



Ilirija d.d.

BIOGRAD NA MORU

Tel: Centrala ++385 23 383 165; Fax: ++385 23 384 564; Prodaja: ++385 23 383 556; sales@ilirijabiograd.com;
www.ilirijabiograd.com

In Biograd na Moru, dated 25th October 2016

PUBLIC CALL TO QUALIFIED INVESTORS FOR SUBSCRIPTION FOR NEW ORDINARY SHARES OF THE COMPANY ILIRIJA d.d.

The General Shareholders' Assembly of the company ILIRIJA, a joint stock company for hospitality and tourism, with registered seat in Biograd na Moru, Tina Ujevića 7, entered in the court registry of the Commercial Court in Zadar under the Company Registration Number (MBS): 060032302, Company Tax No. (OIB): 05951496767 (hereinafter referred to as: Issuer) passed on 24th October 2016 the Decision on an increase in share capital and issue of shares and changes and amendments to the Articles of Association (hereinafter referred to as: Decision on an increase in share capital).

The Issuer has engaged ERSTE&STEIERMÄRKISCHE BANK d.d., Rijeka, Jadranski trg 3/A, as an Issuing Agent for the issue of ordinary shares by public offering without an obligation of redemption (hereinafter referred to as: Issuing Agent) and BOGDANOVIĆ, DOLIČKI & PARTNERI, law company with registered office in Zagreb, Miramarska 24, as a legal adviser for the issue of the ordinary shares by public offering.

The public offering has been submitted only to qualified investors - legal persons within the meaning of Article 343, section 6 of the Capital Market Act (hereinafter referred to as: Investors) that will pay an amount of at least EUR 100,000.00, in the HRK equivalent per Investor for the subscribed securities, so in accordance with Article 351 of the Capital Market Act, the market public offering is permitted without prior publication of the prospectus and Issuer uses the exemption from the obligation to publish a prospectus.

Should the offering of New Shares be successfully completed, the share capital of the Issuer will increase by payment in cash from the amount of HRK 159,085,880.00, divided into 274,286 ordinary bearer shares (hereinafter referred to as: Existing Shares) by the amount of not exceeding HRK 15,892,000.00 to the amount of not exceeding HRK 174,977,880.00, by issuing up to 27,400 ordinary bearer shares, in dematerialized form, of a single nominal amount of HRK 580.00 each (hereinafter referred to as: New Shares). The issue of New shares will be considered successfully completed if at least 26,030 New Shares are subscribed and paid for within the set deadlines for the subscription and payment. Should the subscription for New Share be not successfully completed, the Issuer shall within not more than 3 (three) business days after the end of the last date for the subscription and payment for New Shares, refund the funds paid to the investors. In this case, the Issuer shall neither bear the payment transaction expenses nor shall pay interests to the investors.

The Existing and New Shares entitle to the same rights. The new shares will be issued in dematerialized form after an increase in the share capital of the Issuer is registered in the Commercial Court in Zadar, in the form of an electronic record in the computer system of the Central Depository and Clearing Company plc. The Decision on an increase in share capital excluded the pre-emptive right of the existing shareholders to subscribe for new Shares, except for the pre-emptive right of the shareholder - Allianz ZB d.o.o. compulsory pension fund management company, with the registered office in Zagreb, Nike Grškovića 31, Tax No. OIB: 58384724129, acting in its name and on behalf of pension funds managed by it (hereinafter referred to: The existing shareholder), in accordance with Article 308, paragraph 4 of the Companies' Act (hereinafter referred as: ZTD Companies' Act), since only that Issuer's shareholder meets the requirement under Article 351, paragraph 1, section 1, in conjunction with Article 343, section 6 of the Capital Market Act (Qualified Investor). In accordance with Article 308, paragraph 1 of the Companies' Act, the Existing Shareholder is entitled to subscribe

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OIB: 05951496767; račun: ERSTE & STEIERMARKISCHE BANK d.d. – RIJEKA IBAN: HR5824020061100097324.
Temeljni kapital: 159.085.880,00 kn, uplaćen u cjelosti. Broj izdanih dionica: 274.286, nominalni iznos dionice: 580,00 kn.
Uprava: G. Ražnjević, Predsjednik Nadzornog odbora: G.Medić



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for New shares on the basis of its pre-emptive right, provided that it has notified the Management Board of the Issuer about the intention of exercising its pre-emptive right, namely, to subscribe for the number of shares that equals its share in the share capital of the Issuer on the day of passing the Decision on a capital increase.

