

Annex 1.

Reporting period

1.1.2017

to

30.6.2017

Quarterly financial report TFI-POD

Tax number (MB): 04440889

Company registration number (MRS): 040352133

Personal identification number (OIB): 82344583628

Issuing company: FTB TURIZAM d.d.

Postal code and place: 10000 Zagreb

Street and house number: Miramarska 24

E-mail address: contact@remisens.com

Internet address: www.remisens.com

Municipality/city code and name: 133 Zagreb

County code and name: 21 GRAD ZAGREB

Number of employees: 377

Consolidated report: YES

(period end)
NKD code: 5510

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

Companies of the consolidation subject (according to IFRS)	Seat:	MB:
HOTELI CAVTAT d.d. CAVTAT	CAVTAT	91951159924
HOTELI METROPOL d.o.o. PORTOROŽ	PORTOROŽ	6767648000
REMISENS HOTEL GROUP d.o.o	ZAGREB	48407935600

Bookkeeping service:

Contact person: Kamenar Biserka

(only surname and name)

Telephone: 051 710-395

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Family name and name: Šehanović Igor
(person authorized to represent the company)

FTB TURIZAM d.d.
Zagreb

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(signature of the person authorized to represent the company)

Balance Sheet
as of 30.06.2017.

Company: FTB TURIZAM d.d.			
Position	AOP	Previous period 31.12.2016.	Current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	369.718.932	411.729.061
I. INTANGIBLE ASSETS (004 do 009)	003	6.726.662	6.542.309
1. Expenditure for development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	1.998.965	1.834.612
3. Goodwill	006	4.707.697	4.707.697
4. Advances for purchase of intangible assets	007		
5. Intangible assets in progress	008		
6. Other intangible assets	009	20.000	
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	362.059.531	404.275.400
1. Land	011	99.562.385	99.739.599
2. Buildings	012	215.761.735	223.728.841
3. Plant and equipment	013	6.456.165	16.250.426
4. Tools, working inventory and transportation assets	014	8.399.379	19.102.219
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	186.213	138.102
7. Tangible assets in progress	017	26.014.080	45.215.110
8. Other tangible assets	018		101.103
9. Investment in real-estate	019	5.679.574	
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	144.156	125.630
1. Share in related parties	021		
2. Loans to related parties	022		
3. Participating interests (shares)	023		
4. Loans to companies with participating interest	024		
5. Investments in securities	025	144.156	125.630
6. Loans, deposits, etc.	026		
7. Other non-current financial assets	027		
8. Equity-accounted investments	028		
IV. RECEIVABLES (030 do 032)	029	0	0
1. Receivables from related parties	030		
2. Receivables arising from sales on credit	031		
3. Other receivables	032		
V. DEFERRED TAX ASSET	033	788.583	785.722
C) CURRENT ASSETS (035+043+050+058)	034	51.514.565	46.215.918
I. INVENTORIES (036 do 042)	035	1.655.078	2.701.282
1. Raw materials and supplies	036	1.349.258	2.522.352
2. Production in progress	037		
3. Finished products	038		
4. Merchandise	039	26.007	25.531
5. Advances for inventories	040	279.813	153.399
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	7.489.867	20.523.722
1. Receivables from related parties	044		
2. Receivables from end-customers	045	5.026.772	16.765.305
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	345.842	347.441
5. Receivables from government and other institutions	048	1.955.321	2.261.322
6. Other receivables	049	161.932	1.149.654
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	0	0
1. Share in related parties	051		
2. Loans to related parties	052		
3. Participating interests (shares)	053		
4. Loans to companies with participating interest	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056		
7. Other financial assets	057		
IV. CASH AND CASH EQUIVALENTS	058	42.369.620	22.990.914
D) PREPAYMENTS AND ACCRUED INCOME	059		
E) TOTAL ASSETS (001+002+034+059)	060	421.233.497	457.944.979
F) OFF BALANCE SHEET ITEMS	061		

