are higher by 10.22% as a result of the growth in the operating expenses by 10.57 and amortization by 14.71%.

The operating expenses in the observed period amount to HRK 86,881,384.52 and are higher by 10.57% or by HRK 8,304,605.28 and compared to those in the same period in 2018 they are the result of an increase in costs of services by 15%, other costs by 14%, gross pay costs by 11% and raw material and material costs by 4%.

3

The Company's operating profit or the profit from operating activities decreased by 3.38% compared to that in the same period of the previous fiscal year and amounts to HRK 62,967,517.54.

EBITDA or Earnings before interest, taxes and amortization was realized in the amount of HRK 63,018,543.97 and fell by HRK 3.57% compared to that in the previous fiscal year.

EBIT - or earnings before interest and tax was realized in the amount of HRK 53,420,871.97 and fell by HRK 6.25%.

The profit for the reporting period amounts to HRK 50,320,923.09 and decreased by HRK 6.08% compared to that in the same period in 2018.

Profitability indicators (operating profit, EBITDA, EBIT and profit) are lower compared to those in the same period last year due to the growth in operating expenses, namely, in the segment of rise in the gross pay costs, which in the absolute amount grew the most and make up for 37.44% of the growth regarding the increase in operating expenses, and are the consequence of the responsible and systematic personnel management policy, development of the year-round business operations and consequently of earlier opening of the facilities. The decline in the Company's profitability was also greatly impacted by the development of new products and services for the purpose of the development of the year-round business, where the costs of the development of new products, their promotion and marketing activities greatly influenced the growth in operating costs. In addition, the rise in costs of utility services, especially utility fee contributed to the rise in expenses.

Financial statements of the Company
as at 30/09/2019 and comparison with those in the same period in the years 2017 and 2018

REVENUES	2017	2018	INDEX 2018/2017	2019	INDEX 2019/2018
Revenue on the local market	100.504.837,86	107.771.622,11	107	111.313.214,03	103
Revenues on the foreign market	32.876.271,34	35.310.389,56	107	37.897.282,89	107
Other revenues	302.882,04	664.349,29	219	638.405,14	96
OPERATING REVENUES	133.683.991,24	143.746.360,96	108	149.848.902,06	104
FINANCIAL REVENUES	130.719,63	178.732,77	137	51.026,43	29
EXTRAORDINARY REVENUES	0,00	0,00	#DIV/0!	0,00	#DIV/0!
TOTAL REVENUES	133.814.710,87	143.925.093,73	108	149.899.928,49	104
EXPENSES					#DIV/0!
Raw material and material costs	18.730.170,40	18.598.209,35	99	19.400.740,50	104
Costs of services	12.592.335,54	12.712.623,65	101	14.573.722,48	115
Gross pays	26.859.874,37	28.930.974,04	108	32.040.522,00	111
Other expenses	16.613.222,51	18.334.972,20	110	20.866.399,54	114
TOTAL EXPENSES	74.795.602,82	78.576.779,24	105	86.881.384,52	111
AMORTIZATION	7.650.121,51	8.366.607,36	109	9.597.672,00	115
FINANCIAL EXPENSES	3.356.649,98	3.402.730,68	101	3.099.948,88	91
EXTRAORDINARY EXPENSES	0,00	0,00	#DIV/0!	0,00	#DIV/0!
TOTAL EXPENSES	85.802.374,31	90.346.117,28	105	99.579.005,40	110
PROFIT/LOSS	48.012.336,56	53.578.976,45	112	50.320.923,09	94
OPERATING PROFIT/LOSS	58.888.388,42	65.169.581,72	111	62.967.517,54	97
EBITDA	59.019.108,05	65.348.314,49	111	63.018.543,97	96

REVENUES BY ACTIVITIES:

Revenues from the hotel sector amount to HRK 53,319,674.26 and are higher by 3% compared to those in the previous fiscal year and are the result of: (I) the growth in operating revenues from sales in the segment of generation of revenues in the domestic market with a growth by 9%, (II) the achievement of the best key physical operating results or overnight stays so far and (III) reduction of seasonality of business by strengthening the sales activities in the pre and post-season.

Revenues from nautics amount to HRK 44,576,303.32 and increased by 5% compared to those in the same period of 2018 as a result of the growth in revenues in the segment of the service of accommodating vessels or Marina Kornati, especially from the revenue from the contract-based berth, which in the absolute amount mostly contributed to the increase in the nautical sector's revenue (HRK 1,366,320.02 or 4.79%), with a share of 58.98% in the total growth in revenue from the nautical sector, (II) growth in revenue from the boat show by 14.60% and (III) revenue from hospitality which grew by 3%.