The increase in share capital is determined by the payment in cash only by the qualified investors.

The amount of payment for the subscribed New Shares per Investor may not be lower than EUR 100,000.00 in the HRK equivalent for the subscribed New Shares.

International securities identification number (ISIN) of the Issuer's Existing shares is HRILRARA0009, while the stock exchange designation is ILRA-R-A. The Issuer's existing shares are listed on the Official market of the Zagreb Stock Exchange plc.

The Issuer intends to list the New Shares on the Official Market of the Zagreb Stock Exchange plc. according to applicable regulations, whereas the Issuer shall use the exemption from the obligation to publish the prospectus by invoking Article 352, paragraph 1, section 1 of the Capital Market Act.

According to the Decision on an increase in share capital, the price has been set for one New Share ranging from minimum of HRK 1,250.00 to maximum HRK 1,500.00 per one New Share (hereinafter referred to as: "Price Range"). According to the Decision on an increase in share capital, the Management Board may with prior consent by the Supervisory Board determine:

- 1) Success of the issue of New Shares,
- 2) Exact amount of an increase in share capital;
- 3) Exact number of New Shares;
- 4) Final amount at which the New Shares are issued (hereinafter referred to as: "Final Price"), that shall be exclusively within the Price Range.

The subscription for new shares will be carried out in a single round. The Final Price of the New Shares will be determined by the Issuer's Management Board with the consent of the Supervisory Board of the Company after completion of the period of subscription for New Shares by qualified investors (hereinafter referred to as "Subscription Period"), that is, by 31st October 2016, and it will be published on the same day on the website of the Zagreb Stock Exchange plc. and the Issuer.

The existing shareholder notified the Issuer's Management Board about its intention to exercise its pre-emptive right to subscribe for New Shares.

In case that, further to this Public Call for Subscription for New Shares (hereinafter referred to as: "Public Call"), the number of subscribed New Shares at a price that equals to or that is higher than the Final Price exceeds the maximum number of offered New Shares, that is, 27,400 shares, and depending on whether the Existing shareholder exercised its pre-emptive right, the following rules of allocation of New Shares to qualified investors shall be determined:

The allocation of New Shares shall be conducted among the following groups of Investors;

- a) Compulsory pension funds;
- b) Voluntary pension funds;
- c) Pension insurance companies;
- d) UCITS funds;
- e) Alternative investment funds;

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- f) Insurance companies;
- g) Banks for their own account;
- h) Banks on behalf and for the account of the portfolio;
- i) Investment companies – for own account;
- j) Investment companies on behalf and for the account of the portfolio;
- k) Other companies;
- l) Others.

The Issuer shall, at the time of conducting the allocation, make sure that all Investors who belong to the same group have the same position.

At the time of conducting the allocation among different groups of Investors, the Issuer may apply different mechanisms based on one or on a combination of several criteria mentioned below.

For the allocation of New Shares among the different groups of Investors, an appropriate mechanism for the allocation will be determined after setting the Final Price, depending on whether the Existing shareholder has exercised its pre-emptive, based on the following criteria for comparison of particular groups of Investors and other groups of investors:

1. Quality of Investor

- a) Investor's investment horizon; and/or
- b) Size of the Investor; and/or
- c) Investor's activity on the primary capital market; and/or
- d) Investor's activity on the secondary capital market;

and/or

2. Investor's activity

- a) importance and/or size of investor in the industry in which the Issuer operates; and/or
- b) Investor's strategy in the previous and future business with the Issuer,

and/or

3. Quality of the offer which primarily relates to:

- a) Number of New Shares that the offering relates to; and/or
- b) Time of receiving the Investor's offer during the Subscription Period, where preference is given to the previously received Subscription Forms.

By this Public Call, the Issuer calls all Investors to subscribe for New Shares, or a total of 27,400 New Shares, where the Existing Shareholders' pre-emptive right to subscription for New Shares shall be taken into account.

The period of subscription lasts for 3 (three) days from the date of publication of this Public Call for subscription for New Shares, that is, from 26th October 2016 at 9:00 hours till 28th October 2016 till 16:00 hours.



