



# GENERAL CORPORATE PROFILE OF THE COMPANY

## ILIRIJA d.d. - Biograd na Moru

### 1. 59th ANNIVERSARY OF TRADITION OF OPERATION AND BUSINESS ACTIVITY

ILIRIJA Inc. was established in 1957 with registered office in Biograd na Moru where it still conducts its business operation. The Company has been operating in the Croatian tourism market over 59 years and is one of the rare tourism companies contributing to the development of the Croatian tourism.

### 2. IMPORTANCE OF THE COMPANY FOR CROATIAN TOURISM AND THE REGION OF ZADAR

Today ILIRIJA Inc. is, according to the financial and physical operating results, ranked among the 15 leading tourist companies in the Adriatic, which represent the backbone of the development of Croatian tourism, while in Dalmatia, it is one of the seven largest tourism companies. The Company is the holder of the overall economic and tourism development of the Biograd Riviera, while in Zadar County it is one of the three leading tourism companies and major company of its tourism development.

The tourist facilities of ILIRIJA Inc. in 2015 realized a total of 614,360 overnight stays, not including the overnight stays at Villa Donat Hotel in Sv. Filip i Jakov, which accounts for more than 46.86% of the total overnight stays in the city of Biograd na Moru. In particular, the Company has a major portion in the organized tourist overnight stays, not including overnight stays in private accommodation and summer houses, whereby overnight stays in the establishments of ILIRIJA Inc. accounts for 65.6% of organized tourism economy of the city. ILIRIJA Inc. encompasses the Kornati marina, the third largest marina in the country with a total of 705 berths, which according to the realized business results and the entire offer represents the backbone of the development of nautical tourism and nautical activities not only the company, but the Zadar County and the Croatian tourism in general.

Over 6,000 guests a day stay in the establishments of ILIRIJA Inc. in the peak season.

### 3. COMPANY – PUBLIC JOINT STOCK COMPANY

ILIRIJA Inc. is a public joint stock company and all information on its business operations are public and transparent, and at all times available to all national, financial and other institutions, associations, partners and citizens.

The Company applies the Code of Corporate Governance in its operations, which has been adopted by the Zagreb Stock Exchange and Croatian Financial Services Supervisory Agency as a form of transparent and good governance of the public joint stock companies.

In its operations, the Company also implements the Code of Business Ethics adopted by the Croatian Chamber of Commerce in 2005.

Since 2013, ILIRIJA has been a member of the Croatian Business Council for Sustainable Development (HR BCSD), an independent non-profit organization in the economic sector, which was founded by leading



businessmen in order to encourage sustainable development in the economy and represent the economy in sustainable development.

#### 4. OWNERSHIP STRUCTURE OF THE COMPANY

The Company was privatized in late 1999 and is in major ownership of Mr. Davor Tudorović, out expatriate from Australia, who originates from Nevidani on the island of Pašman.

Formal and legal majority owner is „Arsenal Holdings“ d.o.o. from Zadar in major ownership of Mr. Davor Tudorović with a share of 65.13% in share capital of the company ILIRIJE Inc. whereas Mr. Davor Tudorović himself holds a share of 4.36% in share capital or holds the controlling interest of 190,597 shares which equals the share of 69.49% in the share capital of the company. Mr. David Tudorović takes care of the business in Croatia instead of his father Mr. Davor Tudorović.

The second major shareholder is (2) Allianz ZB d.o.o., company for the management of compulsory pension funds, with a share of 10% in the share capital and (3) other minor shareholders with a share of 20.51% in the share capital.

#### 5. TRANSFORMATION, PRIVATIZATION AND AUDIT

During the year 2002, the State Audit Office conducted the audit of transformation and privatization of ILIRIJA Inc. The State Audit Office issued an unqualified opinion on the transformation and privatization process in full, pointing out that the process was carried out in accordance with the legislation and that there were no irregularities established that would affect the legal implementation of the transformation and privatization process.

#### 6. RECAPITALIZATION – EQUITY, DEVELOPMENTAL AND INSTITUTIONAL STRENGTHENING OF THE COMPANY

The General Assembly of ILIRIJA Inc. made some important decisions in September 2015 aiming to strengthen the Company in terms and equity, development and institutional sense:

- *Decision on an increase in share capital of the Company by contributions in cash and by issuing new shares, with a nominal value of HRK 550, issued at a price of 875 HRK per share, in which way the amount of the share capital increased from the amount of HRK 137,162,300.00 to the amount of HRK 150,857,300.00 divided in 274,286 shares.*
- *The decision on listing the shares on the Official Market of the Zagreb Stock Exchange, which have been quoted on the Zagreb Stock Exchange so far, but in its Regular market, will contribute to even greater transparency and openness of the company towards all of its stakeholders, particularly public investment, both domestic and international capital market.*

The successful completion of the process of recapitalization by Allianz ZB d.o.o., the company for managing the compulsory pension fund, which acquired a 10% of stake in the company's ownership, ILIRIJA Inc. turned a new page of the market, financial and exchange stock market business and development corporate philosophy.



