



HOTELI JADRAN d.d.
CONSOLIDATED FINANCIAL REPORT
FOR THE PERIOD
01.01.-31.12.2020.

21

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1. MANAGEMENT REPORT OF THE GROUP TO THE SHAREHOLDERS FOR 4th Q 2020

1. GENERAL DATA ABOUT COMPANY

Joint stock company for hospitality and tourism Hoteli Jadran, having its seat in 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 transformation is based on Decision on the transformation and decision of the Croatian Privatization Fund as at April 2, 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 social enterprise 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.

Bodies of the Company:

Management Board:

1. Cecilia Nikoletta Fata, Chairman of the board
2. Soma Zoltán Dala, member of the board

Supervisory board:

1. Dániel Jellinek, Chairman of the supervisory board
2. Tamás Szöllősi, Deputy chairman
3. Tamas Kuntár, member

General Assembly: consists of all shareholders of the Company.

Companies included in the consolidation, in which the company as at September 30th 2020 holds a 100% business share (hereinafter: the Group):

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

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

The Group launched a business rationalisation process in the fourth quarter to address the challenges of the current pandemic in the most efficient way. Due to difficult and uncertain business conditions caused by the COVID-19 pandemic and the poor results of the tourist season, it was decided to manage costs in a centralized manner. This rationalization will enable cost reduction, more efficient staff mobility that corresponds to the current very volatile demand for accommodation capacity and increase 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 with the termination of the lease agreement with the current lessee.

The Group has 3 hotels.

Table 1. Capacity

	Labineca	Laguna	Faraon
category	***	**	***
rooms	216	270	115
beds	456	580	245

Source: decision on categorization



The Group's operations are predominantly seasonal. The hotels are open from April to October and November, respectively.

2. OWNERSHIP STRUCTURE

Share capital of the Company on December 31st 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 have a mark 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 from 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 Hotel Jadran d.d. is stated below (for the 10 largest shareholders), as at 31th December 2020.

Table 2. Overview of ownership structure at the end of the period

	Name and surname / company	Number of 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
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.	GROUP OF ACCOUNT	109	0,10
	UKUPNO	97.961	91,45

Source :SKDD (crealring depository company)

Bohemian Financing Zártkörűen Működő Részvénytársaság, Budapest 1148, Kerepesi ut 52, OIB: 23021179492, 23 December 2020, is approved to publish a takeover bid for HOTELI JADRAN dd, Gradac, Jadranska 2, OIB 18099276986, while the bid for December 28, 2020.

3. TOURISTIC RESAULT

Table 3. Touristic reasault of the Group

2020.	10.504	26.722
2019.	21.846	46.849
	SOBE	NOĆENJA

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

HOTELI JADRAN D.D., JADRANSKA 2, GRADAC 21330, MB: 3036154; IBAN HR9423400091100010547, SWIFT PRZGHR2X; TRGOVAČKI SUD U SPLITU, MBS: 060253517; TEMELJNI KAPITAL: 74.980.500,00 KUNA, UPLAĆEN U CILJELOSTI, PODJELJEN NA 107.115 DIONICA SVAKA NOMINALNE VRIJEDNOSTI 700,00 KUNA. PREDSEDNIK UPRAVE: CECILIA NIKOLETTA FATA, ČLANOVI UPRAVE: SOMA ZOLTAN DALA; LEI OZNAKA: 7478000030KJITROTAU91; MATIČNA DRŽAVA ČLANICA: REPUBLIKA HRVATSKA; ISIN: HRJHJDRRA0001; OZNAKA DIONICE: HJDR-R-A, UVRŠTENA NA REDOVITO TRŽIŠTE ZAGREBAČKE BURZE;

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 'Faraon' and Hotel 'Laguna' were not opened and the guests were allocated to Hotel 'Labinec', the only facility within the Group that operated.

Hotel 'Labinec' 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. Revenues

Total operating revenues shown in the income statement in 2020 amount to HRK 11.750.466 of which HRK 7.791.706 are sales revenues, and HRK 3.958.760 are other operating revenues. Total operating revenues of the Group in the first four quarters of 2020 are due to the absence of business activity 74% lower than the income generated in 2019, when it amounted to 45.059.640 HRK.

