

Appendix 1
Reporting period:

1.1.2017

to

31.12.2017

Annual financial report of entrepreneur - GFI-POD

Registration number (MB)

Identification number of subject (MBS)

Personal identification number (OIB)

Issuer company:

Postal code and place

Street and number

E-mail address:

Internet address:

Code and name of comune/town

Code and county name Number of employees
(at quarter end)

Consolidated statement NKD/NWC code:

Subsidiaries subject to consolidation (according to IFRS):

Registration number:

Subsidiary name	Location	Registration number
HOTELI CAVTAT d.d. CAVTAT	CAVTAT	91951159924
HOTELI METROPOL d.o.o. PORTOROŽ	PORTOROŽ	6767648000
REMISENS HOTEL GROUP d.o.o.	ZAGREB	48407935600

Book keeping service:

Contact person:
(authorised person for representation)

Phone number: Fascimile:

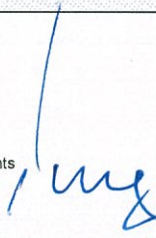
E-mail address:

Surname and name:
(authorised person for representation)

Disclosure documents:

1. Audited annual financial statements
2. Report of the Management Board on position of the Company
3. Statement of responsible persons for preparation of financial statements
4. The decision of the competent authority (the proposal) about the development of the annual financial statements
5. Decision on the allocation of profits or covering of loss

FTB TURIZAM^{M.P.} d.d.
Zagreb 1


(signed by authorised person for representation)

BALANCE SHEET
as at 31.12.2017.

Obligator: FTB TURIZAM d.d. ZAGREB			
Item	AOP code	Last year (net)	Current year (net)
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL	001		
B) LONG-TERM ASSETS (003+010+020+029+033)	002	369.718.932	399.154.663
I. INTANGIBLE ASSETS (004 to 009)	003	6.726.662	6.383.290
1. Assets development	004		
2. Concessions, patents, licences fees, trade and service marks, software and	005	1.998.965	1.655.593
3. Goodwill	006	4.707.697	4.707.697
4. Prepayments for purchase of intangible assets	007		
5. Intangible assets in preparation	008		
6. Other intangible assets	009	20.000	20.000
II. TANGIBLE ASSETS (011 to 019)	010	362.059.531	391.840.881
1. Land	011	99.562.385	99.562.385
2. Buildings	012	215.761.735	246.589.808
3. Plant and equipment	013	6.456.165	18.777.775
4. Tools, facility inventory and transport assets	014	8.399.379	19.326.433
5. Biological assets	015		
6. Prepayments for tangible assets	016	186.213	428.389
7. Tangible assets in progress	017	26.014.080	7.074.478
8. Other tangible assets	018		81.613
9. Investments in buildings	019	5.679.574	
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	144.156	143.430
1. Investments (shares) with related parties	021		
2. Loans given to related parties	022		
3. Participating interest (shares)	023		
4. Loans to entrepreneurs in whom the entity holds participating interests	024		
5. Investments in securities	025	144.156	143.430
6. Loans, deposits and similar assets	026		
7. Other long - term financial assets	027		
8. Investments accounted by equity method	028		
IV. RECEIVABLES (030 to 032)	029	0	0
1. Receivables from related parties	030		
2. Receivables from based on trade loans	031		
3. Other receivables	032		
V. DEFERRED TAX ASSETS	033	788.583	787.062
C) SHORT TERM ASSETS (035+043+050+058)	034	51.514.565	62.943.604
I. INVENTORIES (036 to 042)	035	1.655.078	1.522.994
1. Raw-material and supplies	036	1.349.258	1.378.894
2. Work in progress	037		
3. Finished goods	038		
4. Merchandise	039	26.007	22.786
5. Prepayments for inventories	040	279.813	121.314
6. Long - term assets held for sales	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	7.489.867	8.657.837
1. Receivables from related parties	044		
2. Accounts receivable	045	5.026.772	4.464.787
3. Receivables from participating parties	046		
4. Receivables from employees and members of related parties	047	345.842	382.397
5. Receivables from government and other institutions	048	1.955.321	3.274.497
6. Other receivables	049	161.932	536.156
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	0	0
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052		
3. Participating interests (shares)	053		
4. Loans to entrepreneurs in whom the entity holds participating interests	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056		
7. Other financial assets	057		
IV. CASH AT BANK AND IN CASHIER	058	42.369.620	52.762.773
D) PREPAID EXPENSES AND ACCRUED REVENUE	059		
E) TOTAL ASSETS (001+002+034+059)	060	421.233.497	462.098.267
F) OFF-BALANCE RECORDS	061		