*Ilirija d.d.*



## 7. EMPLOYMENT

The company employs 180 permanent and over 220 seasonal (totally over 400) employees. If we include other companies that based on the business cooperation perform nautical activities in Marina Kornati, ILIRIJA Inc. provides jobs for over 800 employees during the season. The company has not had any labor disputes throughout the period from privatization to date.

## 8. BUSINESS RESULTS FROM PRIVATIZATION TILL 31<sup>ST</sup> DECEMBER 2015

From the moment of privatization, i.e. since the beginning of 2000 till 31<sup>st</sup> December 2015, the company has improved its business results by many times compared to the business before the process of privatization.

Achieved financial operating results in 2015 at the level of the Company are the best so far. Total revenues at the Company increased by 4.29%, while the revenues from sales increased by 5.28% compared to the year 2014. At the same time operating revenue in sector has increased by 8.15% in camping and 2.73% in nautics, while operating revenue in the hotel sector remained the level of the year 2014. The generated operating profit at the level of the Company compared to the year 2014 is higher by 17.78% and it amounts to HRK 42,548,994.21.

In the nautical sector, the overnight stays do not represent the core business operation of the marina, but are indicated for informative purpose, while the backbone of nautical activities in terms of generating revenues are contractual berth for the vessels in the marina, a transit number of inbound vessels sailing from other nautical ports, repair services, lifting services, parking and hospitality. According to the 2015 indicators, Marina Kornati recorded 732 vessels based on contracted berths, of which 459 were individual vessels, which make up for 63% of the vessels based on the contractual berth, which compared to 2014 is an increase by 2%, and 273 vessels in charter. A total of 3,479 transit vessels, which have a berth in some other marinas, sailed into the Marina Kornati in transit berth realizing a total 11,793 of vessel overnight stays.

A total of 130,643 overnight stays was realized in the hotel sector in 2015, which is at the level of the year 2014. In the structure of realized overnight stays the top market are (1) Slovenian market with 17.8% of overnight stays, followed by (2) German with 13.95% overnight stays, (3) the Croatian market with a market share of 13.94% overnight stays, (4) Austrian with 10.3% and (5), Slovakian with a share of 7.58% overnight stays.

The camping sector has realized 260,579 overnight stays which compared to 2014 is an increase by 11.19%. The camp "Park Soline" realized 83.86% of all camping overnight stays in the city Biograd na Moru in the mentioned period. By improving the quality of offer and services, the increase in overnight stays compared to the year 2014 was recorded in the segment of mobile homes by 22%, while in the allotment segment the increase was recorded by 15% and in the segment of individual guests the increase was recorded by 9%. In the structure of overnight stays, the top five source markets are (1) the Slovenian market with a share of 24% overnight stays, (2) the German market with a share of 17% overnight stays, (3) the Czech market with a share of 17% overnight stays, (4) the Dutch market with a share of 10% overnight stays and (5) the Croatian market with a share of 6% overnight stays.



## 9. ACCOMPLISHMENT OF ILIRIJA Inc. IN THE CROATIAN CAPITAL MARKET IN THE YEAR 2015

In 2015, the shares of ILIRIJA Inc. were continuously traded on the the Regulated market of Zagreb Stock Exchange where a total turnover increased by 3.67% compared to the year 2014, while the average share price was HRK 891.77 which is an increase of 49.14% compared to the previous financial year. In 2015, the share reached the highest single price in the amount of HRK 1,100.00 per share. Comparing the last share price in 2015 realized in the amount of HRK 1,000.00, the share increased by 33.3% compared to the latest share price in 2014 which was HRK 750.00.

The market capitalization as of 30/12/2015 amounted to HRK 274,286,000.00 as compared to 2014 when the market capitalization amounted to HRK 187,039,500.00 which is a rise by 46.65%

## 10. MANAGEMENT

The company has been managed by Mr. Goran Ražnjević since 2000 who is the only member of the Management Board with associates that are mostly local staff from the city of Biograd n/M and its surrounding areas, which is a unique and a successful model of managing the tourism companies in Croatia.

The top management of ILIRIJA Inc. includes 12 persons with special permissions and responsibilities where youth and experience are combined. In ILIRIJA Inc. employees, as the key to success of the company, are assigned to positions that best suit their abilities, where they by their knowledge, skills, enthusiasm and commitment contribute to further development and growth of the company.