Revenues from camping amount to HRK 34,446,659.53 and are higher by 4% compared to those in the previous fiscal year and are the result of: (I) rise in the revenues from the camping sector in the segment of accommodation by 3% which is generated by the rise in the revenues from lump sum and own mobile homes and (II) rise in revenues from hospitality by 8%.

Revenues from the real-estate sector that is, Commercial-shopping center City Galleria amount to HRK 10,681,426.60 and are lower by 1% as a result of absence of the extraordinary 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 6,824,838.37 and grew by 17.03% compared to those in the same period of the last fiscal year and are the result of a rise in revenues generated by the destination management company and mainly generated in the pre and

post-season and are 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 149,848,902.06 and rose by 4.25% in comparison to those in the same period in 2018.



5.2.2 COMPANY'S FINANCIAL POSITION



FUNDAMENTAL FINANCIAL PERFORMANCE INDICATORS AS AT 30/09/2019

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 30/09/2019 amounts to HRK 484,072,792.03 and has risen by HRK 16,214,352.41 or by 3.47% compared to those in the same period of 2018 when it amounted to HRK 467,858,439.62, whose growth is the result of the investments made.

The value of assets of the Company since 2009, when it amounted to HRK 281,804,719.08, grew by HRK 202,268,072.95 or by 71.78%.

2

Total liabilities of the Company amount to HRK 118,024,576.86 and fell by HRK 7,422,680.41 that is, by 5.91% compared to those in the same period of 2018 when they amounted to HRK 125,447,257.27 the decline of which is the consequence of reduction of long-term liabilities of the Company.

Total liabilities of the Company as at 30/09/2019 decreased by HRK 23,814,713.99 or by HRK 16.79% compared to the total liabilities of the Company as at 30/09/2009 when they amounted to HRK 141,839,290.85.

3

Capital and reserves of the Company as at 30/09/2019 amount to HRK 366,048,215.17 and have risen by HRK 23,637,032.82 that is by 6.91% compared to those in the same period in 2018 when they amounted to HRK 342,411,182.35.

Comparing the Company's capital and reserves as at 30/09/2019, they increased by HRK 226,082,786.94 or by 161.53% compared to those in the same period in 2009 when they amounted to HRK 139,965,428.23.

4

The total revenues of the Company amount to HRK 149,899,928.49 and are higher by HRK 5,974,834.76 or by 4.15% compared to those in the nine months of 2018 when they amounted to HRK 143,925,093.73 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 83,364,770.90 have grown by HRK 66,535,157.59 or by 79.82%.

5

The operating profit of the Company has been generated in the amount of HRK 62,967,517.54 and has fallen by HRK 2,202,064.18 or by 3.38% compared to that in the same period in 2018 when it amounted to HRK 65,169,581.72 as a consequence of rise in operating expenses.

The operating profit generated in the reporting period of 2019 compared to the operating profit in 2009 generated in the amount of HRK 31,334,110.36, a rise by 100.96% has been recorded.

6

EBITDA was realized in the amount of HRK 63,018,543.97 and fell by 3.57% or HRK 2,329,770.52 compared to that in the same period of 2018 when it amounted to HRK 65,348,314.49.

The realized EBITDA in the reporting period grew by HRK 32,038,602.50 or by HRK 103.42% compared to that in 2009 when it was realized in the amount of HRK 30,979,941.47.

7

The profit of the Company for the reporting period amounts to HRK 50,320,923.09 and fell by HRK 3,258,053.36 or 6.08% compared to that in the same period in the previous fiscal year of 2018 when it amounted to HRK 53,578,976.45.

The profit generated in the nine months of the year 2019 compared to the profit generated in the same period of 2009 that amounted to HRK 26,797,203.68 has grown by HRK 26,216,577.39 or by 113.92%.

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 125.04% more 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.

