

Annex 1.

Reporting period

1.1.2018

to

30.9.2018

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: 398

(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)

Telephone: 051 710-383

Telefaks:

E-mail address: kristina.kulonja@remisens.comFamily name and name: Juroš Jasnica
(person authorized to represent the company)FTB TURIZAM d.d.
L. Zagreb

(signature of the person authorized to represent the company)

2

Balance Sheet
as of 30.09.2018.

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	416.059.028
I. INTANGIBLE ASSETS (004 do 009)	003	6.393.350	6.378.379
1. Expenditure for development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	1.665.653	1.467.005
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	203.677
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	394.978.015	408.751.330
1. Land	011	99.562.385	99.562.385
2. Buildings	012	244.268.557	250.919.003
3. Plant and equipment	013	18.828.030	32.031.064
4. Tools, working inventory and transportation assets	014	19.488.107	16.892.846
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	428.389	208.724
7. Tangible assets in progress	017	7.045.135	4.788.457
8. Other tangible assets	018		
9. Investment in real-estate	019	5.357.412	4.348.851
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	785.889
C) CURRENT ASSETS (035+043+050+058)	034	60.129.344	100.449.586
I. INVENTORIES (036 do 042)	035	1.523.002	2.738.475
1. Raw materials and supplies	036	1.378.898	2.582.456
2. Production in progress	037		
3. Finished products	038		
4. Merchandise	039	22.789	18.906
5. Advances for inventories	040	121.315	137.113
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	5.843.571	71.952.909
1. Receivables from related parties	044		33.000.000
2. Receivables from end-customers	045	4.365.237	33.855.094
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	354.351	425.400
5. Receivables from government and other institutions	048	602.238	4.191.988
6. Other receivables	049	521.745	480.427
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	25.758.202
D) PREPAYMENTS AND ACCRUED INCOME	059		
E) TOTAL ASSETS (001+002+034+059)	060	462.432.722	516.508.614
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	275.686.995
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	2.081.548
1. Legal reserves	066	2.939	6.966
2. Reserve for own shares	067		2.166.460
3. Treasury shares and shares (deductible items)	068		2.166.460
4. Statutory reserves	069		
5. Other reserves	070	39.135.312	2.074.582
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	-2.919.734	11.569.901
1. Retained earnings	073		11.569.901
2. Loss carried forward	074	2.919.734	
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	20.161.723	58.495.084
1. Net profit for the period	076	20.161.723	58.495.084
2. Net loss for the period	077		
VII. MINORITY INTEREST	078	664.693	770.992
B) PROVISIONS (080 do 082)	079	13.400.590	12.549.491
1. Provisions for pensions, severance pay and similar liabilities	080	933.949	855.951
2. Provisions for tax liabilities	081		
3. Other provisions	082	12.466.641	11.693.540
C) NON-CURRENT LIABILITIES (084 do 092)	083	147.480.463	147.850.470
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	134.908.531
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	12.941.939
D) CURRENT LIABILITIES (094 do 105)	093	41.737.266	80.421.232
1. Liabilities to related parties	094		
2. Liabilities for loans, deposits, etc.	095		37.500.000
3. Liabilities to banks and other financial institutions	096	22.011.096	2.472.917
4. Liabilities for advances	097	5.987.125	16.846.105
5. Trade payables	098	6.763.298	12.189.913
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	2.442.688	4.239.767
9. Taxes, contributions and similar liabilities	102	2.530.072	5.604.481
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	1.568.049
E) ACCRUED EXPENSES AND DEFERRED INCOME	106		426
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	462.432.722	516.508.614
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	274.916.003
2. Attributable to minority interest	110	664.693	770.992

Income statement
period 01.01.2018. to 30.09.2018.