One of the permanent objectives of the Company is the employee motivation, which in addition to financial remuneration is accomplished by enabling employees to work in an environment that ensures their professional development and training, while attending to their social needs, taking into account their personal and professional peculiarities.


## 11. INVESTMENT CYCLE

Extraordinary financial and physical operating results are the result of continuous investments in the construction of new, reconstruction and expansion of existing facilities, as well as the development of new services and amenities, and investment in human resources as the asset key to the business success and development of the company. Therefore, from gradually completed privatization till the end of 2015, ILIRIJA Inc. achieved the value of investments exceeding HRK 345,152,398.82 or EUR 46,000,000.00 which resulted in enhancing the level of quality, capability, categorization and preparedness for the highest possible level of service and standard, thereby placing ILIRIJA among the leading tourism companies of the Croatian tourism.

We are aware of the fact that only continuing investments can ensure a quality tourism product competitive on the international and domestic market. Therefore, in accordance with the 2015 annual investment plan, the Company invested a total of HRK 14,115,336.73 in all three sectors of the Company (nautics, hotel sector and camping) in order to enhance the level of the existing services and amenities and to increase the scope of the current supply and launch new products in the tourism market which is inclined to ILIRIJA Inc.. In 2015, the largest single investment was the final development of the accommodation facility Villa Primorje, in which the amount of HRK 2,847,336.37 was invested.

The nautical sector invests in refurbishment of docks, breakwater pier refurbishment, acquisition of pontoons for the reception of new vessels mainly in the transit berth and service area in order to enhance the total quality and further provide superior nautical service. In November 2015, the Company launched the first





phase of reconstruction of the coastal part of the nautical tourism port "Marina Kornati, which will be completed in accordance with the established schedule in February 2016, i.e. before the start of the nautical season, allowing thus accommodation for a higher category of vessels, better utilization of marina aquatorium, the offer is further enriched and modernized by implementation of the best existing technical solutions which contributes to strengthening the market position and share of Marina Kornati placing it among the top three nautical tourism ports in the Adriatic.

The Company has invested significant resources in technological equipment, development and overall increase in congress capacities. As a result of these investments ILIRIJA can provide congress service for up to 900 persons, which is a significant step forward for the company in the congress and MICE market, but also one of the best ways how to extend the tourist season, a successful and profitable year-round business operations, with a particular emphasis on the early and late season.

At the same time, funds have been invested in additional equipment, renovation and raising the standard of rooms and common amenities in the hotel sector. In the last three years, they have been equipped with new and modern LCD television sets, thus contributing to the modernization and quality of supply, while the standard interior room doors with a keycard system were replaced in Ilirija Hotel and Kornati Hotel. Fixed extra beds have been placed in Kornati Hotel and Ilirija Hotel, which facilitate functioning of the hotel housekeeping and reduces time for cleaning the room, thus contributing to greater efficiency in the hotel operations. New headboards have been installed in all premium and superior rooms with new night lamps.


Funds have been invested in the purchase of additional 10 mobile homes sized 32 m<sup>2</sup> in the camping sector for tourist season 2015. Funds have also been invested in their complete equipment, and further landscaping of the camp to the level of the arboretum and its further infrastructural development.

Also, the company also invests significant efforts and activities in adaptation and implementation of standards, procedures and regulations of the European Union in all aspects of environmental protection (protection of the sea, coast, water, air, soil) and waste management, introduction, implementation and certification of quality management system ISO 9001:2008 and ISO 1401:2009, and we are among the first companies that decided to use green energy or energy produced from renewable sources.

ILIRIJA Inc. actively participates in all relevant projects for the tourism industry aimed at the promoting and implementing corporate social responsibility and sustainable development and business in tourism. In 2014, we participated in the project "Green business in the hospitality", organized by the Association of Employers in Croatian Hospitality, leading professional association in the hotel industry and hospitality, which aims to reduce the operating costs and reduce harmful effects on the environment and at the same time to introduce green business in Croatian hotels. Ilirija Hotel\*\*\*\* has been awarded the certificate "Sustainable Hotel" as a part of this project for meeting the sustainability criteria in its operations, namely, in eight defined and observed areas (sustainability management, purchasing, sales, marketing and public relations, environment, energy efficiency and human resources).

## 12. VISION AND MISSION

Mission of ILIRIJA Inc. is to permanently secure its place among the three leading tourism companies in Northern Dalmatia and among the 15 leading tourism companies in Croatia, be and remain the carrier of tourist development in our region and destination, and by building its own brand-product, we want to remain recognizable as a company with high quality of content and services not only in the Croatian but also in the European market.



