HOTELI JADRAN d.d., Gradac

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT



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Hoteli Jadran d.d.

Management Board report on the state of company and business operations for 2020

April 2021



Uprava društava HOTELI JADRAN d.d. Gradac, Jadranska 2, OIB 18099276986, koje zastupa predsjednica uprave, Cecilia Nikoletta Fata i član uprave, Soma Zoltán Dala, dana 16.04.2021, sastavili su

1.IZVJEŠTAJ UPRAVE O STANJU I POSLOVANJU GRUPE ZA 2020, GODINE

L OPĆI PODACI O PODUZEĆU

Dioničko društvo za hotelijerstvo i turizam Hoteli Jadran iz Gradea (dalje: Društvo) nastalo je pretvorbom društvenog Hotelsko-turističkog poduzeća Hoteli Jadran i upisano u sois TT-96/7166-5, MBS 060040135 dana 5 ožujka 1997.godine.Pretvorba se temelji na Odluci o pretvorbi i rješenju Hrvatskog fonda za privatizaciju od 2 travanja 1996.godine. Osnivačka skupština društva održana je 08.11.1996. kada je prihvaćeno da se Hoteli Jadran pretyore u dioničko društvo te postanu univerzalni slijednik istoimenog društvenog poduzeća. Temeljni kapital društva podijeljen je na 107.115 redovnih dionica na ime, svaka u nominalnom iznosu od 700,00 kuna.

Društva uključena u konsolidaciju, a u kojima društvo na dan 31.12.2018. godine drži 100% udjela (u daljnjem tekstu: Grupa):

- HOTEL LABINECA d.o.o., Jadranska 2, Gradac, OIB: 82215732082,
- JADRAN LAGUNA d.o.o., Jadranska 16, Gradac, OIB: 56976586879 i
- FARAON d.o.o., Put Vila I, Trpanj, OIB: 98007195291.

Osnovna djelatnost Grupe je 55-pružanje ugostiteljskoturističkih ustuga.

Trenutna uprava imenovana je tek u rujnu i stoga je njihovo vodenje poslova utjecala praktički na posljednji kvartal 2020. godine, dok je sve ostale odhuke uprave donio prethodni upravni odbor.

Dio movine tvrtke založen je u korist Bohemian Financing zrt. temeljem sljedećeg: 1. Ugovor o kupoprodaji potraživanja od 2. travnja 2019. sklopljen između Raiffeiscisch Bank Zrt. i Bohemian Financing Zrt., sva prava i obveze prenesena su na Bohemian Financing Zrt. Radi pamirenja gore navedene tražbine, pokrenuta je ovrha Raiffeisen Bank Zrt protiv društva Hoteli Jadran d.d. koja se vodi pod poslovnim brojem OVR-69/2019. 2. Ugovor o kupoprodaji potraživanja od 30. svibnja 2018, skloptjen The Management Board of HOTELI JADRAN dd., Gradac, Jadranska 2, OIB 18099276986, represented by the President of the Management Board, Cecilia Nikoletta Fata and a member of the Management Board, Soma Zoltán Dala, on 16.04.2021

1. MANAGEMENT REPORT ON THE STATE OF GROUP AND BUSINESS OPERATIONS FOR 2020

LGENERAL INFORMATION ABOUT THE CROUP

Joint Stock Company for Hotel and Tourism Hoteli Jadran from Gradac (hereinafter: the Company) was created by the transformation of the social Hotel-Tourist Company Hoteli Jadran and entered in the file TT-96 / 7166-5, MBS 060040135 on March 5, 1997. The conversion is based on Decision on the transformation and decision of the Croatian Privatization Fund of 2 April 1996. The founding assembly of the company was held on November 8, 1996, when it was accepted that Hoteli Jadran be transformed into a joint stock company and become a universal successor of the socially-owned company of the same name. The share capital of the company is divided into 107,115 ordinary registered shares, each in the nominal amount of HRK 700,00.

Companies included in the consolidation, in which the company on 31.12.2018, holds 100% stake (hereinafter: the Groun):

- · HOTEL LABINECA do.o., Jadranska 2, Gradac, OIB: 82215732082,
- JADRAN LAGUNA d.o.o., Jadranska 16, Gradac, OIB: 56976586879 i
- FARAON d.o.o., Put Vila 1, Trpanj, OIB: 98007195291.

The main activity of the Group is 55-provision of catering and tourism services.

Current management was appointed only in September and therefore their management affected practically the last quarter of 2020, while all other management decisions were rendered by the previous management board.

Part of company's assets are mortgaged in favour of Bohemian Financing zet, pursuant to the following: 1. Contract on Purchase and Sale of Claims dated April 2, 2019. concluded between Raiffeiseisen Bank Zrt. and Bohemian Financing Zrt., all rights and obligations have been transferred to Bohemian Financing Zrt. In order to settle the above claim, the enforcement of Raiffeisen Bank Zrt was initiated against Hoteli Jadran d.d. which is kept under business number OVR-69/2019. 2.Contract on

HOTELI ADRAN IRB., ADHANSKA 2. GRABAC ELNA, OME HANGUNGA; NOR MONASA; ŽIMO BAČUNIH KUNSKI LIMBULGAT I. BEVECH KOM PROVINCINE MANKE ZAGHED B.D.;
RAM PRAGJAMON IMBIGRAT, SWEPT PREZIMENE, TREGOVAČNI SED U SPLITIL, MRE. SMONELĖ TENTLINIK KAPITALI NARLEDIJO KUNA, BYLAČEN SE CUNAJSTUPIDICELIEN KO697 ILS DEMICA SVAKA NOMINALINE VEIEDINOSTI TAMA KŲ NALIMBERICINIK LIPAVĖ: CECLIA NIKOLETTA PATA, ČLAN UPLAVEJ SONA BALAI FREDSICIPMOK RAMENINGKI LIPAVĖ: CECLIA NIKOLETTA PATA, ČLAN UPLAVEJ SONA BALAI FREDSICIPMOK RAMENINGKI LIPAVĖ: CECLIA NIKOLETTA PATA, ČLAN UPLAVEJ SONA BALAI GERMICI BEDINIK LIPAVĖ LIPAVI SINKA BALAI FREDSICIPMOK RAMENINGKI LIPAVĖ.
UVRŠTENA NA REDOVITO TREISTE ZAGRICIAČNE BURZE.

između NLB Leasing d.o.o. i Bohemian Financing Zrt., Sva prava i ohveze prenesena su na Bohemian Financing Zrt. . Radi namirenja gore navedene tražbine, pokrenuta je ovrha NLB Leasing d.o.o. protiv Hotela Jadran d.d. koja se vodi pod poslovnim brojem OVR-48/2019. i 3. Ugovor o kupoprodaji potraživanja od 30. svibnja 2018. sklopljen između OL Nekretnine d.o.o. i Bohemian Financing Zrt., sva prava i obveze prenesena su na Bohemian Financing Zrt. . Radi namirenja gore navedene tražbine, pokrenuta je ovrha OL Nekretnina d.o.o. protiv Hotela Jadran d.d. koja se vodi pod poslovnim brojem OVR-48/2019.

Sukladno gore navedenom Ugovorima o kupoprodaji tražbina, novi vjerovnik Bohemian Financing Zrt.stupio je na mjesto ovrhovoditelja, Raiffeisen Bank zrt u ovrsi knja se vodi pod brojem OVR-69/2019 i NLB Leasing d.o.o. i OL Nekretnine d.o.o.

Organi Društva:

Unrava:

I. Cecilia Nikolena Fata , predsjednik Uprave

2. Soma Zoltán Dala, član Uprave

Nadzomi odbor:

1. Dániel Jellinek, predsjednik

2. Tarnás Szöllősi, zamjenik predsjednika

3. Tamas Kuntár, član

Glavna skupština: čine je svi dioničari Društva.

Nakon imenovanja, nova Uprave pokrenula je cjelovitu pravnu, financijsku i kadrovsku reviziju Grupe.
Uslijed otežanih i neizvjesnih uvjeta poslovanja uzrokovanih pandemijom COVID-19 i lošim rezultatima turističke sezane te nasljeđenim golenim konsolidiranim dugom koji je nastao prije 2020, odlučeno je upravljati troškovima na centralizirani način. Grupa očekuje da će to omogućiti smanjenje troškova, očinkovitiju mobilnost osoblja koja odgovara trenutnoj vrlo nestabilnoj potražnji za smještajnim kapacitetima i povećanje kvalitete usluge. Proces racionalizacije započeo je s preuzimanjem zaposlenika društava koja su u zakupu

hotela Labineca i Laguna u Gradeu i Faraon u Trpnju, te

kasnije raskidom ugovora o zakupu sa sadašnjim

Grupa u svom sastavu ima 3 hotela.

zakupcima.

Purchase and Sale of Claims dated May 30, 2018. concluded between NLB Leasing do.o. and Bohemian Financing Zrt., all rights and obligations have been transferred to Bohemian Financing Zrt. In order to settle the above claim, the enforcement of NLB Leasing do.o. was initiated against Hotel Jadran d.d. which is kept under business number OVR-48/2019. and 3. Contract on Purchase and Sale of Claims dated May 30, 2018. concluded between OL Nekretnine do.o. and Bohemian Financing Zrt., all rights and obligations have been transferred to Bohemian Financing Zrt. In order to settle the above claim, the enforcement of OL Nekretnine do.o. was initiated against Hotel Jadran d.d. which is kept under business mumber OVR-48/2019.

Pursuant to the above-mentioned Purchase and Sale Agreements, the new creditor Bohemian Financing Zrt. took over the position of bailiffs, Raiffeisen Bank Zrt in OVR-69/2019 and NLB Leasing d.o.o. and OL Nekretnine d.o.o. in OVR-48/2019.

Company bodies:

Management

1. Cecilia Nikoletta Fata, president

2. Soma Zoltán Dala, member

Supervisory Board:

1. Dániel Jellinek, president

2. Tamás Szöllősi, vice-president

3. Tamás Kuntár, member

General Assembly: consists of all shareholders of the Company.

After the new management was appointed, they have initiated a full legal, financial and HR review of the Group. Due to the difficult and uncertain business conditions caused by the COVID-19 pandemic the poor results of the tourist season and the inherited vast consolidated debt from before 2020, the Company decided to manage costs in a centralized manner. The Group expects that this will enable cost reduction, more efficient staff mobility that corresponds to the current very volatile demand for accommodation capacities and an increase in the quality of service. The process of rationalization began with the takeover of employees of the companies that leased the hotels Labmeca and Laguna in Gradac and Faraon in Topanj, and later the termination of the lease agreements with the tenants followed.

BHTTELL LADRAN D.D., ALDRANSKA Z. GRADAC ZUZE, GDE 180957080; NEB 200454; ŽERO RAČUTCI: SCHREKI ZURDEN LIGOROSHT I DEVIZAT KOD PREVECINĖ SADKE ZAGREB R.D.

TRAN HERGZMORPIJEDIJOST, SWETT PERGERZE, TEGOVAČKI REB U SPLETU, NEB ORDORDA TERELLINI SARTIAL: 24304 5000 KLDA, UPLACEN U CULLIOSTIKORHILLEN NO
1871 IB DECRETA SVARA NORUMINE VERISININISTI TRUB KUNA PREDBIŽDANIK UPRAVII COLORIA NEDELETA PATA, ČLAN VERAVEJ COLOR PATA PERDENGROU NADROBRO COPRAKA DECRETA PATA, ČLAN VERAVEJ COLOR PATA PERDENGROU NADROBRO COPRAKA DECRETA PATA CLANICAI REPUBLIKA HEVATSICA; EDG. BRILIDERAGOM; COPRAKA DECRETA UVESTICAI NA REDOVITO TRŽIŠTE ZAGREBAČNE RUREK.

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The Group has 3 hotels

Tablica I Pregled kapaciteta / Table 1 Hotel capacities

	Labineca	Laguna	Faraon
Vistoranie / Catagony	***	**	***
Kategorija / Category Sobe / Rooms	216	270	115
Kreveti / Hods	456	580	245

Izvor: rješenje o kategorizacije / Source: categorization decision

2.VLASNIČKA STRUKTURA

Temelini kapital Društva na dan 31.12.2020. godine iznosi 74.980.500,00 kn i podijeljen je na 107.115 redovnih dionica nominalnog iznosa svake dionice po 700,00 .Sve dionice nose oznaku HJDR-R-A i uvrštene su u Redovito tržište Zagrebačke burze d.d.

U 2020. godini nije bilo stjecanja vlastitih dionica niti ih Društvo ima otprije. Društvo u 2020. godini nije izdavalo financijske instrumente. Članovi uprave i članovi nadzornog odbora nisu imatelji bilo kakvih financijskih instrumenata koje je izdalo društvo.

Vlasnička struktura kapitala Hotela Jadran d.d. iskazana je niže (za 10 najvećih dioničara), na dan 31.12.2020.godine.

2. OWNERSHIP STRUCTURE

Share capital of the Company as at 31.12.2020. is HRK 74,980,500.00 and is divided into 107,115 ordinary shares with a nominal value of 700.00 each share. All shares bear the designation HJDR-R-A and are listed on the Regular Market of the Zagreb Stock Exchange d.d.

In 2020, there were no acquisitions of treasury shares nor did the Company have them before. In 2020, the Company did not issue financial instruments. Members of the Management Board and members of the Supervisory Board are not holders of any financial instruments issued by the Company.

The ownership structure of the capital of Hoteli Jadran d.d. it is stated below (for the 10 largest shareholders), as at 31 December 2020.

Tablica 2.Pregled vlasničke strukture na dan kraja razdoblja / Ownership structure at the end of the period

	Ime i prezime / tvrtka	Broj dionica	Postotak
	Name and surname/company	No.shares	Percentage
1	TOPAZ D.O.O.	92.717	86,56
2,	IVANOVIĆ IVAN BOŽIDAR	1,539	1,44
3.	RAIFFEISEIN BANK AUSTRIA DD	924	0,86
4.	RAIFFEISEINBANK AUSTRIA DD	850	0,79
5.	CERP/REPUBLIKA HRVATSKA	841	0,79
6.	VUKADIN ZVONIMIR	543	0,51
7.	DUJIĆ BRANKO	175	0,16
8.	HORVAT HRVOJE	132	0,12
9.	ODŽAK JURE	131	0,12
10.	Grupa računa	109	0,10
	O/TOTAL	97.961	91,45

Izvor :SKDD / Source: SKDD

HOTELL LABRAN D.D., JADRANSKA Z, GRADAC ZUNG, D.D.: HONSTINGE, MR. MAGISA ŽIBU BAČINE: KUNNEL ZAGREB D.B.;
HAN HIBREMORPHIOGRIPA, NART FIZZGRENZ, TREXWAČKI SUD U SPLTU, MRG. GROBOJNI TRIBELINE KAPTAL: NARGORIB D.N.A., UTLAČEN U CHLIASTIPOULIEM NA
HILIS DIODOCA SVAKA MORINALNÝ VRHEBRUSTI TODO KUNA PRIDSEDNOG VRANTY CICTUR KOKOLITA RATA, CLAR UPRAVE NORA DALE; HEROROGENÍK NAROSROG
ORBITAR DANNEL JELIJENÉ, LEL SONAKA TROMOMERTRÝTALNÍ, MATRONA DRŽAVA ČLANICA, HEÝA TIKOL MIN; HERBURDRAMMI; GRAKKA DROGCE MUR RA,
UVEŠTERA NA REDOVITO TRŽIŠTE ZAGREBAČNE BURZK

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3.TURISTIČKI REZULTAT

Tablica 3.Ostvareni turistički rezultati za 2020.godinu

2020.	10.504	26.722
2019.	21.846	46.849
	SOBE	NOĆENJA

Izvor: informacijski sustav

Širenje bolesti COVID-19 izazvalo je paniku i brojne potrese na turističkom tržištu što se posljedično odrazilo i na poslovanje Grupe. Naime, prvi pokazatelji i rezervacije za predsezonu i sezonu 2020. godine su bili iznad razine prošlogodišnjih te smo očekivali uspješnu predsezonu i vrlo visoku popunjenost u sezoni, slijedom čega i dobre poslovne rezultate u 2020. godini. Obzirom na izvanredne okolnosti te izostanak uobičajene turističke sezone, u 2020.g. Grupa nije poslovala u svim objektima. Hotel Taguna nisu bili otvoreni te su gosti alocirani u Hotel Labinecu', jedini objekt unutar Grupe koji je poslovao.

Hotel 'Labineca' je počela s operativnim radom 27.lipnja 2020. Uslijed porasta broja zareženih COVID-om diljem Europe koncem kolovoza su počele najave o zatvaranju granica što je dovele do stomiranja rezervacija za razdoblje rujna i listopada te zatvaranja objekta 5.rujna 2020.

4.FINANCIJSKI REZULTAT

4.1.Prihodi

Ukupni poslovni prihodi iskazani u račumu dobiti i gubitka u 2020.godini iznose 11.750.465 kn, od čega je 274.965 kn prihoda ostvareno s poduzetnicima umutar grupe te 11.475.509 kn ostvareno s poduzetnicima izvan grupe. Ukupni poslovni prihodi Grupe su 75% niži u odnosu na isto razdoblje prethodne godine zbog općepoznate situacije nastale globalnom pandemijom bolesti COVID-19, koja je najviše utjecala upravo na hrristički sektor.

4.2.Rashodi

Ukupni poslovni rashodi u 2020.godini iznosili su 50.757.129 km dok su prethodne godine isti iznosili 45.348.545 km. Razlog povečanja operativnih troškova odnosi se na iskazivanje rezervacija u ukupnom iznosu od 30.390.582 km za ovrhu u odnosu na postupak OVR-48/2019 koji se vodi pred Općinskim sud u Makarskoj -

3.TOURIST RESULT

Table 3. Touristic results of the Group for 2020

2020.	10.504	26.722
2019.	21.846	46.849
	ROOMNIGHTS	BEDNIGHTS

Source:information system

The spread of COVID-19 caused panic and numerous shocks in the tourism market, which in turn affected the Group's operations. Namely, the first indicators and provisions for the pre-season and 2020 season were above last year's level and we expected a successful pre-season and very high occupancy in the season, resulting in good business results in 2020. Due to extraordinary circumstances and the absence of the usual tourist season, in 2020 the group did not operate in all facilities. Hotel Farson' and Hotel 'Laguna' were not opened and the guests were allocated to Hotel 'Labineca', the only facility within the Group that operated.

Hotel Labineca' started operating on June 27, 2020. Due to the increase in the number of COVIDs across Europe, announcements of border closures began in late August, leading to the cancellation of reservations for September and October and the closure of the facility on September 5, 2020.

4. FINANCIAL RESULT

4.1.Revenue

Total operating revenues shown in the income statement in 2020 amount to HRK 11,750,465, of which HRK 274,965 of revenues were generated with enterpreneurs within the group and HRK 11,475,509 were generated with enterpreneurs outside the group. The Group's total operating revenues are 75% lower compared to the same period last year due to the well-known situation caused by the global pandemic of the disease COVID-19, which had the greatest impact on the tourism sector.

4.2 Expenses

Total operating expenses in 2020 amounted to HRK 50,757,129 while in the previous year they amounted to HRK 45,348,545. The reason for the increase in operating costs relates to the posting of provisions in the total amount of HRK 30,390,582 for enforcement in relation to the procedure OVR-48/2019 which is being

HOTRE JABRAN B.D., JADRANSKA 2, GRADAC 21384, ODE BROGTNOR, MIT BRAISE, ŽIBO BAČUNE, KUNSKI BAGON-1900106-T I GEVECN KOO PRIVEEDNE BANGE ZAGREB D.D.;
BAN BESAZSHOPI INÍMI BAT, SWIFT PERGEBECK; TROCVAČKI SUD U SPECTU, MIRS AMBIDIST, TEMELINI KAPITAL: NANGRAM IDVA, EFLAČEN U CHELOSTIPODIBLITS NA
JALIN SKARA NOSHNALIN: VEREBOGET SAGRAKA KRAPREDSEPTIN EFRAVE CECHLA NIKOLETTA SATA, ČLAV UPRAVE SUNNA BALA: PERGESEDAR NAROBEN NA
ODBERA: DANIEL BELLING, LEE GOVAKE, TOMBORINSTROVALDI; HATECYA DRŽAVA ČLAMICA: BEDVISERA BEN; BERNINBRAMBI; GENAKA BRONCE: HIBS-R-A,
UVRŠTENA NA BEDDOVITO TRŽBITE ZAGRERAČKE BUREK

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NOVEM-15-HOTELIJADRAN O.D. MANAGEMENT BOARD REPORT-ID-5213



Stalna služba u Imotskom.

Troškovi zapeslenih u ovom razdoblju iznose 8.550.933 kn , što predstavlja smanjenje od 32% u odnosu isto razdoblju prošle godine kada je isti iznosio 12.012.321 kn Do smanienia ovih troškova došlo je uslijed izostanka poslovnih aktivnosti i reguliranja materijalna prava za vrijeme trajanja izvanrednih okolnosti uzrokovanih COVID-19 na način da je izvan snage stavljen dio Kolektivnog ugovora kojim se regulira obračun i isplata plaća i naknada plaća.