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	237.965.567	228.007.691
I. SUBSCRIBED SHARE CAPITAL	063	202.769.470	202.769.470
II. CAPITAL RESERVES	064		
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	37.542.978	37.542.978
1. Legal reserves	066	1.973	1.973
2. Reserve for own shares	067		
3. Treasury shares and shares (deductible items)	068		
4. Statutory reserves	069		
5. Other reserves	070	37.541.005	37.541.005
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	-15.104.060	-5.198.939
1. Retained earnings	073		
2. Loss carried forward	074	15.104.060	5.198.939
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	12.184.326	-7.739.919
1. Net profit for the period	076	12.184.326	
2. Net loss for the period	077		7.739.919
VII. MINORITY INTEREST	078	572.853	634.101
B) PROVISIONS (080 do 082)	079	15.144.499	14.015.219
1. Provisions for pensions, severance pay and similar liabilities	080	1.941.574	1.941.574
2. Provisions for tax liabilities	081		
3. Other provisions	082	13.202.925	12.073.645
C) NON-CURRENT LIABILITIES (084 do 092)	083	132.117.315	161.074.750
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits, etc.	085		
3. Liabilities to banks and other financial institutions	086	119.035.145	149.032.057
4. Liabilities for advances	087		
5. Trade payables	088		
6. Commitments on securities	089		
7. Liabilities to companies with participating interest	090		
8. Other non-current liabilities	091		
9. Deferred tax liabilities	092	13.082.170	12.042.693
D) CURRENT LIABILITIES (094 do 105)	093	36.006.116	54.847.319
1. Liabilities to related parties	094		
2. Liabilities for loans, deposits, etc.	095	6.023.698	
3. Liabilities to banks and other financial institutions	096	15.871.352	9.702.290
4. Liabilities for advances	097	1.969.960	25.483.520
5. Trade payables	098	7.397.000	9.809.748
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	1.807.643	3.393.268
9. Taxes, contributions and similar liabilities	102	782.029	5.734.614
10. Liabilities arising from share in the result	103		
11. Liabilities arising from non-current assets held for sale	104		
12. Other current liabilities	105	2.154.434	723.879
E) ACCRUED EXPENSES AND DEFERRED INCOME	106		
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	421.233.497	457.944.979
G) OFF BALANCE SHEET ITEMS	108		
ADDITION TO BALANCE SHEET (only for consolidated financial statements)			
ISSUED CAPITAL AND RESERVES			
1. Attributable to majority owners	109	237.392.714	227.373.590
2. Attributable to minority interest	110	572.853	634.101

Income statement
period 01.01.2017. to 30.06.2017.

Company: FTB TURIZAM d.d.