Accordingly, the vision of ILIRIJA d.d. is: to provide quality and superior service and experience to guests in all of the establishments of the Company, increase assets of the Company and achieve operating financial results that will ensure long-term business and financial stability, to establish the optimum level of quality and competitiveness in business operations at the level of total Croatian tourist supply, increase the utilization of the existing own tourist facilities and construction of new, quality services and amenities, constant investment in human resources and ensure optimal levels of employment, security and compliance with the principles of sustainable development, which is reflected in identifying and meeting the needs of tourists, protection and restoration of natural and cultural heritage, preservation of the environment.

### 13. STRATEGY OF BUSINESS DEVELOPMENT

Long-term business development strategy prioritizes the development of the city of Biograd as the economic, cultural and tourist center of the Biograd region that has all the prerequisites to develop into a modern tourist center. Starting from Biograd na Moru as its destination center, the emphasis is put on providing the true experience of Dalmatia and Mediterranean and their natural, cultural and historical wealth.

With its long-term strategy of business development, ILIRIJA Inc. aims to create: an internationally competitive Company; provide for the city of Biograd na Moru 1,500,000 million overnight stays per year, of which 750,000 overnight stays in its own facilities; protection, implementation and compliance with environmental standards and long-term sustainable valorization of its own tourism potential; development of all segments of the tourist offer (hospitality, camping, nautical activities, entertainment, sports, culture and excursions); adopt efficient and modern trends in the field of marketing, sales and communication for the purpose of selling its products-services.

### 14. COMPANY SECTORS


ILIRIJA Inc. in its business operations includes the most important segments of tourism:

- Hotels,
- Nautics,
- Camping,
- Destination management company: DMK / ILIRIJA TRAVEL

Be innovative, be recognizable and special are the principles on which we base our operations, whereas the strength of our company and its brand stems from the fact that we are really one of the few Croatian tourism companies whose product successfully integrates all three key segments of the Croatian tourism supply that we present to the market as an integrated tourism product bearing the brand *Ilirija travel*. Added value to the "heart" of our offer is provided by Arsenal in Zadar, heritage monument of the 17th century, designed as an "indoor town square", event boat "NADA", then the agro tourism offer through the diffuse hotel "Ražnjevića dvori," DMC agency, sports and recreation facilities, a la carte restaurants, or simply we provide to our guests a complete experience, not only of ILIRIJA but also of the entire destination.

### 15. HOTEL SECTOR - 4\*\*\*\* STAR STANDARDS

ILIRIJA Inc. consists of five hotels with 446 accommodation units with a total of 919 beds: Ilirija \*\*\*\*, Kornati \*\*\*\*, Adriatic \*\*\* + in Biograd na Moru and Villa Donat \*\*\*\* in Sv. Filip i Jakov, diffuse hotel Ražnjevića Dvori \*\*\*\* in Polača and Villa Primorje\*\*\*\* in Biograd na Moru.



Hotels of Ilirija resort are located along the coast, not far from the city center and beaches that are awarded the Blue Flag. In the immediate vicinity, there is a sports and recreation park with 20 tennis courts, bike trails in a length of 40 km leading to the Nature Park Lake Vrana, a newly constructed promenade along the sea which is 1.5 km long, an outdoor swimming pool with heated water, Olympic pool, a la carte restaurant, cocktail bar, Aquatic center, entertainment programs for children and adults, and Wellness & beauty center Salvia. In addition to the above amenities, the guests have access to the Internet in all of the hotels, while congress halls are part of the offer for congress guests, which are intended for organizing all types of business events.

In 2015, Villa Primorje\*\*\*\* was presented to the market, which was built in the second half of the 19th century, and it is a typical traditional Dalmatian stone nobleman's house with an outbuilding. Newly renovated, luxuriously furnished and equipped according to the latest standards of the facilities of such kind and category, it has its own restaurant that offers the possibility of organizing numerous events and a Mediterranean garden with a walkway.

Modernly and technically equipped conference halls are located in each of the three hotels, located side by side to form one single unit with its facilities intended for holding all types of business events, from conferences, seminars, presentations, to workshops and individual meetings. Capacities of conference rooms range from 300 to 500 guests in ILIRIJA RESORT up to an enviable figure of 500-1000 guests, as many guests as ARSENAL in Zadar can receive.

The offer includes different packages of services tailored to the needs of today's business people with an emphasis on individual approach to each event, which enables Ilirija hotels to be one of the leading Croatian congress destinations.

Hotel Ilirija was included in the group FamilySelectHotels-which brings together 21 prestigious tourist site in Austria, Switzerland and Italy, primarily focused on the family accommodation and leisure.