Materjalni troškovi i ostali troškovi su također smanjeni uslijed izostanka poslovne aktivnosti

Financijski rashodi iznose 5.968.152 kn dok su prošle godine iznosili 546.317 kn. Ovi rashodi se najvećim dijelom odnose na vrjednosna usklađenja financijske imovine u ukupnom iznosu od 5.865.383 kn,a koji se odnose na ispravak vrijednosti ulaganja u povezana društava u ukupnom iznosu od 5.554.300,00 kn, a na način kako slijedi udjeli u društvu Hotel Labineca d.o.o. u iznosu od 1.709.200,00 kn,udjeli u društvu Hotel Laguna d.o.o. u iznosu od 345.000,00 kn i udjeli u društvu Faraon d.o.o. u iznosu od 3.500.100,00 kn i otpis potraživanja uslijed okončanja stečajnog postupka dužnika u iznosu od 311.083

4.3.Dobit

Rezultat poslovanja je gubitak u iznosu od 43.966.984 km dok je prethodne godine iskazan dobitak u iznosu od 267.220 kn. Razłog gubitka je prvenstveno iznatanak poslovnih prihoda uslijed izvanrednih okolnosti uzrokovanih COVID-19 te iskazivanje rezervacija.

EBITDA je iznosila -34,090,300 kn dok je prethodne godine ostvareni EBITD-a iznosila 4,729,025 kn.

5.LJUDSKI RESURSI

Strategija upravljanja ljudskim resursima temelji se na čvrstoj sinergiji odredišta, lokalnog stanovništva i Grupe nastoji postići održivost osiguravajući da omjer stalno zaposlenih i sezonskih radnika zadovoljava industrijske standanie i pruža konkurentsku prednost.

Ulaganje u razvoj osoblja s punim radnim vremenom i sezonskog osoblja značajan je pokretač rasta za Grupu i planiramo nastaviti ulagati u to područje

conducted before the Municipal Court in Makarska -Permanent Service in Imotaki.

Employee costs in this period amount to HRK 8,550,933 which is a decrease of 32% compared to the same period last year when it amounted HRK 12,012,321. The reduction of these costs was due to the absence of business activities and the regulation of material rights during the extraordinary circumstances caused by COVID-19 by repealing part of the Collective Agreement governing the calculation and payment of salaries and wages.

Material costs and other costs were also reduced due to the absence of business activity

Financial expenses amount to HRK 5,968,152 while last year they amounted to HRK 546,317. These expenses mostly relate to the value adjustment of financial assets in total amount of HRK 5,865,383 relating to investments in affiliated companies in the total amount of HRK 5,554,300.00, and in the following manner: shares in the company Hotel Labineca d.o.o. in the amount of HRK 1,709,200.00, shares in the company Hotel Laguna d.o.o. in the amount of HRK 345,000.00 and shares in the company Faraon d.o.o. in the amount of HRK 3,500,100.00 and write-off of receivables due to the termination of the debtor's bankruptcy proceedings in the amount of HRK 311,083.

4.3. Profit

The result of operations is a loss in the amount of HRK 43,966,984 while in the previous year a profit in the amount of HRK 267,220 was reported. The reason for the loss is primarily the lack of operating income due to extraordinary circumstances caused by COVID-19 and posting of orovisions.

EBITDA amounted to HRK -34,090,300 while in the previous year the realized FBITDA amounted to HRK 4,729,025.

5. HUMAN RESOURCES

The human resources management strategy is based on a solid synergy of the destination, the local population and the Group is looking to achieve sustainability by making sure the ratio of full time and seasonal workers meet industry standards and provides a competitive advantage.

Investment in the development of both full-time and seasonal staff is a significant enabler of growth for the Group and we plan to continue investment in the area.

HOTREL JADRAM D.D., JADRAMSKA 2, GRADAM ZIER, DIB. 1889SYNDOS, MER XUAJA, ÉREC RAČIUME KENSEL ÉMBODS-18003897 I DEVEZH KOTO PREVERENCE BANKE ZAGRER D HAAN BERGEMBODI 1880S-5. SNIPY PRECHEKY, THADWACKI SUB-U SPLITU, MESI 68004034; TENBELINE BANKEZ, KANSELBI BETA, CELACH U CIJELOSTI-DOBIEL RAV. HITLES 1800NEA SYAKA NORMYALDY VEREKOMENT 1848BERGETAREN UPRAVEZ CENTEA MEDILETEA FATA. CLAS EPRAVE SOMA DALA; PELINSENSE NADOGRA ORBERGAR DANGEL BELLENGE, LEH COZANAT, MYRMORISMOSTRUTALTH; MATECNA 1822AVA CLAYOCA BROUBLER BENYA ISKA; BIN: BERLIDERAGON; CEVARA BROUKEZ, BEIDER B UVUSTECIA NA BEDOVITO TREBSTE ZAGRERAČKE SUBEK

Na dan 31.12.2020.godine prosjek broja zaposlenih tijekom razdoblja u Grupi iznosio je 88, a godinu dana ranije 85 radnika.

Omjer ukupnog troška rada i poslovnih prihoda u 2020. godini prema podacima iz poslovnih izvještaja iznosio 72% dok je u 2019. godini omjer iznosio 26%.

Odnosi sa zaposlenicima se razvijaju zahvaljujući vodstvu Sindikalne organizacije s kojim Uprava svakodnevno surađuje. Grupa u cijelosti primjenjuje sklopljeni Kolektivni ugovor.

Grupa je u suradnji sa socijalnim partnerima reguliralo materijalna prava za vrijeme trajanja izvanrednih okolnosti uzrokovanih COVID-19 na način da je izvan snage stavljen dio Kolektivnog ugovora kojim se regulira obraćun i isplata plaća i naknada plaća. Za vrijeme trajanja izvanrednih okolnosti, poslodavci nisu dužni radnicima isplaćivati plaću sukladno odredbama Kolektivnog ugovora koji je u primjeni kod poslodavca.

U okviru programa za očuvanje radnih mjesta Grupa se prijavilo na mjere zaštite zaposlenja te dobilo potporu za očuvanje radnih mjesta do 31.12.2020. u iznosu od 2.143.635 kn.

6.NAČIN UPRAVLJANJA RIZICIMA

Upravljanje rizicima sastavni je dio planiranja i upravljanja poslovnim procesima te je bazirano na standardima operativnih procedura, misiji i viziji te zakonskim okvirima. Aktivnosti koje Grupa obavlja i sezonski karakter poslovanja izlažu ga raznim rizicima i to operativnom, valutnom, kreditnom, kamatnom i riziku likvidnosti.

6.1.Operativni rizik

Operativni rizik nastaje kao posljedica neadckvatnih procedura i neuspjelih internih procesa, ljudskog faktora, internih ili eksternih događaja. U Grupi su ovi rizici prepoznati kao rizik plasmana usluga radi zastanjelih objekata, rizik nedovoljnog broja sezonskih radnika na tržištu, rizik od namjernih grešaka i prijevara radnika, ekološki rizik, rizik od moguće zaraze u hotelu i rizik od mogućih prirodnih katastrofa. Grupa upravlja ovim rizikom u skladu sa strategijom i politikama upravljanja rizicima.

6.2 Valutni rizik

Grupa indirektno, putem najmova, većinu prihoda ostvaruje na stranim tržištima te je izloženo je valutnom riziku. Cijene smještajnih usluga vezane su za strane valute, pretežno curo, te promjena vrijednosti valute može

As of December 31, 2020, the average number of employees during the period in the Group was 88, and a year earlier 85 employees

The ratio of total labor costs and operating revenues in 2020, according to data from business reports, was 72%, while in 2019 the ratio was 26%.

Relationships with employees are developing thanks to the leadership of the Trade Union, with which the Management cooperates on a daily basis. The Group fully applies the concluded Collective Agreement.

The Group, in cooperation with the social partners, regulated material rights during the extraordinary circumstances caused by COVID-19 by repealing part of the Collective Agreement which regulates the calculation and payment of salaries and wages. During exceptional circumstances, employers are not obliged to pay employees a salary in accordance with the provisions of the Collective Agreement applicable to the employer.

As part of the job preservation program, the Group applied for employment protection measures and received support for job preservation until 31.12.2020, in the amount of HRK 2,143,635

6.RISK MANAGEMENT

Risk management is an integral part of planning and managing business processes and is based on standards of operational procedures, mission and vision, and legal frameworks. The activities performed by the Group and the seasonal nature of operations expose it to various risks, namely operational, currency, credit, interest rate and liquidity risk.

6.1.Operative risk

Operational risk arises as a result of inadequate procedures and failed internal processes, human factor, internal or external events. The Group recognizes these risks as the risk of placement of services due to obsolete facilities, the risk of insufficient number of seasonal workers on the market, the risk of intentional mistakes and fraud of workers, environmental risk, the risk of possible contamination in the hotel and the risk of possible natural disasters. The Group manages this risk in accordance with its risk management strategy and policies.

6.2. Currency risk

The Group indirectly, through leases, generates most of its income in foreign markets and is exposed to currency risk. Prices of accommodation services are linked to foreign

HDTLLI ALIRAN B.B., ADRAYSKA I, GRABAC 11304, OSS. BENTYDNIK; YIB. 200454; EBKO RAČUNB. KUUNGI ZIMBUR-10800647 I DEVEZI KOD TERVEDINE BANKE ZAGREB D.B.;
BARI TERULMORDINENIOSA, SWIFT FERCHERIN, TEROVAČKI SUD E SPLETU, MIRK BENNICH, TENELINI KAPITALI TURLNICH KARA, UPLACEN D CULLINTUROSELIZAN KA
IDIJI BENNICA SVAKA NOMENLINI VILLEDNOSTI NACI KUNA PRODSTURNE HTRAVE: CECILIA NEKOLETTA PATA, ČLAN UPLAVE, SOMA DALA PRODSTURNE KORAPRODSORNOG
ORDORAZ BANGUL, BALLDEK, LEL OZINACA, CHROMENSKI POTAZ, MATIČNA, BURŽAVA ČLANČA, BERVATEKA, ESKI: BHREBRIRANNI GZVAKA DRIVICE: RIDE-RA,
UVESTEVA NA REBONTO TEŽIŠEE ZAGREBAČKE BORZE.

8

značajno utjecati na rezultate poslovanja.

6.3 Kreditni rizik

Ovaj rizik u društvu je prepoznat kao mogućnost da potraživanja prema kupcima ne budu realizirana na dan dospijeća. Potraživanja od dijela kupaca mogu sadržavati kreditni rizik, obzirom na visinu prometa s pojedinim kupcima i stanje opće likvidnosti u zemlji.

6.4.Kamatni rizik

Budući da Grupa nema značajne prihode od kamata koje ostvaruje, prihodi i novčani tok iz poslovnih aktivnosti nisu ovisni o promjenama kamatnih stopa. U strukturi kratkoročnih obveza za zajmove, depozite i slično, društvo ima obvezu na koju se ne obračunava kamata obzirom da je ista predmet predstečajnog postupka.

6.5 Rizik likvidnosti

Uprava kontinuirano prati i vodi projekciju likvidnosti.

7.INVESTICLIE

Grupa u 2020.godini ne bilježi nove investicije.

8.OPIS STANJA I POSLOVANJA

U cilju uspostave likvidnosti i restrukturiranja, Društvo je podnijelo zahtjev za otvaranje postupka predstečajne nagodbe, te je 22. ožujka 2013. isti otvoren. Za predstrčajnog povjerenika je imenovana gda. Meri Šitić. U postupku predstečajne nagodbe, svi vjerovnici su prijavili svoje tražbine te je Nagodbeno vijeće dana 27.06.2013. zakazało rociśte za utvrdivanje trażbina za dan 17.07.2013.g. Medutim, Republika Hrvatska - Ministarstvo financija nagodbenom vijeću je 16.05.2013.g. dostavilo zahtjev za prekid postupka predstečajne nagodbe uslijed provođenja nadzora nad povezanim društvima čije tražbine čine većimu ukupnih tražbina zbog utvrđivanja proboja pravne osobnosti, što predstavlja prethodno pitanje čije rješavanje može značajno utjecati na ishod postupka. Povodom tog zahujeva, Nagodbeno vijeće je na ročištu za utyrdivanje tražbina dana 17.07.2013.g. donijelo rješenje kojim se prekida postupak predstečajne nagodbe do okončanja postupka utvrđivanja zlouporabe prava pred nadležním tijelom i utvrdilo da će se postupak predstečajne nagodbe nastaviti po primitku izvršnog tješenja donesenog u postupicu utvrđivanja zlouporabe prava pred nadležnim tiiclom.

currencies, mostly the euro, and changes in the value of the currency can significantly affect business results.

6.3 Credit risk

This risk is recognized in the company as a possibility that trade receivables are not realized on the maturity date. Receivables from some customers may include credit risk, given the amount of turnover with individual customers and the state of general liquidity in the country.

6.4. Interest rate risk

Since the Group does not have significant interest income, income and cash flow from operating activities are not dependent on changes in interest rates. In the structure of short-term liabilities for loans, deposits, etc., the company has an obligation on which no interest is calculated, given that it is the subject of pre-bankruptcy proceedings.

6.5.Liquidity risk

The Management Board continuously monitors and manages the liquidity projection.

7. INVESTMENTS

The Group does not record any new investments in 2020.

8. DESCRIPTION OF SITUATION AND BUSINESS

In order to establish liquidity and restructure, the Company submitted a request to open pre-bankruptcy settlement proceedings, which was opened on 22 March 2013. Mrs. Meri Sitic was appointed as the pro-bankruptcy commissioner. In the pre-bankruptcy settlement procedure, all creditors filed their claims and the Settlement Council on 27,06,2013, scheduled a hearing to determine the claims for 17.07.2013. However, the Republic of Croatia - Ministry of Finance to the Settlement Council on 16.05.2013, submitted a request to terminate the pre-bankruptcy settlement procedure due to the supervision of affiliated companies whose claims make up the majority of total claims due to the determination of the breach of legal personality, which is a preliminary issue whose resolution may significantly affect the outcome of the proceedings. Regarding this request, the Settlement Council at the hearing for determining the claims on July 17, 2013, issued a decision suspending the pre-bankruptcy settlement procedure until the end of the procedure for establishing abuse of rights before the competent authority and determined that the prebankruptcy settlement procedure will continue upon receipt of the executive decision issued in the procedure for determining abuse of rights before the competent body.

BOTTLI BARKAN D.B., JADRAPSKA I, GRADAC ILIME ORE 1900/1900, MB. MORISE ŽBO RAŽURI, KUNKKI ZLEBOS-160000547 ČDEVIZNI KOD PRIVEZNIK RAMKE ZAGRED B BRAN REPULLMORDI 1908/54, DANFT PRZGERES, TREUVAŽKI SID U SPLITU, MBS. 1909/100, TEMELJEN KAPITAL, ILME IMERIKA KUNA, UPLACEN U CURLASTLUNDILLITS 1971 IN DECNECA SYAKA MOMINALME VELINUMOSTI 1900 DECNIKA PREDSJEDNIK UPRAVE, CECELA NIMOLETTA PATA, ČLAN UPRAVE, SOMA BALA, PERZIMERISKI KANDON ODBOGRE BARTEL BELI DEVEL LEI OZNAKA: ODBOGODISKI PROTAVIM MATIČNA SPEŽAVA ČLANGCE. REPUBLICA HRVATSKA; SID: HRHBIDERAMNI OZNAKA DRIMES: HUBST UVRŠTEVA NA BEDUNTIO TRŽIŠTE ZAGREBAČKE BEMEZE

S obzirom da je do dana donošenja rješenja o prekidu postupka proteklo 117 dana postupka, te je preostalo samo 3 dana da se postupak pred nagodbenim vijećem dovrši nakon što bude nastavljen, što nedvojbeno nije dostatno za objavu zaključka o sazivanju ročišta za utvrđivanje tražbina, eventualnu izmjenu plana predstečajne nagodbe, objavu izmijenjenog plana, objavu zaključka o zakazivanju ročišta za glasovanje o planu financijskog restrukturiranja i predstečajne nagodbe i za održavanje predmetnog ročišta za glasovanje, to je dužnik uložio dana 01.09.2014.g. uložio zahtjev za produljenje roka trajanja postupka predstočajne nagodbe te je Savjetodavno vijeće Ministarstva financija dana 24.09.2014.g. odobrilo produženje roka za dodatnih 30 dana. Rok za dodatnih 30 dana počinje teći od isteka roka od 120 dana od dana otvaranja postupka predstečajne nagodbe.

Sukladno zakonu o financijskom poslovanju i predstečajnoj nagodbi, društvo svoje tekuće obveze podmiruje u rokovima predviđenim zakonom, tj. 30 odnosno 60 dana uz suglasnost povjerenika predstečajne nagodbe. Društvo na temelju predloženog plana financijskog i operativnog restrukturirania nudi vjerovnicima predstečajnu nagodbu koja bi se provela na slijedeći način da se od utvrđenih tražbina otpišu zatezne kamate, ukoliko iste postoje, te otplatu cjelokupne glavnice uz izmjenu rokova dospijeća na period od 5 godina od datuma pravomočnosti rješenja o sklapanju predstečajne nagodbe. Dana 8. lipnja 2017. održano je ročište za utvrđenje tražbina te je dana 14. lipnja 2017. doneseno rješenje o urvrđenju tražbina Klasa UP-V110/07/13-01/1683, urbroj 04-06-17-1683-141. Ročište za glasovanje o prihvaćanju plana financijskog restrukturiranja zakazano je za 26. srpnja 2017. na kojem je predloženi plan financijskog restrukturiranja prihvaćen. Na rješenje o utvrđenju tražbina žalio se vjerovnik Optima Leasing d.o.o. te je Ministerstvo financija u drugostupanjskom upravnom postupku donijelo rješenje 11. rujna 2017. Klasa UP/II-423-01/117-02/53 urbroj 513-04/17-4 kojim se uvažava žalba te se poništava rješenje Financijske agencije Klasa UP-1/110/07/13-01/1683, urbroj 04-0617-1683-133 od 12. lipuja 2017, navodeći da vijeće nije dovoljno obruzložilo razloge odbacivanja tražbine navedenog vjerovnika. Na ovo rješenje Nagodheno vijeće HR01 Financijske agencije je domjelo novo rješenje dana 23. listopada 2017. Klasa UP-I/110/07/13-01/1683 urbroj 04-06-17-1683-221 u kojem odbacuje prijavu tražbine vjerovnika Optima Leasing d.o.o. detaljno obrazlažući razloge donošenja ovakvog rješenja. Rješenjem od 08.01.2018. (klasa: UP/II-423-01/17-02/72, ur.br. 513-04/18-3) Ministarstva financija, Samostalnog sektora za drugostupanjski upravni postupak, uvažena je žalba vjerovnika Optima Leasing d.o.o. Zagreb na rješenje o odbačaju prijave tražbine te je poništeno rješenje FINE, Regionalni centur Zagreb, Nagodbeno vijeće HR01, klasa UP-1/110/07/13-01/1683, ur.04.06-17-1683-221

Considering that 117 days of proceedings had elapsed by the day of the decision to suspend the proceedings, and that there were only 3 days left to complete the proceedings before the settlement council after they resumed, which is undoubtedly not enough to publish a conclusion on convening a claim hearing, plan of the pre-bankruptcy settlement, publication of the amended plan, publication of the conclusion on scheduling the hearing for voting on the plan of financial restructuring and pre-bankruptcy settlement and for holding the hearing in question, the debtor submitted on 01.09.2014, a request for extension of the duration of the pre-bankruptcy settlement procedure and the Advisory Council of the Ministry of Finance on 24.09.2014, approved an extension of the deadline for an additional 30 days. The deadline for an additional 30 days begins to run from the expiration of the deadline of 120 days from the day of opening the pre-bankruptcy settlement

In accordance with the Law on Financial Operations and Pre-Bankruptcy Settlement, the company settles its current liabilities within the deadlines provided by law, ie 30 or 60 days with the consent of the pre-bankruptcy settlement commissioner. Based on the proposed financial and operational restructuring plan, the Company offers creditors a pre-bankruptcy settlement which would be carried out in the following way to write off default interest, if any, and repay the entire principal with a change in maturity for a period of 5 years from the date the decision on concluding a pre-bankruptcy settlement becomes final. On 8 June 2017, a hearing for the determination of claims was held and on 14 June 2017, a decision on the determination of claims Class (JP-I / 110/07 / 13-01 / 1683, registration number 04-06-17-1683-141. A hearing to vote on the adoption of the financial restructuring plan is scheduled for 26 July 2017 at which the proposed financial restructuring plan is adopted. The creditor Optima Leasing d.o.o. appealed against the decision on determining the claims and the Ministry of Finance in the second-instance administrative procedure issued a decision on 11 September 2017 Class UP / II-423-01 / 117-02 / 53 no. 513-04 / 17-4 upholding the appeal and annulling the decision of the Financial Agency Class UP- I/ 110/07 / 13-01 / 1683, reg. 04-0617-1683-133 of 12 June 2017, stating that the Council did not sufficiently explain the reasons for rejecting the claim of the said creditor. On this decision, the Settlement Council HR01 of the Financial Agency adopted a new decision on October 23, 2017. Class UP-I / 110/07 / 13-01 / 1683, number 04-06-17-1683-221, in which it rejects the application of the creditor Optima Leasing Ltd. explaining in detail the reasons for making such a decision. By the decision of January 8, 2018 (class: UP / II-423-01 / 17-02 / 72, reg. no. 513-04 / 18-3) of the Ministry of Finance, Independent Sector for Second Instance Administrative Procedure, the appeal of the creditor Optima Leasing d.o.o. Zagreb on the decision rejecting the claim was upheld and the decision of FINA.