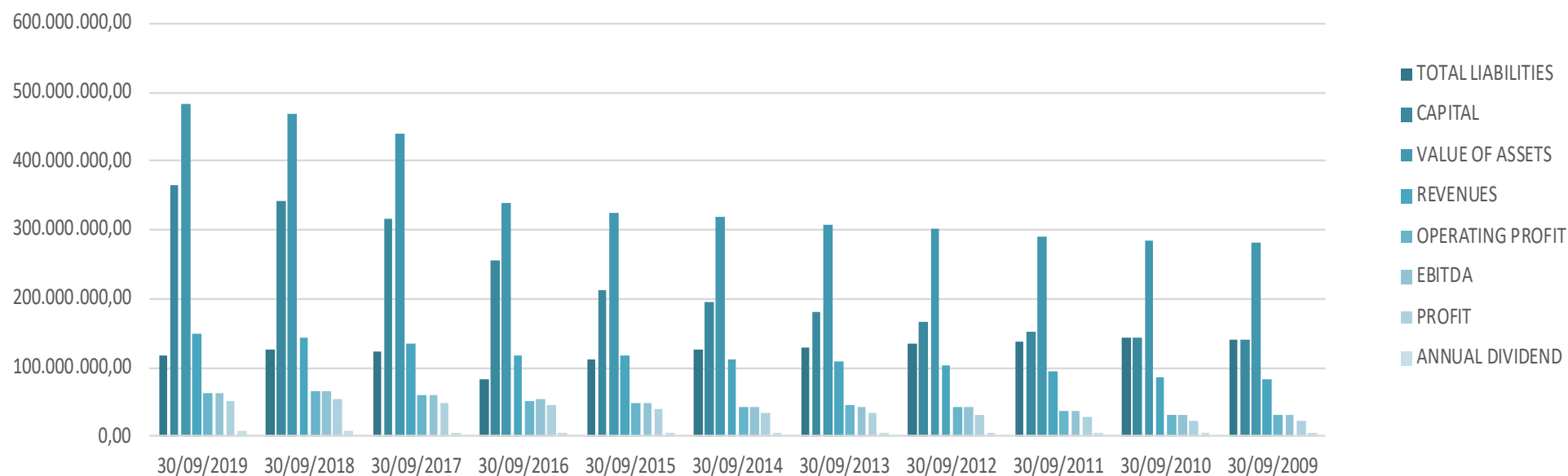
The total amount of HRK 52,778,420.00 was distributed to the shareholders for the dividend during the period from 2009 till 30/09/2019.

CUMULATIVE COMPARATIVE OVERVIEW

of fundamental indicators on the position of assets, capital, liabilities and operating results
of the Company as at 30/09/2019 for the period from 2009 to 2018

YEAR	TOTAL LIABILITIES	CAPITAL	VALUE OF ASSETS	REVENUES	OPERATING PROFIT	EBITDA	PROFIT	ANNUAL DIVIDEND
1	2	3	4	5	6	7	8	9
30/09/2019	118.024.576,86	366.048.215,17	484.072.792,03	149.899.928,49	62.967.517,54	63.018.543,97	50.320.923,09	8.417.962,00
30/09/2018	125.447.257,27	342.411.182,35	467.858.439,62	143.925.093,73	65.169.581,72	65.348.314,49	53.578.976,45	7.221.240,00
30/09/2017	122.469.356,54	317.679.704,54	440.149.061,08	133.814.710,87	58.888.388,42	59.019.108,05	48.012.336,56	6.016.540,00
30/09/2016	82.305.840,84	256.102.674,48	338.408.515,62	117.717.140,32	52.257.756,25	53.633.864,42	44.789.148,33	4.937.148,00
30/09/2015	110.720.793,04	213.593.055,17	324.313.848,21	116.608.664,22	48.032.273,69	48.202.243,05	39.468.455,64	3.740.790,00
30/09/2014	125.000.091,75	194.440.141,31	319.440.233,06	112.532.734,42	42.524.469,69	42.325.631,96	33.146.401,04	3.740.790,00
30/09/2013	128.884.542,13	179.400.931,75	308.285.473,88	107.911.903,81	44.008.059,61	41.381.418,41	32.668.721,40	3.740.790,00
30/09/2012	135.863.714,92	165.701.164,63	301.564.879,55	103.634.805,37	43.204.867,92	41.328.375,57	32.060.877,35	3.740.790,00
30/09/2011	137.125.121,72	152.465.850,07	289.590.971,79	94.065.679,13	37.054.613,81	35.834.580,57	26.858.778,57	3.740.790,00
30/09/2010	142.008.921,31	143.990.748,17	285.999.669,48	84.875.428,58	31.722.703,62	30.724.067,48	22.577.195,98	3.740.790,00
30/09/2009	141.839.290,85	139.965.428,23	281.804.719,08	83.364.770,90	31.334.110,36	30.979.941,47	23.523.719,41	3.740.790,00

Graph of fundamental operating results and indicators on the position of assets, capital and liabilities of the Company as at 30/09/2019 and also for the same period from 2009 - 2019.



