

Annex 1.

Reporting period

1.1.2018

to

31.3.2018

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.comInternet address: www.remisens.com

Municipality/city code and name: 133 Zagreb

County code and name: 21 GRAD ZAGREB

Number of employees: 287

Consolidated report: YES

(period end)
NKD code: 5510

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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E-mail address: biserka.kamenar@remisens.comFamily name and name: Šehanović Igor
(person authorized to represent the company)FTB TURIZAM d.d.
Zagreb
L.S. 1

 (signature of the person authorized to represent the company)

Balance Sheet
as of 31.03.2018.

Company: FTB TURIZAM d.d.			
Position	AOP	Previous period 31.12.2017.	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	402.303.378	423.225.290
I. INTANGIBLE ASSETS (004 do 009)	003	6.393.350	6.302.477
1. Expenditure for development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	1.665.653	1.574.780
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	20.000
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	394.978.015	415.993.343
1. Land	011	99.562.385	99.562.385
2. Buildings	012	244.268.557	241.008.308
3. Plant and equipment	013	18.828.030	17.415.303
4. Tools, working inventory and transportation assets	014	19.488.107	18.320.182
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	428.389	7.285.787
7. Tangible assets in progress	017	7.045.135	27.807.954
8. Other tangible assets	018		80.727
9. Investment in real-estate	019	5.357.412	4.512.697
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	143.430	143.430
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	143.430	143.430
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	786.040
C) CURRENT ASSETS (035+043+050+058)	034	60.129.344	54.926.633
I. INVENTORIES (036 do 042)	035	1.523.002	3.235.491
1. Raw materials and supplies	036	1.378.898	2.033.526
2. Production in progress	037		
3. Finished products	038		
4. Merchandise	039	22.789	22.446
5. Advances for inventories	040	121.315	1.179.519
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	5.843.571	4.935.584
1. Receivables from related parties	044		
2. Receivables from end-customers	045	4.365.237	1.958.682
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	354.351	430.476
5. Receivables from government and other institutions	048	602.238	2.462.077
6. Other receivables	049	521.745	84.349
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	52.762.771	46.755.558
D) PREPAYMENTS AND ACCRUED INCOME	059		
E) TOTAL ASSETS (001+002+034+059)	060	462.432.722	478.151.923
F) OFF BALANCE SHEET ITEMS	061		

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	259.814.403	243.741.984
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	39.138.251	40.657.257
1. Legal reserves	066	2.939	6.966
2. Reserve for own shares	067		
3. Treasury shares and shares (deductible items)	068		
4. Statutory reserves	069		
5. Other reserves	070	39.135.312	40.650.291
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	-2.919.734	17.241.989
1. Retained earnings	073		17.241.989
2. Loss carried forward	074	2.919.734	
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	20.161.723	-17.637.788
1. Net profit for the period	076	20.161.723	
2. Net loss for the period	077		17.637.788
VII. MINORITY INTEREST	078	664.693	711.056
B) PROVISIONS (080 do 082)	079	13.400.590	13.093.316
1. Provisions for pensions, severance pay and similar liabilities	080	933.949	1.027.874
2. Provisions for tax liabilities	081		
3. Other provisions	082	12.466.641	12.065.442
C) NON-CURRENT LIABILITIES (084 do 092)	083	147.480.463	148.401.694
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits, etc.	085		
3. Liabilities to banks and other financial institutions	086	135.245.664	134.951.825
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	12.234.799	13.449.869
D) CURRENT LIABILITIES (094 do 105)	093	41.737.266	72.914.929
1. Liabilities to related parties	094		
2. Liabilities for loans, deposits, etc.	095		13.500.000
3. Liabilities to banks and other financial institutions	096	22.011.096	22.072.938
4. Liabilities for advances	097	5.987.125	16.373.703
5. Trade payables	098	6.763.298	13.410.321
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		2.212.804
8. Liabilities to employees	101	2.442.688	4.351.173
9. Taxes, contributions and similar liabilities	102	2.530.072	
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	2.002.987	993.990
E) ACCRUED EXPENSES AND DEFERRED INCOME	106		
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	462.432.722	478.151.923
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	259.149.710	243.030.928
2. Attributable to minority interest	110	664.693	711.056

Income statement
period 01.01.2018. to 31.03.2018.