HOTELI ABRAN D.B., AMBRANSKA & CRADAC 212R, CHR. DESPENSES, MR. POMESA ŽIDO RATENII. RENEME 25/000/1004(05/11 DEVIZA) RED PRENEME BANCE ZAGRED B.D.;
RENE BENZAMON HOMORI, SWOTT PEZGERZE TRODYNĆTO SED U SPLITU, MED 0000013/1 TRVILLEN KANTAL: MODJODAO KURA, UPLAČEN U CLEZACETLEGUIDLEN ABREMON DE
1119 DOVECA SVARA NOMENALDE VRIEDONOSTI TODO KUNA PRESELECINE UPRAVE CERTIA NEGREZIA ČLANCA) REPUBLIKA HEVATSKA EGNA RALA FRIEDSFEDNIK ABREMON COMBINCE BANCE, SELAKA NOMENALDE LED CERTIA PROGREDEN A PROGREDEN DE MATERIA PROGREDEN DE MATERIAL PROGREDON DE MATERIAL PROGREDEN DE

8/17 2001-04-15 NOTELLIADRAN D.D.-MANAGEMENT BOARD REPORT JD 5231



23.10.2017, i predmet vraćen prvostupanjskom tijelu na ponovni postupak. Dana 12.04.2018. održano je novo ročište za utvrđenje tražbina te je 16.04.2018, doneseno Rješenje o utvrđenju tražbina, klasa UP-I/110/07/13-01/1683, ur.broj 07-02-18-1683-229 u kojem je utvrđena i tražbina vjerovnika Optima Leasing d.o.o. sukladno njihovom traženju. Društvo nakon toga izrađuje novi plan financijskog i operativnog restrukturiranja, kao i novi nacrt predstočajne nagodbe s uključenim svim utvrđenim trazbinama te ga dostavlja Nagodbenom vijeću Financijske agencije koje zakazuje ročište za glasovanje za 5. lipnja 2018. godine. Neposredno prije održavanja ročišta za glasovanje, Nagodbeno vijeće je od vjerovnika Optima Lessing do.o. Zagreb i razlučnog vjerovnika OL Nekremine d.o.o. Zagreb zaprimilo podneske kojima se obavještava da je izvršen ustup tražbina novom vjerovniku Bohemian Financing Zrt. Budimpesta. Dana 5. lipnja 2018. održano je ročište za glasovanje o novom Izmijenjenom planu financijskog restrukturiranja na kojem je spomenuti plan prihvaćen, te je Nagodbeno vijeće HR01 Financijske agencije dana 6. lipnja 2018. donijelo Rješenje o plana financijskog Izmijenjenog prihvaćanju restrukturiranja klasa UP-I/110/07/13-01/1683, ur.broj 07-02-18-1683-248 koje je postalo izvršno 26. lipnja 2018. godine. Društvo je 28. lipnja 2018. godine predalo Prijedlog za sklapanje predstečajne nagodbe Trgovačkom sudu u Splitu.

U trenutku pisanja ovog izvještaja čeka se zakazivanje ročišta pred Trgovačkim sudom u Splitu za sklapanje predstečajne nagodbe. Obzirom na nastupanje izvanrednih okolnosti izazvanih COVID-19, Trgovački sud u Splitu je privremeno obustavio održavanje ročišta. Sukladno odluci od 29.travnja 2020. objavljenoj na internetskim stranicama, Sud će nastaviti s održavanjem ročišta od 11. svibnja 2020. Predvidamo da bi predstečajna nagodna mogla biti potvrdena u drugom tromjesečju 2021.g.

Najznačajniji događaj ove godine je pojava virusa COVID-19 krajem veljače 2020. Grupa aktivno prati sve informacije vezane uz širenje korona virusa, posebice na emitivnim tržištima i poduzima sve mjere zaštite preporučene od strane Ministarstva Zdravstva i Zavoda za javno zdravstvo. Grupa je u suradnji sa socijalnim partnerima regulirala materijalna prava za vrijeme dok se ne radi a prismpila je i pregovorima s ostalim partnerima u cilju revidiranja visine i naknade za period kada će operativna aktivnost izostati. Vlada Republike Hrvatske je u travnju objavila program državnih potpora za suzbijanje negativnih učinaka Covid-19 na gospodarstvo. U okviru programa Group se prijavila za mjere zaštite zaposlenja te dobilo potporu za očuvanje radnih mjesta. Osim gore navedene micre Grupi je odobrena micra odgode plačanja employment protection measures and received support for

Regional Center Zagreb, Settlement Council HR01, class UP-1/110/07/13-01/1683, reg. 04.06-17-1683-221 dated 23 October 2017, was annulled and the case returned to the first-instance body for retrial. A new hearing was held on April 12, 2018, to determine the claims and on April 16, 2018, Decision on determination of claims, class UP-I / 110/07 / 13-01 / 1683, registration number 07-02-18-1683-229, was made in which the claim of the creditor Optima Leasing d.o.o. was determined according to their request. The Company then prepares a new financial and operational restructuring plan, as well as a new draft of prebankruptcy settlement including all identified claims and submits it to the Financial Agency's Settlement Council, which schedules a hearing for June 5, 2018. Immediately before the voting hearing, from the creditor Optima Lessing d.o.o. Zagreb and from the separate creditor OL Nekretnine d.o.o. Zagreb, the Settlement Council received submissions informing that the assignment of claims to the new creditor Bohemian Financing Zrt. Budapest had been made. On 5 June 2018, a hearing was held on the vote on the new Amended Financial Restructuring Plan, at which the said plan was accepted, and on 6 June 2018, the HR01 Financial Agency Scalement Council adopted a Decision on accepting the Amended Financial Restructuring Plan of class UP-I / 110/07 / 13-01 / 1683, registration number 07-02-18-1683-248, which became enforceable on June 26, 2018. On June 28, 2018, the Company submitted a Proposal for concluding a pre-bankruptcy settlement to the Commercial Court in Split.

At the time of writing this report, a hearing is pending before the Commercial Court in Split for a pro-bankruptcy settlement. Due to the extraordinary circumstances caused by COVID-19, the Commercial Court in Split temporarily suspended the hearing. Pursuant to the decision of 29 April 2020 published on the website, the Court continued to hold hearings from 11 May 2020. We anticipate that the prebankruptcy settlement could be confirmed in the second quarter of 2021.

The most significant event of this year is the appearance of the COVID-19 virus at the end of February 2020. The Group actively monitors all information related to the spread of coronavirus, especially in emitting markets and takes all protection measures recommended by the Ministry of Health and the Institute of Public Health. The Group, in cooperation with the social partners, regulated the material rights during the time when it was not working, and it started negotiations with other partners in order to revise the amount and compensation for the period when the operational activity would be absent. In April, the Government of the Republic of Croatia announced a state aid program to combat the negative effects of Covid-19 on the economy. As part of the program, the Group applied for

BITTEL LABBAN B.D. JADRANSKA I, GRADAC ILIDA OBE MONGYONG, MER SENSISH, ŽBEO RAČUNI: BUNDA ISBORI-HONICOTI LEEVZINI BODE PRIVEDINE BANKZ ZACISZE D.B.
MAN MINICASHONI-HONICOS, SWAPT PERCHRIZK, TREGIVAČKI SUD U SPLITU, MIS, OMDOBLE, TEMELANI BUPITAL: N. SOLNADO KUNA, UPLAČEN E CURT OSTUPISMICILIEN BODO
DITLIS BUCHCA SYAKA KOMINAJEN SPERIMINISTI PRAD KUNA PREDSEGENSK UPRAVE: CECILA NIKOLETTA KATA, (CAN EPIAVE: SONA BAJA, PERESEDINE NARIZONENO
ODBORG, DANBEL, DEL BEGE, EL I GENKAN, ATOMORDOMICINENO CAUS; MATTCA DRŽAVA ČLANCA: MEVILIKA REVINING REVE: BURBERBRANGE, OZNAKA BRONKE: BIDB-B-A,
UPPŠIEZNA NA RICHIVITO PRŽIŠTIK ZAGBERBAČKO REVEX

9/17 DIZI-14-15-HOTELI JADRAN D.D. MANAGEMENT BOARD REPORT-ID-52(1) određenih poreznih obveza.

Kao rezultat konačnog i obvezujućeg zaključka stečajnog postupka nad mađarskom tvrtkom Dalmácia Holiday Kft., Bohemian Financing Zrt. postao jedini vlasnik 100% dionica Topaz d.o.o., većinskog dioničara Društva.

Na glavnoj skupštini Društva održanoj dana 07. rujna 2020. donesena je odluka o opozivu članova Nadzomog odbora, i to: g. Tamas Vitezy-a, g. Janos Cszeszlai-a i gôc. Lidie Deme Deže, te su kao članovi nadzomog odbora izabrani g. Dániel Jellinek, g. Tamás Szöllősi i g. Tamas Kuptár na mazdamo razdoblje od četiri godine.

Nadzorní odbor je na sjednici održanoj dana 18.09.2020.g. donio odluku o opozivu g. Laszla Attila Kerekesa, Predsjednika uprave, i gde. Nives Grzmov, člana uprave, te su kao novi članovi uprave Društva imenovani gda. Cecilia Nikoletta Fata na funkciju Predsjednik uprave i g. Soma Zoltán Dala na funkciju član uprave na mandat od pet godina.

Nakon što je Uprava sagledala dosadašnje poslovanje pokrenut je postupak racionalizacije poslovanja društva, kako bi se društvo s dugom tradicijom poslovanja u hotelijerstvu koja seže od 1955. mogło suočiti s izazovima trenutne pandemije na najučinkovitiji način. Uslijed otežanih i neizvjesnih uvjeta poslovanja uzrokovanih pandemijom COVID-19 i lošim rezultatima turističke sezone te nasljeđenim golemim konsolidiranim dugom koji je nastao prije 2020 , Grupa je odlučilo upravljati troškovima na ocutralizirani način. Grupa očekuje da će to omogućiti smanjenje troškova, učinkovitiju mobilnost osoblja koja odgovara trenutnoj vrlo nestabilnoj potražnji za smješlajnim kapacitetima i povećanje kvalitete usluge. Proces racionalizacije započeo je s preuzimanjem zaposlenika društava koja su u zakupu hotela Labineca i Laguna u Gradcu i Faraon u Trpnju, te kasnije raskidomm ugovora o zakupu sa sadašnim zakupcima.

S obzirom na neizvjesnost ne može se procijeniti koliko dugo će trajati i kakve će efekte imati na poslovanje Grupe ali se ne očekuje ugroza dugoročnog poslovanja.

job preservation. In addition to the above measure, the Group has approved a measure of deferral of payment of certain tax liabilities.

As a result of the final and hinding conclusion of the bankruptcy proceedings against the Hungarian company Dalmácia Holiday Kft., Bohemian Financing Zrt. became the sole owner of 100% of the shares of Topaz d.o.o., the majority shareholder of the Company.

At the General Assembly of the Company held on September 7, 2020, a decision was made to recall the members of the Supervisory Board, namely: Mr. Tamás Vitezy, Mr. János Cseszlai and Ms. Lidia Deme Deže, and Mr. Dániel Jellinck, Mr. Tamás Szöllősi and Mr. Tamás Kuntár were elected as members of the Supervisory Board for a term of four years.

At the session held on September 18, 2020, the Supervisory Board decided to recall Mr. Lászlo Attila Kerekes, President of the Management Board, and Ma. Nives Grzunov, member of the Management Board, and as new members of the Management Board of the Company were appointed Ms. Cecilia Nikoletta Fata to the position of President of the Management Board and Mr. Soma Zoltán Dala to the position of Member of the Management Board for a term of five years.

After the Management Board reviewed the current operations, the process of streamlining the Company's operations was initiated, so that the company with a long tradition of hotel business dating back to 1955 could face the challenges of the current pandemic in the most efficient way. Due to difficult and uncertain business conditions caused by the COVID-19 pandemic, the poor results of the tourist season and the inherited vast consolidated debt from before 2020, the Group decided to manage costs in a centralized manner. The Group expects that this will enable cost reduction, more efficient staff mobility that corresponds to the current very volatile demand for accommodation capacities and an increase in the quality of service. The process of rationalization began with the takeover of employees of the companies that leased the hotels Labineca and Laguna in Gradac and Faraon in Trpanj, and later the termination of the lease agreement with the current tenants followed.

Given the uncertainty, it is not possible to estimate how long it will last and what effects it will have on the Group's operations, but no threat to long-term operations is expected.

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9.ORAVLIEST O ZAŠTITI OKOLIŠA

Upravljanje zaštitom okoliša obuhvaća odgovorno poslovanje u cilju očuvanja okoliša, prirode te odnosa prema društvenoj zajednici radi postizanja dugoročnog poslovnog uspjeha i zadovoljstva svih zainteresiranih strana. Grupa priprema politiku upravljanja okolišem kojom će uskladiti poslovanje s važećim zakonskim odredbama i propisima iz područja zaštite okoliša.

10.PRIMJENA KODEKSA KORPORATIVNOG UPRAVLJANJA

Društvo dobrovaljno primjenjuje Kodeks korporativnog upravljanja kojega su zajednički izradile Hrvatska agracija za nadzor financijskih usluga (HANFA) i Zagrebačka burza d.d. Zagreb, a integralni tekst Kodeksa objavljen je na internetskim stranicama Zagrebačke burze (www.zse.hr). Društvo objavljuje Izjavu o primjeni kodeksa korporativnog upravljanja kao posebni odjeljak godišnjeg izvješća o stanju društva sukladno čl. 272.p Zakona o trgovačkim društvima.

11.ODNOSI S POVEZANEM DRUŠTVIMA

Transakcije s povezanim društvima unutar Grupe odvijale su se u skladu s tržišnim principima i primjenom komercijalnih uvjeta koji bi važili da su uspostavljeni između nekontroliranih strana.

12.NAJZNAČAJNIJI DOGAĐAJI NAKON DATUMA BILANCE

Kao rezultat preuzimanja 100% dionica Topez d.o.o. od strane Bohemian Financing Zrt., proveden je obvezni postupak pomuće za preuzimanje.Dana 11. siječnja 2021. objavljeno je mišljenje uprave o pomudi za preuzimanje dok je 10. veljače 2021 objavljeno izvješće o preuzimanju iz kojeg je razvidno da je jedan dioničar prihvatio ponudu za preuzimanje ciljanog društva te je Bohemian Financing zrt stekao 43 dionice koje predstavljaju 0,04% temeljnog kapitala.

Društvu je dana 15.ožujka 2021. radi potrebe osiguranja likvidnosti u okolnostima korona krize s društvom Topaz d.o.o., Zagreb, Ulica Ivana Lučića 2, MBS: 100001468, OIB: 99489283996, kao zajmodavcem, skopilo Ugovor o kreditu (Credit Facility Agreement) na iznos do 1.000.000,00 EUR. Društvo ima pravo povlačiti sredstva u ratama, najviše do ukupnog iznosa od 1.000.000,00 EUR, do 31.01.2022.g. Rok povrata svakog pojedinog zajma je 31.01.2022 g., s kamatom od 5% godišnje.

9. ENVIRONMENTAL PROTECTION NOTICE

Environmental management includes responsible business in order to preserve the environment, nature and the relationship with the community in order to achieve longterm business success and satisfaction of all stakeholders. The Group is preparing an environmental management policy that will harmonize operations with applicable legal provisions and regulations in the field of environmental protection.

10. APPLICATION OF THE CORPORATE GOVERNANCE CODE

The Company voluntarily applies the Corporate Governance Code, which was jointly developed by the Crostian Financial Services Supervisory Agency (HANFA) and the Zagreb Stock Exchange d.d. Zagreb, and the integral text of the Code was published on the website of the Zagreb Stock Exchange (www.zsc.hr). The Company publishes the Statement on the Application of the Corporate Governance Code as a special section of the annual report on the state of the company in accordance with Art. 272.p of the Companies Act.

11. RELATIONS WITH ASSOCIATED COMPANIES

Transactions with related companies within the Group were conducted in accordance with market principles and the application of commercial conditions that would apply if they were established between non-controlling parties.

12. MOST SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

As a result of the takeover of the 100% of the shares of Topaz d.o.o. by Bohemian Financing Zrt., a mandatory takeover offer process was performed. On January 11, 2021, the management's opinion on the takeover offer was published, while on February 10, 2021, the takeover report was published, which shows that one sharcholder accepted the takeover offer of the target company and as a result Bohemian Financing Zrt acquired 43 additional shares representing 0, 04% of share capital.

On March 15, 2021, due to the need to ensure liquidity in the circumstances of the corona crisis, Topaz doo, Zagreb, Ulica Ivana Lucica 2, MBS: 100001468, OIB: 99489283996, as a lender, concluded a Credit Facility Agreement in the amount of up to EUR 1,000,000.00. The Company has the right to withdraw funds in installments, up to a total amount of EUR 1,000,000.00, until January 31, 2022. The repayment period of each individual loan is January 31, 2022, with an interest rate of 5% per annum.

HOTELLADRAN D.B., AUFRANKA Z. GRADAC 1886, OIR INVESTMENT MICH. MUNICIPAL MUNICIPAL SEMBERTANDIOST I DEVEM KIND PRIVEDNE RANKE ZACKER D.D.,
HAR HERSCHWERTIGHISSA, SWETT PERCHECKE INCOVACIG SUD U SPLITU, MINE HERSCHWERT RAFTALT ZAMESKUR KLIKA, KYLAČEN U CURLOS LI-DRINGERIEF NA
HAR HERSCHWERT AVARA HOMMALKE VELFENOSTI SUM KUNA, PRIORISCHEM NA
HOLETTA VATA, CLAY CYPALYE SOMA DALE, PERCENSIOUR NA DOSTORIA, BANGEL BELTEN, CLAY CYPALYE SOMA DALE, PERCENSIOUR NA DOSTORIA,
HELLINGE LEIGHENG LEIGHENG LEIGHENG THE SOME BELTEN TANDE BETTA VATA, CLAY CYPALYE SOMA DALE, PERCENSIOUR NA DOSTORIA DESCRIPTION DE SENTEMBRE SENTATIONAL ESPANISMA ENVATEMBRE ENGLISHENDE BETTA BENDE BETTA DE SENTEMBRE SENTATION DE SENTATION DE SENTEMBRE SENTATION DE SENTATION DE SENTEMBRE SENTATION DE SE

15.ožujka 2021.predsjednica Trgovačkog suda u Splitu donosi naredbu da se predmet predstečajne nagodbe dužnika Hotela Jadran d.d. koji se vodi pod brojem Stpn-1/18, zbog opravdanog izbivanja sudca u periodu duljem od 2 mjeseca, dodijeljen novom sudcu.

Budimpešta, 100 Oli 2021.g

Soma Zoltán Dala, član Uprave

On March 15, 2021, the President of the Commercial Court in Split issued an order that the subject of the pre-bankruptcy settlement of the debtor of Hotel Jadran d.d. which is kept under number Stpn-1/18, due to the justified absence of the judge for a period longer than 2 months, assigned to a new judge.

Budapest, 46 04, 2021

Cecilia Nikoletta Fata, president of Management Board

Some Zoltán Dala, member of Management Board

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2,IZJAVA ODGOVORNE OSOBE

Financijski izvještaji HOTELI JADRAN d.d. sastavljeni za period 01.01.-31.12.2020. prikazani su fer i istinito u skladu sa Međunarodnim standardima financijskog izvještavanja, koji su konzistentno primijenjeni u odnosu na prethodne godine.

Sve materijalno značajne transakcije su odgovarajuće evidentirane u računovodstvenim evidencijama, na kojima se temelje financijski izvještaji. Pružaju istinit i potpun pregled imovine, obveza, financijskog položaja i poslovanja društva HOTELI JADRAN d.d.

Cecilia Nikoletta Fata, predsjednica Uprave

Soma Zoltán Dala, član Uprave

2. STATEMENT OF THE RESPONSIBLE PERSON

Financial statements HOTFLI JADRAN d.d. compiled for the period 01.01.-31.12.2020. are presented fairly and true in accordance with International Financial Reporting Standards, which have been applied consistently over previous years.

All material transactions are properly recorded in the accounting records, on which the financial statements are based. They provide a true and complete overview of the assets, liabilities, financial position and operations of the company HOTELI JADRAN d.d.

Cocilia Nikoletta Fata, president of Management Board

Soma Zoltán Dala, member of Management Board

TOTELL LABRAN DR., JADRANSKA E GRAING ZIER, OUR BOMENSON, MR. MAKING ZERD RACHER, DURCKE LADOVA HOROMAT DEVEMBERD PRIVATIVE RACKER PARKE RADIOLATION OF THE REPORT OF THE REPORT OF THE PRIVATE REPORT OF THE REPORT

3. IZJAVA O PRIMJENI KOĐEKSA KORPORATIVNOG UPRAVLJANJA

Temeljem članka 272.p., a u vezi s čl. 250.a Zakona o trgovačkim društvima (Narodne novine broj 111/93., 34/99., 52/00., 118/03., 107/07., 148/08., 137/09., 125/11., 152/11., 111/12., 68/13., 110/15.i 40/19, dalje u tekstu: ZTD) i čl. 22. Zakona o računovodstvu (NN 78/15, 134/15, 120/16, 116/118,42/20 i 47/20) Uprava trgovačkoga društva Hoteli Jadran d.d., Gradac/ Jadranska 2 (dalje u tekstu: Društvo), dana 16. travnja 2021. godine, daje sljedeću

IZJAVU o primjeni Kodeksa korporativnog upravljanja

- Temeljem čl. 117 Pravila Burze, Društvo primjenjuje Kodeks korporativnog upravljanja kojega su zajednički izradile Hrvatska agencija za nadzor financijskih usluga (HANFA) i Zagrebačka burza d.d. Zagreb, a integralni tekst Kodeksa objavljen je na internetskim stranicama Zagrebačke burze (www.zse.hr).
- 2. U prošloj godini Društvo je u bitnome primjenjivalo preporuke utvrđene Kodeksom, uz odstupanje od nekih preporuka i smjemica Kodeksa uvažavajući koncentriranu vlasničku strukturu. Nadzomi odbor Društva nije osnovao povjerenstvo za imenovanja i povjerenstvo za nagrađivanje, a iz razloga što Nadzomi odbor Društva zbog dovoljnog broja svojih članova (tri) sam obavlja poslove iz nadležnosti navedenih povjerenstava. Članovi Nadzornog odbora nemaju status neovisnog člana. Detaljna obrazloženja vezana za neprimjenjivanje odnosno odstupanje od pojedinih preporuka Kodeksa u 2020. godini Društvo će iznijeti u godišnjem upitniku koji je sastavni dio Kodeksa i koji će se dostaviti Zagrebačkoj burzi d.d. radi javne objave. Društvo ulaze napore kako bi u što većoj mjeri slijedilo preporuke Kodeksa te objavljuje sve informacije čija je objava predviđena pozitivnim propisima te objava kojih informacija je prvenstveno u interesu dioničara Društva. Društvo planira tijekom 2021, godine svoje poslovanje i rezultate poslovanja i dalje činiti transparentnima i dostupnima javnosti.
- 3. Nadzor nad vođenjem poslova Društva provodi Nadzomi odbor u skladu sa odredbama Zakona o trgovačkim društvima. Uloga Nadzomog odbora također je regulirana Statutom Društva. Članovi Nadzomog odbora redovito dobivaju detaljne informacije o upravljanju i radu Društva kako bi mogli učinkovito ispunjavati svoju nadzomu ulogu.