OPERATING AND OTHER EXPENSES

Operating expenses of the business operations for the period till 30/09/2019 amount to HRK 86,881,384.52, and rose by 10.57% compared to those in the previous fiscal year. The increase in these costs is the consequence of the increase in all operating costs, especially the cost of gross pays that increased the most at a rate of 11% also with a significant increase in other costs.

FINANCIAL EXPENSES

The financial expenses for the year till 30/09/2019 amount to HRK 3,099,948.88 and are lower by 8.90% compared to those in the same period 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 nine months of 2019 amounts to HRK 20.85.

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.



6 ADDITIONAL INFORMATION

6.1 INVESTMENTS IN THE YEAR 2019

In accordance with the Investment Plan for the fiscal year 2019, the Company planned an investment evaluated at HRK 17 million to be made in the preparation for the tourism season, with an emphasis on enhancing its competitiveness and market recognition by improving the existing services, contents and offer in all of its sectors. In the nine months of 2019, an investment in the amount of HRK 14,476,918.41 was made by the Company in the preparation of the fiscal year in order to improve the level, quality and standards of the existing service as well as the development of new products and services.

The most significant part of the Company's investments in 2019 has been 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 32m² and their complete infrastructure equipment and development, additional equipping other mobile homes of the Company, construction of a new substation, electrification and construction of the hydrant network in the IV campsite zone, 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 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 have been 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/DMC 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 capacity of hospitality facilities (decorating the terrace by constructing an automatic pergola, thus increasing the possibi-

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

A new system of parking garage management, implementation of which started in December 2018, has been completed in the Commercial-shopping center City Galleria. Following the installation of new ramps and self-checkouts in late 2018, the light-emitting electronic displays of the garage floor occupancy and self-checkout were installed on the ground floor of the Center, where the parking fees can be paid not only in cash, but also by credit cards. 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 which take place in the Arsenal facility organized by the Company.



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 m² 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 vicini-

ty 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

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.

6.3 IMPORTANT EVENTS

The Company acquired 800 equity shares, so the Company owns 9056 shares making up for 0.37% shares 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.

6.4 POST-BALANCE SHEET EVENTS

The Company acquired 52 equity shares, so the Company owns 9108 shares making up for 0.38% share in the share capital.



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 m², 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 coownership 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 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.



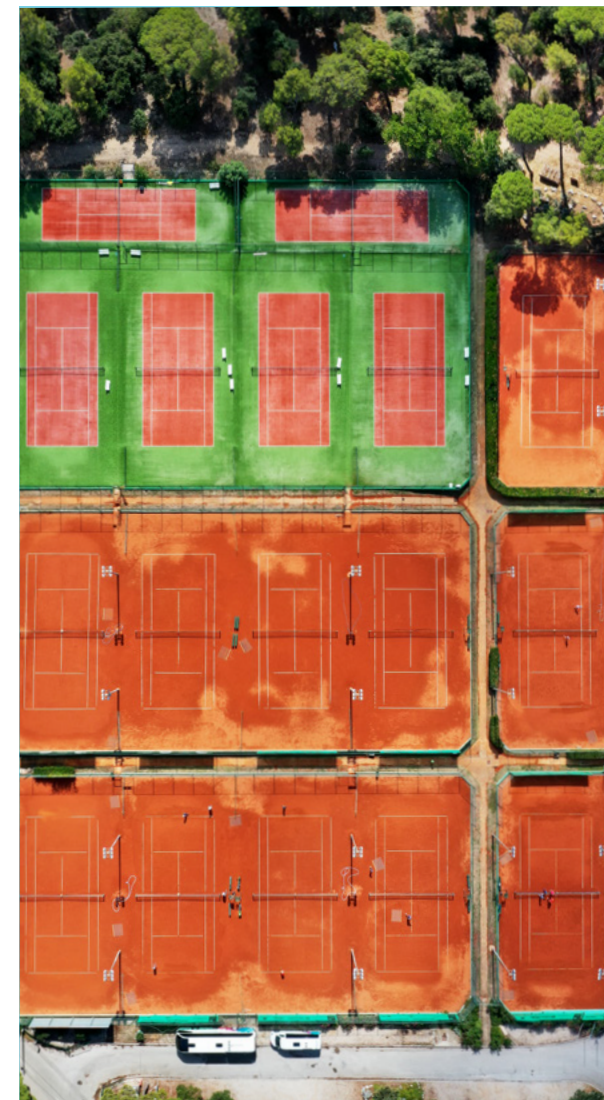
7 BUSINESS EXPECTATIONS AND DEVELOPMENT PLAN OF THE COMPANY IN THE YEAR 2019

In 2019, we expect another fiscal year in which the Company will continue to increase its key operating indicators of the operations of the hotel sector, nautical sector and destination management company Ilirija Travel and total or operating revenues, while in the segment of profitability indicators, we expect to maintain the results achieved in 2018 with potential slight deviations, as the best fiscal year of the Company so far. The fundamental objectives of the Company indicated in its Business Plan for the year 2019 are:

