

JADRAN D.D., CRIKVENICA
TEMPORARY UNAUDITED MANAGEMENT REPORT
BUSINESS RESULTS I – XII / 2017.

In 2017 Company Jadran d.d. realized 1% more total income than in the same period of 2016 and 13 % more total expenses than in the same period of 2016. In 2017, in the structure of income 14 % more income from accommodation was realized than in 2016 due to the increase in capacity utilization and a better average price of accommodation in 4 * hotels (Katarina and Omorika), 23 % more income was realized from food and beverages compared to 2016 and 8 % more other incomes were realized compared to the same period last year. In the year 2016, HRK 6,4 million was realized from the sale of property, while in 2017, HRK 30.108 was realized from the same source.

In 2017, 9 % more operating expenses were realized than in the same period of 2016. The food expense in 2017 increased by 24 % compared to 2016 due to the greater recognition of costs in 4 * hotels, and due to the increased number of guests, energy costs increased by 12 % compared to 2016 (investment in air-conditioning systems in 4 * hotels and the increased number of guests), the maintenance costs of the facilities increased by 6 % compared to 2016 and the cost of wages increased by 25 % compared to 2016. Amortization expense in 2017 is 17 % higher than amortization in 2016.

In 2017, financial income was higher by 172 %, while financial expense increased by 184 % compared to the same period of 2016.

The loss amounts in 2017 is HRK 4,200,136, while in 2016 the profit after taxation was HRK 3,834,618.

In Crikvenica, 27.02.2018.

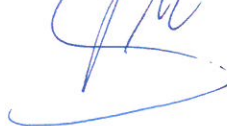
Management Board Member

Marija Galjanić Sovar



Management Board President

Pero Matic



Jadran
d.d. za hotelijerstvo i turizam
Crikvenica
Ured Uprave

Jadran d.d. za hotelijerstvo i turizam, Bana Jelačića 16, HR-51260 Crikvenica | www.jadran-crikvenica.hr

Uprava:

T: +385 (0)51 241 222

F: +385 (0)51 241 632

E: uprava@jadran-crikvenica.hr

Marketing:

T: +385 (0)51 241 970

F: +385 (0)51 241 975

E: marketing@jadran-crikvenica.hr

OIB: 56994999963

Privredna banka d.d. 2340009-1110722690

IBAN: HR4323400091110722690

SWIFT: PBZGHR2X

Temeljni kapital iznosi 491.316.690,00 kn uplaćen u cijelosti podijeljen na 49.131.669 redovnih dionica nominalnog iznosa 10,00 kuna svaka. Društvo je upisano u Sudski registar Trgovačkog suda u Rijeci pri Trgovačkom sudu u Rijeci pod MBS: 040000817. Predsjednik Uprave: mr. sc. Pero Matic, Članica Uprave: Marija Galjanić Sovar, dipl. oec. Predsjednik Nadzornog odbora: Ivo Bašić, dipl. oec.

ENCLOSURE 1

Reporting period:

1.1.2017.

to

31.12.2017

Quarterly Financial Report TFI-POD

Tax number (MB): 03145662

Registration number (MBS): 040000817

Personal identification number (OIB): 56994999963

Issuer: JADRAN D.D., CRIKVENICA

Postal code and location: 51260 CRIKVENICA

Street and number: Bana Jelačića 16

E-mail: uprava@jadran-crikvenica.hr

Internet address: www.jadran-crikvenica.hr

Code and city / municipality: 53 CRIKVENICA

Code and county: 8 PRIMORSKO-GORANSKA

Number of employees: 292
(at the end of year)

Consolidated Report: NO

Business activity code: 5510

Entities in consolidation (according to IFRS)

Registered seat:

Tax number (MB):

Book-keeping office:

Contact person: Natali Ivančić Majetić
(Name and surname of contact person)

Telephone: +385 (0)51 800 482

Telefaks: +385 (0)51 241 349

E-mail: financije@jadran-crikvenica.hr

Name and surname: Pero Matić
(authorized representatives)**Documents to be published:**

1. Financial Statements (Balance Sheet, Income statement, Cash Flow Statement, Statement of Changes in Equity)
2. Management Commentary Statement with notes
3. Responsibility of the Management for the preparation of the financial statements



Jadran
d.d. za hotelijerstvo i turizam
Crikvenica
Ured
(2017)