3. STATEMENT ON THE APPLICATION OF THE CORPORATE GOVERNANCE CODE

Pursuant to Article 272.p., and in connection with Art. 250a of the Companies Act (Official Gazette nos. 111/93, 34/99, 52/00, 119/03, 107/07, 148/08, 137/09, 125/11., 152/11, 111/12, 68/13, 110/15 and 40/19, hereinafter: ZTD) and Art. 22 of the Accounting Act (OG 78/15, 134/15, 120/16, 116 / 118,42 / 20 and 47/20) Management Board of the company Hoteli Jadran dd, Gradac, / Jadranska 2 (hereinafter: the Company), on April 16, 2021, gives the following

STATEMENT on the application of the Corporate Governance Code

- Pursuant to Art. 117 of the Exchange Rules, the Company applies the Corporate Governance Code jointly developed by the Croatian Financial Services Supervisory Agency (HANFA) and the Zagreb Stock Exchange d.d. Zagreb, and the integral text of the Code was published on the website of the Zagreb Stock Exchange (www.zsc.hr).
- 2. In the past year, the Company essentially applied the recommendations set out in the Code, with a deviation from some of the recommendations and guidelines of the Code, taking into account the concentrated ownership structure. The Supervisory Board of the Company has not established a committee for appointments and a committee for remuneration, due to the fact that the Supervisory Board of the Company, due to a sufficient number of its members (three), performs tasks within the competence of these committees. Members of the Supervisory Board do not have the status of an independent member. Detailed explanations related to the non-application or deviation from certain recommendations of the Code in 2020 will be presented by the Company in the annual questionnaire which is an integral part of the Code and which will be submitted to the Zagreb Stock Exchange d.d. for public disclosure. The Company makes efforts to follow the recommendations of the Code as much as possible and publishes all information whose publication is provided by positive regulations and the publication of which information is primarily in the interest of the Company's shareholders. During 2021, the Company plans to continue to make its operations and business results transparent and accessible to the public.
- 3. Supervision over the conduct of the Company's operations is carried out by the Supervisory Board in accordance with the provisions of the Companies Act. The role of the Supervisory Board is also regulated by the Company's Articles of Association. Members of the Supervisory Board regularly receive detailed information

ROTELI JADRAN ILR. JADRANSKA I, GRADAT ZIZE, OD: 1809/2/ARK, MIR. REMEIRI, ŽIRO RAČINI: RUNST ZROBE (1000/25/1 RODE PRIVEDINE BANK ZAGRZE R.D.
IBAN FRANKARONI IRRIDISCI, SART FERGIRIZA TRIGOPAČIAI SUD E SPLETU, MIS, DERBULE, TRIPILIRI KAPITAL. N. 60, DAJB. KERA, ULLAČEN E CUELOSTIPUDIELIHI N.
60, 18 DIONICA SYAKA NOMINALEV VERIRIPORIT PARA EUNA, PRODESTIPURIK PRIVET SULLIA NIBORIETTA FATA, CLAN UTRAVE. SUMA DALA, PRIVETERISCH KRAZICHNOG
ODBOKA, DANFEL IZZILIVEZ, LET CZIAKA NIBORISTIPUZI JELI ZIZIAKA NIBORISTIRI ZAGRERAČKE BURZE.
VESTIPLA NA REDOVITUI TRŽISTE ZAGRERAČKE BURZE.

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Izvješće Nadzomog odbora o obavljenom nadzoru vođenja poslova dio je Godišnjeg izvješća Društva koje se podnosi Glavnoj skupštini.

Nadzorni odbor djeluje i preko svojeg pod-odbora: Revizorskog odbora. Revizorski odbor je tijelo Nadzornog odbora koje pruža podršku Nadzomom odboru i Upravi Društva u učinkovitom izvršavanju obveza korporativnog upravljanja, financijskog izvješćivanja i kontrole Društva. Društvo primjenjuje Pravila o primjeni računovodstvene politike, a kojim pravilima su uređena primjena postupka i tehnika u iskazivanju imovine, obveza, glavnice, prihoda, rashoda i financijskog rezultata Društva u temeljnim financiiskim izvieštajima.

 Deset najvećih dioničara, sa stanjem na dan 31. prosinca 2020.g. su:

on the management and work of the Company in order to be able to effectively fulfill their supervisory role. The report of the Supervisory Board on the performed supervision of business operations is part of the Annual Report of the Company submitted to the General Assembly. The Supervisory Board also acts through its sub-committee: the Audit Committee. The Audit Committee is a body of the Supervisory Board that provides support to the Supervisory Board and the Management Board in the effective implementation of corporate governance, financial reporting and control of the Company.

The Company applies the Rules on the Application of Accounting Policy, which rules regulate the application of procedures and techniques in the presentation of assets, liabilities, principal, income, expenses and financial results of the Company in the basic financial statements.

4. The ten largest shareholders, as of December 31, 2020.

Tablica 2-Pregled vlasničke strukture na dan kraja razdoblja / Ownership structure at the end of the period

	lme i prezime / tvrtka	Broj dionica	Postotak
	Name and sumame/company	No.shares	Percentage
1.	TOPAZ D.O.O.	92.717	86,56
2.	IVANOVIĆ IVAN BOŽIDAR	1.539	1,44
3.	RAIFFEISEINBANK AUSTRIA DD	924	0,86
4.	RAIFFEISEINBANK AUSTRIA DD	850	0,79
5.	CERP/REPUBLIKA HRVATSKA	841	0,79
	VUKADIN ZVONIMIR	543	0,51
6. 7. 8.	DUЛC BRANKO	175	0,16
·	HORVAT HRVOJE	132	0,12
9.	ODŽAK JURE	131	0,12
10.	Grues računa	109	0,10
	O/TOTAL	97.961	91.45

Izvor :SKDD / Source: SKDD

Članovi uprave i članovi nadzomog odbora nisu imatelji bilo kakvih financijskih instrumenata koje je izdalo društvo.

Pravo glasa dioničara Društva nije ograničeno na određeni postotak ili broj glasova niti postoje vremenska ograničenja za ostvarivanje prava glasa. Svaka redovna dionica daje pravo na jedan glas na Glavnoj skupštini. Društvo je ovlašteno izdavati redovite dionice na ime kao i izdavati i druge vrste i rodove dionica u skladu sa pozitivnim propisima Republike Hrvatske i Statutom Društva. Odluku o izdavanju dionica, sukladno članku 172 ZTD-a, donosi Glavna skupština, a u skladu sa Statutom issue shares, in accordance with Article 172 of the

Members of the Management Board and members of the Supervisory Board are not holders of any financial instruments issued by the Company.

The voting right of the Company's shareholders is not limited to a certain percentage or number of votes, nor are there time limits for exercising the voting right. Each ordinary share entitles to one vote at the General Assembly. The Company is authorized to issue ordinary registered shares as well as to issue other types and gender of shares in accordance with the positive regulations of the Republic of Croatia and the Company's Articles of Association. The decision to

BOTELI JADRAN B.D., AMBANSKA I, CRABAC LIESA, ORI LEDDYAWNI: MR. 300454 ŽELO RAČUNI: BENEKI ZIMOM 11004664 I JENYEZO KÓM PRIVEDNE BANCK ZAGREB D.D.;
BAN IRMAZIMOM INDIGEN: SWIPT PEZCHRIN; TROCVAČKI SKU II SPLITT. MEH. 4004019; TROCVAKU KAPITAL: SARAGOM KUNA, GYLAČEN U CARLOSTINODELISM NA BAN IRMAZIMA NOMINALNE VRLIEDMOSTI BAN KENA, PERCHERONIK PRAVE CEKTLA MEKRATTA FATA, ČLAN CYBAVE; NOMA BALA; PERCHERONIK KARENDONIK NEDENIKA ODBORA: BANIEL, BELLDONIK, LET OZNAKA SYMMOMINISTINOTALIH; MATRINA DEŽAVA ČLANICA I REPRUBLIKA LIKVA ISKA: BIG TREDDRIMAMI; GERAKA DOONICE HIDE-BA, CYBŠIZEVA NA REROCOTIO VEŽSTE ZAČENERAČKE BIRZE

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Društva,

Prava i obveze Društva koja proizlaze iz stjecanja vlastitih dionica ostvaruju se u akladu s određbama ZTD-a te sukladno tome Društvo može stjecati vlastite dionice na temelju ovlasti Olavne skupštine za njihovo stjecanje.

Izmjene i dopune Statuta Društva donose se na način utvrđen Zakonom o trgovačkim društvima.

5. Uprava Društva sastavljena je od dva člana, direktora Društva, od kojih je jedan predsjednik uprave, a jedan član uprave. Direktori vođe poslove Društva samostalno i na vlastitu odgovornost te pojedinačno zastupaju društvo. Prema Statutu Uprava odlučuje većinom glasova svih članova, a u slučaju jednake podijeljenosti glasova odlučujući je glas predsjednika Uprave. Upravu imenuje i opoziva Nadzorni odbor.

Funkciju članova Uprave do dana 18.09.2021.g. obavljali su:

- 1. Laszlo Attila Kerekes kao predsjednik Uprave i
- 2. Nives Grzunov, kao član Uprave.

Od dana 18.09.2021.g. pa do 31.12.2021.g. (te do dana sastavljanja ovog izvješća) funkciju članova Uprave obavljaju:

- 1. Cecilia Nikoletta Fata kao predsjednica Uprave i
- 2. Soma Zoltán Dala kao član Uprave.

Glavna skupština vrši izbor i razrješenje članova Nadzornog odbora koji ima tri člana. Nadzorni odbor djeluje kao kolegijalno tijelo na sjednicama koje se održavaju u pravilu jednom tromjesečno, a najmanje jednom polugodišnje, a na kojima raspravlja i odlučuje o svim pitanjima iz svoje nadležnosti propisane ZTD-om i Statutom Društva. Odluke Nadzornog odbora donose se većinom danih glasova.

- U razdoblju do 07.09.2021.g. Nadzomi odbor djelovao je u sastavu:
- 1. Tamás Vitezy, predsjednik
- 2. Janos Cseszlai, zamjenik predsjednika

Companies Act, is made by the General Assembly, in accordance with the Articles of Association of the Company.

The rights and obligations of the Company arising from the acquisition of treasury shares are exercised in accordance with the provisions of the Companies Act and, accordingly, the Company may acquire treasury shares based on the authorization of the General Assembly to acquire them.

Amendments to the Company's Articles of Association are adopted in the manner determined by the Companies Act.

5. The Management Board of the Company is composed of two members, the directors of the Company, of which one is the President of the Management Board and one is a member of the Management Board. The directors manage the affairs of the Company independently and at their own risk and individually represent the company. According to the Articles of Association, the Management Board decides by a majority vote of all members, and in case of equal division of votes, the deciding vote is the President of the Management Board. The Management Board is appointed and revoked by the Supervisory Board.

The function of the members of the Management Board until September 18, 2021., was performed by:

- 1. Laszlo Attila Kerekes as President of the Management Board and
- 2. Nives Grzunov, as member of the Management Board.

From 18.09.2021.g. until 31.12.2021.g. (and until the day of compiling this report) the function of members of the Management Board is performed by:

- Cecilia Nikoletta Fata as President of the Management Board and
- 2. Soma Zoltán Dala as a member of the Management Board.

The General Assembly elects and dismisses the members of the Supervisory Board which has three members. The Supervisory Board acts as a collegial body at meetings held as a rule once a quarter, and at least once every six months, at which it discusses and decides on all issues within its competence prescribed by the Companies' Act and the Company's Articles of Association. Decisions of the Supervisory Board are made by a majority of votes cast.

In the period until September 7, 2021., the Supervisory Board consisted of:

1, Tamás Vitezy, President

BOTELI JADRAN B.R., JADBANSKA 2, CRABAC 1130, OUR JEWNYMBE, NIB SYNESS, ÉMBO BAČUNE KUNSKI ZAKOR-HURORDST EURVIZNI MOD PROVEDNE BARKY ZAGRER BUR. BAN BENGLAMON HORRESS, SWIFT PRECEDENT FROM THE STEEL HUR STEEL TENDERS STEEL THE STEEL TH

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3. Lidia Deme Dožo, član.

Glavna skupština donijela je dana 07.09,2021.g. odluku o opozivu gorenavedenih članova Nadzomog odbora i imenovanju novih članova, koji su na sjednici 18.09.2021.g. donijeli odluku o imenovanju predsjednika i zamjenika predsjednika, tako da od 07.09.2021.g. odnosno od 18.09.2021.g. pa do dana sastavljanja ovog izvješća Nadzomi odbor djeluje u sljedećem sastavu:

- 1. Dániel Jellinek, predsjedník
- Tamás Szöllősi, zamjenik predsjednika
- 3. Tamás Kuntár, član.
- 6. Sukladno odredbama čl. 250.a st. 4. i čl. 272.p st. i. ZTD-a te čl. 22. Zakona o računovodstvu, ova Izjava je poseban odjeljak i sastavni dio Godišnjega izvješća o stanju Društva za 2020. godinu.

Cecilia Nikoletta Fata, predsjednica Uprave

Soma Zoltán Dala, član Uprave

- 2. Janos Cseszlai, Vice-President
- 3. Lidia Deme Deže, member.

The General Assembly adopted on 07.09.2021.g. decision on recall of the above-mentioned members of the Supervisory Board and appointment of new members, who made a decision on the appointment of the President and Deputy President at the session on September 18, 2021., so that from 07.09.2021. that is, from 18,09,2021, until the day of compiling this report, the Supervisory Board operates in the following composition:

- 1. Dániel Jellinck, president
- 2. Tamás Szöllősi, vice-president
- 3. Tamás Kuntár, member.

6. In accordance with the provisions of Art. 250a paragraph 4 and Art. 272.p paragraph 1 of the Companies' Act and Art. 22 of the Accounting Act, this Statement is a special section and an integral part of the Annual Report on the Company for 2020.

Cecilia Nikoletta Fata, president of Management

Soma Zoltán Dala, member of Management Board

ROTKLI JABBAN D.D., JABRANSKA I. GRADAC MINI GIBE MODSTADDE MINI MED BANGE A ÄTRO RAČTYCI, KUNSKI 13-0009-110011654 I DEVZZYLKOÐ FRYNKLING MANGE ZAGREB ÖLD.
HAN HENJISKORN MININDAN, SYNDY PRECERCI, TREGOVAČEI STO U SYLITI, MED 60000105, TEMILJON KAPITALI, MED 50000 KUNA, UPLAČEN U CIFLLOTLY MODSTLILEN MA
107.110 DEVYCTA SVARA NORMULIKU VIÐEDNOSTI 1940-8 KUNA, FRIKKSERDUK UPPAVE CECTLA NEKOLETTA FATA, ČTAR UPPAVE SOKRA BALA, FRIKKSERNING NABERNING NORMULIKU SKRANDENNOS
OÐBORA: DANSEL, FILLENDE, USI GERKARA TOTROBOÐORI POTAVA DEŽAVA ČLARICA: REPUBLIKA HRVATSKAL ERRE BELLIDIBLARDIC OZNAKA DONKES, REBERNA,
UNDSTEINA NA REDOVITO TRŽISTIE ZAGROBAČKE BUREK

Responsibility of the Management for the consolidated Financial Statements

Pursuant to the Accounting Act of the Republic of Croatia (Official Gazette 78/15, 134/15, 120/16,116/18,

42/20 and 47/20), the Management Board is responsible for ensuring that consolidated financial statements

are prepared for each financial year in accordance with the International Financial Reporting Standards (IFRSs), as determined by the European Commission and published in the Official Journal of the European

Union, which give a true and fair view of the state of affairs of the Group and its business performance for

the period.

After making appropriate enquiries, the Management Board has a reasonable expectation that the Group

will have adequate resources for the foreseeable future and therefore continues to apply the going-concern

principle in preparing financial statements.

In preparing the consolidated financial statements, the responsibilities of the Management Board include

the following:

selecting and then consistently applying appropriate accounting policies;

making reasonable and prudent judgments and estimates;

following applicable accounting standards, subject to disclosure and explanation of any material

departures in the consolidated financial statements; and

preparing the financial statements under the going-concern assumption unless the assumption that the

Group will continue as a going concern is not appropriate.

The Management Board is responsible for keeping proper accounting records, which disclose with

reasonable accuracy at any time the financial position of the Group. The Management Board must also

ensure that the consolidated financial statements comply with the Accounting Act. In addition, the

Management Board is responsible for safeguarding the assets of the Group and for taking reasonable steps

for the prevention and detection of fraud and other irregularities.

The Management Board is responsible for the preparation and content of the Management Report, in

accordance with the provisions of the Accounting Act of the Republic of Croatia (Croatian Official Gazette

78/15, 134/15, 120/16, 116/18, 42/20 and 47/20).

Signed for and on behalf of the Management on 15 April 2021 by:

HOTELI JADRAN d.d., Gradac

Jadranska 2

21 330 Gradac

Republic of Croatia

Cecília Nikoletta Fata

President of the Management Board

Soma Zoltán Dala

Member of the Management Board

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INDEPENDENT AUDITOR'S REPORT To the Shareholders of HOTELI JADRAN d.d., Gradac

Report on the Audit of the Annual Financial Statements

Unqualified Opinion

We have audited the consolidated financial statements of HOTELI JADRAN d.d., Gradac ("the Group"), and its subsidiaries (together the "Group"), which comprise the consolidated balance sheet as at 31 December 2020, and the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in shareholders' equity and for the year then ended, as well as consolidated notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the issue described in our report in the *Section with a basis* for a qualified opinion the Group annual consolidated financial statements present true and fairly, in all material respects, the financial position of the Group at 31 December 2020, its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs) as determined by the European Commission and published in the Official Journal of the European Union.

Basis for Qualified Opinion

The Group has receivables for loans and interest in the total amount of HRK 34,836,878 from companies that are in bankruptcy proceedings or do not have significant business activities (Note 19). Although receivables are older than 365 days and the Group does not have receivables collateral and no value adjustment has been made for them at the expense of results. Given the uncertainty of the outcome of prebankruptcy settlements, pre-bankruptcy settlement proceedings are suspended, we were not able to ascertain whether the stated receivables on loans and interest were presented fairly, nor to determine the amount of adjustments if necessary.

We conducted our audit in accordance with the Accounting Act, the Act on Auditing and International Standards on Auditing (ISAs). Our responsibilities under those standards are described further in the Auditor's Responsibilities for the Audit of the consolidated Annual Financial Statements section of our Independent Auditor's Report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.



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Important issue

We draw attention to Note 32 to the consolidated financial statements, stating that in March 2020, due to the declared Covid-19 pandemic, many measures were introduced in Croatia and the world to restrict the movement of people and goods in order to combat the pandemic, which significantly affect the Croatian and world economy, ie cause significant decline in economic activity. This decline in economic activities also has an impact on the Group's operations. At present, it is not possible to reliably determine the duration and effect of these measures and the decline in economic activities, nor the impact they will have on the Group's operations. The Management Board of the Group believes that the above will not jeopardize the principle of unlimited business of the Group. Our opinion is not modified in relation to that issue.

Material going-concern uncertainty

We draw attention to Note 1 to the consolidated annual financial statements, which describes the pre-bankruptcy settlement procedure. In accordance with the Act on Financial Operations and Pre-bankruptcy Settlement (Croatian official gazette "Narodne novine" nos 108/12,144/12, 81/13, 112/13, 71/15, and 78/15), the Group has initiated pre-bankruptcy settlement because of its poor financial situation and the blocked current account. A voting hearing regarding the Financial Restructuring Plan for the Group was held on 06 June 2018, at which the required majority was reached to adopt the Plan, and the Ruling approving the Financial Restructuring Plan was adopted. Pre-bankruptcy settlement, which is based on financial and operational restructuring plan, is excepted to be confirmed. That would be create preprequisites to eliminate the uncertainty regarding the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance for our audit of the consolidated annual financial statements for the current period and include the most significant risks of material misstatement identified as a result of error or fraud that have the highest impact on our audit strategy, allocation of our resources and the time spent by the engaged audit team. We addressed these matters in the context of our audit of the annual financial statements taken as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters.

Our audit approach

In determining our audit approach, we have considered the materiality of the items in the financial statements, our risk assessment within the components of each item. In determining the approach to the audit, we determined the type of work that needed to be done in order to gather sufficient valid evidence as a basis for our opinion.