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	153.979.882	97.287.133	209.430.211	101.549.621
1. Rendering of services	112	149.020.483	94.526.080	160.718.593	99.647.609
2. Other operating income	113	4.959.399	2.761.053	48.711.618	1.902.012
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	111.551.311	50.477.579	146.397.314	81.456.277
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	37.492.452	18.829.395	41.133.918	21.120.753
a) Costs of raw materials	117	17.374.072	9.784.657	19.496.658	10.935.603
b) Cost of goods sold	118	4.240	2.721	3.721	2.756
c) Other material expenses	119	20.114.140	9.042.017	21.633.539	10.182.394
3. Employee benefits expenses (121 do 123)	120	25.126.304	11.266.529	27.714.417	12.099.466
a) Net salaries	121	15.541.653	6.978.238	16.928.220	7.540.960
b) Tax and contributions from salary expenses	122	6.043.976	2.713.759	6.914.344	2.891.232
c) Contributions on salary	123	3.540.675	1.574.532	3.871.853	1.667.274
4. Depreciation and amortisation	124	33.892.717	12.402.158	33.456.953	10.872.316
5. Other expenses	125	13.724.793	7.450.869	43.225.075	37.332.393
6. Write down of assets (127+128)	126	1.315.045	528.628	866.951	31.349
a) non-current assets (except financial assets)	127	185.478	47.490	102.535	31.252
b) current assets (except financial assets)	128	1.129.567	481.138	764.416	97
7. Provisions	129				
8. Other operating costs	130				
III. FINANCIAL INCOME (132 do 136)	131	246.723	143.624	285.346	191.160
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	246.723	143.624	285.346	191.160
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	5.034.625	1.630.772	2.686.745	922.034
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	5.034.625	1.630.772	2.686.745	922.034
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	154.226.605	97.430.757	209.715.557	101.740.781
X. TOTAL EXPENSES (114+137+143+145)	147	116.585.936	52.108.351	149.084.059	82.378.311
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	37.640.669	45.322.406	60.631.498	19.362.470
1. Profit before taxes (146-147)	149	37.640.669	45.322.406	60.631.498	19.362.470
2. Loss before taxes (147-146)	150	0	0	0	0
XII. TAXATION	151				
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	37.640.669	45.322.406	60.631.498	19.362.470
1. Profit for the period (149-151)	153	37.640.669	45.322.406	60.631.498	19.362.470
2. Loss for the period (151-148)	154	0	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	37.557.657	45.297.582	60.529.189	19.332.949
2. Attributable to minority interest	156	83.012	24.824	102.309	29.521
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157	37.640.669	45.322.406	60.631.498	19.362.470
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	37.640.669	45.322.406	60.631.498	19.362.470
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 30.09.2018.

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	37.640.669	60.631.498
2. Depreciation and amortisation	002	33.892.717	33.456.953
3. Increase of current liabilities	003	10.791.966	5.426.625
4. Decrease of current receivables	004		
5. Decrease of inventories	005		
6. Other cash flow increases	006		
I. Total increase of cash flow from operating activities	007	82.325.352	99.515.076
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	5.939.858	18.370.364
3. Increase of inventories	010	502.439	1.215.373
4. Other cash flow decreases	011	4.655.738	5.002.424
II. Total decrease of cash flow from operating activities	012	11.098.035	24.588.161
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	013	71.227.317	74.926.915
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	137.630	
2. Proceeds from sale of non-current financial assets	016		
3. Interest received	017	327.840	33.969
4. Dividend received	018		
5. Other proceeds from investing activities	019		
III. Total cash inflows from investing activities	020	465.470	33.969
1. Purchase of non-current assets	021	75.609.394	49.402.459
2. Purchase of non-current financial assets	022		
3. Other cash outflows from investing activities	023		
IV. Total cash outflows from investing activities	024	75.609.394	49.402.459
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	025	0	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	75.143.924	49.368.490
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issue of equity securities and debt securities	027		
2. Proceeds from loans and borrowings	028	35.237.017	63.500.000
3. Other proceeds from financing activities	029		0
V. Total cash inflows from financing activities	030	35.237.017	63.500.000
1. Repayment of loans and bonds	031	9.522.408	19.558.534
2. Dividends paid	032		
3. Repayment of finance lease	033		
4. Purchase of treasury shares	034		2.166.460
5. Other cash outflows from financing activities	035	7.436.136	94.338.000
VI. Total cash outflows from financing activities	036	16.958.544	116.062.994
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	037	18.278.473	0
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	0	52.562.994
Total increases of cash flows	039	14.361.866	0
Total decreases of cash flows	040	0	27.004.569
Cash and cash equivalents at the beginning of period	041	42.369.620	52.762.771
Increase of cash and cash equivalents	042	14.361.866	0
Decrease of cash and cash equivalents	043	0	27.004.569
Cash and cash equivalents at the end of period	044	56.731.486	25.758.202

