

Annex 1.

Reporting period

1.1.2018

to

30.6.2018

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.com

Internet address: www.remisens.com

Municipality/city code and name: 133 Zagreb

County code and name: 21 GRAD ZAGREB

Number of employees: 412

(period end)

Consolidated report: YES

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: Kulonja Kristina

(only surname and name)

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Family name and name: Šehanović Igor

(person authorized to represent the company)

FTB TURIZAM d.d.

Zagreb

1

L.S.

(signature of the person authorized to represent the company)

Balance Sheet
as of 30.06.2018.

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	423.113.656
I. INTANGIBLE ASSETS (004 do 009)	003	6.393.350	6.417.003
1. Expenditure for development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	1.665.653	1.689.306
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	415.767.840
1. Land	011	99.562.385	99.562.385
2. Buildings	012	244.268.557	238.857.436
3. Plant and equipment	013	18.828.030	28.153.798
4. Tools, working inventory and transportation assets	014	19.488.107	17.765.793
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	428.389	185.685
7. Tangible assets in progress	017	7.045.135	27.188.550
8. Other tangible assets	018		
9. Investment in real-estate	019	5.357.412	4.054.193
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	785.383
C) CURRENT ASSETS (035+043+050+058)	034	60.129.344	54.869.126
I. INVENTORIES (036 do 042)	035	1.523.002	2.916.355
1. Raw materials and supplies	036	1.378.898	2.764.509
2. Production in progress	037		
3. Finished products	038		
4. Merchandise	039	22.789	21.592
5. Advances for inventories	040	121.315	130.254
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	5.843.571	28.631.985
1. Receivables from related parties	044		
2. Receivables from end-customers	045	4.365.237	25.570.912
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	354.351	389.016
5. Receivables from government and other institutions	048	602.238	2.540.984
6. Other receivables	049	521.745	131.073
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	23.320.786
D) PREPAYMENTS AND ACCRUED INCOME	059		
E) TOTAL ASSETS (001+002+034+059)	060	462.432.722	477.982.782
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	258.236.516
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	1.827.080
1. Legal reserves	066	2.939	6.966
2. Reserve for own shares	067		94.020
3. Treasury shares and shares (deductible items)	068		94.020
4. Statutory reserves	069		
5. Other reserves	070	39.135.312	1.820.114
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	-2.919.734	11.702.255
1. Retained earnings	073		11.702.255
2. Loss carried forward	074	2.919.734	
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	20.161.723	41.196.240
1. Net profit for the period	076	20.161.723	41.196.240
2. Net loss for the period	077		
VII. MINORITY INTEREST	078	664.693	741.471
B) PROVISIONS (080 do 082)	079	13.400.590	12.725.070
1. Provisions for pensions, severance pay and similar liabilities	080	933.949	919.500
2. Provisions for tax liabilities	081		
3. Other provisions	082	12.466.641	11.805.570
C) NON-CURRENT LIABILITIES (084 do 092)	083	147.480.463	147.958.912
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	134.763.008
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	13.195.904
D) CURRENT LIABILITIES (094 do 105)	093	41.737.266	59.062.018
1. Liabilities to related parties	094		
2. Liabilities for loans, deposits, etc.	095		3.500.000
3. Liabilities to banks and other financial institutions	096	22.011.096	11.256.643
4. Liabilities for advances	097	5.987.125	23.837.619
5. Trade payables	098	6.763.298	10.794.849
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	2.442.688	3.323.634
9. Taxes, contributions and similar liabilities	102	2.530.072	4.495.329
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	1.853.944
E) ACCRUED EXPENSES AND DEFERRED INCOME	106		266
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	462.432.722	477.982.782
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	257.495.045
2. Attributable to minority interest	110	664.693	741.471

Income statement
period 01.01.2018. to 30.06.2018.

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	56.692.749	51.335.684	107.880.590	101.538.077
1. Rendering of services	112	54.494.403	50.067.638	61.070.984	55.637.606
2. Other operating income	113	2.198.346	1.268.046	46.809.606	45.900.471
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	61.073.732	40.370.121	64.941.037	41.725.256
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	18.663.057	13.942.432	20.013.165	15.727.275
a) Costs of raw materials	117	7.589.415	6.690.270	8.561.055	7.551.732
b) Cost of goods sold	118	1.519	674	965	760
c) Other material expenses	119	11.072.123	7.251.488	11.451.145	8.174.783
3. Employee benefits expenses (121 do 123)	120	13.859.775	10.458.966	15.614.951	11.296.816
a) Net salaries	121	8.563.415	6.699.588	9.387.260	6.984.020
b) Tax and contributions from salary expenses	122	3.330.217	2.281.815	4.023.112	2.729.059
c) Contributions on salary	123	1.966.143	1.477.563	2.204.579	1.583.737
4. Depreciation and amortisation	124	21.490.559	11.208.507	22.584.637	10.603.774
5. Other expenses	125	6.273.924	4.064.377	5.892.682	4.008.666
6. Write down of assets (127+128)	126	786.417	695.839	835.602	88.725
a) non-current assets (except financial assets)	127	137.988	129.472	71.283	71.118
b) current assets (except financial assets)	128	648.429	566.367	764.319	17.607
7. Provisions	129				
8. Other operating costs	130				
III. FINANCIAL INCOME (132 do 136)	131	103.099	51.288	94.186	71.984
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	103.099	51.288	94.186	71.984
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	3.403.853	1.595.262	1.764.711	1.020.362
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	3.403.853	1.595.262	1.764.711	1.020.362
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	56.795.848	51.386.972	107.974.776	101.610.061
X. TOTAL EXPENSES (114+137+143+145)	147	64.477.585	41.965.383	66.705.748	42.745.618
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	-7.681.737	9.421.589	41.269.028	58.864.443
1. Profit before taxes (146-147)	149	0	9.421.589	41.269.028	58.864.443
2. Loss before taxes (147-146)	150	7.681.737	0	0	0
XII. TAXATION	151				
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-7.681.737	9.421.589	41.269.028	58.864.443
1. Profit for the period (149-151)	153	0	9.421.589	41.269.028	58.864.443
2. Loss for the period (151-148)	154	7.681.737	0	0	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	-7.739.925	-17.128.046	41.196.240	17.249.186
2. Attributable to minority interest	156	58.188	24.720	72.788	30.415
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157	-7.681.737	9.421.589	41.269.028	58.864.443
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	-7.681.737	9.421.589	41.269.028	58.864.443
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 30.06.2018.