Obligator: FTB TURIZAM d.d. ZAGREB			
Item	AOP code	Last year (net)	Current year (net)
1	2	3	4
LIABILITIES AND CAPITAL			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	237.965.567	260.339.799
I. SUBSCRIBED 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. Reserves prescribed by law	066	1.973	1.973
2. Reserves for treasury shares	067		
3. Treasury stocks and shares (deduction)	068		
4. Statutory reserves	069		
5. Other reserves	070	37.541.005	37.541.005
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	-15.104.060	-2.919.734
1. Retained earnings	073		12.184.326
2. Accumulated loss	074	15.104.060	15.104.060
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	12.184.326	22.280.035
1. Profit for the current year	076	12.184.326	22.280.035
2. Loss for the current year	077		
IX. MINORITY INTERESTS	078	572.853	667.050
B) PROVISIONS (080 to 082)	079	15.144.499	13.481.730
1. Provisions for pensions, severance pay, and similar liabilities	080	1.941.574	1.106.189
2. Reserves for tax liabilities	081		
3. Other reserves	082	13.202.925	12.375.541
C) LONG - TERM LIABILITIES (084 to 092)	083	132.117.315	147.271.326
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	135.245.664
4. Liabilities for received prepayments	087		
5. Accounts payable	088		
6. Liabilities arising from debt securities	089		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	090		
8. Other long-term liabilities	091		
9. Deferred tax liability	092	13.082.170	12.025.662
D) SHORT - TERM LIABILITIES (094 to 105)	093	36.006.116	41.005.412
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	22.011.096
4. Liabilities for received prepayments	097	1.969.960	5.943.450
5. Accounts payable	098	7.397.000	6.786.954
6. Liabilities arising from debt securities	099		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100		
8. Liabilities to employees	101	1.807.643	3.285.786
9. Liabilities for taxes, contributions and similar fees	102	782.029	2.156.989
10. Liabilities to share - holders	103		461.678
11. Liabilities for long-term assets held for sale	104		
12. Other short - term liabilities	105	2.154.434	359.459
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO	106		
F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)	107	421.233.497	462.098.267
G) OFF-BALANCE RECORDS	108		
APPENDIX to balance sheet(to be filled in by entrepreneur that prepares consolidated annual financial report)			
CAPITAL AND RESERVES			
1. Attributed to equity holders of parent company	109	237.392.714	260.771.168
2. Attributed to minority interest	110	572.853	667.050

PROFIT AND LOSS ACCOUNT
for the period 01.01.2017. to 31.12.2017.