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Key Audit Matters	Our audit approach			
Valuation o	f buildings			
The Group subsequently measures construction facilities using the cost method, and on 31.12.2020. the net book value of buildings amounts to HRK 59,601,827. Given the significant impact of the COVID-19 pandemic on the Group's revenue, the impairment of buildings was identified as one of the key issues.	The Auditor's attention was focused on: Checking whether the net book value is equal to or lower than the recoverable amount of buildings Based on the collected estimates of buildings, we are satisfied that the net book value of buildings is lower than the recoverable amount on the market (<i>Note 14</i>).			
Provisions t	_			
In the consolidated Statement of financial position as at 31 December 2020, the Group discloses provisions for initiated litigation in the amount of HRK 30,390,582.	 The Auditor's attention was focused on: Verification of initiated litigation against the Group according to the received attorney's reports on litigation in which they represent the Group In conversation with the Management Board and review of law received reports on the state of legal proceedings, the Group is properly recorded expenses on behalf of provision (<i>Note 10 and 23</i>) 			

Other informations in consolidated Annual Managemet Report

Management is responsible for other information. Other information includes information included in the consolidated annual report, but does not include the consolidated annual financial statements and our independent auditor's report thereon.

Our opinion on the consolidated annual financial statements does not include other information, except to the extent explicitly stated in the part of our independent auditor's report entitled Report on Other Legal Requirements, and we do not express any form of conclusion expressing assurance about them.

With respect to our audit of the consolidated annual financial statements, it is our responsibility to read other information and, in doing so, consider whether other information is materially inconsistent with the consolidated annual financial statements or our audit findings or otherwise appears to be materially misstated. If, based on the work we have done, we conclude that there is a material misstatement of this other information, we are required to report that fact. In that sense, we have nothing to report.



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Responsibilities of the Management and Those Charged with Governance for the consolidated Annual Financial Statements

The Management Board is responsible for the preparation of consolidated annual finnancial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs), as determined by the European Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing consolidated annual financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern, including, where appropriate, the disclosure of matters related to the going-concern assumption and the use of the going-concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process established by the Group.

Auditor's Responsibilities for the Audit of the consolidated Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.





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- Conclude on the appropriateness of the use by the Management Board of the going concern basis of accounting. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the consolidated annual financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the consolidated financial statements. Our conclusions are based on the audit evidence obtained until the date of the auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the consolidated annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we are required to determine those matters that were of most significance in the audit of the consolidated annual financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless a law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal Requirements

Report under requirements of Regulation (EU) No 537/2014

- 1. We were appointed auditors of the consolidated annual financial statements for the year 2020 on the proposal of the Supervisory Board on 15 February 2021.
- 2. As of the date of this report, we have been continuously engaged to perform statutory audits of the Group for 2019, from the audit of the consolidated annual financial statements for the year 2020, for a total of 2 years.



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- 3. Except for the matters identified in the relevant section of our Report on the consolidated Financial Statements as key audit matters, we have nothing further to report regarding point (c) of Article 10 of the Regulation (EU) No 537/2014.
- 4. Our statutory audit of the consolidated annual financial statements of the Group for the year 2020 enables us to identify irregularities, including fraud, in accordance with Section 225 of the IESBA Code Responding to Non-compliance with Laws and Regulations, which requires from us to consider, as part of our audit engagement, whether the Group has complied with laws and regulations generally recognised to have a direct effect on the determination of material amounts and disclosures in consolidated annual financial statements, as well as other laws and regulations that do not have a direct effect on the determination of material amounts and disclosures in annual financial statements of the Group, but compliance with which may be fundamental to the operating aspects of the Group, to its ability to continue as a going concern, or to avoid material penalties.

Where we encounter, or become aware of, non-compliance of any of the laws or regulations regarding matters that are clearly inconsequential, based on our judgement of their nature and their impact, financial or otherwise, on the Group, its stakeholders or the wider public, we have to communicate such non-compliance to the Group and request from it to investigate it and take appropriate measures to resolve the non-compliance and prevent its future occurrence. If the Group does not correct the instances of non-compliance resulting in misstatements of the audited consolidated annual financial statements that are cumulatively equal to, or higher than, the materiality threshold for the financial statements taken as a whole, we are required to modify our opinion in the independent auditor's report. In the audit of the Group's annual consolidated financial statements for 2020, we determined the significance for the financial statements as a whole in the amount of HRK 493,852, which represents the arithmetic mean of the values obtained on the basis of assets and income given the large disparity between the two.

- 5. Our audit opinion is consistent with the additional report to the Group's Audit Committee, prepared in accordance with the provisions from Article 11 of Regulation (EU) No 537/2014.
- 6. From the opening date of the audited annual financial statements of the Group for the year 2020 to the date of this report, we did not provide any prohibited non-audit services and in the preceding business year we did not provide any services of design and implementation of internal control or risk management procedures over the financial information preparation and/or control, or financial application systems, and, in performing our audit, we have maintained our independence from the Group.

Report on Other Legal Requirements

1. In our opinion, based on the work performed during the audit, the information in the attached report of the Group's management for 2020 is harmonized with the attached annual financial statements of the Group for 2020.





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- 2. In our opinion, based on the work performed during the audit, the attached report of the Group's management for 2020 has been prepared in accordance with the Accounting Act.
- 3. Based on the knowledge and understanding of the Group's operations and its environment acquired during the audit, we have not established that there are significant misstatements in the attached report of the Group's management.
- 4. In our opinion, based on the work performed during the audit, the statement on the application of the corporate governance code, included in the Group's annual report for 2020, is in accordance with the requirements set out in Article 22, items 3 and 4 of the Law on accounting.
- 5. The statement on the application of the corporate governance code, included in the annual report of the Group for 2020, includes the information referred to in Article 22, items 1, 2, 5 and 6 of the Accounting Act.

The engagement partner on the audit resulting in this independent auditor's report is Paško Anić-Antić.

Russell Bedford Croatia – Revizija d.o.o. Selska cesta 90/B 10000 Zagreb Republic of Croatia

Dr.sc. Paško Anić-Antić

Director

Paško Anić-Antić, PhD Certified Auditor

thus)

Russell Bedford

Croatio-revizija d.o.o.

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10000 Zagreb - Hrvatska / Croatia

Zagreb, 23 April 2021

	Notes	2020	2019
Operating income			
Goods and service sales	4	7,856,642	41,717,396
Other operating income	5	3,893,823	3,344,932
Total operating income		11,750,465	45,062,328
Poslovni rashodi		·	
Cost of material	6	(5,585,481)	(25,196,845)
Staff costs	7	(8,550,933)	(12,012,321)
Depreciation and amortisation	8	(4,916,364)	(5,015,242)
Other expenses	9	(1,269,951)	(2,837,214
Value adjustment		(5,209)	(26,137)
Provisions	10	(30,390,582)	-
Other operating expenses		(38,609)	(260,786)
Total operating expenses		(50,757,129)	(45,348,545)
Profit/(Loss) from operations		(39,006,664)	(286,217)
Net financial income/(expense)	11	686,465	755,184
Profit/(Loss) before tax		(38,320,199)	468,967
Income tax expense	12	92,485	201,747
Profit/(Loss) for the period		(38,412,684)	267,220
Other comprehensive income for the year, net of taxes		-	_
Comprehensive income for the year		(38,412,684)	267,220
Profit/(Loss) per share	13	(358,61) kuna	2,49 kuna

Non-ourrent assets		Notes	31.12.2020	31.12.2019
Intangible assets	ASSETS			
Property, plant and equipment 14 67,397,181 73,076,415 Long-term financial assets 15 1,231,699 1,322,556 Receivables 68,789,847 74,684,389 Current assets Inventories 16 426,261 674,953 Trade receivables 17 1,382,906 1,009,295 Other current receivables 18 3,384,831 6,351,292 Current financial assets 19 34,836,831 6,351,292 Current financial assets 20 194,010 2,029,625 Cash 20 194,010 2,029,625 Carrent financial assets 109,030,837 117,049,933 Prepaid expenses and accrued income 16,104 32,131 Total assets 109,030,837 117,049,933 EQUITY AND LIABILITIES 2 74,980,500 74,980,500 Capital gains 21 74,980,500 74,980,500 Capital gains 21 173,442 173,442 Legal (statutory) reserves 22 800,000 3,770,050	Non-current assets			
Property, plant and equipment	Intangible assets		160,967	266,668
Receivables		14	67,397,181	73,076,415
Current assets Inventories 16	Long-term financial assets	15	1,231,699	
Current assets Final Properties 16	Receivables			18,750
Inventories 16			68,789,847	74,684,389
Inventories 16	Current assets			
Trade receivables 17 1,382,906 1,009,295 Other current receivables 18 3,384,831 6,351,292 Current financial assets 19 34,836,878 32,268,248 Cash 20 194,010 2,029,625 40,224,886 42,333,413 Prepaid expenses and accrued income 16,104 32,131 Total assets 109,030,837 117,049,933 EQUITY AND LIABILITIES Capital and reserves Share capital 21 74,980,500 74,980,500 Capital gains 21 173,442 173,442 Legal (statutory) reserves 22 800,000 3,770,050 Other reserves 22 17,491,366 2,189,318 (Loss)/Profit for the year 22 17,491,366 2,189,318 (Loss)/Profit for the year 23 30,390,582 - Long term liabilities 23 30,390,582 - Long term liabilities 24 2,959,070 1,959,563 Trade payab		16	426,261	674,953
Current financial assets 19 34,836,878 32,268,248 Cash 20 194,010 2,029,625 40,224,886 42,333,413 Prepaid expenses and accrued income 16,104 32,131 Total assets 109,030,837 117,049,933 EQUITY AND LIABILITIES 2 4,980,500 74,980,500 Capital and reserves 21 74,980,500 74,980,500 Share capital 21 74,980,500 74,980,500 Capital gains 21 173,442 173,442 Legal (statutory) reserves 22 800,000 3,770,050 Other reserves 22 17,491,366 2,189,318 (Loss)/Profit for the year 22 17,491,366 2,189,318 Provisions 23 30,390,582 - Long term liabilities 23 30,390,582 - Liabilities for received loans 24 2,959,070 1,959,563 Trade payables 25 11,737,403 13,573,286 Liabilities for received loans 24 <td></td> <td>17</td> <td>1,382,906</td> <td>1,009,295</td>		17	1,382,906	1,009,295
Cash 20 194,010 2,029,625 40,224,886 42,333,413 Prepaid expenses and accrued income 16,104 32,131 Total assets 109,030,837 117,049,933 EQUITY AND LIABILITIES 2 2 Capital and reserves 2 2 74,980,500 74,980,500 Capital gains 21 173,442 180,477 </td <td></td> <td>18</td> <td>3,384,831</td> <td>6,351,292</td>		18	3,384,831	6,351,292
Prepaid expenses and accrued income 40,224,886 42,333,413 Total assets 109,030,837 117,049,933 EQUITY AND LIABILITIES EQUITY and reserves Share capital 21 74,980,500 74,980,500 Capital gains 21 173,442 173,442 Legal (statutory) reserves 22 800,000 3,770,050 Other reserves 22 7,491,366 2,189,318 (Loss)/Profit for the year 22 17,491,366 2,189,318 (Loss)/Profit for the year 22 (38,412,684) 267,220 Provisions 23 30,390,582 Long term liabilities 22,413 Current liabilities 22,413 Current liabilities for received loans 24 2,959,070 1,959,563 Trade payables 25 11,737,403 13,573,286 Liabilities for advances 26 6,222,878 5,125,009 Liabilities for employees 337,848 605,333 Other liabilities 27 2,3	Current financial assets	19	34,836,878	32,268,248
Prepaid expenses and accrued income 16,104 32,131 Total assets 109,030,837 117,049,933 EQUITY AND LIABILITIES Capital and reserves Share capital 21 74,980,500 74,980,500 Capital gains 21 173,442 1,2064,778 Retained earnings 22 17,491,366 2,189,318 2,189,318 2,189,318 2,12,004 2,7220 2,12,004 2,7220 2,12,004 2,7220 2,12,004	Cash	20	194,010	2,029,625
Total assets 109,030,837 117,049,933 EQUITY AND LIABILITIES Capital and reserves Share capital 21 74,980,500 74,980,500 Capital gains 21 173,442 173,442 Legal (statutory) reserves 22 800,000 3,770,050 Other reserves 22 17,491,366 2,189,318 (Loss)/Profit for the year 22 (38,412,684) 267,220 Provisions 23 30,390,582 - Long term liabilities 22,413 - Current liabilities 22,413 - Liabilities for received loans 24 2,959,070 1,959,563 Trade payables 25 11,737,403 13,573,286 Liabilities for advances 26 6,222,878 5,125,009 Liabilities to employees 337,848 605,333 Other liabilities 27 2,316,010 2,321,480 Accrued expenses and deferred income 12,009 19,954			40,224,886	42,333,413
EQUITY AND LIABILITIES Capital and reserves Share capital 21 74,980,500 74,980,500 Capital gains 21 173,442 173,442 Legal (statutory) reserves 22 800,000 3,770,050 Other reserves 22 - 12,064,778 Retained earnings 22 17,491,366 2,189,318 (Loss)/Profit for the year 22 (38,412,684) 267,220 Provisions 23 30,390,582 - Long term liabilities 23 30,390,582 - Long term liabilities 22,413 - Current liabilities 24 2,959,070 1,959,563 Trade payables 25 11,737,403 13,573,286 Liabilities for advances 26 6,222,878 5,125,009 Liabilities to employees 337,848 605,333 Other liabilities 27 2,316,010 2,321,480 Accrued expenses and deferred income 12,009 19,954	Prepaid expenses and accrued income		16,104	32,131
Capital and reserves Share capital 21 74,980,500 74,980,500 Capital gains 21 173,442 173,442 Legal (statutory) reserves 22 800,000 3,770,050 Other reserves 22 12,064,778 Retained earnings 22 17,491,366 2,189,318 (Loss)/Profit for the year 22 (38,412,684) 267,220 Frovisions 23 30,390,582 - Long term liabilities 23 30,390,582 - Current liabilities 24 2,959,070 1,959,563 Trade payables 25 11,737,403 13,573,286 Liabilities for received loans 24 2,959,070 1,959,563 Trade payables 25 11,737,403 13,573,286 Liabilities for advances 26 6,222,878 5,125,009 Liabilities to employees 337,848 605,333 Other liabilities 27 2,316,010 2,321,480 Accrued expenses and deferred income 12,009 19,954	Total assets		109,030,837	117,049,933
Share capital 21 74,980,500 74,980,500 Capital gains 21 173,442 173,442 Legal (statutory) reserves 22 800,000 3,770,050 Other reserves 22 - 12,064,778 Retained earnings 22 17,491,366 2,189,318 (Loss)/Profit for the year 22 (38,412,684) 267,220 Frovisions 23 30,390,582 - Long term liabilities 22,413 - Current liabilities Liabilities for received loans 24 2,959,070 1,959,563 Trade payables 25 11,737,403 13,573,286 Liabilities for advances 26 6,222,878 5,125,009 Liabilities to employees 337,848 605,333 Other liabilities 27 2,316,010 2,321,480 Accrued expenses and deferred income 12,009 19,954	EQUITY AND LIABILITIES		-	
Capital gains 21 173,442 173,442 Legal (statutory) reserves 22 800,000 3,770,050 Other reserves 22 - 12,064,778 Retained earnings 22 17,491,366 2,189,318 (Loss)/Profit for the year 22 (38,412,684) 267,220 Frovisions 23 30,390,582 - Long term liabilities 23 30,390,582 - Current liabilities 22,413 - Liabilities for received loans 24 2,959,070 1,959,563 Trade payables 25 11,737,403 13,573,286 Liabilities for advances 26 6,222,878 5,125,009 Liabilities to employees 337,848 605,333 Other liabilities 27 2,316,010 2,321,480 Accrued expenses and deferred income 12,009 19,954	Capital and reserves			
Legal (statutory) reserves 22 800,000 3,770,050 Other reserves 22 - 12,064,778 Retained earnings 22 17,491,366 2,189,318 (Loss)/Profit for the year 22 (38,412,684) 267,220 55,032,624 93,445,308 Provisions 23 30,390,582 - Long term liabilities 22,413 - Current liabilities Liabilities for received loans 24 2,959,070 1,959,563 Trade payables 25 11,737,403 13,573,286 Liabilities for advances 26 6,222,878 5,125,009 Liabilities to employees 337,848 605,333 Other liabilities 27 2,316,010 2,321,480 Accrued expenses and deferred income 12,009 19,954	Share capital	21	74,980,500	74,980,500
Other reserves 22 - 12,064,778 Retained earnings 22 17,491,366 2,189,318 (Loss)/Profit for the year 22 (38,412,684) 267,220 55,032,624 93,445,308 Provisions 23 30,390,582 - Long term liabilities 22,413 - Current liabilities 24 2,959,070 1,959,563 Trade payables 25 11,737,403 13,573,286 Liabilities for advances 26 6,222,878 5,125,009 Liabilities to employees 337,848 605,333 Other liabilities 27 2,316,010 2,321,480 Accrued expenses and deferred income 12,009 19,954	Capital gains	21	173,442	
Retained earnings 22 17,491,366 2,189,318 (Loss)/Profit for the year 22 (38,412,684) 267,220 55,032,624 93,445,308 Provisions 23 30,390,582 - Long term liabilities 22,413 - Current liabilities 24 2,959,070 1,959,563 Trade payables 25 11,737,403 13,573,286 Liabilities for advances 26 6,222,878 5,125,009 Liabilities to employees 337,848 605,333 Other liabilities 27 2,316,010 2,321,480 Accrued expenses and deferred income 12,009 19,954	Legal (statutory) reserves		800,000	
(Loss)/Profit for the year 22 (38,412,684) 267,220 55,032,624 93,445,308 93,445,308 Provisions 23 30,390,582 - Long term liabilities 22,413 - Current liabilities 24 2,959,070 1,959,563 Trade payables 25 11,737,403 13,573,286 Liabilities for advances 26 6,222,878 5,125,009 Liabilities to employees 337,848 605,333 Other liabilities 27 2,316,010 2,321,480 Accrued expenses and deferred income 12,009 19,954	Other reserves		-	
Provisions 23 30,390,582 -	<u>-</u>			
Provisions 23 30,390,582 - Long term liabilities 22,413 - Current liabilities 24 2,959,070 1,959,563 Trade payables 25 11,737,403 13,573,286 Liabilities for advances 26 6,222,878 5,125,009 Liabilities to employees 337,848 605,333 Other liabilities 27 2,316,010 2,321,480 Accrued expenses and deferred income 12,009 19,954	(Loss)/Profit for the year	22		
Long term liabilities 22,413 - Current liabilities 24 2,959,070 1,959,563 Trade payables 25 11,737,403 13,573,286 Liabilities for advances 26 6,222,878 5,125,009 Liabilities to employees 337,848 605,333 Other liabilities 27 2,316,010 2,321,480 Accrued expenses and deferred income 12,009 19,954				93,445,306
Current liabilities Liabilities for received loans 24 2,959,070 1,959,563 Trade payables 25 11,737,403 13,573,286 Liabilities for advances 26 6,222,878 5,125,009 Liabilities to employees 337,848 605,333 Other liabilities 27 2,316,010 2,321,480 Accrued expenses and deferred income 12,009 19,954	Provisions	23	30,390,582	
Liabilities for received loans 24 2,959,070 1,959,563 Trade payables 25 11,737,403 13,573,286 Liabilities for advances 26 6,222,878 5,125,009 Liabilities to employees 337,848 605,333 Other liabilities 27 2,316,010 2,321,480 Accrued expenses and deferred income 12,009 19,954	Long term liabilities		22,413	_
Trade payables 25 11,737,403 13,573,286 Liabilities for advances 26 6,222,878 5,125,009 Liabilities to employees 337,848 605,333 Other liabilities 27 2,316,010 2,321,480 Accrued expenses and deferred income 12,009 19,954	Current liabilities			
Liabilities for advances 26 6,222,878 5,125,009 Liabilities to employees 337,848 605,333 Other liabilities 27 2,316,010 2,321,480 Accrued expenses and deferred income 12,009 19,954	Liabilities for received loans	24	2,959,070	1,959,563
Liabilities to employees 337,848 605,333 Other liabilities 27 2,316,010 2,321,480 23,573,209 23,584,671 Accrued expenses and deferred income 12,009 19,954	Trade payables	25		
Other liabilities 27 2,316,010 2,321,480 23,573,209 23,584,671 Accrued expenses and deferred income 12,009 19,954	Liabilities for advances	26		
23,573,209 23,584,671 Accrued expenses and deferred income 12,009 19,954	Liabilities to employees			
Accrued expenses and deferred income 12,009 19,954	Other liabilities	27	2,316,010	2,321,480
Actived experience and determine motive			23,573,209	23,584,671
Total equity and liabilities 109,030,837 117,049,933	Accrued expenses and deferred income		12,009	19,954
	Total equity and liabilities		109,030,837	117,049,933

Total	93,178,088	1	267,220	93,445,308	1	ı	(38,412,684)	55,032,624
Profit/ (Loss) for the year	2,948,560	(2,948,560)	267,220	267,220	(267,220)	•	(38,412,684)	(38,412,684)
(Accumulated losses)/ Retained earnings	(759,242)	2,948,560	'	2,189,318	267,220	15,034,828		17,491,366
Other	12,064,778	•	•	12,064,778		(12,064,778)	1	
Legal reserves	3,770,050	ı	•	3,770,050	ı	(2,970,050)	•	800,000
Capital gains	173,442	ı	•	173,442	1	1	•	173,442
Share capital	74,980,500	ı	ı	74,980,500	1	1	•	74,980,500
	Balance at 1 January 2019	Coverage of loss with retained earnings	Loss for the year 2019	Balance at 31 December 2019	Transfer of profit to retained earnings	Other equity changes	(Loss) for the year 2020	Balance at 31 December 2020

The accompanying notes form an integral part of these financial statements.