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	5.357.065	5.357.065	6.342.513	6.342.513
1. Rendering of services	112	4.426.765	4.426.765	5.433.378	5.433.378
2. Other operating income	113	930.300	930.300	909.135	909.135
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	20.703.611	20.703.611	23.215.781	23.215.781
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	4.720.625	4.720.625	4.285.890	4.285.890
a) Costs of raw materials	117	899.145	899.145	1.009.323	1.009.323
b) Cost of goods sold	118	845	845	205	205
c) Other material expenses	119	3.820.635	3.820.635	3.276.362	3.276.362
3. Employee benefits expenses (121 do 123)	120	3.400.809	3.400.809	4.318.135	4.318.135
a) Net salaries	121	1.863.827	1.863.827	2.403.240	2.403.240
b) Tax and contributions from salary expenses	122	1.048.402	1.048.402	1.294.053	1.294.053
c) Contributions on salary	123	488.580	488.580	620.842	620.842
4. Depreciation and amortisation	124	10.282.052	10.282.052	11.980.863	11.980.863
5. Other expenses	125	2.209.547	2.209.547	1.884.016	1.884.016
6. Write down of assets (127+128)	126	90.578	90.578	746.877	746.877
a) non-current assets (except financial assets)	127	8.516	8.516	165	165
b) current assets (except financial assets)	128	82.062	82.062	746.712	746.712
7. Provisions	129				
8. Other operating costs	130				
III. FINANCIAL INCOME (132 do 136)	131	51.811	51.811	22.202	22.202
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	51.811	51.811	22.202	22.202
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	1.808.591	1.808.591	744.349	744.349
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	1.808.591	1.808.591	744.349	744.349
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	5.408.876	5.408.876	6.364.715	6.364.715
X. TOTAL EXPENSES (114+137+143+145)	147	22.512.202	22.512.202	23.960.130	23.960.130
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	-17.103.326	-17.103.326	-17.595.415	-17.595.415
1. Profit before taxes (146-147)	149	0	0	0	0
2. Loss before taxes (147-146)	150	17.103.326	17.103.326	17.595.415	17.595.415
XII. TAXATION	151				
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-17.103.326	-17.103.326	-17.595.415	-17.595.415
1. Profit for the period (149-151)	153	0	0	0	0
2. Loss for the period (151-148)	154	17.103.326	17.103.326	17.595.415	17.595.415
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	155	-17.128.046	-17.128.046	-17.637.788	-17.637.788
2. Attributable to minority interest	156	24.720	24.720	42.373	42.373
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157	-17.103.326	-17.103.326	-17.595.415	-17.595.415
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	-17.103.326	-17.103.326	-17.595.415	-17.595.415
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 01.01.2018. to 31.03.2018.