- (I) **increase in revenues by 4% and**
- (II) **maintaining EBITDA and other profitability indicators at the level of the year 2018.**

The Company bases the accomplishment of the operating results in the year 2019 on the following:

- (I) **investments in making preparation for the season 2019** in all sectors, in particular the tourist portfolio of the Company, in raising the quality of the existing facilities, especially in the accommodation facilities in camping and hotel sector, raising the quality of the additional facilities and infrastructure, improving the quality and standards of our



services and developing new products, in which way the Company ensures a competitive market position and high quality and a recognizable product.

(II) further **strengthening the long-term economic and financial stability of the Company, or strengthening its balance sheet position** by strengthening its own sources of financing in total capital and growth in working capital, and reducing foreign sources of financing and reducing its long-term liabilities,

(III) **adjustment of the prices of its services as a result of the investments made,**

(IV) **positioning of the Republic of Croatia among the 20 leading tourism destinations in the world and its global recognition on the international tourism market,** and further market recognition and competitiveness of the Croatian tourism offer compared to the competitive Mediterranean tourism countries that are significantly more present in the market than that were in 2018,

(V) **on the further development of all-year business operations especially through the de-**

stination management company/DMC Ilirija Travel, the Company's complementary and integrated product, we expect further enhancing and strengthening of the Company's economic activities in the pre-and post-season especially compared to those in the year 2018.

(VI) **managing, developing and educating staff as a key owner of the business process, strengthening the financial position of employees and strengthening the staff structure and capacities,**

(VII) **economic stability and safety, primarily at the regional level, i.e. in the direct environment of the Company and on the main source markets of the Croatian tourism.**



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 30/09/2019

Year: 2019

Quarter: 3

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): 409

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 30/09/2019			
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		
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	435.502.147	444.476.554
I INTANGIBLE ASSETS (ADP 004 to 009)	003	214.908	578.240
1 Research and development	004		
2 Concessions, patents, licences, trademarks, software and other rights	005		
3 Goodwill	006		
4 Advances for the purchase of intangible assets	007		
5 Intangible assets in preparation	008		
6 Other intangible assets	009	214.908	578.240
II TANGIBLE ASSETS (ADP 011 to 019)	010	435.248.545	443.859.620
1 Land	011	43.353.859	43.295.283
2 Buildings	012	243.583.458	253.421.215
3 Plant and equipment	013	55.237.936	61.395.441
4 Tools, working inventory and transportation assets	014		
5 Biological assets	015		
6 Advances for the purchase of tangible assets	016	914.026	1.333.071
7 Tangible assets in preparation	017	14.279.120	7.560.650
8 Other tangible assets	018		
9 Investment property	019	77.880.146	76.853.960
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		
3 Loans, deposits, etc. to undertakings within the group	023		
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024		
5 Investment in other securities of companies linked by virtue of participating interests	025		
6 Loans, deposits etc. to companies linked by virtue of participating interests	026		
7 Investments in securities	027		
8 Loans, deposits, etc. given	028		
9 Other investments accounted for using the equity method	029		
10 Other fixed financial assets	030		
IV RECEIVABLES (ADP 032 to 035)	031	0	0
1 Receivables from undertakings within the group	032		
2 Receivables from companies linked by virtue of participating interests	033		
3 Customer receivables	034		
4 Other receivables	035		
V DEFERRED TAX ASSETS	036		
C) CURRENT ASSETS (ADP 038+046+053+063)	037	31.837.206	39.493.830
I INVENTORIES (ADP 039 to 045)	038	2.647.242	2.667.464
1 Raw materials and consumables	039	2.647.242	2.667.464