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	2020	2019
Poslovne aktivnosti		
(Loss) for the year before tax	(38,320,199)	468,967
Depreciation and amortisation	4,916,364	5,015,242
Interest and dividend income	(1,079,590)	(1,201,789)
Interest expenses	27,746	29,018
Provisions	30,390,582	-
Other adjustments for non-monetary transactions	5,209_	164,681
	(4,059,888)	4,476,119
Working capital changes (without effects, acquisitions and disposals):		
Increase/(decrease) in short-term liabilities	(11,462)	4,421,835
(Increase)/decrease in short-term receivables	2,399,439	(2,421,896)
(Increase)/decrease in inventories	248,692	(86,583)
Other increases/decreases in working capital	(933,933)	1,973,475
Cash interest expenses	-	(20,824)
Paid income taxes	188,202	(968,664)
	1,890,938	2,897,343
Cash inflow from operations	(2,168,950)	7,373,462
Investing activities		0.075
Cash receipts from interest and repayment of loans	1,402	3,275
Cash outlays for the purchase of fixed assets	(47,000)	(907,409)
Cash outflows from loans granted	(17,088)	(6,395,085)
Net cash (outflow) from investing activities	(62,686)	(7,299,219)
Financing activities	005.047	
Increase in short-term borrowings repayment	905,817	-
Decrease in short-term borrowings	(509,856)	<u> </u>
Net cash inflow from financing activities	395,961	
Cash and cash equivalents		4.055.410
At beginning of year	2,029,685	1,955,442
At end of year	194,010	2,029,685
Net increase/(decrease) in cash and cash equivalents	(1,835,675)	74,243

1. GENERAL INFORMATION

HOTELI JADRAN, Group based in Gradac, operates in Croatia. Its registered seat is at Jadranska 2, Gradac. The Group provides restaurant, accommodation and food services, and is also engaged in nautical tourism and retail trade. The Group is registered at the Commercial Court in Split, with the registered share capital in the amount of HRK 107,115,000.00.

In the General Shareholders' Meeting held on 10 February 2003 a decision was made to decrease the share capital by the amount of accumulated losses to HRK 74,980,500.00, or HRK 700.00 per share, and the decrease was registered at the Commercial Court in Split.

HOTELI JADRAN Group consists of the following companies:

- HOTELI JADRAN d.d., Gradac (Parent company),
- Faraon d.o.o., Trpanj, 100% owned by the parent company,
- Hotel Labineca d.o.o., Gradac, 100% owned by the parent company,
- Jadran Laguna d.o.o., Gradac, 100% owned by the parent company

The Group owns three hotels: the Hotel Labineca, with 216 rooms, the Hotel Laguna, with 268 rooms, and the Hotel Faraon, with 115 rooms, which are leased out for a fee.

Corporate governance and management

Shareholders' Assembly

Dániel Jellinek

President of the Assembly

Supervisory Board

Dániel Jellinek

Chairman of the Supervisory Board

Tamás Szöllősi

Deputy Chairman of the Supervisory Board

Tamas Kuntár

Member of the Supervisory Board

Management Board

Cecília Nikoletta Fata

President of the Management Board

Soma Zoltán Dala

Member of the Management Board



1. GENERAL INFORMATION (CONTINUED)

Going concern

In accordance with the Act on Financial Operations and Pre-bankruptcy Settlement (Croatian OG nos 108/12,144/12, 81/13, 112/13, 71/15 and 78/15), the Group has initiated pre-bankruptcy settlement (insolvency) procedures because of its poor financial situation and the blocked gyro account.

A voting hearing regarding the Financial Restructuring Plan for the Group was held on 6 June 2018, at which the required majority was reached to adopt the Plan, and the Ruling approving the Financial Restructuring Plan was adopted. It is expected that the pre-bankruptcy settlement arrangement based on the financial and operational restructuring plan would create preprequisites to eliminate the uncertainty regarding the Group's ability to continue as a going concern. Our opinion has not been modified on this issue.

These consolidated financial statements do not include any adjustments to the recoverable amounts of assets and liabilities, or reclassification of the assets and liabilities that would otherwise be required if the Group were no longer able to continue as a going concern.

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

First-time adoption of amendments to existing standards effective for the current reporting period.

The following amendments to the existing standards and new interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union are effective for the current period:

- IFRS 16 "Leases", adopted by the European Union on 31 October 2017 (effective for annual periods beginning on or after 1 January 2019.).
- Amendments to IFRS 9 "Financial instruments", adopted by the European Union on 22 November 2018 (effective for annual periods beginning on or after 1 January 2020);
- Amendments to IAS 19 "Employee Benefits" Plan Amendment, Curtailment or Settlement, adopted by the European Union on 13 March 2019 (effective for annual periods beginning on or after 1 January 2020),
- Amendments to IAS 28 "Investments in Associates and Joint Ventures" Long-term Interests
 in Associates and Joint Ventures adopted by the European Union on 08 February 2019 (effective
 for annual periods beginning on or after 1 January 2020),
- Amendments to various Standards "Improvements to IFRS Standards 2015-2017 Cycle",
 resulting from the IFRS annual improvement project (IFRS 3, IFRS 11, IAS 12 and IAS 23), primarily
 with a view to removing inconsistencies and clarifying wording adopted by the European Union on
 14 March 2019 (effective for annual periods beginning on or after 1 January 2020),
- IFRIC 23 "Uncertainty Over Income Tax Treatments" adopted by the EU on 23 October 2018 (effective for annual periods beginning on or after 1 January 2019).

The adoption of the amended Standards and the Interpretation has not lead to any material changes in the financial statements of the Group.

Amendments to the existing standards issued by IASB and adopted by the European Union, but not yet effective

At the date of approval of these financial statements, there are no new Standards and amendments to Standards issued by the IASB and adopted by the European Union, which are not yet in force.

New standards and amendments to the current standards issued by the IASB, but not yet adopted by the European Union

IFRSs currently adopted by the EU do not differ significantly from the official pronouncements of the International Accounting Standards Board (IASB), except for the following Standards, amendments to the existing Standards and Interpretations, not yet endorsed by the EU (the effective dates below apply to IFRSs as a whole):



2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

New standards and amendments to the current standards issued by the IASB, but not yet adopted by the European Union (continued)

- IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016) The EC has decided not to launch the endorsement process of the interim standard and to wait for the final Standard,
- IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2021).
- Amendments to IFRS 3 "Business Combinations" Definition of a Business (effective for business acquisitions on or after the first annual reporting period beginning on or after 1 January 2020 and asset acquisitions effective at the beginning of that period and thereafter),
- Amendments to IFRS 9 "Financial instruments", IAS 39 "Financial instruments":
 Recognition and measurement "and IFRS 7 "Financial instruments: Disclosures" —
 Interest Rate Benchmark Reform (effective for annual periods beginning on or after 1 January 2021),
- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date has been deferred indefinitely until the research project on the equity method has been concluded).
- Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" Definition of Material (effective for annual periods beginning on or after 1 January 2020),
- Amendments to References to Conceptual Framework in IFRS Standards (effective for annual periods beginning on or after 1 January 2020).

As assessed by the Group, the adoption of the new Standards and the amendments to the existing Standards would not have a material impact on its financial statements. Applying hedge accounting to a portfolio of financial assets and liabilities the principles of which have not been endorsed by the EU remains unregulated.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. Basis of preparation

The consolidated financial statements of the Group are prepared in accordance with Accounting Act and International Financial Reporting Standards (IFRSs) as determined by the European Commission and published in the Official Journal of the European Union. The financial statements are prepared under the historical cost. The accounting policies have been consistently applied unless stated otherwise. The financial statements have been prepared under the going-concern assumption.

In the consolidated financial statements, subsidiaries - which represent all companies over which the Group, directly or indirectly, has more than half of the voting rights or otherwise has control over operations - are fully consolidated.

3.2. Consolidation

Consolidated financial statements includes financial statements of the Group and its subsidaries (together "Group"), together with the Group's shares in subsidaries.

Business Combinations

The Group applies IFRS 3 "Business Combinations" for accounting business combinations. Accounting policies applied in these acquisitions are described below.

Business combinations are applying with the acquisition method on acquisition date, on day when the Group acquired control.

The Group controls another entity when it is exposed or when it is entitled to a variable return from participation in the entity, and its power over the entity has the potential to affect the yield. The Group reevaluates whether it has control when one or more control elements change. This includes circumstances in which the Group's protection rights (for example, those arising from lending activities) become significant and lead to the Group having power over the entity.

The Group measures goodwill at the acquisition date as:

- fair value of the consideration transferred; increased by
- recognized amount of any non-controlling interest in the acquired entity, increased by,
- if the acquisition is realized in parts, the fair value of the existing ownership share in the acquired Group;
- -reduced by
- net amount recognized (generally fair value) of identifiable assets and liabilities acquired.



3.2. Consolidation (continued)

If the sum represents a negative value, the gain arising from the bargain purchase is recognized immediately in profit or loss.

Transferred fee does not include amounts relating to the settlement of previous business relationships. Such amounts are generally recognized in profit or loss.

Acquisition-related costs, other than those related to the issue of debt or equity securities, that the Group incurs in connection with a business combination are recognized as an expense when incurred.

Any contingent consideration is recognized at fair value at the acquisition date. If a contingent consideration is classified as equity, it is not revaluated and its settlement is recognized within equity. In other cases, subsequent changes in the fair value of the potential charge are recognized in profit or loss.

The consolidation includes the following subsidiaries:

_	Ownership share in % 2020	Control in % 2020	Ownership share in % 2019	Control in % 2019
Subsidiaries				
HOTEL LABINECA d.o.o., Gradac	100.00%	100.00%	100.00%	100.00%
LAGUNA JADRAN d.o.o.,	100.00%	100.00%	100.00%	100.00%
Gradac FARAON d.o.o., Trpanj	100.00%	100.00%	100.00%	100.00%

The amounts of assets, liabilities, income, expenses and profits of subsidiaries are shown below:

	Assets		Liabilities		Net assets	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
HOTEL LABINECA d.o.o., Gradac	29,621,135	27,986,826	19,534,042	19,953,914	10,087,093	8,032,912
JADRAN LAGUNA d.o.o., Gradac	12,485,042	13,608,433	15,259,880	13,953,941	(2,774,838)	(345,508)
FARAON d.o.o., Trpanj	6,685,706	7,527,741	10,458,636	10,061,696	(3,772,930)	(2,533,955)

	Revenues		Expe	Expenses		Net profit / (loss)	
	2020	2019	2020	2019	2020	2019	
HOTEL LABINECA d.o.o., Gradac	10,266,534	23,142,745	8,119,868	21,788,322	2,146,666	1,354,423	
JADRAN LAGUNA d.o.o., Gradac	3,260,113	13,959,358	5,689,443	13,456,811	(2,429,330)	502,547	
FARAON d.o.o., Trpanj	1,082,070	9,389,326	2,321,046	10,225,119	(1,238,976)	(835,793)	

3.3. Reporting currency

Consolidated Financial statements are presented in Croatian kunas. At 31 December 2020 the exchange rate for EUR 1 and USD 1 was HRK 7.536898 and HRK 6.139039 respectively (at 31.12.2019: EUR 1 = HRK 7.442580 and USD 1 = HRK 6.649911).

3.4. Foreign currencies

In these consolidated financial statements, transactions denominated in foreign currencies are translated to the Group's functional currency at the rates of exchange prevailing on the dates of the transactions. Monetary items denominated in foreign currencies are retranslated to the functional currency at the exchange rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period as financial expenses, except for differences arising on the retranslation of non-monetary items available for sale in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

3.5. Property, plant and equipment

Property, plant and equipment are recognised initially at cost, less accumulated depreciation and accumulated impairment losses. Depreciation is provided using the straight-line method over the estimated useful life of an asset at the following annual rates:

	2020	2019
Buildings	2,80%	2,80%
Plant and equipment	10,00%-20,00%	10,00%-20,00%
Furniture, tools and other equipment	10,00%-20,00%	10,00%-20,00%

The initial cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing an asset to its working condition and location for its intended use.

Expenditure incurred after property, plant and equipment have been put into use, such as repairs and maintenance and overhaul costs, is recognized in the statement of profit or loss as expense in the period in which it is incurred.



3.5. Property, plant and equipment (continued)

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard performance, the expenditures are capitalised as an additional cost of property, plant and equipment. Costs eligible for capitalization include costs of periodic, planned significant inspections and overhauls necessary for further operation.

Equipment is capitalized when its useful life is greater than one year, and its individual cost is greater than HRK 3.5 thousand. Tools are capitalized regardless of their unit cost. Property, plant and equipment are derecognised from the financial statements when they are disposed of or when no further benefits from their continuing use or disposal are expected.

Gains on disposal of property, plant and equipment are credited directly to income. The net book value of retired property, plant and equipment is included in expenses.

An increase in the carrying amount on the remeasurement of an asset is credited to the revaluation reserve. Reversal of any previously recognized surplus on revaluation is presented as a deduction of the revaluation reserve, whereas any other decreases are charged to profit or loss.

3.6. Intangible assets

Intangible assets are purchased separately and carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided using the straight-line method over the estimated useful life of an asset. The useful life and amortisation method are reviewed at each year-end, with any effect of changes in estimates being accounted for prospectively.

3.7. Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition, and the sale is expected to qualify for recognition as a completed sale within one year from the date of the classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

3.8. Leases

IFRS 16 "Leases" introduces a new definition of leases and confirms current difference between two types of leases (operating and financial) with respect to the accounting treatment to be applied by the lessor.

The accounting treatment applied by lessees implies the same treatment for all types of leases, namely the recognition of assets, which represents the right to use which represents the right to use the assets and in the same time liability for future payments under the lease agreement.

In initial recognition, these assets are measured based on the cash flows of the lease. Upon initial recognition, right of use is valued in accordance with Standards under IAS 16, IAS 38 or IAS 40 and therefore applying the cost model (decreased for accumulated depreciation and accumulated impairment losses), the revaluation model or the fair value model.

In order to calculate the lease obligation and the associated property with the right of use, discounting of future lease payments is carried out at an appropriate discount rate. In this regard, future lease payments that are discounted are determined on the basis of contractual provisions, excluding VAT, as the obligation to pay such tax arises when the invoice is issued by the lessor and not on the date of commencement of the lease.

For the execution of the stated calculation, lease payments must be discounted using agreed implicit interest rate or, if not available, incremental interest rate The incremental interest rate is determined on the basis of financing costs for liabilities of similar duration and similar security as those in the lease agreement. In determining the lease term, the period of irrevocability set out in the contract must be taken into account, during which the lessee is entitled to use the property in question, taking into account potential renewal options, if the lessee is reasonably certain that he will renew. In particular, in relation to those contracts that allow the lessee to tacitly renew the lease after the first set of years, the lease term is determined taking into account factors such as the length of the first period, the existence of plans to release the leased property and all other circumstances indicating reasonable security recovery.

3.9. Impairment of non-financial assets

Impairment of non-financial assets that have an indefinite useful time, and is not depreciated is reviewed annually. Depreciated asset is reviewed for impairment when events or circumstances indicate that the carrying amount may not be recovarable.

An impairment loss is recognized as the difference between the carrying amount and recoverable amount of asset. Recoverable amount is fair value reduced by the cost of sale or the value of the asset in use, whichever is higher. For the purpose of impairment test, asset is grouped at the lowest levels in order to identify related cash flow. Non-financial assets are reviewed for possible reversal of the impairment at each reporting date.

3.10. Financial assets

The Group classifies its financial assets in the following categories: 'hold and collect' business model and 'hold to collect and sell' business model. Classification depends on the purpose for which the financial asset was acquired and on the risk management related to the acquisition of the asset. Management classifies financial assets at initial recognition and assesses that classification at each reporting date. Upon initial recognition, the Management Board allocates financial assets to business models and accordingly conducts a test of contracted cash flows. Subsequent measurement depends on the allocation and test of contracted cash flows.

Financial assets held within 'hold and collect' business model

Financial assets held within 'hold and collect' business model represent non-derivative financial assets with fixed or definable repayment and assets which are not listed on active market. They are stated under current assets, except for assets with a maturity of more than 12 months after the balance sheet date. Such assets are classified as non-current financial assets. Receivables are stated at amortized cost using the effective interest method. Impairment test of these financial assets is performed based on repayment delays in days. According to ageing receivables report the Management Board makes a impairment decision based on historical losses and accounts for expected credit losses that may occur due to non-payment.

Financial assets held within 'hold to collect and sell' business model

Financial assets held within 'hold to collect and sell' business model, which are measured at fair value through other comprehensive income, are non-derivative assets which are stated in this category or which are not classified in another category and relate to shares listed on an active market. Initially, these assets are measured at fair value plus transaction costs. At each subsequent reporting date, fair value is measured, while investments in securities that are not listed in an active market and whose fair value cannot be reliably determined are measured at its acquisition costs. According to IFRS 9, these financial assets are not subject to impairment. The Group has decided to measure these financial assets at fair value through other comprehensive income, as it represents an investment in equity instruments which are not meant for trading.

3.11. Financial liabilities

Financial liabilities include all financial liabilities that are not classified at fair value through profit or loss. Financial liabilities include trade payables, borrowings and other liabilities. They are initially recognized at fair value decreased by directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are measured at amortized cost using the effective interest method. The fair value of an interest-free liability is its discounted repayment amount. If the maturity date of the liability is less than one year, discounting is omitted.

A financial liability is derecognised when the obligation is discharged or canceled or expires.

3.12. Derivative financial instruments

Derivative financial instruments include forward contracts and swap contracts (replacement of a variable interest rate with a fixed one) in a foreign currency. Derivative financial instruments are recognized in the balance sheet at their fair value. Fair values are determined according to stock market prices or through pricing models, if such are applicable. All derivatives are recognized in the balance sheet as assets when their fair value is positive and as a liability when their fair value is negative. These derivatives do not meet the requirements of hedge accounting and are therefore treated as derivatives held for trading. Gains and losses arising from a forecast transaction are recognized in profit or loss in the same period in which the forecast transaction affects profit or loss.

3.13. Inventories

Inventories of raw material and spare parts are stated at the lower of cost and net realisable value.

Merchandise on stock is carried at the selling price net of accrued VAT and margin. Small items and tools are written off when put in use.

3.14. Trade receivables and prepayments

Trade receivables and prepayments are recognised at amounts invoiced in accordance with the underlying agreement, order, delivery note and other documents serving as the billing basis, reduced by net value adjustment of uncollectible receivables

Trade receivables are measured initially at fair value and subsequently at amortised cost using the effective interest method, reduced by value adjustment, which is applied in accordance with the requrements of IFRS9.

3.15. Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and demand deposits as well as of other highly liquid investments with maturities of three months or less.

3.16. Share capital and treasury shares

External costs directly attributable to the issue of new shares, other than on a business combination, are deducted from equity, net of any related income taxes. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Where the Group or its related Groups purchase the Group's share capital or obtain rights to purchase its share capital, the consideration paid including any attributable transaction costs net of income taxes is shown as a deduction from total shareholders' equity. Gains and losses on sale of own shares are charged or credited to the share premium/discount account in equity.

3.17. Dividend distribution

Dividend distribution to the Group's shareholders is recognized as liability in the financial statements in the period in which they are approved by the General Meeting of Shareholders.

3.18. Earnings per share

Earnings per share are calculated by dividing profit and loss which belongs to the Group's shareholders with the weighted average number of ordinary shares outstanding during the year.

3.19. Borrowings

Borrowings are initially recognized at fair value net of transaction costs. In future periods, borrowings are stated at amortized cost; any differences between the proceeds (net of transaction costs) and the redemption value are recognized in the statement of comprehensive income over the period of the borrowings, using the effective interest method.

Fees paid on the loan contracting are recognized as transaction costs of the loan to the extent that it is probable that some or all of the loan to be withdrawn. In that case, the fee is deferred until withdrawal. If there is no evidence that part or all of the loan is likely to be withdrawn, the fee is capitalized as an advance payment for liquidity services and amortized over the life of the loan to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

3.20. Trade payables

Trade payables are amount related to purchased goods and services in the ordinary cours of business. If payment is expected in one year, payables are recognized as current liabilities, otherwise they are recognized as non-current liabilities.

Trade payables are initially recognized at fair value and are disclosed at amortized cost in future periods using the effective interest method.

3.21. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The current tax liability is based on taxable profit for the year. Taxable profit differs from the net profit for a period reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred taxes

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. No such assets and liabilities are recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3.21. Taxation (continued)

Current and deferred taxes for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

3.22. Maintenance and repairs

Cost of maintenance and repairs is recognised when incurred, except when expenditure incurred extends the useful life of an asset and changes the capacity or purpose of property, plant and equipment. Such expenditure is treated as improvement and is added to the carrying amount of tangible assets.

3.23. Retirement benefit costs

The Group provides long-service and retirement benefits to its employees, in accordance with the underlying union agreement between the workers and the Group as their employer. The termination benefit is a one-off benefit in the amount of HRK 8,000. The employees are entitled to long-service benefits (jubilee awards), which are paid in accordance with the Personal Income Tax Act.

3.24. Provisions

Provisions are recognized only when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of discounting is material, the amount of the provision is the present value of the expenditures expected to be required to settle the obligation, determined using the estimated risk-free interest rate as the discount rate. Where discounting is used, the reversal of such discounting in each year is recognized as interest expense.

3.25. Revenue recognition

Revenue consist of the fair value of the consideration received or receivable for services sold in hotels, camps and restaurants during the Group's ordinary course of business. Revenues are recognized in amounts net of value added tax.

The Group recognizes revenue when the amount of revenue can be measured reliably, when the Group will have future economic benefits and when the specific criteria for all the activities of the Group described below are fulfilled.

3.25. Revenue recognition (continued)

Service revenue

Revenues from completed hotel and turist sevices are recognized in the period in which the services are completed. Revenue from services rendered to individual guests paying by credit card. - Credit card fees are recognized as a reduction of revenue.