4.2. Expenses

Total operating expenses in 2020 amounted to HRK 20.706.047, which is 54% less than in the previous year when they amounted to HRK 45.089.695.

There was a reduction in the part of material costs, especially the costs of food and beverages, energy and labor costs through an intermediary agency, since the opening of the Hotel was postponed. In this period, **material costs** amount to HRK 5.613.895, which is 78% less than in the same period last year.

Employee costs in this period amounted to HRK 8.550.936 which is a decrease of 29% compared to the same period last year when they amounted to HRK 12.012.321.

Financial expenses amount to HRK 101.932 These expenses are mostly related to negative exchange rate differences.

4.3. Profit

The result of operations is a loss in the amount of HRK -8,050,302, while in the previous year the result of operations was the Group's profit in the amount of HRK 702,504. The reason for the loss is primarily in the delayed opening of the Hotel.

EBITDA amounted to a loss of HRK -4.039.216, while in the previous year the realized EBITD amounted to a profit of HRK 4.956.275.

5. HUMAN RESOURCES

The human resources management strategy is based on a solid synergy of the destination, the local population and the sustainable way of doing business.

Continuous growth in the number of full-time employees, recruitment of quality seasonal staff and investment in their further development is a significant segment of business planning and is one of the most important forms of human resource management of the Group.

Relationships with employees are developing thanks to the leadership of the trade union organization with which the Management cooperates on a daily basis. The Group fully implements 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 governing the calculation and payment of salaries and wages in the period from April 1 to May 31, 2020. g, and then in the period from June 1, 2020 to March 31, 2021. During extraordinary circumstances, employers are not obliged to pay employees in accordance with the provisions of the Collective Agreement which is in force with the employer, but in reduced amounts according to groups of workers, all according to the signed Agreement.

Hotel 'Faraon' and Hotel 'Laguna' did not operate in 2020, so the hotel facility in Trpanj and the hotel settlement Laguna remained closed. Due to the above, employers, if necessary, hired workers to work in 'Hotel Labineca' in order to optimally organize the work within affiliated companies to achieve as few business losses in 2020.

Under the job preservation program, the Group applied for employment protection measures and received job preservation support for April, May and June, July and August, september till december.

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. In the Group, these risks are recognized 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 errors and fraud, 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 generates most of its revenues in foreign markets and is exposed to currency risk. Prices of accommodation services are linked to foreign 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 the possibility that trade receivables will not be realized on the due date. Receivables from some customers may include credit risk, given the level of turnover with individual customers and the state of general liquidity in the country. The Group's sales policies ensure that the services provided to individual customers are charged in cash or by significant credit cards and deferred to those customers with a credit history, meaning significant agencies and strategic partners.

6.4. Interest risk

As the Group does not have significant interest income, the 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 and the like, 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 Group is exposed to liquidity risk due to the seasonality of operations. The company has obligations throughout the year, while it mostly charges for its services during the season. The Group manages this risk by providing liquidity during the winter from advances to agencies to cover its operating costs. Also, works on the preparation and current maintenance of facilities are paid in installments, mostly in the summer months when liquidity is highest. The Management Board continuously monitors and manages the liquidity projection.

7. INVESTMENTS

The Group does not record significant new investments in 2020.

8. DESCRIPTION OF STATUS AND BUSINESS ACTIVITIES

In order to establish liquidity and restructure, the Company submitted a request to open pre-bankruptcy settlement proceedings, and on 22 March 2013 it was opened. Mrs. Meri Šitić was appointed as the pre-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 pre-bankruptcy settlement procedure will continue upon receipt of the executive decision issued in the procedure for determining abuse of rights before the competent body.

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 procedure. 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 UP-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 HRO1 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, Regional Center Zagreb, Settlement Council HRO1, class UP-I / 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 pre-bankruptcy 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 Leasing 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 HRO1 Financial Agency Settlement 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 pre-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 pre-bankruptcy settlement could be confirmed in the first quarter of 2021.