STATEMENT OF CHANGES IN EQUITY

period **1.1.2018** to **30.9.2018**

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	2.074.582
4. Retained earnings or loss carried forward	004	-5.236.041	11.569.901
5. Net profit or loss for the period	005	37.557.657	58.495.084
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	658.925	770.992
10. Total equity and reserves (AOP 001 to 009)	010	273.292.989	275.686.995
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
<hr/>			
17 a. Attributable to majority owners	018	272.634.064	274.916.003
17 b. Attributable to minority interest	019	658.925	770.992

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

The consolidated operating results of FTB TURIZAM Group (Hoteli Cavtat d.d., Hoteli Metropol d.o.o., Remisens Hotel Group d.o.o. and FTB TURIZAM d.d.) for the period January-September 2018 show that the Group is achieving its primary objectives.

In the period January-September 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. 55.5 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 7% compared to the last year's, while GOP (gross operating profit), according to the USALI report, decreased by 31% compared to the last year's (this year's was c. 54.5 million kn, while in the last year it was c. 78.9 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.

On the basis of the Decision of the General Assembly of the Company, FTB TURIZAM d.d. repurchased its shares in the period from June to September 2018.

On 3 July 2018, the Director of the Company concluded Annexe I to the Contract for the performance of the function of Director from 23 December 2015 with the Supervisory Board of the FTB TURIZAM Company. Annexe I stipulates that upon the due date for the payment of a Special Bonus and/or Special Bonus advance, as determined by the contract of 23 December 2015, the Supervisory Board of the Company may make a decision to pay the Special Bonus and/or Special Bonus advance to the Director in kind instead of in cash by assigning the Company's own shares, provided the Company has enough of its own shares at its disposal on the day of making the decision.

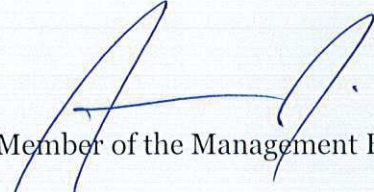
On 3 September 2018, the Supervisory Board of the Company, in accordance with the Contract for the performance of the function of Director, made the decision to pay the Special Bonus advance to the member of the Board Mr Igor Šehanović to the net amount of 22,618,309.73 kn by payment in kind through the Company's own shares. After the abovementioned release of its own shares, the Company owns 969 of its own shares to a total nominal amount of 649,230.00 kn, which represent 0.3202% of the Company's share capital. On the basis of the Special Bonus advance payment in September 2018, FTB TURIZAM d.d. calculated the total amount of its capital gains tax and surtax on the assigned own shares as 7,620,072.26 kn.

On 30 September 2018, FTB TURIZAM d.d. reported reserves for own shares (a deductible item) as 2,166,460 kn. The reserves were created by allocating from the year-end profits of the financial year.

In the period January-September 2018, the extraordinary result was c. 45.4 million kn.

Consolidated EBITDA (net profit + amortisation + interest) according to the USALI report was c. 96.3 million kn, while in the last year it was c. 76.0 million kn.

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



Member of the Management Board
Jasnica Juroš

FTB TURIZAM d.d.
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Zagreb, 22/10/2018

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 September 2018.


Jasna Juroš,
Member of the Management Board

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