2 Work in progress	040		
3 Finished goods	041		
4 Merchandise	042		
5 Advances for inventories	043		
6 Fixed assets held for sale	044		
7 Biological assets	045		
II RECEIVABLES (ADP 047 to 052)	046	22.698.499	18.796.850
1 Receivables from undertakings within the group	047		
2 Receivables from companies linked by virtue of participating interests	048		
3 Customer receivables	049	21.363.779	17.977.334
4 Receivables from employees and members of the undertaking	050	811.422	549.995
5 Receivables from government and other institutions	051	175.999	166.424
6 Other receivables	052	347.299	103.097
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	1.965.766	2.738.499
1 Investments in holdings (shares) of undertakings within the group	054		
2 Investments in other securities of undertakings within the group	055		
3 Loans, deposits, etc. to undertakings within the group	056		
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057		
5 Investment in other securities of companies linked by virtue of participating interests	058		
6 Loans, deposits etc. to companies linked by virtue of participating interests	059		
7 Investments in securities	060		
8 Loans, deposits, etc. given	061	1.965.766	2.738.499
9 Other financial assets	062		
IV CASH AT BANK AND IN HAND	063	4.525.699	15.291.017
D) PREPAID EXPENSES AND ACCRUED INCOME	064	519.087	102.408
E) TOTAL ASSETS (ADP 001+002+037+064)	065	467.858.440	484.072.792
OFF-BALANCE SHEET ITEMS	066		
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	342.411.182	366.048.215
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	26.008.754	25.665.017
1 Legal reserves	071	12.477.986	12.477.986
2 Reserves for treasury shares	072	6.975.716	6.975.716
3 Treasury shares and holdings (deductible item)	073	-967.627	-1.311.364
4 Statutory reserves	074		
5 Other reserves	075	7.522.679	7.522.679
IV REVALUATION RESERVES	076		
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Fair value of financial assets available for sale	078		
2 Cash flow hedge - effective portion	079		
3 Hedge of a net investment in a foreign operation - effective portion	080		
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	30.744.583	57.983.406
1 Retained profit	082	30.744.583	57.983.406
2 Loss brought forward	083		
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	53.578.976	50.320.923
1 Profit for the business year	085	53.578.976	50.320.923

2 Loss for the business year	086		
VIII MINORITY (NON-CONTROLLING) INTEREST	087		
B) PROVISIONS (ADP 089 to 094)	088	0	0
1 Provisions for pensions, termination benefits and similar obligations	089		
2 Provisions for tax liabilities	090		
3 Provisions for ongoing legal cases	091		
4 Provisions for renewal of natural resources	092		
5 Provisions for warranty obligations	093		
6 Other provisions	094		
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	111.869.699	103.803.230
1 Liabilities to undertakings within the group	096		
2 Liabilities for loans, deposits, etc. of undertakings within the group	097		
3 Liabilities to companies linked by virtue of participating interests	098		
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099		
5 Liabilities for loans, deposits etc.	100		
6 Liabilities to banks and other financial institutions	101	111.869.699	103.803.230
7 Liabilities for advance payments	102		
8 Liabilities to suppliers	103		
9 Liabilities for securities	104		
10 Other long-term liabilities	105		
11 Deferred tax liability	106		
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	12.340.346	13.066.030
1 Liabilities to undertakings within the group	108		
2 Liabilities for loans, deposits, etc. of undertakings within the group	109		
3 Liabilities to companies linked by virtue of participating interests	110		
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111		
5 Liabilities for loans, deposits etc.	112		
6 Liabilities to banks and other financial institutions	113	1.258.092	1.607.626
7 Liabilities for advance payments	114		
8 Liabilities to suppliers	115	7.343.545	8.260.208
9 Liabilities for securities	116		
10 Liabilities to employees	117	2.324.461	2.463.860
11 Taxes, contributions and similar liabilities	118	253.128	195.765
12 Liabilities arising from the share in the result	119		
13 Liabilities arising from fixed assets held for sale	120		
14 Other short-term liabilities	121	1.161.120	538.571
E) ACCRUALS AND DEFERRED INCOME	122	1.237.213	1.155.317
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	467.858.440	484.072.792
G) OFF-BALANCE SHEET ITEMS	124		