The most significant event this year is the emergence of the COVID-19 virus in late 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 material rights during the period of non-work and entered into 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. Under the program, the Group applied for employment protection measures and received support for job preservation. In addition to the above measure, the Group has been granted a measure to defer payment of certain tax liabilities.

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.

9. NOTICE ON ENVIRONMENTAL PROTECTION

Environmental management includes responsible business in order to preserve the environment, nature and the relationship with the community in order to achieve long-term 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. 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.

11. THE MOST SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On January 11, 2021, the management's opinion on the takeover bid was published, while on February 10, 2021, the takeover report was published, which shows that one shareholder accepted the takeover bid of the target company and Bohemian Financing zrt acquired 43 shares representing 0,04% of share capital.

Gradac, 26th February 2021

Cecilia Nikoletta Fata, Chairman of the board

2. FINANCIAL REPORT FOR 4th QUARTAL 2020

BALANCE SHEET
balance as at 31.12.2020

in HRK

Submitter: HOTELI JADRAN d.d.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	74 684 389	68 789 852
I INTANGIBLE ASSETS (ADP 004 to 009)	003	266 668	160 968
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	266 668	160 968
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	0
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	73 076 415	67 397 183
1 Land	011	6 766 248	6 766 248
2 Buildings	012	64 043 650	59 601 826
3 Plant and equipment	013	1 936 659	804 162
4 Tools, working inventory and transportation assets	014	209 778	57 867
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	120 080	167 080
8 Other tangible assets	018	0	0
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	1 322 556	1 061 269
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	1 298 856	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	23 700	1 061 269
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	18 750	170 432
1 Receivables from undertakings within the group	032	18 750	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	15 176
4 Other receivables	035	0	155 256
V DEFERRED TAX ASSETS	036	0	0
C) CURRENT ASSETS (ADP 038+046+053+063)	037	42 333 413	40 333 739
I INVENTORIES (ADP 039 to 045)	038	674 953	426 261
1 Raw materials and consumables	039	667 580	426 261
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	7 373	0
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	7 360 587	7 876 843

1 Receivables from undertakings within the group	047	4 860 195	2 104
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	1 009 295	1 375 244
4 Receivables from employees and members of the undertaking	050	25 178	22 563
5 Receivables from government and other institutions	051	1 374 319	1 167 692
6 Other receivables	052	91 600	5 309 240
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	32 268 248	31 836 624
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	32 091 998	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	176 250	31 836 624
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	2 029 625	194 011
D) PREPAID EXPENSES AND ACCRUED INCOME	064	32 131	16 104
E) TOTAL ASSETS (ADP 001+002+037+064)	065	117 049 933	109 139 695
OFF-BALANCE SHEET ITEMS	066		
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 080)	067	93 445 308	85 395 008
I INITIAL (SUBSCRIBED) CAPITAL	068	74 980 500	74 980 500
II CAPITAL RESERVES	069	173 442	173 442
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	15 834 828	15 834 828
1 Legal reserves	071	3 770 050	3 770 050
2 Reserves for treasury shares	072	12 064 778	12 064 778
3 Treasury shares and holdings (deductible item)	073	0	0
4 Statutory reserves	074	0	0
5 Other reserves	075	0	0
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Fair value of financial assets available for sale	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	2 189 318	2 456 540
1 Retained profit	082	2 189 318	2 456 540
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	267 220	-8 050 302
1 Profit for the business year	085	267 220	0
2 Loss for the business year	086	0	8 050 302
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
B) PROVISIONS (ADP 089 to 094)	088	0	0
1 Provisions for pensions, termination benefits and similar obligations	089	0	0
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	0	0
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	0	0
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	0	22 413
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0