Rental income

Revenue from rental services is recognized in the period in which the services are rendered, using the straight-line method over the term of the contract with the lessors.

Interest income

Interest income is recognized on a time proportion basis using the effective interest method. When the value of a receivable is impaired, the Group reduces the carrying amount of the receivable to its recoverable amount, which is the estimated value of expected cash inflows discounted at the instrument's original effective interest rate. The steady abolition of discounts in future periods is recognized as interest income. Interest income on loans whose collection is questionable is recognized using the original effective interest method.

Dividend income

Dividend income is recognized when the right to receive payment is established.

3.26. Critical accounting estimates and key sources of estimation uncertainty

In applying the accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.



4 GOODS AND SERVICE SALES

	2020	2019
Revenues from sales of services abroad	2,902,789	29,833,550
Revenues from services in the country	4,372,559	11,427,300
Rental income	306,338	408,100
Other revenues	274,956	48,446
	7,856,642	41,717,396
5 OTHER OPERATING INCOME		2242
	2020	2019
Revenue from state aid	3,424,518	50,883
Income from cancellation fees (downpayments)	102,443	1,599,526
Other operating income	366,862	1,694,523
	3,893,823	3,334,932

6 COST OF MATERIAL

	2020	2019
Raw material, supplies and energy		
Raw material and supplies	1,342,828	8,005,299
Small inventories and protective clothing	135,948	729,415
Energy	561,868	2,017,236
	2,040,644	10,751,950
Cost of goods sold	374,579	81,844
External services		
Utilities	947,898	2,298,977
Intellectual and personal services	1,215,471	3,292,130
The cost of assigning workers	77,631	5,211,471
Maintenance and repairs	409,770	1,520,614
Cost of mediation	157,016	981,329
Transportation, telephone, postage	211,781	264,870
Costs of advertising and propaganda	15,342	90,344
Rental cost	17,849	109,059
Other	117,500	594,257
	3,170,258	14,363,051
	5,585,481	25,196,845

7 SALARIES AND OTHER STAFF COSTS

	2020	2019
Net salaries	5,483,625	7,318,421
Taxes and contributions from salaries	1,964,390	3,070,932
Taxes and contributions on salaries	1,102,918	1,622,968
	8,550,933	12,012,321

At 31 December 2020 HOTELI JADRAN d.d. had 71 employees (31 December 2019: 85 employees).

8 DEPRECIATION

Depreciation is stated in the consolidated Statement of Comprehensive Profit for 2020 in the amount of HRK 4.916.364 kuna (2019: HRK 5.015.242) and is calculated at the rates stated in Note 3.5 in addition to the financial statements.

9 OTHER EXPENSES

	2020	2019
Insurance and security	247,278	370,865
Contributions, membership fees, taxes	119,887	191,375
Per diems and travel costs	171,438	358,130
Bank charges	57,967	127,468
Representation	50,804	231,315
Employee cost compensation	437,044	1,058,795
Costs of usage rights	57,729	170,794
Other expenses	127,804	328,472
	1,269,951	2,837,214

10 PROVISIONS

Provisions stated in the Statement of Comprehensive Profit for 2020 in the amount of HRK 30,390,582 (2019: HRK 0) relate to provisions for ongoing litigation and for which, according to the Management Board, there is a probable possibility of ending the dispute in 2021.

11 NET FINANCIAL (EXPENSE)/INCOME

	2020	2019
Financial income		
Interest income – related Groups	1,079,590	1,201,789
Interest income - others	20,727	92,821
Realized exchange rate gains		6,891
Total financial income	1,100,317	1,301,501
Financial expenses		
Interest expense	27,746	29,018
Realized exchange rate loss	75,023	97,241
Value adjustments of financial assets /i/	311,083	420,058
Total financial expense	413,852	546,317
Net financial (expense) / income	686,465	755,184

12 INCOME TAX

The Group is a taxpayer under the laws and regulations of the Republic of Croatia. Income tax is determined at the rate of 18% (2018: 18%) on the tax base prescribed by law. As at 31 December 2020, based on tax balance sheets, the Group reported income tax in the amount of HRK 92,485.

Deferred tax assets are recognized as a deferred tax loss only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized. The benefits of tax losses are not recognized in the consolidated financial statements due to the uncertainty of meeting the conditions for their future use.

In accordance with the applicable regulations of the Republic of Croatia, the Tax Administration has the right to review the business books and records of the Group for the year in which the tax liability is stated. The Group's management is not aware of any circumstances that could give rise to potentially significant tax liabilities.

13 LOSS PER SHARE

For the purposes of calculating earnings per share, earnings represent net income after taxation. The number of ordinary shares is 107,115 in both amounts and the weighted number of shares (31.12.2019: 107,115 average number of ordinary shares and weighted number of shares). Loss per share in 2020 amounted to HRK 358.61 per share (2019: earning HRK 2.49 per share).

14 PROPERTY, PLANT AND EQUIPMENT

In HRK	Land and forests	Buildings	Plant and equipment	Assets under construction	Total
Amount on Jan 1, 2019	6,766,248	158,866,835	13,184,122	296,009	179,113,214
Sale/reclassification Procurement	-	- 227,658	(202,628) 584,388	(494,564) 318,635	(697,192) 1,130,681
Amount on Dec 31, 2019	6,766,248	159,094,493	13,565,882	120,080	179,546,703
Accumulated depreciation Jan 1, 2019	-	90,611,753	11,182,255	-	101,794,008
Depreciation	-	4,439,090	435,671	-	4,874,761
Sale		<u>-</u>	(198,481)		(198,481)
Amount on Dec 31, 2019	-	95,050,843	11,419,445	-	106,470,288
Present value on Dec 31, 2019	6,766,248	64,043,650	2,146,437	120,080	73,076,415
Amount on Jan 1, 2020	6,766,248	159,094,493	13,565,882	120,080	179,546,703
Sale/reclassification Procurement	-	-	(1,947,561) 10,900	- 47,000	(1,947,561) 57,900
Amount on Dec 31 2020	6,766,248	159,094,493	11,629,221	167,080	177,657,042
Accumulated depreciation Jan 1, 2020	-	95,050,843	11,419,445	-	106,470,288
Depreciation	-	4,441,823	368,810	_	4,810,633
Sale			(1,021,060)	-	(1,021,060)
Amount on Dec 31, 2020	-	99,492,666	10,767,195	-	110,259,861
Present value on Dec 31, 2020	6,766,248	59,601,827	862,026	167,080	67,397,181

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14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group's Management Board estimates that, as at 31 December 2020, there are no indications that the market value of property, plant and equipment is lower than the book value, there have been no significant changes in technological, economic or legal conditions that would have a significant impact on value of assets, so taking into account the fact of a high degree of write-off of buildings there is no basis for reducing their book value.

15 NON-CURRENT FINANCIAL RECEIVABLES

	Principal Approved	Interest rate applied	31.12.2020	31.12.2019
Jelsa d.d., Jelsa	HRK 154.033	3,96%	154,033	154,033
ADRIATIQ ISLANDS GROUP d.d.	HRK 352.123	3,96%	275,364	352,123
BATUDA PROJEKT d.o.o.	HRK 588.533	3,96%	588,534	588,533
AIG YACHTING d.o.o.	HRK 40.000	3,96%	40,000	40,000
Interes			155,253	167,741
Other receivables			18,515	38,876
			1,231,699	1,341,306
16 INVENTORIES				
			31.12.2020	31.12.2019
Small inventory			426,261	114,924
Material and spare parts			-	552,656
Merchandise				7,373
			426,261	674,953
17 TRADE RECEIVABL	ES			
			31.12.2020	31.12.2019
Receivables from foreign cu	stomers		891,339	1,009,665
Receivables from domestic			713,445	221,508
Impairment of trade receival			(221,878)	(221,878)
•			1,382,906	1,009,295

17 TRADE RECEIVABLES

The age structure of customer receivables is presented in the following table:

	Total	Not yet due	Up to 30 days	From 31 to 90 days	From 90 to 365 days	Over 365 days
31.12.2020	1,382,906	34,058	7,552	15,925	517,897	807,474
31.12.2019	1,009,295	31,441	37,268	916,545	24,042	-

The Group's management believes that the value of receivables is not lower than the stated values.

18 OTHER CURRENT RECEIVABLES

	31.12.2020	31.12.2019
Due from the state	1,058,838	1,374,319
Receivables from employees	22,564	25,178
Other claims	2,301,325	91,600
Receivables from affiliated companies	2,104	4,860,195
	3,384,831	6,351,292

As of December 31

19	CHERENT	FINANCIAL	RECEIVABLES

19. CURRENT FINANCIAL RECEIVABLES					
	Approved Principal	Applied Interest rates	31.12.2020	31.12.2019	
ADRIATIQ ISLANDS GROUP	1,697,007 HRK	3,96%	1,697,007	1,473,007	
ADRIATIQ ISLANDS GROUP HOTELI d.o.o., Zagreb	81,604 HRK	3,96%	-	81,604	
DIAMANT MARINA d.o.o., Zagreb	22,300,616 HRK	3,96%	22,300,616	22,300,616	
AQUAMARINE d.o.o., Zagreb	2,146,450 HRK	3,96%	2,146,450	2,146,450	
DALMACIJA CHARTER d.o.o., Primošten	613,630 HRK	3,96%	-	613,630	
DALMACIA HOLIDAY kft, Budaspest	384,226 HRK	3,96%	-	384,226	
TOPAZ d.o.o., Zagreb	323,164 HRK	3,96%	-	323,164	
CAMENA d.o.o., Zagreb	50,000 HRK	3,96%	50,000	50,000	
ADRIATIQ ISLANDS GROUP NEKRETNINE d.o.o., Zagreb	6,122 HRK	3,96%	6,122	6,122	
JELSA d.d., Jelsa	4,991,694 HRK	3,96%	4,991,694	4,991,694	
ORNATUS d.o.o., Zagreb	25,000 HRK	3,96%	25,000	25,000	
CIRUS d.o.o., Primošten	50,000 HRK	3,96%	50,000	50,000	
DALMACIA HOLIDAY d.o.o., Zagreb	130,000 HRK	3,96%	130,000	130,000	
DANUVIUS RESTORAN d.o.o., Tribuni	95,000 HRK	3,96%	95,000	95,000	
PRIMOŠTEN d.d., Primošten	126,250 HRK	3,96%	126,250	126,250	
Natural person	246,000 HRK	2%	224,609	246,000	
Interest	,		3,000,252	95,635	
Value adjustment of loans and interest rates			(6,122)	(870,150)	
			34,836,878	32,268,248	
Changes in the value adjustment of receivables from financial assets are as follows: 2020 2019					
Balance on January 1st			(870,150)	(2,817,000)	
(Decrease) / increase in imparm	ent		864,028	1,946,850	

The Group provided short-term loans to affiliated companies at an interest rate of 3.96% per annum. The Group has receivables from associated companies for loans and interest in the amount of HRK 34,836,878. Receivables are older than 365 days, debtor companies are bankrupt or have little business activity, there was no demand turnover throughout the year and the Group has no instruments to secure the collection of receivables.



(870,150)

(6,122)

20	CASH AND CASH EQUIVALENTS		
		31.12.2020	31.12.2019
Curre	nt account balance	183.035	1,068.780
Foreig	n currency account balance	-	886.451
	in hand	10.975	74.394
		194.010	2.029.625

Cash equivalents comprise cheques and deposits with banks, which are available at call (ie deposits placed for a term of up to 3 months).

The Group's account is opened at Privredna banka Zagreb d.d., Zagreb and OTP banka d.d., Split.

21 SHARE CAPITAL

	Share capital	Capital gains	Total
Balance at 1 January 2019	74,980,500	173,442	75,153,942
Balance at 31 December 2019	74,980,500	173,442	75,153,942
Balance at 31 December 2020	74,980,500	173,442	75,153,942

The Group's share capital amounts to HRK 74,980,500.00. The total number of ordinary shares in issue at the year-end was 107,115 (31 December 2019 107,115 shares), with a nominal value of HRK 700.00 each (2019: HRK 700.00).

The ownership structure at the balance sheet was as follows:

	31.12.2020		31.12.2019	
Shareholder	Number of shares	%	Number of shares	%
Topaz d.o.o., Zagreb	92,717	86.56	92,717	86.56
Centar za restrukturiranje i prodaju (CERP),	841	0.79	2,495	2.33
Republic of Croatia Other shareholders (total)	13,557	12.66	11,903	11.11
	107,115	100	107,115	100

22 RESERVES AND ACCUMULATED LOSSES

	Legal reserves	Other reserves	Retained (loss) / retained earnings	Profit for the current year	Total
On January 1, 2019	3,770,050	12,064,778	(759,242)	2,948,560	18,024,146
Coverage of transferred loss from profit from 2018.	-	-	2,948,560	(2,948,560)	-
Profit for 2019	· · · · · · · · · · · · · · · · · · ·	-		267,220	267,220
As on 31 December 2019	3,770,050	12,064,778	2,189,318	267,220	18,291,366
Transfer of profits from 2019 to retained earnings	-	-	267,220	(267,220)	-
Other ownership changes	(2,970,050)	(12,064,778)	15,034,828	-	-
Loss for 2020	-	-	-	(38,412,684)	(38,412,684)
Situation as on 31 December 2019	800,000	-	17,491,366	(38,412,684)	(20,121,318)

23. PROVISIONS

During 2021, the Group expects the completion of enforcement proceedings against real estate owned by the Group as a debtor in the proceedings, and based on the enforcement document - Agreement to secure a monetary claim by establishing a lien, stated the cost of provisions in the amount of market value of real estate determined by an independent appraiser.

The Group, as a guarantor-payer in the enforcement proceedings over free cash, also stated provisions in the amount of the present value of future outflows of free cash of the Group.

In accordance with the above, the Management Board of the Group made a decision to disclose provisions in the amount of HRK 30,390,582.

24 LIABILITIES FOR GIVEN LOANS

	Principal approved	Applied interest rate	31.12.2020	31.12.2019
Ministry of finance, Croatia			1,643,909	1,643,909
Marina Kremik d.o.o.	905.817 HRK	2,5%	1,205,817	300,000
Dalmacia Holiday d.o.o.	618.822 HRK	7%	6,833	6,833
Interest			102,511	8,821
			2,959,070	1,959,563

On 3 August 2011 the Ministry of Finance of the Republic of Croatia adopted a Resolution on the Reprogramming of the Tax Debt of Hoteli Jadran d.d., Gradac, which amounted to HRK 3,343,350.70 at 31 December 2010. The loan repayment period is 30 months, and the loan interest rate is 8.30 percent annually. At 31 December 2019, the tax debt amounts to HRK 1,643,909 and is confirmed in the prebankruptcy settlement procedure by Finacial Agency (FINA), Regional Center Zagreb on 6 June 2018 (Note 1). The debt in question is regulated by a pre-bankruptcy settlement, which is yet to be confirmed by Commercial Court.

A short-term one-year loan was obtained from Dalmacia Holiday d.o.o., Zagreb, for liquidity purposes. The loan interest rate is 7.00 percent annually. The loan balance at 31 December 2020 amounts to HRK 6,833.

25 TRADE PAYABLES

	31.12.2020	31.12.2019
Domestic trade payables Foreign trade payables Late-payment interest on trade payables	10,488,967 272,559 975,877 11,737,403	12,526,863 70,546 975,877 13,573,286
26. LIABILITIES FOR ADVANCES	31.12.2020	31.12.2019
Liabilities for received advances	6,222,878 6,222,878	5,125,009 5,125,009

27	OTHER LIABILITIES	

	31.12.2020	31.12.2019
Value added tax liabilities	608,757	382,400
Payroll taxes and contributions from salary	107,273	232,519
Contributions on salary	64,029	119,653
Corporate income tax	9,891	3,676
Obligations for membership fees and other fees	1,428,737	1,547,113
Other liabilities	97,323	36,119
	2,316,010	2,321,480

RELATED-PARTY TRANSACTIONS 28

For financial reporting purposes, parties are considered to be related if one party has the ability to control the other party, if the parties are under joint control, or if a party may exercise significant influence over the other party in making financial and operating decisions. In considering each potential relationship between related parties, the focus is on the substance of the relationship rather than merely the legal form.

	Trade receivables	Trade payables	Given loans and advances	Borrowing s and interest payable	Expenses	Income
Parent: Topaz d.o.o.	-	-	2,105	-	-	10,378
Other subsidiaries:	-	-	-	-	-	274,956
Management Board	-		•	-	745,302	
Balance at 31 December 2020	-	-	2,105	-	745,302	285,334
Balance at 31 December 2019	534	1,079,246	36,268,766	78,527	2,316,711	1,204,694

CONTINGENT LIABILITIES AND ASSETS 29

Contingent liabilities a)

Legal actions. As of December 31, 2020, there have been several lawsuits regarding property rights, real estate, and business relationships in which the Group is a defendant. The lawsuits relate to unresolved assets, determination of property rights, payment of the Group and the Group as a guarantor.

The Group issued a guarantee in favor of Dalmacia Holiday kft in the amount of EUR 21,524,970.87, increased by interest, fees, expenses, commissions and other costs for the Raiffeisen Bank loan. By the contract on the purchase and sale of receivables dated April 2, 2019 concluded between Raiffeiseisen Bank Zrt, and Bohemian Financing Zrt., all rights and obligations have been transferred to the new creditor, Bohemian Financing Zrt.

The Group has issued a guarantee in favor of Habito d.o.o. in the amount of EUR 2,625,000 increased by interest, fees, costs, commissions and other costs, pursuant to Annex I of the Agreement on financial leasing of real estate. Contract on purchase and sale of receivables dated May 30, 2018 concluded between Optima Leasing d.o.o. and Bohemian Financing Zrt., all rights and obligations have been transferred to the new creditor Bohemian Financing Zrt..

b) Contingent assets

Legal actions. At 31 December 2020 there were several legal actions filed by the Group on the grounds of ownership title and enforcement.

30. INANCIAL INSTRUMENTS

This note provides details of the Group's exposure to risks and describes the methods used by management to manage risks. The most significant types of financial risks to which the Group is exposed are credit risk, liquidity risk and market risk. Market risk includes exchange rate risk, interest rate risk and price risk.

Capital risk management

Gearing ratio

The gearing ratio at the year-end was as follows:

	31.12.2020	31.12.2019	
Debt	2,959,070	1,959,563	
Cash and cash equivalents	194,010	2,029,625	
Net debt	2,765,060	(70,062)	
Equity	55,032,624	93,445,308	
Net debt-to-equity ratio	5,02%		

Debt is defined as a liability for long-term and short-term loans. The principal includes all capital and all reserves.

Categories of financial instruments

Financial assets

	31.12.2020	31.12.2019
Cash and cash equivalents	194,010	2,029,625
Trade receivables	1,382,906	1,009,295
Given loans	36,068,577	33,590,804
Other receivables	3,384,831	6,351,292
	41,030,324	42,981,016

30. INANCIAL INSTRUMENTS (CONTINUED)

Financial liabilities

	31.12.2020	31.12.2019
Loans and borrowings	2,959,070	1,959,563
	2,959,070	2,959,070

Foreign currency risk management

The Group is exposed to currency risks because it has significant assets contracted in foreign currency. The Group is mainly exposed to changes in the EUR exchange rate because a significant part of trade receivables and income, as well as cash, is denominated in this currency.

The following table shows the carrying amounts of the Group's monetary assets and monetary liabilities denominated in foreign currencies at the reporting date.

	Liab	Liabilities		ssets
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
EUR	41,449	69,593	1,470,078	1,897,879

Interest rate risk management

The Group's operations are subject to the risk of interest rate fluctuations to the extent that the interest-bearing assets and liabilities mature or reprice at different times or in differing amounts. Variable-interest bearing assets and liabilities of the Group are also exposed to the basis risk, which is the difference in repricing characteristics of the various floating rate indices.

The Group is not exposed to interest rate risk arising from variable rates, as disclosed in Notes 24.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Management Board, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity requirements. The Group manages its liquidity using appropriate bank overdrafts and facilities and by matching the maturities of its financial assets and liabilities.



30 FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities subject to standard terms and conditions and traded on active liquid markets is determined by reference to quoted market prices;
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments;
- the fair value of derivative instruments is calculated using quoted prices. Where such prices are not
 available, discounted cash flow analysis is applied using the applicable yield curve for the duration of
 the instruments for non-optional derivatives, and option pricing models for optional derivatives; and
- the fair value of financial guarantee contracts is determined using option pricing models where the
 main assumptions are the probability of default by the counterparty extrapolated from market-based
 credit information and the amount of the loss given default.

31 ENVIRONMENTAL POLICY

It is the policy of the Group to ensure an on-going environmental awareness among its employees as well as their commitment to protecting and improving the natural as well as their work environment

32. EVENTS AFTER THE REPORTING DATE

The most significant event this year is the appearance of the COVID-19 virus at the end of February 2020. In accordance with the new circumstances and government measures, the Group, as a lessor due to these exceptional circumstances and uncertainties, agreed to suspend lease agreements for the hotel "Faraon" and hotel '"Laguna" since the hotels will not operate in 2020. The Group actively monitors all information related to the spread of coronavirus, especially in emitting markets and takes all protection measures recommended by the Ministry of Health and the Institute of Public Health. The Group, in cooperation with the social partners, regulated the material rights during the time when it is not working, and it started negotiations with other partners in order to revise the amount and compensation for the period when the operational activity will be absent. In April, the Government of the Republic of Croatia announced a state aid program to combat the negative effects of Covid-19 on the economy. As part of the program, the Group applied for employment protection measures and received support for job preservation. In addition to the above measure, the Group has approved a measure of deferral of payment of certain tax liabilities. After the Management Board reviewed the current operations, the process of streamlining the Group's operations was initiated, so that the Group with a long tradition of hotel business dating back to 1955 could face the challenges of the current pandemic in the most efficient way. Due to

For the year ended 31 December 2020

difficult and uncertain business conditions caused by the COVID-19 pandemic and the poor results of the tourist season, the Group decided to manage costs in a centralized manner. The Group expects that this will enable cost reduction, more efficient staff mobility that corresponds to the current very volatile demand for accommodation capacities and an increase in the quality of service. The process of rationalization began with the takeover of employees of the Groups that leased the hotels Labineca and Laguna in Gradac and Faraon in Trpanj, and later with the termination of the lease agreement with the current tenants.