 (signature of authorized representative)

Balance Sheet
as at 31 December 2017

Issuer: JADRAN D.D., CRIKVENICA

Item	AOP	Previous period	Current period
1	2	3	4
A) RECEIVABLES FOR REGISTERED UNPAID CAPITAL	001		
B) NON CURRENT ASSETS (003+010+020+029+033)	002	591.217.891	634.164.151
I. INTANGIBLE ASSETS (004 do 009)	003	309.375	196.720
1. Research & Development expenditure	004		
2. Patents, licences, royalties, trade marks, software&similar rights	005	299.990	196.720
3. Goodwill	006		
4. Prepayments for intangible assets	007		
5. Intangible assets under construction	008	9.385	0
6. Other intangible assets	009		
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	587.361.805	630.420.720
1. Land	011	298.461.517	298.373.064
2. Property	012	266.953.640	301.254.714
3. Plants and equipment	013	16.066.254	28.279.546
4. Tools, plants&vehicles	014	304.583	258.176
5. Biological asset	015		
6. Prepayments for tangible assets	016		
7. Assets under construction	017	5.575.811	2.255.220
8. Other tangible assets	018		
9. Investments property	019		
III. FINANCIAL ASSETS (021 do 028)	020	3.212.240	3.212.240
1. Investments in subsidiaries	021		
2. Loans to subsidiaries	022		
3. Participating interests (stakes)	023		
4. Loans to participating interest	024		
5. Investments in securities	025		
6. Loans & deposits	026		
7. Other non-current financial assets	027	3.212.240	3.212.240
8. Investment accounted by equity method	028		
IV. RECEIVABLES (030 do 032)	029	0	0
1. Receivables from subsidiaries	030		
2. Receivables from credit sales	031		
3. Other receivables	032		
V. DEFERRED TAX ASSETS	033	334.471	334.471
C) CURENT ASSETS (035+043+050+058)	034	8.220.083	6.432.578
I. INVENTORIES (036 do 042)	035	357.320	461.667
1. Raw materials & consumables	036	344.141	448.206
2. Work in progress	037		
3. Products	038		
4. Merchandise	039	13.179	13.461
5. Prepayments for inventories	040		
6. Other available-for-sale assets	041		
7. Biological asset	042		
II. RECEIVABLES (044 do 049)	043	2.742.825	3.318.441
1. Receivables for trade debt of subsidiaries	044		
2. Trade receivables	045	1.716.549	870.308
3. Receivables for trade debts of participating entities	046		
4. Amounts receivable from employees	047	25.181	36.495
5. Receivables from government agencies	048	213.530	1.172.009
6. Other receivables	049	787.565	1.239.629
III. FINANCIAL ASSETS (051 do 057)	050	1.209.246	0
1. Investments in subsidiaries	051		
2. Loans to subsidiaries	052		
3. Participating interests (stakes)	053		
4. Loans to participating interest	054		
5. Investments in securities	055		
6. Loans & deposits	056	1.209.246	0
7. Other financial assets	057		
IV. CASH AND CASH EQUIVALENTS	058	3.910.692	2.652.470
D) PREPAYMENTS AND ACCRUED INCOME	059	1.021.735	1.831.193
E) TOTAL ASSETS (001+002+034+059)	060	600.459.709	642.427.922
F) OFF-BALANCE SHEET ITEMS	061		