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	-7.681.737	41.269.028
2. Depreciation and amortisation	002	21.490.559	22.584.637
3. Increase of current liabilities	003	30.689.515	31.882.045
4. Decrease of current receivables	004	33.674	
5. Decrease of inventories	005	735.578	1.393.353
6. Other cash flow increases	006	22.578	
I. Total increase of cash flow from operating activities	007	45.290.167	97.129.063
1. Decrease of current liabilities	008	226.233	
2. Increase of current receivables	009	8.897.405	12.804.137
3. Increase of inventories	010		
4. Other cash flow decreases	011	4.691.277	3.331.489
II. Total decrease of cash flow from operating activities	012	13.814.915	16.135.626
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	013	31.475.252	80.993.437
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	125.796	
2. Proceeds from sale of non-current financial assets	016		
3. Interest received	017	254.266	33.969
4. Dividend received	018		
5. Other proceeds from investing activities	019		
III. Total cash inflows from investing activities	020	380.062	33.969
1. Purchase of non-current assets	021	70.766.775	44.348.901
2. Purchase of non-current financial assets	022		
3. Other cash outflows from investing activities	023		
IV. Total cash outflows from investing activities	024	70.766.775	44.348.901
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	025	0	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	70.386.713	44.314.932
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issue of equity securities and debt securities	027		
2. Proceeds from loans and borrowings	028	36.329.902	27.500.000
3. Other proceeds from financing activities	029		0
V. Total cash inflows from financing activities	030	36.329.902	27.500.000
1. Repayment of loans and bonds	031	9.502.053	10.642.500
2. Dividends paid	032		
3. Repayment of finance lease	033		
4. Purchase of treasury shares	034		94.020
5. Other cash outflows from financing activities	035	7.295.094	24.000.000
VI. Total cash outflows from financing activities	036	16.797.147	34.736.520
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	037	19.532.755	0
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	0	7.236.520
Total increases of cash flows	039	0	29.441.985
Total decreases of cash flows	040	19.378.706	0
Cash and cash equivalents at the beginning of period	041	42.369.620	52.762.771
Increase of cash and cash equivalents	042	0	
Decrease of cash and cash equivalents	043	19.378.706	29.441.985
Cash and cash equivalents at the end of period	044	22.990.914	23.320.786

STATEMENT OF CHANGES IN EQUITY

period **1.1.2018** to **30.6.2018**

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	1.820.114
4. Retained earnings or loss carried forward	004	-5.198.939	11.702.255
5. Net profit or loss for the period	005	-7.739.919	41.196.240
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	634.101	741.471
10. Total equity and reserves (AOP 001 to 009)	010	228.007.691	258.236.516
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	227.373.590	257.495.045
17 b. Attributable to minority interest	019	634.101	741.471

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

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

In the period January-June 2018, the Group had c. 1% more overnight stays compared to the same period of 2017. The operating income, which also includes extraordinary income (in the attached report) increased by c. 51.1 million kn 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 12% compared to the last year's, while GOP (gross operating profit), according to the USALI report, increased by 20% compared to the last year's (this year's was c. 23.2 million kn, while in the last year it was c. 19.3 million kn).

The renovated Remisens Hotel Albatros in Cavtat was opened on 30/03/2018. Construction work included the accommodation units and public areas of the hotel, painting façades and work on electrical installations, pool improvement, landscaping, furniture, and new kitchen equipment.

In June 2018, the General Assembly made the decision to pay out a total amount of 40,338,000.00 kn of the retained profit from previous years of the Hoteli Cavtat d.d. Company to the only shareholder of the FTB TURIZAM d.d. Company. In June 2018, the Hoteli Metropol d.o.o. Company paid its retained profit (100%) to the amount of 4,074,407.27 kn (552,116.06 €) to the owner Hoteli Cavtat d.d.

In the period January-June 2018, taking into account the aforementioned decisions, the extraordinary result was c. 44.6 million kn.

Consolidated EBITDA (net profit + amortisation + interest) according to the USALI report was c. 65.4 million kn, while in the last year it was c. 16.8 million kn.

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

Member of the Management Board

Igor Šehanović

FTB TURIZAM d.d.

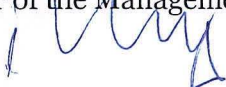
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Zagreb, 18/07/2018

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 30 June 2018.

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



FTB TURIZAM d.d.
Zagreb 1