The criteria that are a condition for the membership are extremely high, and they include a constant concern for safety, comfort, suitability of accommodation for the youngest and the quantity and quality of additional entertainment content for the youngest guests. Having fulfilled these conditions, Hotel Ilirija entered the elite company of the best tourist establishments for a family holiday in Europe.

## 16. DMK ILIRIJA TRAVEL – FROM THE IDEA TO THE REALIZATION OF YOUR EVENTS

Owing to the geographical advantages and excellent connections to all parts of Croatia, Ilirija Travel offers a great number of opportunities of becoming familiar with regional historical and traditional offer, which makes it an excellent DMC and PCO partner. The focus of its business is placed on the development of tourism product for a clientele with special interests and it participates in the creation of high value products for narrow market niches. The motives, method of travel, choice of activities in the destination indicate the phenomena which require a completely new reaction of the tourism supply, that even Ilirija Travel attempts to implement in its business as a DMK-agency.

Ilirija Travel organizes unique events at beautiful locations for banquets, which at the same time include the beauty of the nature, refinement of ambience and superior service. If desired by a customer, the areas where the celebrations and various activities can be organized and held can be: outdoor (beach, island, lighthouse, olive grove, Dalmatian court, Mediterranean garden, marina) or special indoor areas (Arsenal historical heritage monument, Dalmatian taverns and restaurants, hotel restaurants and halls, bars and tents).





For events such as gala dinners, banquets, parties and other celebrations Ilirija Resort may well serve to up to 500 persons, while Arsenal in Zadar may serve up to 1000 persons.

The offer also includes the organization of business events in modern and technically equipped conference halls in Zadar and Biograd, which are intended for holding all types of business events, from conferences, seminars, presentations to workshops and individual meetings. Capacities of conference halls range from 300 to 500 guests in Ilirija Resort hotels up to 500 guests, as many guests as ARSENAL in Zadar can receive.

Ilirija Travel is able to organize an unlimited number of team-building activities that owing to the wide space and different types of terrains owned by the parent company can be smoothly performed without any obstacles. The most interesting activities that can be performed in the Zadar region are: all activities related to the river, sea, islands, all types of vessels, agritourism with outdoor activities in the nature and cooking workshops where historic dishes are prepared, various paintball fields, Olympic games and similar competitions and different creative workshops.

Ilirija Travel is the winner of the DMK Certificate for business operations of the destination management company awarded by UNPAH or the Association of Independent Travel Agents of Croatia. The Certificate confirms a responsible attitude towards suppliers, staff capacity to provide all necessary information on the destination and all destination products.

#### **17. RAŽNJEVIĆA DVORI – FIRST DIFFUSE HOTEL IN THE REPUBLIC OF CROATIA**

Diffuse hotel Ražnjevića dvori, a multi-functional facility, located in the settlement of Polača named after the municipality in this settlement, in the heart of Ravni Kotari, which lies halfway between Biograd na Moru and Benkovac.

The hotel is a combination of six functionally connected buildings, located on a property with a surface area of 1.7 ha, which were created by development, refurbishment and conversion of the old and traditional buildings, residential and commercial buildings of the Ražnjević family, decorated and furnished in a traditional way and fully fits in the local community and its style of life.

Ilirija d.d. has won a special award "Sunflower of Croatian Rural Tourism" for the project "Ražnjevića dvori" in the category of rural-tourism projects for innovations in tourism, awarded by the Association Member Club "Selo" in cooperation with HF Eko Etno Grupa d.o.o. and also a recognition for the improvement of tourist offer of rural tourism of the Zadar County awarded by Tourist Board of the County of Zadar and Zadar Gazette.


#### **18. EVENT YACHT „NADA” – PLACE FOR UNIQUE BUSINESS AND PRIVATE EVENTS**

„Nada” is the multifunctional purpose event motor yacht:

- Length 35 m,
- Width 6.80 m,
- Speed 16 knots
- Capacity 180 persons

envisaged for an exclusive day and night cruises, one-day business meetings, small conferences, seminars, presentations, as well as a place for meetings and an exclusive restaurant and lounge bar, reception hall, banquet hall, weddings hall and the like.





It is equipped with excellent conference audio and visual equipment, DJ cabin, the most modern light show, variable set of tables and seats as per customer's wishes, by which the scenario of events can change even on the spot, from formal reception with the red carpet and the buffet table, gala gastronomic experience to a cocktail lounge and disco party. Furnished with modern equipment, the yacht provides all the required comfort with its facilities, a complete restaurant, kitchen and bar which provides an excellent catering service during the voyage.

With each sail out, the unique scenery of the sun, sea, islands and stars is created on the decks of the yacht making this yacht perfect for every event. Owing to these scenes, with infinitely many hidden beauties of the Adriatic aquatorium, each stay in the event of yachts "Nada" is an unforgettable experience.