EQUITY AND LIABILITIES			
A) EQUITY (063+064+065+071+072+075+078)	062	528.304.162	524.104.027
I. SHARE CAPITAL	063	491.316.690	491.316.690
II. CAPITAL RESERVES	064	25.401.322	25.401.322
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	0	
1. Legal reserves	066		
2. Reserves for treasury shares	067		
3. Treasury shares and stakes (less)	068		
4. Statutory reserves	069		
5. Other reserves	070		
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS (073-074)	072	7.751.533	11.586.151
1. Retained earnings	073	7.751.533	11.586.151
2. Loss brought forward	074		
VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR (076-077)	075	3.834.617	4.200.136
1. Profit for the financial year	076	3.834.617	
2. Loss for the financial year	077		4.200.136
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	839.413	885.032
1. Provisions for redundancy costs	080	392.923	438.542
2. Provisions for tax obligations	081		
3. Other provisions	082	446.490	446.490
C) NON-CURRENT LIABILITIES (084 do 092)	083	52.538.665	93.486.997
1. Amounts payable to subsidiaries	084		
2. Liabilities for loans, deposits and other	085		
3. Liabilities towards banks and other financial institutions	086	43.008.026	84.935.656
4. Amounts payable for prepayment	087		
5. Trade payables	088		
6. Amounts payable for securities	089		
7. Liabilities toward participating interests	090		
8. Other non-current liabilities	091	9.530.639	8.551.341
9. Deferred tax	092		
D) CURRENT LIABILITIES (094 do 105)	093	14.757.483	22.121.283
1. Amounts payable to subsidiaries	094		
2. Liabilities for loans, deposits and other	095	454.000	500.946
3. Liabilities towards banks and other financial institutions	096	2.737.182	4.453.581
4. Amounts payable for prepayment	097	3.092.816	3.675.405
5. Trade payables	098	5.597.262	9.826.410
6. Amounts payable for securities	099		
7. Liabilities toward participating interests	100		
8. Amounts payable to employees	101	970.188	1.297.399
9. Liabilities for taxes and contributions	102	1.870.596	1.054.740
10. Dividend payables	103		
11. Liabilities directly associated with the assets classified as held for sale	104		
12. Other current liabilities	105	35.439	1.312.802
E) ACCRUED CHARGES AND DEFERRED REVENUE	106	4.019.986	1.830.583
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	600.459.709	642.427.922
G) OFF-BALANCE SHEET ITEMS	108		
ANNEX TO THE BALANCE SHEET (to be filled in by entrepreneur submitting consolidated financial report)			
A) CAPITAL AND RESERVES			
1. Attributable to equity holders of the parent company's capital	109		
2. Attributable to minority interest	110		

Note 1.: APPENDIX TO THE BALANCE SHEET (to be filled in by entities who submitting consolidated financial statements).