3 Liabilities to companies linked by virtue of participating interests	098	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099	0	0
5 Liabilities for loans, deposits etc.	100	0	0
6 Liabilities to banks and other financial institutions	101	0	0
7 Liabilities for advance payments	102	0	0
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	0	0
11 Deferred tax liability	106	0	22 413
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	23 584 671	23 710 265
1 Liabilities to undertakings within the group	108	1 151 639	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	6 833	0
3 Liabilities to companies linked by virtue of participating interests	110	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	1 952 730	2 884 913
6 Liabilities to banks and other financial institutions	113	0	0
7 Liabilities for advance payments	114	5 125 009	6 222 860
8 Liabilities to suppliers	115	12 421 647	11 765 814
9 Liabilities for securities	116	0	59 324
10 Liabilities to employees	117	605 333	337 848
11 Taxes, contributions and similar liabilities	118	2 285 363	2 331 161
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	0
14 Other short-term liabilities	121	1 419	73 647
E) ACCRUALS AND DEFERRED INCOME	122	19 954	12 009
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	117 049 933	109 139 695
G) OFF-BALANCE SHEET ITEMS	124		

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2020 to 31.12.2020

in HRK

Submitter: **HOTEL JADRAN d.d.**

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 126 to 130)	125	45 059 640	4 522 439	11 750 466	1 542 112
1 Income from sales with undertakings within the group	126	0	0	274 037	274 037
2 Income from sales (outside group)	127	41 812 798	1 687 020	7 517 669	49 662
3 Income from the use of own products, goods and services	128	136 915	32 306	43 668	0
4 Other operating income with undertakings within the group	129	0	0	0	0
5 Other operating income (outside the group)	130	3 109 927	2 803 113	3 915 092	1 218 413
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	45 089 695	8 817 751	20 706 047	4 572 621
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	25 072 389	3 628 709	5 613 895	1 138 228
a) Costs of raw materials and consumables	134	10 629 687	875 520	2 040 644	55 942
b) Costs of goods sold	135	81 844	6 460	374 581	374 237
c) Other external costs	136	14 360 858	2 746 729	3 198 670	708 049
3 Staff costs (ADP 138 to 140)	137	12 012 321	2 698 891	8 550 936	1 619 515
a) Net salaries and wages	138	7 318 421	1 778 259	5 483 626	1 065 001
b) Tax and contributions from salary costs	139	3 070 932	727 106	1 964 390	351 064
c) Contributions on salaries	140	1 622 968	393 526	1 102 920	203 450
4 Depreciation	141	4 986 329	1 437 446	4 916 365	1 204 030
5 Other costs	142	2 741 325	781 054	1 228 972	265 309
6 Value adjustments (ADP 144+145)	143	60 877	60 877	0	0
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	60 877	60 877	0	0
7 Provisions (ADP 147 to 152)	146	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	147	0	0	0	0
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	0	0	0	0
d) Provisions for renewal of natural resources	150	0	0	0	0
e) Provisions for warranty obligations	151	0	0	0	0
f) Other provisions	152	0	0	0	0
8 Other operating expenses	153	216 454	10 774	395 879	345 539
III FINANCIAL INCOME (ADP 155 to 164)	154	1 276 954	413 719	1 100 318	299 827
1 Income from investments in holdings (shares) of undertakings within the group	155	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	157	0	0	0	0
4 Other interest income from operations with undertakings within the group	158	1 197 293	352 541	639 541	4 206
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	0	0	0	0
6 Income from other long-term financial investments and loans	160	3 344	1 415	0	0
7 Other interest income	161	1 166	504	440 049	277 109
8 Exchange rate differences and other financial income	162	68 260	52 368	20 728	18 512
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	6 891	6 891	0	0
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	544 395	471 840	101 932	73 588
1 Interest expenses and similar expenses with undertakings within the group	166	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	0	0	0	0
3 Interest expenses and similar expenses	168	29 387	21 701	27 310	19 117
4 Exchange rate differences and other expenses	169	94 950	30 081	74 622	54 471
5 Unrealised losses (expenses) from financial assets	170	0	0	0	0
6 Value adjustments of financial assets (net)	171	420 058	420 058	0	0
7 Other financial expenses	172	0	0	0	0
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	173	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	174	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	176	0	0	0	0
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	46 336 594	4 936 158	12 850 784	1 841 939
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	45 634 090	9 289 591	20 807 979	4 646 209
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	702 504	-4 353 433	-7 957 195	-2 804 270
1 Pre-tax profit (ADP 177-178)	180	702 504	0	0	0
2 Pre-tax loss (ADP 178-177)	181	0	-4 353 433	-7 957 195	-2 804 270
XII INCOME TAX	182	0	0	93 107	93 107
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	702 504	-4 353 433	-8 050 302	-2 897 377
1 Profit for the period (ADP 179-182)	184	702 504	0	0	0
2 Loss for the period (ADP 182-179)	185	0	-4 353 433	-8 050 302	-2 897 377
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					

XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)	186	0	0	0	0
1 Pre-tax profit from discontinued operations	187	0	0	0	0
2 Pre-tax loss on discontinued operations	188	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	189	0	0	0	0
1 Discontinued operations profit for the period (ADP 186-189)	190				
2 Discontinued operations loss for the period (ADP 189-186)	191				
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)	192				
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
XVII INCOME TAX (ADP 182+189)	195				
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196				
1 Profit for the period (ADP 192-195)	197				
2 Loss for the period (ADP 195-192)	198				
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)	199	702 504	-4 353 433	-8 050 302	-2 897 377
1 Attributable to owners of the parent	200	702 504	-4 353 433	-8 050 302	-2 897 377
2 Attributable to minority (non-controlling) interest	201	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	202	702 504	-4 353 433	-8 050 302	-2 897 377
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	0	0	0	0
1 Exchange rate differences from translation of foreign operations	204	0	0	0	0
2 Changes in revaluation reserves of fixed tangible and intangible assets	205	0	0	0	0
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206	0	0	0	0
4 Profit or loss arising from effective cash flow hedging	207	0	0	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208	0	0	0	0
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209	0	0	0	0
7 Actuarial gains/losses on the defined benefit obligation	210	0	0	0	0
8 Other changes in equity unrelated to owners	211	0	0	0	0
III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	212	0	0	0	0
IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)	213	0	0	0	0
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	702 504	-4 353 433	-8 050 302	-2 897 377
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)	215	702 504	-4 353 433	-8 050 302	-2 897 377
1 Attributable to owners of the parent	216	702 504	-4 353 433	-8 050 302	-2 897 377
2 Attributable to minority (non-controlling) interest	217	0	0	0	0

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

in HRK

Submitter: <u>HOTELI JADRAN d.d.</u>			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	702 504	-7 957 195
2 Adjustments (ADP 003 to 010):	002	2 694 197	2 596 330
a) Depreciation	003	4 986 329	4 916 365
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	-1 201 803	-1 075 590
e) Interest expenses	007	29 387	27 310
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	0	35 959
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	-1 119 716	-1 307 714
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	3 396 701	-5 360 865
3 Changes in the working capital (ADP 013 to 016)	012	3 687 997	3 380 178
a) Increase or decrease in short-term liabilities	013	4 552 102	125 594
b) Increase or decrease in short-term receivables	014	-2 738 500	1 999 674
c) Increase or decrease in inventories	015	-200 329	248 692
d) Other increase or decrease in working capital	016	2 074 724	1 006 218
II Cash from operations (ADP 011+012)	017	7 084 698	-1 980 687
4 Interest paid	018	-20 569	0
5 Income tax paid	019	-881 739	-188 202
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	6 182 390	-2 168 889
Cash flow from investment activities			
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	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	-891 413	-47 000
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-5 220 069	-17 088
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-6 111 482	-64 088
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-6 108 207	-62 686
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	0	905 817
4 Other cash receipts from financing activities	038	0	0

V Total cash receipts from financing activities (ADP 035 to 038)	039	0	905 817
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	0	-509 856
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	0	0
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 respect of cash and cash equivalents	047	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	74 183	-1 835 614
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	1 955 442	2 029 625
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	2 029 625	194 011

STATEMENT OF CHANGES IN EQUITY	
for the period from 2020.01.01	to 2020.12.31

[illegible]

3.STATEMENT OF THE RESPONSIBLE PERSON

Consolidated financial statements HOTELI JADRAN d.d. compiled for the period 01.01.-31.12.2020. are presented fairly and truthfully 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.

Cecilia Nikoletta Fata, Chairman of the board