Position	AOP	Previous period	Previous period	Current period	Current period
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (112 do 113)	111	47.999.830	42.690.117	56.692.749	51.335.684
1. Rendering of services	112	46.366.368	41.817.010	54.494.403	50.067.638
2. Other operating income	113	1.633.462	873.107	2.198.346	1.268.046
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	54.542.311	34.835.699	61.073.732	40.370.121
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	15.877.061	11.737.549	18.663.057	13.942.432
a) Costs of raw materials	117	9.114.911	8.247.167	7.589.415	6.690.270
b) Cost of goods sold	118	2.636	1.724	1.519	674
c) Other material expenses	119	6.759.514	3.488.658	11.072.123	7.251.488
3. Employee benefits expenses (121 do 123)	120	12.526.427	8.483.510	13.859.775	10.458.966
a) Net salaries	121	7.637.642	5.385.982	8.563.415	6.699.588
b) Tax and contributions from salary expenses	122	3.122.471	1.910.038	3.330.217	2.281.815
c) Contributions on salary	123	1.766.314	1.187.490	1.966.143	1.477.563
4. Depreciation and amortisation	124	19.470.099	9.791.707	21.490.559	11.208.507
5. Other expenses	125	6.668.278	4.822.933	6.273.924	4.064.377
6. Write down of assets (127+128)	126	446	0	786.417	695.839
a) non-current assets (except financial assets)	127	446		137.988	129.472
b) current assets (except financial assets)	128			648.429	566.367
7. Provisions	129				
8. Other operating costs	130				
III. FINANCIAL INCOME (132 do 136)	131	213.174	84.199	103.099	51.288
1. Interest, foreign exchange differences, dividends and similar income from related parties	132				
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	213.174	84.199	103.099	51.288
3. Income from investments in associates and joint ventures	134				
4. Unrealised gains (income) from financial assets	135				
5. Other financial income	136				
IV. FINANCIAL EXPENSES (138 do 141)	137	3.431.441	1.653.707	3.403.853	1.595.262
1. Interest, foreign exchange differences, dividends and similar income from related parties	138				
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	3.431.441	1.653.707	3.403.853	1.595.262
3. Unrealised losses (expenses) from financial assets	140				
4. Other financial expenses	141				
V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES	142				
VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES	143				
VII. EXTRAORDINARY - OTHER INCOME	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL INCOME (111+131+144)	146	48.213.004	42.774.316	56.795.848	51.386.972
X. TOTAL EXPENSES (114+137+143+145)	147	57.973.752	36.489.406	64.477.585	41.965.383
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	-9.760.748	6.284.910	-7.681.737	9.421.589
1. Profit before taxes (146-147)	149	0	6.284.910	0	9.421.589
2. Loss before taxes (147-146)	150	9.760.748	0	7.681.737	0
XII. TAXATION	151				
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-9.760.748	6.284.910	-7.681.737	9.421.589
1. Profit for the period (149-151)	153	0	6.284.910	0	9.421.589
2. Loss for the period (151-148)	154	9.760.748	0	7.681.737	0
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	155	-9.614.911	5.991.200	-7.739.925	-17.128.046
2. Attributable to minority interest	156	-145.837	293.710	58.188	24.720
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157	-9.760.748	6.284.910	-7.681.737	9.421.589
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158	0	0	0	0
1. Exchange differences from international settlement	159				
2. Changes in revaluation reserves of long-term tangible and intangible assets	160				
3. Profit or loss from re-evaluation of financial assets held for sale	161				
4. Profit or loss from cash flow hedging	162				
5. Profit or loss from hedging of foreign investments	163				
6. Share of other comprehensive income/loss from associated companies	164				
7. Actuarial gains/losses from defined benefit plans	165				
III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD (158 TO 166)	167	0	0	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	-9.760.748	6.284.910	-7.681.737	9.421.589
ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)					
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	169				
2. Attributable to minority interest	170				

Cash flow statement - indirect method
period 01.01.2017. to 30.06.2017.

Company: FTB TURIZAM d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	001	-9.760.748	-7.681.737
2. Depreciation and amortisation	002	19.470.099	21.490.559
3. Increase of current liabilities	003	17.240.301	30.689.515
4. Decrease of current receivables	004	708.237	33.674
5. Decrease of inventories	005		735.578
6. Other cash flow increases	006		22.578
I. Total increase of cash flow from operating activities	007	27.657.889	45.290.167
1. Decrease of current liabilities	008	32.117	226.233
2. Increase of current receivables	009	3.795.338	8.897.405
3. Increase of inventories	010	1.014.709	
4. Other cash flow decreases	011	5.180.705	4.691.277
II. Total decrease of cash flow from operating activities	012	10.022.869	13.814.915
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	013	17.635.020	31.475.252
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	0	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of non-current assets	015	945	125.796
2. Proceeds from sale of non-current financial assets	016		
3. Interest received	017	242.346	254.266
4. Dividend received	018		
5. Other proceeds from investing activities	019		
III. Total cash inflows from investing activities	020	243.291	380.062
1. Purchase of non-current assets	021	32.785.452	70.766.775
2. Purchase of non-current financial assets	022		
3. Other cash outflows from investing activities	023		
IV. Total cash outflows from investing activities	024	32.785.452	70.766.775
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	025	0	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	32.542.161	70.386.713
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issue of equity securities and debt securities	027		
2. Proceeds from loans and borrowings	028	5.922.688	36.329.902
3. Other proceeds from financing activities	029		
V. Total cash inflows from financing activities	030	5.922.688	36.329.902
1. Repayment of loans and bonds	031	7.899.880	9.502.053
2. Dividends paid	032		
3. Repayment of finance lease	033		
4. Purchase of treasury shares	034		
5. Other cash outflows from financing activities	035		7.295.094
VI. Total cash outflows from financing activities	036	7.899.880	16.797.147
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	037	0	19.532.755
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	1.977.192	0
Total increases of cash flows	039	0	0
Total decreases of cash flows	040	16.884.333	19.378.706
Cash and cash equivalents at the beginning of period	041	42.059.962	42.369.620
Increase of cash and cash equivalents	042	0	0
Decrease of cash and cash equivalents	043	16.884.333	19.378.706
Cash and cash equivalents at the end of period	044	25.175.629	22.990.914