INCOME STATEMENT
for the period 01 January 2017 to 31 December 2017

Issuer: JADRAN D.D., CRIKVENICA

Item	AOP	Previous period		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (112+113)	111	83.584.242	13.474.941	83.691.077	6.938.588
1. Sales revenue	112	67.833.349	4.620.396	79.544.559	5.809.695
2. Other operating income	113	15.750.893	8.854.545	4.146.518	1.128.893
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	77.809.283	19.954.286	85.193.618	18.740.542
1. Changes in inventories of finished products and work in progress	115				
2. Raw material and consumables used (117 do 119)	116	35.848.455	4.723.361	40.199.616	5.964.960
a) Cost of raw materials & consumables	117	18.621.778	1.345.271	20.416.858	2.461.117
b) Cost of goods sold	118	109.316	4.990	102.543	-688
c) Other costs	119	17.117.361	3.373.100	19.680.215	3.504.531
3. Staff costs (121 do 123)	120	22.576.409	5.694.127	28.273.270	7.300.775
a) Net salaries	121	14.728.470	3.843.054	18.629.215	5.003.911
b) Employee income tax and contributions	122	4.817.694	1.123.655	5.859.267	1.389.856
c) Employer's contributions	123	3.030.245	727.418	3.784.788	907.008
4. Depreciation and amortisation expense	124	8.109.023	2.507.756	9.527.651	2.970.376
5. Other costs	125	6.598.714	2.377.344	6.286.402	1.663.018
6. Impairment losses (127+128)	126	1.866.449	1.866.449	107.143	107.143
a) non-current assets (except financial assets)	127	1.437.760	1.437.760	0	0
b) current assets (except financial assets)	128	428.689	428.689	107.143	107.143
7. Provisions	129	978.735	978.735	506.377	506.377
8. Other operating expenses	130	1.831.498	1.806.514	293.159	227.893
III. FINANCIAL INCOME (132 do 136)	131	510.530	240.863	1.387.571	178.346
1. Interest, foreign exchange gains, dividends and other income from related parties	132				
2. Interest, foreign exchange gains, dividends and other income from non-related and other entities	133	416.186	160.202	1.306.155	103.390
3. Income from associates and ownership interests	134				
4. Unrealized gains	135				
5. Other financial income	136	94.344	80.661	81.416	74.956
IV. FINANCIAL EXPENSES (138 do 141)	137	1.437.407	647.254	4.085.166	1.897.646
1. Interest, foreign exchange losses and other expenses with related parties	138				
2. Interest, foreign exchange differences and other expenses with non-related and other entities	139	1.437.407	647.254	4.085.166	1.897.646
3. Unrealized losses	140				
4. Other financial expenses	141				
V. SHARE OF INCOME OF ASSOCIATES	142				
VI. SHARE OF LOSS OF ASSOCIATES	143				
VII. EXTRAORDINARY - OTHER INCOME	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL INCOME (111+131+142 + 144)	146	84.094.772	13.715.804	85.078.648	7.116.934
X. TOTAL EXPENSES (114+137+143 + 145)	147	79.246.690	20.601.540	89.278.784	20.638.188
XI. PROFIT OR LOSS BEFORE TAX (146-147)	148	4.848.082	6.885.736	4.200.136	13.521.254
1. Profit before tax (146-147)	149	4.848.082			
2. Loss before tax (147-146)	150	0	6.885.736	4.200.136	13.521.254
XII. INCOME TAX EXPENSE	151	1.013.464		0	
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	3.834.618	6.885.736	4.200.136	13.521.254
1. Profit for the period (149-151)	153	3.834.618			
2. Loss for the period (151-148)	154	0	6.885.736	4.200.136	13.521.254
ANNEX TO THE PROFIT AND LOSS ACCOUNT (to be filled in by entities submitting consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to owners of the company	155				
2. Attributable to non-controlling interests	156				
STATEMENTS OF COMPREHENSIVE INCOME (to be filled in by entities who work in compliance with IFRS)					
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157				
II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 do 165)	158				
1. Exchange differences arising from foreign operations	159				
2. Revaluation of non-current assets and intangible assets	160				
3. Gains or loss available for sale investments	161				
4. Gains or loss on net movement on cash flow hedges	162				
5. Gains or loss on net investments hedge	163				
6. Share of the other comprehensive income/loss of associates	164				
7. Actuarial gain / loss on post employment benefit obligations	165				
III. TAX ON OTHER COMPREHENSIVE INCOME OF THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE YEAR (158-166)	167				
V. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (157+167)	168				
APPENDIX Statement of Comprehensive Income (to be filled in by entities submitting consolidated financial statements)					
VI. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD					
1. Attributable to owners of the company	169				
2. Attributable to non-controlling interests	170				

CASH FLOW STATEMENT - Indirect method
in the period 01 January 2017 to 31 December 2017

Issuer: JADRAN D.D., CRIKVENICA

Item	AOP	Previous period	Current period
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	4.848.082	-4.200.136
2. Depreciation and amortisation	002	8.109.023	9.527.651
3. Increase in liabilities	003	10.045.976	2.299.796
4. Decrease in receivables	004	0	
5. Decrease in inventories	005		
6. Other increase in cash flow	006		45.619
I. Total increase in operating cash flow (001 do 006)	007	23.003.081	7.672.930
1. Decrease in liabilities	008		
2. Increase in receivables	009	246.205	226.872
3. Increase in inventories	010	60.265	104.347
4. Other decrease in cash flow	011	23.928.363	1.044.984
II. Total decrease in operating cash flow (008 do 011)	012	24.234.833	1.376.203
A1) NET INCREASE IN OPERATING CASH FLOW (007-012)	013		6.296.727
A2) NET DECREASE IN OPERATING CASH FLOW (012-007)	014	1.231.752	
CASH FLOW FROM INVESTMENT ACTIVITIES			
1. Proceeds from sale of property, plant and equipment	015		
2. Net disposal of financial assets	016		
3. Interest received	017	510.530	35.578
4. Dividend received	018		
5. Other cash from investing activities	019	5.776.822	1.209.246
III. Total cash flow from investing activities (015 do 019)	020	6.287.352	1.244.824
1. Purchase of property, plant and equipment and intangible assets	021	30.084.555	52.443.803
2. Purchase of financial instruments	022		
3. Other cash flow used in investing activities	023	3.116.102	
IV. Total cash flow from investing activities (021 do 023)	024	33.200.657	52.443.803
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025		
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES (024-020)	026	26.913.305	51.198.979
CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Proceeds from issuance of financial instruments	027		
2. Proceeds from loans	028	29.726.078	41.927.630
3. Other cash flow from financial activities	029	1.033.828	1.716.399
V. Total cash flow from financial activities (027 do 029)	030	30.759.906	43.644.029
1. Repayment of interest-bearing borrowings	031		
2. Dividend paid	032		
3. Repayment of finance lease	033		
4. Repurchase of treasury shares	034		
5. Other cash flow used in financial activities	035		
VI. Total cash flow used in financial activities (031 do 035)	036		
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)	037	30.759.906	43.644.029
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)	038		
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	2.614.849	
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040		1.258.223
Cash and cash equivalents at the beginning of the period	041	1.295.844	3.910.692
Increase in cash and cash equivalents	042	2.614.848	
Decrease in cash and cash equivalents	043		1.258.223
Cash and cash equivalents at the end of the period	044	3.910.692	2.652.469