Obligator: FTB TURIZAM d.d. ZAGREB			
Item	AOP code	Last year 02/10 - 31/12/2015	Current year
1	2	3	4
I. OPERATING REVENUE (112+113)	111	148.569.848	171.733.452
1. Sales revenue	112	146.521.031	165.374.544
2. Other operating revenues	113	2.048.817	6.358.908
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	130.851.340	141.895.772
1. Changes in value of work in progress and finished products	115		
2. Material costs (117 to 119)	116	36.947.336	45.063.278
a) Raw material and material costs	117	17.372.047	20.227.979
b) Costs of goods sold	118	3.448	6.730
c) Other external costs	119	19.571.841	24.828.569
3. Staff costs (121 to 123)	120	30.599.058	33.419.482
a) Net salaries and wages	121	16.829.242	20.343.733
b) Cost for taxes and contributions from salaries	122	9.497.458	8.309.412
c) Contributions on gross salaries	123	4.272.358	4.766.337
4. Depreciation	124	41.271.238	44.968.444
5. Other costs	125	20.538.182	16.920.683
6. Impairment (127+128)	126	1.021.767	1.523.885
a) Impairment of long-term assets (financial assets excluded)	127	941.243	348.035
b) Impairment of short - term assets (financial assets excluded)	128	80.524	1.175.850
7. Provisions	129	473.759	
8. Other operating costs	130		
III. FINANCIAL INCOME (132 to 136)	131	2.100.121	1.426.325
1. Interest income, foreign exchange gains, dividends and similar income from related	132		
2. Interest income, foreign exchange gains, dividends and similar income from non -	133	2.100.121	1.426.325
3. Share in income from affiliated entrepreneurs and participating interests	134		
4. Unrealized gains (income) from financial assets	135		
5. Other financial income	136		
IV. FINANCIAL EXPENSES (138 do 141)	137	6.802.481	5.798.131
1. Interest expenses, foreign exchange losses, dividends and similar expenses from	138		
2. Interest expenses, foreign exchange losses, dividends and similar expenses from non -	139	6.802.481	5.798.131
3. Unrealized losses (expenses) on financial assets	140		
4. Other financial expenses	141		
V. INCOME FROM INVESTMENT - SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS	142		
VI. LOSS FROM INVESTMENT - SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS	143		
VII. EXTRAORDINARY - OTHER INCOME	144		
VIII. EXTRAORDINARY - OTHER EXPENSES	145		
IX. TOTAL INCOME (111+131+142 + 144)	146	150.669.969	173.159.777
X. TOTAL EXPENSES (114+137+143 + 145)	147	137.653.821	147.693.903
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	13.016.148	25.465.874
1. Profit before taxation (146-147)	149	13.016.148	25.465.874
2. Loss before taxation (147-146)	150	0	0
XII. PROFIT TAX	151	758.969	3.080.418
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	12.257.179	22.385.456
1. Profit for the period (149-151)	153	12.257.179	22.385.456
2. Loss for the period (151-148)	154	0	0
APPENDIX to P&L account (to be filled in by entrepreneur that prepares consolidated financial report)			
XIV. PROFIT OR LOSS FOR THE PERIOD			
1. Attributed to equity holders of parent company	155	12.184.326	23.378.453
2. Attributed to minority interest	156	72.853	105.421
STATEMENT OF OTHER COMPREHENSIVE INCOME (IFRS)			
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	12.257.179	22.385.456
II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX (159 do 165)	158		0
1. Exchange differences on translation of foreign operations	159		
2. Movements in revaluation reserves of long - term tangible and intangible assets	160		
3. Profit or loss from reevaluation of financial assets available for sale	161		
4. Gains or losses on efficient cash flow hedging	162		
5. Gains or losses on efficient hedge of a net investment in foreign countries	163		
6. Share in other comprehensive income / loss of associated companies	164		
7. Actuarial gains / losses on defined benefit plans	165		
III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166		
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (158-166)	167		0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	12.257.179	22.385.456
APPENDIX to Statement of other comprehensive income (to be filled in by entrepreneur that prepares consolidated financial			
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD			
1. Attributed to equity holders of parent company	169		
2. Attributed to minority interest	170		

STATEMENT OF CASH FLOWS - INDIRECT METHOD
for the period 01.01.2017. to 31.12.2017.