STATEMENT OF PROFIT OR LOSS					
for the period 01/01/2019 to 30/09/2019					
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)	125	143.746.361	77.250.007	149.848.902	79.012.423
1 Income from sales with undertakings within the group	126				
2 Income from sales (outside group)	127	143.082.012	77.112.634	149.210.497	78.826.178
3 Income from the use of own products, goods and services	128				
4 Other operating income with undertakings within the group	129				
5 Other operating income (outside the group)	130	664.349	137.373	638.405	186.245
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	86.943.386	39.431.735	96.479.056	42.889.063
1 Changes in inventories of work in progress and finished goods	132				
2 Material costs (ADP 134 to 136)	133	31.310.833	15.458.373	33.974.472	16.374.329
a) Costs of raw materials and consumables	134	18.598.209	9.847.359	19.400.750	10.220.184
b) Costs of goods sold	135				
c) Other external costs	136	12.712.624	5.611.014	14.573.722	6.154.145
3 Staff costs (ADP 138 to 140)	137	28.930.974	12.290.779	32.040.522	12.858.858
a) Net salaries and wages	138	17.434.928	7.413.129	19.243.870	7.760.120
b) Tax and contributions from salary costs	139	7.245.133	3.069.927	8.247.329	3.273.699
c) Contributions on salaries	140	4.250.913	1.807.723	4.549.323	1.825.039
4 Depreciation	141	8.366.607	2.788.869	9.597.672	3.199.224
5 Other costs	142	17.873.183	8.880.470	20.780.401	10.429.772
6 Value adjustments (ADP 144+145)	143	0	0	0	0
a) fixed assets other than financial assets	144				
b) current assets other than financial assets	145				
7 Provisions (ADP 147 to 152)	146	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	147				
b) Provisions for tax liabilities	148				
c) Provisions for ongoing legal cases	149				
d) Provisions for renewal of natural resources	150				
e) Provisions for warranty obligations	151				
f) Other provisions	152				
8 Other operating expenses	153	461.789	13.244	85.989	26.880
III FINANCIAL INCOME (ADP 155 to 164)	154	178.733	137.373	51.026	21.955
1 Income from investments in holdings (shares) of undertakings within the group	155				
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156				
3 Income from other long-term financial investment and loans granted to undertakings within the group	157				
4 Other interest income from operations with undertakings within the group	158				
5 Exchange rate differences and other financial income from operations with undertakings within the group	159				
6 Income from other long-term financial investments and loans	160				
7 Other interest income	161				
8 Exchange rate differences and other financial income	162	178.733	137.373	51.026	21.955
9 Unrealised gains (income) from financial assets	163				
10 Other financial income	164				

IV FINANCIAL EXPENSES (ADP 166 to 172)	165	3.402.732	1.056.745	3.099.949	1.025.666
1 Interest expenses and similar expenses with undertakings within the group	166				
2 Exchange rate differences and other expenses from operations with undertakings within the group	167				
3 Interest expenses and similar expenses	168	3.402.732	1.056.745	3.099.949	1.025.666
4 Exchange rate differences and other expenses	169				
5 Unrealised losses (expenses) from financial assets	170				
6 Value adjustments of financial assets (net)	171				
7 Other financial expenses	172				
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	173				
VI SHARE IN PROFIT FROM JOINT VENTURES	174				
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175				
VIII SHARE IN LOSS OF JOINT VENTURES	176				
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	143.925.094	77.387.380	149.899.928	79.034.378
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	90.346.118	40.488.480	99.579.005	43.914.729
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	53.578.976	36.898.900	50.320.923	35.119.649
1 Pre-tax profit (ADP 177-178)	180	53.578.976	36.898.900	50.320.923	35.119.649
2 Pre-tax loss (ADP 178-177)	181	0	0	0	0
XII INCOME TAX	182				
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	53.578.976	36.898.900	50.320.923	35.119.649
1 Profit for the period (ADP 179-182)	184	53.578.976	36.898.900	50.320.923	35.119.649
2 Loss for the period (ADP 182-179)	185	0	0	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)	186	0	0	0	0
1 Pre-tax profit from discontinued operations	187				
2 Pre-tax loss on discontinued operations	188				
XV INCOME TAX OF DISCONTINUED OPERATIONS	189				
1 Discontinued operations profit for the period (ADP 186-189)	190				
2 Discontinued operations loss for the period (ADP 189-186)	191				
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)	192	53.578.976	37.140.709	50.320.923	35.119.646
1 Pre-tax profit (ADP 192)	193				
2 Pre-tax loss (ADP 192)	194				
XVII INCOME TAX (ADP 182+189)	195				
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196				
1 Profit for the period (ADP 192-195)	197				
2 Loss for the period (ADP 195-192)	198				
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)	199	0	0	0	0
1 Attributable to owners of the parent	200				
2 Attributable to minority (non-controlling) interest	201				
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	202				
"II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)"	203	0	0	0	0
1 Exchange rate differences from translation of foreign operations	204				
2 Changes in revaluation reserves of fixed tangible and intangible assets	205				