#### **19. NAUTICS - ILIRIJA PIONEER OF THE NAUTICAL TOURISM IN CROATIA**

In 1976, ILIRIJA Inc. built the first nautical marina in Croatia (Hotel Harbor Kornati) with 100 berths and acquired and organized the first charter fleet in the Adriatic sea with more than 40 vessels for the needs of boaters and it can fully eligible to be considered the pioneer of nautical tourism making Biograd na Moru a cradle of nautical tourism.

Today, the marina Kornati is among the Top 3 Croatian marinas and not only by the number of berths, but also its modern technical equipment, quality of service, cleanliness and tidiness (Blue Flag). Marina Kornati is the winner of numerous awards, of which we emphasize the Special Award in the action "XVI. Tourist Flower - Quality for Croatia 2012", organized by the Croatian Chamber of Commerce and the Croatian Radio and Television, as the best marina in the category of over 450 berths. In the year 2013/2014/2015 in the "Tourist flower - Quality for Croatia" it received the award for second place in the category "Best big marina".


The marina has 705 berths for boats up to 23 meters and 15 piers equipped with connections for water and electricity. Together with Hotel Marina Kornati, located in front of Hotel Ilirija and Kornati, it has a total of 805 berths.

In one day it can receive and accommodate over 2,000 sailors and more than 150 vessels in transit in addition to sailors that have an annually contracted berth. The fact that Marina Kornati is located in the immediate vicinity from the Kornati archipelago makes it and the city of Biograd the center of nautical tourism in Croatia, which is annually visited by 60,000 sailors from all round the world.

Marina Kornati is a famous regatta center at the Adriatic Sea and is one of the few nautical destinations and marinas in the Mediterranean, which, owing to the best supply of One Design sailing boats, extensive experience in organizing races, the richest international race calendar in the world and the entire supporting infrastructure (hotel accommodation, restaurants etc.), meets the extremely high technical and organizational requirements for organizing the boat races, of which 39 of them were held only in 2015 with participation of over 4,980 sailors from around the world.

#### **20. ILIRIJA Inc. – ORGANIZER OF THE LEADING BOAT SHOW IN CROATIA**

Since 2002, when ILIRIJA assumed the task to organize the boat show with a vision of development, it has become aware of the obstacles and required investments. Without any support by the local community, it began a long process of creating the largest exhibition of boats in the sea in Central Europe, resulting in the



fact that it has been organizing and holding the boat show for the seventeenth year in a row, entitled "Biograd Boat Show". Each year, the boat show brings together all representatives of the nautical industry in Croatia: marinas, charter companies, shipping companies and shipbuilders.

At this year's seventeenth boat show, over 307 exhibitors were presented, of which 270 from the Croatia, with more than 300 vessels, 14 premiere vessels, 15,000 visitors and 2,000 realized business visits. The boat show has by all relevant indicators (number of exhibitors, vessels, premieres, seminars, etc.) exceeded the results achieved so far, contributing thus to its affirmation as a representative symbol of the tourist supply of the Zadar destination, that since its inception has successfully contributed to the extension of the tourist 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. International Federation of Boat Show Organisers-IFBSO was founded in 1964 with an aim to create and define the high standards of quality and excellence in organizing boat shows and to enable its members, who wish to be distinguished among the same or similar members by their quality and uniqueness, mutual cooperation and exchange of ideas, encourages innovation and promotion of the boating industry on a global level.

Membership in the Biograd Boat Show and the International Federation of Boat Shows is an important step forward for Ilirija Inc. in the further development of nautical tourism in Croatia, and at the same time it significantly contributes to the further development of the boating industry, and also binds it to maintain a continuous and sustainable development with a special emphasis on quality and excellence in the overall nautical offer.

## 21. CAMPING - 4\*\*\*\* STAR CAMP PARK SOLINE


Camping "Park Soline" has been operating since the beginning of the 60s or already over 50 years in Biograd na Moru. It is located in the shade of the pine forest, which enables a 90% shade of the camp, near the beach bearing the same name just a few hundred meters from the center of Biograd.

The camp covers an area of 20.00 ha and contains 1,123 accommodation units with capacity for 3,300 persons who fully meets all the standards and regulations of the four star camp.

In addition to the enriched restaurant offer, the newly built promenade that stretches along the entire camp and the beach leading to the Biograd city center, the camp "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 promenade and recreational routes in a healthy environment, and the camp is an excellent choice for all nature lovers.

Camp Park Soline is being renovated to be at the camp-park level up to the level of the arboretum, which is a unique example of horticultural landscaping of the camp in Croatia as the top tourist product that combines a high quality tourism supply with care for the environmental protection. The value of investments made so far in the camp "Park Soline" since the year 2000 amounted to approximately HRK 100,000,000.00 and owing to these investments, the number of overnight stays rose from 4,556 in 1996 to 260,579 overnight stays in 2015.