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New Shares may be subscribed for at the below address (hereinafter referred to as: "Subscription Point") of the Issuing Agent:

ERSTE & STEIERMÄRKISCHE BANK d.d.
Ivana Lučića 2
10 000 Zagreb
Financial Markets Division / Brokerage Service
Contact details:
Tel: +385 72 372 811 / 836 / 461
Fax: +385 72372 802
e-mail: brokeri@erstebank.com

The maximum number of New Shares that may be subscribed for by a specific Investor is not determined. The new shares are subscribed for by means of Subscription Form (hereinafter referred to as: "Subscription Form"). The Subscription Form shall be available in an electronic and printed form at the Point of Subscription and on websites of the Issuer (www.ilirijabiograd.com). The Investors shall fill out the Subscription forms in a way to enter the price that is within the Price Range (hereinafter referred to as: "Offered Price"), a number of shares that they enter and the amount that constitutes the product of the first two numbers. The Investors may send the Subscription Form properly filled out and properly signed as a scanned copy to the above indicated email address and may subsequently send the original in four identical copies no later than by the end of the Subscription Period to the above indicated address.

By 31st October 2016, the Issuer shall publish the Decision made by the Issuer's Management Board on its own and on the website of the Zagreb Stock Exchange, which determines the Final Price of the New Shares. The Final Price of the New Shares shall be the same for all Investors or for each particular Subscription Form of a particular Investor in case of multiple subscriptions.

The Existing shareholder is entitled to subscribe for New Shares at the Final Price by exercising its pre-emptive right no later than till 2nd November 2016 by the end of the working hours.

The Issuing Agent shall prior to 3rd November 2016 notify every single Investor about the number of allocated New Shares and the amount due for payment. Should the Offered Price be lower than the Final Price, the Subscription Form of the relevant investor shall be deemed invalid and non-binding.

The Allocated New Shares are to be paid by the Investors no later than till 4th November 2016 in full to the account for payment of New Shares that will be indicated in the Subscription Form, whereas the valid payment shall be deemed to be those payments credited to the account for payment for New Shares till 12:00 hours on the last date set for payment.

If Investors make the payment through other institutions that conduct payment transactions, Investors should make inquiries with that institution with which they make payment on their own requesting that the funds be credited to the account for payment of New Shares till 12:00 on the last date set for payment.

The subscription stops being binding if the increase in share capital is not entered in the court registry of the Commercial Court in Zadar within 6 (six) months from the date of passing the Decision on an increase in share capital. In this case, any payment effected shall be refunded to the Investors with no delay.

When subscribing for New Shares, the Investors, or their legal representatives, shall submit the identification document (identification card or a passport), the document which shows the Tax No. OIB and the detail regarding the bank account to which funds shall be refunded. The bank account must be created as per IBAN principle.

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The persons that subscribe for New Shares on behalf and for the account of the Investor based on the power of attorney, must while subscribing for New Shares, in addition to the above documents, submit a special power of attorney notarized and proxy's personal identification document (identification card or a passport with the original or a copy of the Certificate on Tax Number OIB). In case that the Power of Attorney Grantor's signature on the power of attorney is notarized abroad, the text of the power of attorney (if made in a foreign language) and the text of the notarization must be translated to Croatian by a qualified court interpreter for the Croatian language.

Powers of attorney on which the Grantor's signature is notarized abroad must be notarized either (i) in the consular office of the Republic of Croatia, or (ii) before the competent authority of a foreign country, provided that in the latter case, the powers of attorney can (depending on a jurisdiction) be subject to additional certification by apostille or other certifications in accordance with international treaties.

In case that Issuer's shares for the account of the Existing shareholder are held by a custodian bank, the custodian bank or the Existing Shareholder itself may subscribe for New Shares to whom the custodian bank has issued the power of attorney in the way above indicated.

The Investors shall obtain detailed instructions about the payment of New Shares from the Issuing Agent.

Before making a decision on the subscription for New Shares, the Issuer calls all Investors to examine the Issuer's publicly available documents posted on the website of the Zagreb Stock Exchange plc. and on the website of the Issuer, and to evaluate the financial status, potential and risk factors relating to the Issuer and the New Shares on their own and to make a decision on any potential subscription for New Shares only based on such evaluation. Investors are also called to seek advice from chartered legal, tax, financial and other advisors at their sole discretion and need, incurring expenses for such services on their own.

Any additional information related to the issue of New Shares are available at the above addresses of the Issuing Agent and the Investors may request them by calling one of the above indicated telephone numbers.

The notice about this Public Call shall be submitted to the Zagreb Stock Exchange plc. (www.zse.hr) and Official Register of Prescribed Information at the Croatian Financial Services Supervisory Agency.

ILIRIJA d.d.
Management Board:



ILIRIJA dioničko društvo
za ugostiteljstvo i turizam
Biograd na Moru I