Obligator: FTB TURIZAM d.d. ZAGREB			
Item	AOP code	Last year 02/10 - 31/12/2015	Current year
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	13.016.148	25.465.874
2. Depreciation	002	41.271.238	44.968.444
3. Increase in short term liabilities	003	10.580.325	7.628.032
4. Decrease in short term receivables	004		2.479.359
5. Decrease in inventories	005	635.615	975.086
6. Other increase in cash flow	006	4.653.048	
I. Total increase in cash flow from operating activities (001 to 006)	007	70.156.374	81.516.795
1. Decrease in short term liabilities	008		30.747
2. Increase in short term receivables	009	3.516.181	225.462
3. Increase in inventories	010		
4. Other decrease in cash flow	011	9.310.817	4.416.877
II. Total decrease in cash flow from operating activities (008 to 011)	012	12.826.998	4.673.086
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (007-	013	57.329.376	76.843.709
A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES	014	0	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	015	224.150	288.199
2. Cash inflows from sales of equity and debt instruments	016		
3. Interests receipts	017		
4. Dividend receipts	018		
5. Other cash inflows from investing activities	019		
III. Total cash inflows from investing activities (015 to 019)	020	224.150	288.199
1. Cash outflow for purchase of long-term tangible and intangible assets	021	36.505.365	83.415.446
2. Cash outflow for acquisition of equity and debt financial instruments	022	0	0
3. Other cash outflow for investing activities	023	8.219.114	
IV. Total cash outflow for investing activities (021 do 023)	024	44.724.479	83.415.446
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-	025	0	0
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES (024-	026	44.500.329	83.127.247
CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Cash inflow from issuing property and debt financial instruments	027		
2. Proceeds from the credit principal, promissory notes, borrowings and other loans	028	6.272.698	33.811.416
3. Other proceeds from financial activities	029		
V. Total cash inflows from financial activities (027 to 029)	030	6.272.698	33.811.416
1. Cash outflow for repayment of credit principal and bonds	031	18.792.087	11.216.700
2. Cash outflow for dividends paid	032		
3. Cash outflow for financial lease	033		
4. Cash outflow for purchase of treasury shares	034		
5. Other cash outflow for financial activities	035		5.918.025
VI. Total cash outflow for financial activities (031 to 035)	036	18.792.087	17.134.725
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-	037	0	16.676.691
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-	038	12.519.389	0
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	309.658	10.393.153
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	0	0
Cash and cash equivalents at the beginning of the period	041	42.059.962	42.369.620
Increase of cash and cash equivalents	042	309.658	10.393.153
Decrease of cash and cash equivalents	043	0	0
Cash and cash equivalents at the end of the period	044	42.369.620	52.762.773

STATEMENT OF CHANGES IN EQUITY
for the period 1.1.2017 do 31.12.2017

Item	AOP code	Last year	Current year
1	2	3	4
1. Subscribed capital	001	202.769.470	202.769.470
2. Capital reserves	002		
3. Reserves from profit	003	37.542.978	37.542.978
4. Retained earnings or accumulated loss	004	-15.104.060	-2.919.734
5. Profit or loss for the current year	005	12.184.326	22.280.035
6. Revaluation of long - term tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of financial assets available for sale	008		
9. Other revaluation	009	572.853	667.050
10. Total capital and reserves (AOP 001 do 009)	010	237.965.567	260.339.799
11. Currency gains and losses arising from net investement in foreign operations	011		
12. Current and deferred taxes (part)	012		
13. Cash flow hedging	013		
14. Changes in accounting policy	014		
15. Correction of significant errors in prior period	015		
16. Other changes of capital	016		
17. Total increase or decrease in capital (AOP 011 do 016)	017	0	0
17 a. Attributed to equity holders of parent company	018	202.196.617	260.771.168
17 b. Attributed to minority interest	019	572.853	667.050

Management Board Report on the state of the FTB TURIZAM Group for the year 2017

The operating results of the FTB TURIZAM Group for the year 2017 show that the Group is achieving its primary objectives.

In 2017, the Group had c. 10% overnight stays more compared to the same period of 2016. The operating income, which also includes extraordinary income (from the attached unaudited report) increased by c. 16% 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 15% compared to the last year, while GOP (gross operating profit), according to the USALI report, increased by 23% compared to the last year (this year's amount was 77.7 million kn while the last year's was 63.0 million kn).

In 2017, the FTB TURIZAM Group (according to unaudited report) had profit before taxes in the amount of c. 25.5 million kn, which is an increase of 12.4 million kn compared to the 2016 profit of c. 13.0 million kn. In 2017, the income tax liability was 3.1 million kn.

Consolidated EBITDA (net profit + amortisation + interest) according to the USALI report was 75.9 million kn, while in the last year it was c. 60.7 million kn. The EBITDA was calculated as profit before taxes with the addition of amortisation and interest expense on loans.

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

Member of the Management Board

Igor Šehanović

FTB TURIZAM d.d.

FTB TURIZAM d.d.
A Miramarska 24, 10000 Zagreb, Croatia
T + 385 051 710 313
F + 385 051 710 406
E info@ftb-turizam.com
W www.ftb-turizam.com

Zagreb, 12/02/2018

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 December 2017.

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

FTB TURIZAM d.d.
Zagreb 1