The F.I.C.C. Camping World Federation, established in 1933 with headquarters in Brussels, as one of the world's leading organization dedicated to camping, caravanning and moto caravanning gave the award to the "Park Soline" for the high quality of service and top professionalism of its management in promoting



camping tourism. The Italian Camping Association IL FEDERCAMPEGGIO awarded it the 2<sup>nd</sup> place in the category "Sympathy and quality" for the years 2008 and 2009. The award was won in the competition of the best Croatian camps, the importance of which arises from the fact that the award is decided upon only by the guests who stayed in the camp.

The leading local association Croatian Camping Union (KUH) gave it the award for the quality for the years 2009, 2010, 2011, 2012, 2013, 2014 and 2015.

The leading European automobile club ADAC awarded it a yellow sign for the offer of rental accommodation in the competition among the 1630 European tourist resorts with an offer of rental accommodation, where only 137 of the European tourist resorts can boast with offer of such kind of accommodation.

In the "Best Camp Adria in 2014" and "Best Camp Adria 2015" actions, in which the guests-campers choose the best camps in Croatia and Slovenia, conducted by autokamp.si, the most influential professional web media in Slovenia that promotes the camping tourism, it won the second place in the category of the Best large Dalmatian camps. This recognition is extremely important, since the best camps were chosen by more than 40,000 guests - campers who as longtime faithful camping guests could really get convinced about the quality of the individual camps.

The camp has won the international award Green Key, eco-label that was for the first time awarded only to accommodation facilities that reduce their negative effects on the environment through the optimization of energy consumption, waste sorting and that educate their staff and guests on important aspects of environmental protection and sustainable development. 100 individual criteria categorized into 12 categories had to be fulfilled in order to win this award.

After having successfully completed the audit in September 2015, the camp "Park Soline" was awarded an international certificate "Ecocampig". Membership in Ecocamping network, consisting of over 240 camps from seven European countries, we further commit ourselves to further promoting ecology, sustainable development and corporate social responsibility, with a particular emphasis on the efficient management of energy (water, electricity), waste sorting and recycling, nature conservation and biodiversity etc.

## 22. ARSENAL

The special part of the offer of ILIRIJA Inc. is the multimedia center Arsenal in Zadar built in the 17th century at the time of the Venetian Republic, when it was used as a military depot. Today, it is one of only seven preserved buildings of its kind, which value and importance was recognized by Arsenal Holdings d.o.o. which reconstructed it in 2005 into the indoor town square which extends on 1,800 m<sup>2</sup> of surface area, dividing the area into hospitality and presentation, exhibition, shopping, and tourist-information part, creating the perfect blend of cultural tourism and an indigenous Croatian product.

Arsenal has enabled the Zadar citizens and all their guests to enjoy the cultural and entertainment offer at one place in an exclusive area, and to take pleasure in having a cup of coffee, seeing exhibitions, attending numerous concerts and creative workshops. Since 2005, over 1500 various events such as exhibitions, concerts, conferences, presentations and banquets have been organized, but it has also been ranked among the ten special areas for organizing conferences in leading professional journals of MICE industry in Central and Southeast Europe.

Croatian association of congress tourism professionals has given the award to Arsenal entitled *Ambassador of congress tourism* in the category of the most creative professional performance of incentives in 2013 for





organizing the European premiere of the automobile Chevrolet Trax which, in a period of 28 days in April 2013, was attended by over 804 journalists from 36 European countries and 38 representatives of the Chevrolet company from 36 European countries.

ILIRIJA Inc. is the winner of the "Croatian Business Tour 2014 - CBTour 2014", awarded by the Croatian Association for Energetics of 2010, for the "Arsenal project: Revitalized heritage monument for the purpose of organizing business events" in the category of Best program of responsible tourism and the best team building program. The award aims to encourage and promote creative, innovative and modern programs/projects/services in the field of business tourism, with an emphasis on sustainable development.

**23. CORPORATE SOCIAL RESPONSIBILITY- THE FIRST TOURISM COMPANY THAT HAS WON THE AWARD FOR CORPORATE SOCIAL RESPONSIBILITY "CSR INDEX" FOR THE YEARS 2011 AND 2012**

ILIRIJA Inc. as a leading company in the wider Biograd region is also known as a socially responsible company that supports the work of various associations and organizations, sports clubs and educational and healthcare institutions by means of donations and sponsorships given for numerous humanitarian, cultural, sports, health, religious and educational purposes.