33 APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements were adopted and authorised for issue by the members of the Management Board of Hoteli Jadran d.d., Gradac, on 16 April 2021.

Cecília Nikoletta Fata

President of the Management Board

Soma Zoltán Dala

Member of the Management Board

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ISSUER'S GENERAL DATA					
Reporting period:		2020.01.01	to	2020.12.31	
Year:		2020			
	Annual 1	financial stateme	nts		
egistration number (MB):	03036154	Issuer's ho	ome Member State code:	НК	
Entity's registration number (MBS):	060040135				
Personal identification number (OIB):	18099276986		LEI:	7478000030KH7ROTAU91	
Institution code:	808]			
Name of the issuer:	HÖTELI JADRAN d.d.				
Postcode and town:	21330		GRADAC		:
treet and house number:	JADRANSKA 2				
E-mail address:	hoteli-jadran@hoteli	-jadran.com			
Web address:	www.hoteli-jadran.co	om			
Number of employees (end of the reporting	88				
Consolidated report:	KD (KN	I-not consolidated/KD-cor	nsolidated)		<u>B</u> _
Audited:	RD (F	RN-not audited/RD-audite	ed)	2	
Names of subsidiarie	s (according to IFRS)		Registered of	office:	мв:
	FARAON d.o.o.			Put Vila 1, 20240 Trpanj	2357666
	IADRAN LAGUNA d.o.o.			Jadranska 16, 21330 Gradac	2585847
Ĥ	IOTEL LABINECA d.o.o.			Jadranska 2, 21330 Gradac	2494183
					<u> </u>
		acc.			
Bookkeeping firm:		(Yes/No)	(name of the	e bookkeeping firm)	en e
Contact person:	Ivanac Željka (only name and surname	of the contact person)			
Telephone:	099 3110 475				
E-mail address:	zeljka.ivanac@hotel	li-jadran.com			
Audit firm:	Russell Bedford Cro	atia - Revizija d.o.o.			
Certified auditor:	(name of the audit firm) Paško Anić-Antić				
Jerundu additor.	(name and surname)		1		

Submitter; HOTELI JADRAN d.d.			in HF
en programme de la companya de la co	ADP	Last day of the preceding business year.	At the reporting det of the surrent perio
N) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	
3) FIXED ASSETS (ADP 003+010+020+031+036) INTANGIBLE ASSETS (ADP 004 to 009)	002	74 684.389 266.668	68.789.8 180.9
Research and development	004	0	
2 Concessions, patents, licences, trademarks, software and other lights	005	266.668	160.9
3 Goodwill	005	0	
Advance payments for purchase of intangible assets Intangible assets in preparation	007	0	
6 Other intangible assets	009	0	
TANGIBLE ASSETS (ADP 011 to 019)	010	73.078.415 6.768.248	67.397.1 6.766.2
2 Buildings	012	64 043 650	59 601 8
3 Plant and equipment 4 Tools, working inventory and transportation assets	013	1.936.659 209.778	804.1 57.8
5 Biological assets	015	0	
6 Advance payments for purchase of tangible assets 7 Tangible assets in preparation	016	120 080	167.0
8 Other tangible assets	018	0	
9 Investment property II FIXED FINANCIAL ASSETS (ADP 021 to 030)	019	1.322.558	1.231.6
1 Investments in holdings (shares) of undertakings within the group	021	0	
2 Investments in other securities of undertakings within the group 3 Loans, deposits, etc. to undertakings within the group	022	0	
4 Investments in holdings (shares) of companies linked by virtue of	024	0	
participating interest 5 Investment in other securities of companies linked by virtue of			
participating interest	025	0	
6 Loans, deposits etc. given to companies linked by virtue of participating interest	025	0	
7 Investments in securities	027	0	
8 Loans, deposits, etc. given	028	1.322.556	1.231.6
Other investments accounted for using the equity method Other fixed financial assets	029	0	
V RECEIVABLES (ADP 032 to 035)	031	18,750	
Receivables from undertakings within the group Receivables from companies linked by virtue of participating	032	18.750	
nterests 3 Customer receivables	033	0	
4 Other receivables	035	0	
Deferred tax assets	038	0	28 652
CURRENT ASSETS (ADP 038+046+053+063) INVENTORIES (ADP 039 to 045)	037	42.333.413 674.953	40.224. 428.
1 Raw materials	039	667.580	426
2 Work in progress 3 Finished goods	040	0	
4 Merchandise	042	7 373	
5 Advance payments for inventories 6 Fixed assets held for sale	043	0	
7 Biological assets	045	0	
I RECEIVABLES (ADP 047 to 052) 1 Receivables from undertakings within the group	046 047	7.360,587 4.860,195	4.767.7 2
Receivables from companies linked by virtue of participating interest	1	4.800.195	· ·
3 Customer receivables	049	1 009 295	1 382 1
4 Receivables from employees and members of the undertaking	050	25.178	22
5 Receivables from government and other institutions 6 Other receivables	051 052	1.374.319	1 058
II SHORT-TERM FINANCIAL ASSETS (ADP 054 to 082)	053	32.268.248	34,836
Investments in holdings (shares) of undertakings within the group Investments in other securities of undertakings within the group	054 055	0	
3 Loans, deposits, etc. to undertakings within the group	056		
4 Investments in holdings (shares) of companies linked by virtue of participating interest	057	0	
5 Investment in other securities of companies linked by virtue of	058		
participating interest 6 Loans, deposits etc. given to companies linked by virtue of			
participating interest	069	0	
7 Investments in securities 8 Loans, deposits, etc. given	060	32 268.248	34,836
9 Other financial assets	062	0	
V CASH AT BANK AND IN HAND D) PREPAID EXPENSES AND ACCRUED INCOME	063 064	2.029.625 32.131	194.
E) TOTAL ASSETS (ADP 001+002+037+084)	065	117.049.933	109.030
OFF-BALANCE SHEET ITEMS LIABILITIES	066	0	
A) CAPITAL AND RESERVES (ADP 068 to	087	93,445,308	55.032.
INITIAL (SUBSCRIBED) CAPITAL CAPITAL RESERVES	068	74.980.500 173.442	74 960. 173.
II RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	15.834.828	800.
1 Legal reserves	071 072	3.770.050 12.084.778	800
2 Reserves for treasury shares 3 Treasury shares and holdings (deductible item)	073	12.004.770	
4 Statutory reserves 5 Other reserves	074 075	0	
V REVALUATION RESERVES	076	0	
/ FAIR VALUE RESERVES (ADP 076 to 080)	077	0	WALLEY OF THE PARTY OF THE PART
Fair value of financial assets available for sale Cash flow hedge - effective portion	078 079		
3 Hedge of a net investment in a foreign operation - effective portion IT RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-	080	0	
183)	081	2.189.318	17.491.
Retained profit Loss brought forward	082	2 189 318	17.491
Z LOSE DROUGHT TORWARD VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-088)	083	267.220	-38,412.
1 Profit for the business year	086	267.220	
2 Loss for the business year //III MINORITY (NON-CONTROLLING) INTEREST 3) PROVISIONS (ADP 089 to 094)	086 087 088		38.412 30.390.
1 Decisions for accessors termination benefits and similar abliquitions	089	0	1
1 Provisions for pensions, termination benefits and similar obligations	090	0	
2 Provisions for tax kabikties	1 004		
2 Provisions for tax habities 3 Provisions for ongoing legal cases	091		
2 Provisions for tax kabikties	092 093		
2 Provisions for tax habities 3 Provisions for ongoing legal cases 4 Provisions for renewal of natural resources 5 Provisions for warranty obligations 6 Other provisions	092 093 094	0	
2 Provisions for tax habities 3 Provisions for ongoing legal cases 4 Provisions for renewal of natural resources 5 Provisions for warranty obligations	092 093	0	22.

4 Liabilities for loans, deposits etc. of companies linked by virtue of	099		0
participating interest 5 Liabilities for loans, deposits etc.	100		
6 Liabilities towards banks and other financial institutions	101		0
7 Liabilities for advance payments	101		
8 Liabilities towards suppliers	102	U	
9 Liabilities for securities	104		
10 Other long-term kabilities	105	ļ ,	22.413
11 Deferred tax Kabikty	108		22.413
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	23.584.671	23.573.209
1 Liabities towards undertakings within the group	108	1 151 639	23.573.209
2 Liabilities for loans, deposits, etc. to companies within the group	109	6.833	
3 Liabilities towards companies linked by virtue of participating interest	110	0	G
4 Liabilities for loans, deposits etc. of companies linked by virtue of			
participating interest	111	0	٥
5 Liabilities for loans, deposits etc.	112	1.952.730	2 959 070
6 Liabilities towards banks and other financial institutions	113	. 0	0
7 Liabilities for advance payments	114	5 125 009	6 222 878
8 Liabilities towards suppliers	115	12,421,647	11 737 403
9 Liabilities for securities	116	0	59.324
10 Liabilities towards employees	117	605,333	337.848
11 Taxes, contributions and similar liabilities	118	2,285,363	2.219.573
12 Liabilities arising from the share in the result	119	34.698	34.698
13 Liabilities arising from fixed assets held for sale	120	0	
14 Other short-term kabilities	121	1 419	2.415
E) ACCRUALS AND DEFERRED INCOME	122	19.954	12.009
F) TOTAL - LIABILITIES (ADP 067+088+095+107+122) G) OFF-BALANCE SHEET ITEMS	123 124	117.049.933 0	109.030.837

STATEMENT OF PROFIT OR LOSS

for the period 01.01.2020 to 31.12.2020

Submitter: HOTELI JADRAN d.d.	, , , , , , , , , , , , , , , , , , , 		in HRK
Item 1877	ADP code	Same period of the previous year	Current period.
I OPERATING INCOME (ADP 126 to 130)	125	45.062.328	11.750.465
1 Income from sales with undertakings within the group	126	0	0
2 Income from sales (outside group)	127	41.588.362	7.814.726
3 Income from the use of own products, goods and services	128	129.034	41.916
4 Other operating income with undertakings within the group	129	0	0
5 Other operating income (outside the group)	130	3.344.932	3.893.823
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	45.348.545	50.757.129
1 Changes in inventories of work in progress and finished goods	132	0	0
2 Material costs (ADP 134 to 136)	133	25.196.845	5.585.481
a) Costs of raw material	134	10.751.950	2.040.644
b) Costs of goods sold	135	81.844	374.579
c) Other external costs	136	14.363.051	3.170.258
3 Staff costs (ADP 138 to 140)	137	12.012.321	8.550.933
a) Net salaries and wages	138	7.318.421	alters, per a tratique en la la sala farigación degli capação sub de transpersa for per pares
b) Tax and contributions from salaries expenses	139	en errennen en en en errennen errennen kommen errenganten kompen errengen betaret errengen betaret errengen be	5.483.625
c) Contributions on salaries	the control of the figure and the old part of the property of the field of	3.070.932	1.964.390
4 Depreciation	140	1.622.968	1.102.918
5 Other expenses	141	5.015.242	4.916.364
6 Value adjustments (ADP 144+145)	142	2.837.214	1.269.951
	143	26.137	5.209
a) fixed assets other than financial assets	144	0	0
b) current assets other than financial assets	145	26.137	5.209
7 Provisions (ADP 147 to 152)	146	0	30.390.582
a) Provisions for pensions, termination benefits and similar obligations	147	0	0
b) Provisions for tax liabilities	148	0	0
c) Provisions for ongoing legal cases	149	O	30.390.582
d) Provisions for renewal of natural resources	150	O	0
e) Provisions for warranty obligations	151	O	0
f) Other provisions	152	0	0
8 Other operating expenses	153	260.786	38.609
III FINANCIAL INCOME (ADP 155 to 164)	154	1.301.501	1,100,317
1 Income from investments in holdings (shares) of undertakings within the group	155	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interest	156	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	157	0	0
4 Other interest income from operations with undertakings within the group	158	1.196.473	639.543
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	0	0
6 Income from other long-term financial investments and loans	160	0	0
7 Other interest income	161	5.316	440.047
8 Exchange rate differences and other financial income	162	92.821	20.727
9 Unrealised gains (income) from financial assets	163	0	0
10 Other financial income	164	6.891	0
IV FINANCIAL EXPENDITURE (ADP 166 to 172)	165	546.317	413.852
1 Interest expenses and similar expenses with undertakings within the group	166	0	Orahomoti ka pinye ili na kana kana kana kana kana kana kana
Exchange rate differences and other expenses from operations with undertakings within the group Interest expenses and similar expenses	167	0	0
	168	29.018	27.746
4 Exchange rate differences and other expenses	169	97.241	75.023
5 Unrealised losses (expenses) from financial assets	170	0	0
6 Value adjustments of financial assets (net)	171	420.058	311.083

V SHARE IN PROFIT FROM COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	173	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	174	0	
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175	0	
VIII SHARE IN LOSS OF JOINT VENTURES		the type of the party of the state of the st	****
IX TOTAL INCOME (ADP 125+154+173 + 174)	176 177	U	0
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	46.363.829	12.850.782
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	45.894.862	51.170.981
1 Pre-tax profit (ADP 177-178)	180	468.967	-38,320,199
2 Pre-tax loss (ADP 178-177)	181	468.967 0	00.000.400
XII INCOME TAX	182	201.747	-38.320.199 92.485
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	267,220	-38,412.684
1 Profit for the period (ADP 179-182)	184	267,220	-50,412,004 A
2 Loss for the period (ADP 182-179)	185	0	-38.412.684
DISCONTINUED OPERATIONS (to be filled in by undertakings subject		th discontinued operations)	-00.412.004
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)	186	0	0
1 Pre-tax profit from discontinued operations	187	O	0
2 Pre-tax loss on discontinued operations	188	0	
XV INCOME TAX OF DISCONTINUED OPERATIONS	189	0	0
1 Discontinued operations profit for the period (ADP 186-189)	190		
2 Discontinued operations loss for the period (ADP 189-186)	191	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IF	RS with discon	tinued operations)	
XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)	192	o	0
1 Pre-tax profit (ADP 192)	193	0	0
2 Pre-tax loss (ADP 192)	194	0	0
XVII INCOME TAX (ADP 182+189)	195	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196		0
1 Profit for the period (ADP 192-195) 2 Loss for the period (ADP 195-192)	197	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up con-	198	0	0
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)	Commonwealth and the common of		
1 Attributable to owners of the parent	199 200	267.220	-38.412.684
2 Attributable to minority (non-controlling) interest	200	267.220	-38.412.684
STATEMENT OF OTHER COMPRHENSIVE INCOME (to be filled in by us	idertakings sui	plact to IEPS)	0
I PROFIT OR LOSS FOR THE PERIOD	202	267.220	-38.412.684
II OTHER COMPREHENSIVE PROFIT/LOSS BEFORE TAX			-30,412,004
(ADP 204 to 211)	203		
1 Exchange rate differences from translation of foreign operations	204	0	0
2 Changes in revaluation reserves of fixed tangible and intangible assets	205	0	0
Profit or loss arising from re-evaluation of financial assets available for sale	206	0	0
4 Profit or loss arising from effective cash flow hedging	207	HA BANGANA WANTO SA SA MANANG	
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208	0	0
6 Share in other comprehensive income/loss of companies linked by virtue of participating interest	209	0	0
7 Actuarial gains/losses on defined remuneration plans		the second of th	
8 Other changes in equity unrelated to owners	210	0	0
III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	211 212		0
IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)	213	0	0
		Y	
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	267.220	-38,412,684
APPENDIX to the Statement on comprehensive income (to be filled in b	y entrepreneur	s who draw up consolidated	statements)
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP	less.	1	
216+217)	215	267.220	-38.412.684
	(中央の対象を整備して対象を対象の対象	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	
Attributable to owners of the parent Attributable to minority (non-controlling) interest	216	267.220	-38.412.684

STATEMENT OF CASH FLOWS - indirect method for the period 01.01.2020 . to 31.12.2020.

in HRK

Submitter: HOTELI JADRAN d.d.			
the state of the s	ADP code	Same period of the previous year state.	Current period
	723	Control of the Contro	4
Cash flow from operating activities		รลิกลักลักลักลักลักลักลักลักลักลักลักลักลัก	
1 Pre-tax profit	001	468.967	-38.320.199
2 Adjustments (ADP 003 to 010): a) Depreciation	002	4.007.152 5.015.242	34.260.311 4.916.364
	003	3.013.242	4.910.304
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	0
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	-1.201.789	-1.079.590
e) Interest expenses	007	29.018	27.746
f) Provisions	800	0	30.390.582
g) Exchange rate differences (unrealised)	009	0	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	164.681	5.209
I Cash flow increase or decrease before changes in the working capital (ADP 001+002)	011	4,476,119	-4.059.888
3 Changes in the working capital (ADP 013 to 016)	012	3.886.831	1.702.736
a) Increase or decrease in short-term liabilities	013	4.421.835	-11.462
b) Increase or decrease in short-term receivables	014	-2.421.896	2.399.439
c) Increase or decrease in inventories	015	-86.583	248.692
d) Other increase or decrease in the working capital	016	1.973.475	-933.933
II Cash from operations (ADP 011+012)	017	8.362.950	-2.357.152
4 Interest paid	018	-20.824	0
5 Income tax paid	019	-968.664	188.202
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	7.373.462	-2.168.950
Cash flow from investment activities	Calaretelerateraturatariatura Calareteleraturateraturaturatura Calareteleraturatura	Te ferere	
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	0
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	298	117
4 Dividends received	024		0
5 Cash receipts from repayment of loans and deposits	025	2.977	1.285
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	3.275	1,402
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-907.469	-47.000
2 Cash payments for the acquisition of financial instruments	029	0	
3 Cash payments for loans and deposits for the period	030	-6.395.085	-17.088
4 Acquisition of a subsidiary, net of cash acquired	031		
5 Other cash payments from investment activities IV Total cash payments from investment activities (ADP 028 to 032)	032	-7,302,554	-64.088
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034		
B) NET GAGITI EGWY KOMINYESTMENT ACTIVITIES (ABF 027 +033)	V34	-7.299.279	-62.686
Cash flow from financing activities 1 Cash receipts from the increase of initial (subscribed) capital	035	ol	eta era era era era era era era era era er
Cash receipts from the issue of equity financial instruments and debt financial instruments	036	o	C
Cash receipts from credit principals, loans and other borrowings Other cash receipts from financing activities	037 038	0	905.817
V Total cash receipts from financing activities (ADP 035 to 038)	039	0	905.817

2 Dividends paid	041	0	0
3 Cash payments for finance lease	042	0	0
4 Cash payments for the redemption of treasury shares and decrease of initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	0	ementional desired contributed and contributed
VI Total cash payments from financing activities (ADP 040 to 044)	045	0	-509.856
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	0	395.961
1 Unrealised exchange rate differences in cash and cash equivalents	047	over venes diversariamentalis in para a santaturi que que proprio de la compansión de la compansión de la comp O	0
D) NET INCREASE OR DECREASE OF CASH FLOWS (ADP 020+034+046+047)	048	74.183	-1.835.675
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	049	1.955.442	2.029.685
F) CASH AND CASH EQUIVALENTS AT THE END OF PERIOD(ADP 048+049)	050	2.029.625	194.010

STATEMENT OF CHANGES IN EQUITY for the period from . Manufacture 10 . 31-72.2020

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the total amount of any financial Nabidise, guarantees or contingencies not included in the balance sheet, as well as an indication of the nature and form of an They are contained in the notes to the financial statements published in the Annual Report in poll format.

4 the amount of advances and loses granted to members of the administrative, management and supervisory bodies, indicating interest rates, principal terms and

4. The serviced abstracts and loang parted to members of the administration, management and supervisory bodes, indicating interest rates, principal terms and formations.

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11 also but owner promise returning as conjourn sours, seein recommend on the first New 1 specifie makes drukter uitspier uitspierigi blo sam in pakkes conde kop djeluji v nopi me ak za račivi uzdavišnje, drži sudjeluju viljel v kapdalu sakazuvići uzna kapda podpodu lastičila simi odobi 6 podati mogu sa uzdavim u pakkeja usake prodimetor druktor na objevluju snoju bišenovi nije pod konordom drugog druktina Sadžana su u biještama už financijaka upoješaja objevljena u Goddenjen izvješćiu u pod formatu.

13 brig i normalnu vrijednost, ili alo ne poselji normalna vrijednost, implicost doroca ili udjela upstamih ljedom postome godine u divivu odobrenog kapitale Sadžiane su ublješama uz financijala uroještaje objujinjema u Godinjem uroječou jed formatu u iz u ukušaju sada postoju vile rodovi domazo bezi pormaneni uroječou jed formatu i uroječou jedinost u kaja postoje objednost, i ali postoječini uroječou vrijednost svrisog rode u u ukušaju sada postoju vile rodovi domazo bezi pormaneni uroječou jedinost, ali kaja postoje normane uroječoust, injegovodenou urijednost svrisog rode stema: 15 postojema bito kalom potreda o sudjelivenoju, komentolinih zadužnos, jemataris, opoja ili alčinih urijednosnica ili prava, a naznasom njihologi briga i prava koja daju

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