STATEMENT OF CHANGES IN EQUITY

period **1.1.2017** to **30.6.2017**

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	001	202.769.470	202.769.470
2. Capital reserves	002		1.973
3. Reserves from profit	003		37.541.005
4. Retained earnings or loss carried forward	004	27.251.564	-5.198.939
5. Net profit or loss for the period	005	-9.614.911	-7.739.919
6. Revaluation of tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of available for sale assets	008		
9. Other revaluation/minority interest	009	8.376.785	634.101
10. Total equity and reserves (AOP 001 to 009)	010	228.782.908	228.007.691
11. Foreign exchange differences from foreign investments	011		
12. Current and deferred taxes	012		
13. Cash flow hedge	013		
14. Change of accounting policies	014		
15. Correction of significant mistakes of prior period	015		
16. Other changes	016		
17. Total increase or decrease of equity (AOP 011 to 016)	017	0	0
17 a. Attributable to majority owners	018	220.406.123	227.373.590
17 b. Attributable to minority interest	019	8.376.785	634.101

Management Board Report on the state of the FTB TURIZAM Group for the period January-June 2017

The consolidated operating results for the period January-June 2017 show that the FTB Group (Hoteli Cavtat d.d., Hoteli Metropol d.o.o., Remisens Hotel Group d.o.o. and FTB TURIZAM d.d.) had c. 17% more overnight stays than in the same period in the previous year. Its operating income (in the attached report) increased by c. 18% compared to the same period last year. The operating income category, which according to the USALI report includes revenues from accommodation, board and extra food and beverages, sports, and other operating income, increased by 18% compared to the same period last year, while GOP (gross operating profit), according to the USALI report, increased by c. 32% compared to the previous year.

Investment in retaining the Remisens Premium brand and 5-star category for the Remisens Premium Hotel Metropol in Portorož has been completed. The hotel has been rated as a 5-star property and has retained the Remisens Premium brand, and was opened on 10/3/2017.

Investment in upgrading the Remisens Hotel Epidaurus in Cavtat from the Smart Selection brand to the Remisens brand has been completed and the hotel has obtained the Remisens brand, and was opened on 5/4/2017.

Investment in the former Smart Selection Hotel Barbara with the aim of making the property part of the Remisens brand with the name Remisens Premium Casa Bel Moretto has been completed, and the hotel was opened on 25/5/2017.

Consolidated EBITDA (gross profit + amortisation + interest) was c. 16.8 million kn, while last year's EBITDA was negative to the amount of c. 13.0 million kn.

The liquidity and solvency ratios and debt to equity and cash flow ratios are strong.

Member of the Management Board

Dr. Sc. Igor Šehanović



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Zagreb 1

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Zagreb, 18/07/2017

Statement of persons responsible for the preparation of the reports

Pursuant to Article 407 Paragraph 2 of the Capital Market Act (Official Gazette Nos. 88/08 and 146/08), I declare that to the best of our knowledge the financial reports of the company FTB TURIZAM d.d. Zagreb have been prepared in accordance with International Financial Reporting Standards and the Croatian Accounting Act and that they provide a true and fair view of the assets and liabilities, profit and loss and financial operations of the Company and the Company included in the consolidation as a whole for the period from 1 January to 30 June 2017.

Ph.D. Igor Šehanović,
Member of the Management Board