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	-17.103.326	-17.595.415
2. Depreciation and amortisation	002	10.282.052	11.980.863
3. Increase of current liabilities	003	10.458.720	14.050.525
4. Decrease of current receivables	004	2.179.407	2.406.555
5. Decrease of inventories	005		
6. Other cash flow increases	006		
I. Total increase of cash flow from operating activities	007	5.816.853	10.842.528
1. Decrease of current liabilities	008	422	7.464
2. Increase of current receivables	009	623.492	640.054
3. Increase of inventories	010		1.712.499
4. Other cash flow decreases	011	2.130.611	1.607.695
II. Total decrease of cash flow from operating activities	012	2.754.525	3.967.712
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	013	3.062.328	6.874.816
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	331.915	
2. Proceeds from sale of non-current financial assets	016		
3. Interest received	017	35.824	20.154
4. Dividend received	018	45.235	
5. Other proceeds from investing activities	019		
III. Total cash inflows from investing activities	020	412.974	20.154
1. Purchase of non-current assets	021	43.287.696	26.402.183
2. Purchase of non-current financial assets	022		
3. Other cash outflows from investing activities	023		
IV. Total cash outflows from investing activities	024	43.287.696	26.402.183
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	025	0	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	42.874.722	26.382.029
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issue of equity securities and debt securities	027		
2. Proceeds from loans and borrowings	028	36.872.755	13.500.000
3. Other proceeds from financing activities	029		
V. Total cash inflows from financing activities	030	36.872.755	13.500.000
1. Repayment of loans and bonds	031	7.835.559	
2. Dividends paid	032		
3. Repayment of finance lease	033		
4. Purchase of treasury shares	034		
5. Other cash outflows from financing activities	035	5.795.094	
VI. Total cash outflows from financing activities	036	13.630.653	0
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	037	23.242.102	13.500.000
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	0	0
Total increases of cash flows	039	0	0
Total decreases of cash flows	040	16.570.292	6.007.213
Cash and cash equivalents at the beginning of period	041	42.369.620	52.762.771
Increase of cash and cash equivalents	042	0	0
Decrease of cash and cash equivalents	043	16.570.292	6.007.213
Cash and cash equivalents at the end of period	044	25.799.328	46.755.558

STATEMENT OF CHANGES IN EQUITY

period **1.1.2018** to **31.3.2018**

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	6.966
3. Reserves from profit	003	37.541.005	40.650.291
4. Retained earnings or loss carried forward	004	-5.210.223	17.241.989
5. Net profit or loss for the period	005	-17.128.045	-17.637.788
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	600.633	711.056
10. Total equity and reserves (AOP 001 to 009)	010	218.574.813	243.741.984
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
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17 a. Attributable to majority owners	018	217.974.180	243.030.928
17 b. Attributable to minority interest	019	600.633	711.056

**Management Board Report on the state of FTB TURIZAM Group
for the period January-March 2018**

The consolidated operating results of FTB TURIZAM Group for the period January-March 2018 show that the Group is achieving its primary objectives.

In the period January-March 2018, the Group had c. 4% overnight stays less compared to the same period of 2017. The operating income, which also includes extraordinary 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 (that is, without extraordinary income) increased by 20% compared to the last year's, while GOP (gross operating profit), according to the USALI report, was less negative compared to the last year's by 17% (this year's is negative to the amount of 3.3 million kn, while in the last year it was negative to the amount of 4.0 million kn).

In the period January-March 2018, the Remisens Hotel Albatros in Cavtat was closed due to investment which encompassed its complete renovation. The investment has been completed and the hotel was opened on 30/03/2018. Construction works included the accommodation and public part of the hotel, façade painting and works on electrical installations, pool improvement, landscaping, furniture, and new kitchen equipment.

In the period January-March 2018, according to the USALI report, the extraordinary operating result was negative to the amount of c. 461,000 kn, while in the same period last year the extraordinary operating result was c. 34,000 kn. The extraordinary and one-time expenses in the analysed period of 2018 in FTB TURIZAM Group are for the most part the result of the writing-off of claims of a bankrupt agency (which was in business with HC d.d.).

In the period January-March 2018, FTB TURIZAM Group had loss to the amount of c. 16.2 million kn, while in the same period of 2017 the loss was c. 15.5 million kn.

Consolidated EBITDA (net profit + amortisation + interest) according to the USALI report was negative to the amount of c. 5.0 million kn, while in the last year it was negative to the amount of c. 5.3 million kn.

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

Member of the Management Board

Igor Šehanović

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Zagreb, 18/04/2018

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 31 March 2018.

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


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Zagreb 1