The basic principles of corporate social responsibility are an integral part of corporate values. They are embedded in the long-term business strategy of the company, business practice and processes towards all of its stakeholders including the owners, shareholders, current and future business partners and the community in which we operate, especially considering the fact that the Company is the driving force not only of the tourist, but also its total economic development.

It was also recognized at the national level because ILIRIJA Inc. is the first tourism company that has won the awards for corporate social responsibility "CSR Index" in category of medium-sized company for the years 2011 and 2012 while in 2013 we participated in the first organized competition for a unique *European Corporate Social Responsibility Award for partnership, innovation and impact*.

As part of the international project "CSR for ALL" ("Corporate Social Responsibility for all") co-financed by the European Union and implemented by the International Organization of Employers (IOE) and the organization of employers from Croatia, Montenegro, Macedonia, Romania and Turkey, as a part of which the initiative "Croatian Employers' Association's award for an example of good practice of CSR" was launched, which promotes the examples of good practice of corporate social responsibility in the following categories: Care for employees, Care for the environment and Care for the community, Ilirija d.d. actively participated in the entire project including the initiative "Croatian Employers' Association's award for an example of good practice of CSR" in which Ilirija won the third place for the project "Knowledge is power - training of the staff and in-house trainings among medium-sized companies in the category Care for employees.

Since the tourism industry largely depends on preserved natural resources, while planning the business processes, the Company has established excellent quality and environmental protection management system by establishing the Safety Department in charge of health care, environmental protection and safety for all employees and guests. In the hospitality sector of the Company, HACCP system has been implemented and certified according to the standard Codex Alimentarius, which in 2012 and 2013 was renewed in all buildings, which confirmed maintaining high standards in serving food. In 2013, the company has continued to invest in enhancing the quality and improvement of our own business processes by establishing and certification of quality management system according to DIN EN ISO 9001:2008, while the nautical sector has, at the same time, won the the Blue Flag award for the tenth year in a row as a high





symbol of the protection of the sea and coastline. In late 2013, we launched the process of implementing an environmental management system according to HRN ISO 14001, which has been successfully certified in August 2014. In 2015, we started with the project of introduction and implementation of HALAL quality and standards in hospitality facilities and restaurants of the Company.


The Company has joined the *Community for Corporate Social Responsibility and Community for environmental protection in the economy* as a part of the Croatian Chamber of Commerce.

We won the Touch of goodness award, Dalmation Oscar for humanity, awarded the Rotary Club Split and the foundation "Kap za slap" /"A drop for a waterfall"/ for the humanitarian project in 2008 and 2009.

#### 24. AWARDS AND RECOGNITIONS

The company, which has contributed to the development of the Croatian tourism in conducting its operation has won numerous awards for its work in a way that it has been monitoring and tracking the global tourism movement continuously. Some of them are:

- Award by the Ministry of Maritime Affairs, Transport and Infrastructure to the Company in December 2015 for promoting maritime culture for the organization of the Biograd Boat Show.
- Gold emblem awarded by Sv. Filip Jakov Municipality for a major contribution to the development of the Municipality by granting numerous donations and the generous cooperation in implementing municipal projects
- Croatian Employers' Association's award in the initiative by the "Croatian Employers' Association's example of good practice of CSR" as a part of the international project "CSR for ALL" - Corporate social responsibility for all" for the third place among the medium-sized companies in the category Care for employees for the project" Knowledge is power - training of the staff and in-house trainings.
- Award of Croatian Chamber of Commerce and the Croatian Business Council for Corporate Social Responsibility CSR Index for the years 2011 and 2012 in the category of medium-sized companies
- Special Award by the Sv. Filip and Jakov Municipality for its exceptional contribution to the development and promotion of tourism and raising the quality of the tourist industry in the town Sv. Filip Jakov for the year 2007
- Annual Award by the Assembly of the Zadar County in 2006 for the results achieved in 2005 and exceptional and lasting contribution to the development of tourism industry of the Biograd Riviera
- Group award to the city Biograd na Moru for its outstanding results in 2005 and the major contribution to the economic and tourist development of the city of Biograd
- Golden Marten Plaque awarded by the Croatian Chamber of Commerce - by the County Chamber of Zadar as the most successful company in the category of medium-sized companies in the Zadar County in 2004.

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- The Management Board of ILIRIJA d.d. has been the winner of the Golden Medal "First Croatian Kuna" for ten years awarded by the Institute for Business Research owing to the person of Mr. Goran Ražnjević, which award is given to the companies that rank among the 1% of the most successful and 1% of the most profitable companies in the Republic of Croatia.

President of the Management Board of ILIRIJA Inc.

Goran Ražnjević

In Biograd na Moru, dated 31<sup>st</sup> December 2015



*Ilirija d.d.*