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

STATEMENT OF CASH FLOWS - indirect method			
for the period 01/01/2019 to 30/09/2019			
in HRK			
Submitter: ILIRIJA d.d. BIOGRAD NA MORU			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1 Pre-tax profit	001	53.578.976	50.320.923
2 Adjustments (ADP 003 to 010):	002	716.485	1.231.065
a) Depreciation	003	716.485	1.231.065
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004		
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005		
d) Interest and dividend income	006		
e) Interest expenses	007		
f) Provisions	008		
g) Exchange rate differences (unrealised)	009		
h) Other adjustments for non-cash transactions and unrealised gains and losses	010		
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	54.295.461	51.551.988
3 Changes in the working capital (ADP 013 to 016)	012	306.624	2.493.219
a) Increase or decrease in short-term liabilities	013	-3.957.112	643.789
b) Increase or decrease in short-term receivables	014	3.525.757	1.829.209
c) Increase or decrease in inventories	015	737.979	20.221
d) Other increase or decrease in working capital	016		
II Cash from operations (ADP 011+012)	017	54.602.085	54.045.207
4 Interest paid	018		
5 Income tax paid	019		
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	54.602.085	54.045.207
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021		
2 Cash receipts from sales of financial instruments	022		
3 Interest received	023		
4 Dividends received	024		
5 Cash receipts from repayment of loans and deposits	025		
6 Other cash receipts from investment activities	026		
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	-24.377.664	-6.999.864
2 Cash payments for the acquisition of financial instruments	029		
3 Cash payments for loans and deposits for the period	030		
4 Acquisition of a subsidiary, net of cash acquired	031		
5 Other cash payments from investment activities	032	-4.990.526	-7.477.054
IV Total cash payments from investment activities (ADP 028 to 032)	033	-29.368.190	-14.476.918
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-29.368.190	-14.476.918
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035		
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036		
3 Cash receipts from credit principals, loans and other borrowings	037		
4 Other cash receipts from financing activities	038		

V Total cash receipts from financing activities (ADP 035 to 038)	039	0	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-6.639.457	-6.817.539
2 Cash payments for dividends	041	-7.208.833	-8.402.797
3 Cash payments for finance lease	042	-5.344.935	-4.576.389
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	-237.920	-164.403
5 Other cash payments from financing activities	044	-2.787.915	-4.707.505
VI Total cash payments from financing activities (ADP 040 to 044)	045	-22.219.060	-24.668.633
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-22.219.060	-24.668.633
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047		
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	3.014.835	14.899.656
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	1.510.864	391.361
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	4.525.699	15.291.017

STATEMENT OF CHANGES IN EQUITY

		for the period from 01/01/2019 to 30/09/2019																	in HRK	
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)			
Previous period																				
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		7.522.679						41.326.486		295.955.229		295.955.229		
2 Changes in accounting policies	02															0		0		
3 Correction of errors	03															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	7.522.679	0	0	0	0	0	41.326.486	0	295.955.229	0	295.955.229		
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	16.307.919	16.307.919		16.307.919		
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		
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		
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		
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		
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		
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		
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		
13 Other changes in equity unrelated to owners	13															0		0		
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0		
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		
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	16															0		0		
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	17															0		0		
18 Redemption of treasury shares/holdings	18															0		0		
19 Payment of share in profit/dividend	19															0		0		
20 Other distribution to owners	20															0		0		
21 Transfer to reserves according to the annual schedule	21															0		0		
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	22															0		0		
23 Balance on the last day of the previous business year reporting period (04 to 22)	23	229.146.480	2.723.874	9.477.986	6.975.716	1.217.992	0	7.522.679	0	0	0	0	0	41.326.486	16.307.919	312.263.148	0	312.263.148		
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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	0	0	0	0	0	0	0	0	0	0	16.307.919	16.307.919	0	16.307.919			

ILIRIJA d.d.
BIOGRAD NA MORU

Biograd n/M 22/10/2019

Statement made by the persons responsible for the preparation of the financial statements for the period from
01/01/2019–30/09/2019

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 - September 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 30/09/2019, 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 30/09/2019.

Accounting Manager:

Zorka Strpić



Management Board:

Goran Ražnjević



ILIRIJA dioničko društvo
za ugostiteljstvo i turizam
Biograd na Moru



Ražnjevića Dvori

City Galleria

Arsenal Zadar

Vila Donat

Vila Primorje

Event Ship Nada

Marina Kornati

Restaurant Marina Kornati

Ilirija Travel

Hotel Kornati

Hotel Ilirija

Hotel Adriatic

Hotel Marina

Aquatic Center

Tennis Center

Restaurant Park Soline

Camp "Park Soline"

ILIRIJA D.D.

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