STATEMENT OF CHANGES IN EQUITY
for the period from **1.1.2017** to **31.12.2017**

Item	AOP	Previous period	Current period
1	2	3	4
1. Share capital			
2. Capital reserves	001	491.316.690	491.316.690
3. Reserves from profit	002	25.401.322	25.401.322
4. Retained earnings	003		
5. Profit or loss for the period	004	7.751.533	11.586.151
6. Revaluation of property, plant and equipment	005	3.834.617	-4.200.136
7. Revaluation of intangible assets	006		
8. Revaluation of financial assets available for sale	007		
9. Other revaluations	008		
10. Total capital and reserves (AOP 001 do 009)	009		
11. Foreign exchange differences from investments in foreign operations	010	528.304.162	524.104.027
12. Current and deferred taxes	011		0
13. Cash flow hedge	012		
14. Changes in accounting policies	013		
15. Prior year adjustment	014		
16. Other changes in equity	015		
17. Total increase/decrease in equity (AOP 011 do 016)	016		
	017	0	0
17 a. Parent company share in subsidiary	018	0	0
17 b. Minority interest	019		

Items that decrease equity have negative sign

Items from 001 to 009 are state of balance sheet date

Notes to the Financial Statements

Other notes to the financial statements are disclosed within the Management report.

Pursuant to the provisions of the Capital Market Act, Article 407, Paragraph 2, and Article 410, Paragraph 2, the Company Management Board makes the following statement:

STATEMENT OF RESPONSIBILITIES OF THE COMPANY MANAGEMENT BOARD

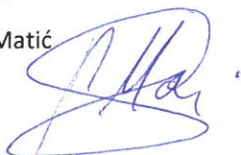
According to our best knowledge, the quarterly financial report of Jadran d.d., as of 31.12.2017. is composed in accordance with the Accounting Law, with the application of International Financial Reporting Standards.

The report provides a true account of the Company's assets and liabilities, profit and losses, financial position and operation, but as it made up of temporary data, it may deviate from the Company's 2017 annual report.

In Crikvenica, 27.02.2018.

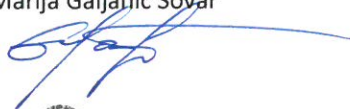
Management Board President

Pero Matić



Management Board Member

Marija Galjanić Sovar



Jadran
dioničko društvo
za hotelijerstvo i turizam
Crikvenica

Jadran d.d. za hotelijerstvo i turizam, Bana Jelačića 16, HR-51260 Crikvenica | www.jadran-crikvenica.hr

Uprava:

T: +385 (0)51 241 222

F: +385 (0)51 241 632

E: uprava@jadran-crikvenica.hr

Marketing:

T: +385 (0)51 241 970

F: +385 (0)51 241 975

E: marketing@jadran-crikvenica.hr

OIB: 56994999963

Privredna banka d.d. 2340009-1110722690

IBAN: HR4323400091110722690

SWIFT: PBZGHR2X

Temeljni kapital iznosi 491.316.690,00 kn uplaćen u cijelosti podijeljen na 49.131.669 redovnih dionica nominalnog iznosa 10,00 kuna svaka. Društvo je upisano u Sudski registar Trgovačkog suda u Rijeci pri Trgovačkom sudu u Rijeci pod MBS: 040000817. Predsjednik Uprave: mr. sc. Pero Matić, Članica Uprave: Marija Galjanić Sovar, dipl. oec. Predsjednik Nadzornog odbora: Ivo Bašić, dipl. oec.