

MANAGEMENT'S REPORT ON THE COMPANY'S BUSINESS OPERATIONS
for the period January - June 2018
(unaudited)

Crikvenica, July 2018

Jadran d.d. Hotels and Tourism, Bana Jelačića 16, HR-51260 Crikvenica | www.jadran-crikvenica.hr

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Personal Identification Number (OIB): 56994999963
Privredna banka d.d. 2340009-1110722690
IBAN: HR4323400091110722690
SWIFT: PBZGHR2X

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Jadran d.d. Hotels and Tourism, Bana Jelačića 16, HR-51260 Crikvenica | www.jadran-crikvenica.hr

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1. GENERAL INFORMATION

Name and the company

JADRAN, joint stock company for hotels and tourism, company registration number (MBS): 040000817, identification number (OIB): 56994999963. Abbreviated company name is JADRAN d.d.

Headquarters and legal form

JADRAN d.d. is a joint stock company. Its headquarters are in Crikvenica, Bana Jelačića 16, Republic of Croatia.

Securities

The share capital of the Company amounts to HRK 491,316,690.00, or 49,131,669 ordinary stocks, each in the nominal amount of HRK 10.00. Stocks are issued in non-materialised form mark JDRN-R-B, ISIN HRJDRNRB0002, and are deposited in the depository of the Central Depository and Clearing Company.

Members of the Management Board:

- Goran Fabris, President of the Management Board
- Karlo Čulo, Member of the Management Board

Supervisory Board:

- Tomislav Kitonić, President of the Supervisory Board
- Ante Jelčić, Deputy President of the Supervisory Board
- Ivan Blažević, Member of the Supervisory Board
- Dragan Magaš, Member of the Supervisory Board
- Mirko Herceg, Member of the Supervisory Board

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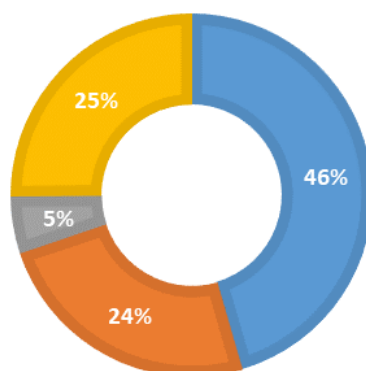
2. ORGANISATIONAL AND OWNERSHIP STRUCTURE

JADRAN d.d. is a joint stock company that is not a member of any group of companies and has no subsidiaries. Until April 2018, the Company was predominantly owned by the Republic of Croatia, and the Agreement on the Sale and Transfer of the Company's Stocks was concluded between the Restructuring and Sale Centre (CERP) and PBZ Croatia osiguranje d.d. and Erste d.o.o. on 6 April 2018.

The Company's List of shareholders with 5% or more of shares in the Company's share capital (as at 30 June 2018):

- PBZ CO OMF - CATEGORY B holds 22,363,352 Stocks, representing 45,52% share in the Company's share capital;
- ERSTE PLAVI OMF CATEGORY B holds 11,963,530 Stocks, representing 24,35% share in the Company's share capital;
- CERP, on behalf of the Republic of Croatia, holds 2,492,020 Stocks, representing 5,07% share in the Company's share capital.

Shareholders of the Company on 30 June 2018



Source: The Croatian Central Clearing Depository Company

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3. BUSINESS RESULTS

In the observed period from January to June 2018, Jadran d.d. achieved a total of 120,685 overnight stays, which is 4% more than overnight stays realised in 2017. The hotels realised the same number of overnight stays compared to the same period in 2017, while the camps realised 16% more overnight stays compared to 2017. In the period January – June 2018, capacity utilisation was at the same level as in the same period last year, while utilisation in camps recorded 16% higher results than in 2017.

The highest capacity utilisation was achieved by hotel Zagreb, TS Kačjak, TS Ad Turres, hotel International and hotels Slaven and Kaštel.

In the first six months of 2018, 15% more total revenues were realised, and 11% more expenditures than in the same period in 2017.

In 2018, the revenue structure shows 13% higher business income (income from accommodation and catering services) compared to the previous period in 2017.

Expense structure shows 9% increase in operating expenses compared to 2017. Material expenses are 8% lower in 2018 compared to 2017, while labour costs are 24% higher in the observed period of 2018 than in 2017.

Financial revenues are 57% higher in 2018 than in the observed period in 2017, while financial expenditures for the same period were 7% lower than in the previous year.

In the period from 1 January to 30 June 2018, realised loss is 6% lower than the loss realised in the same observed period in 2017.

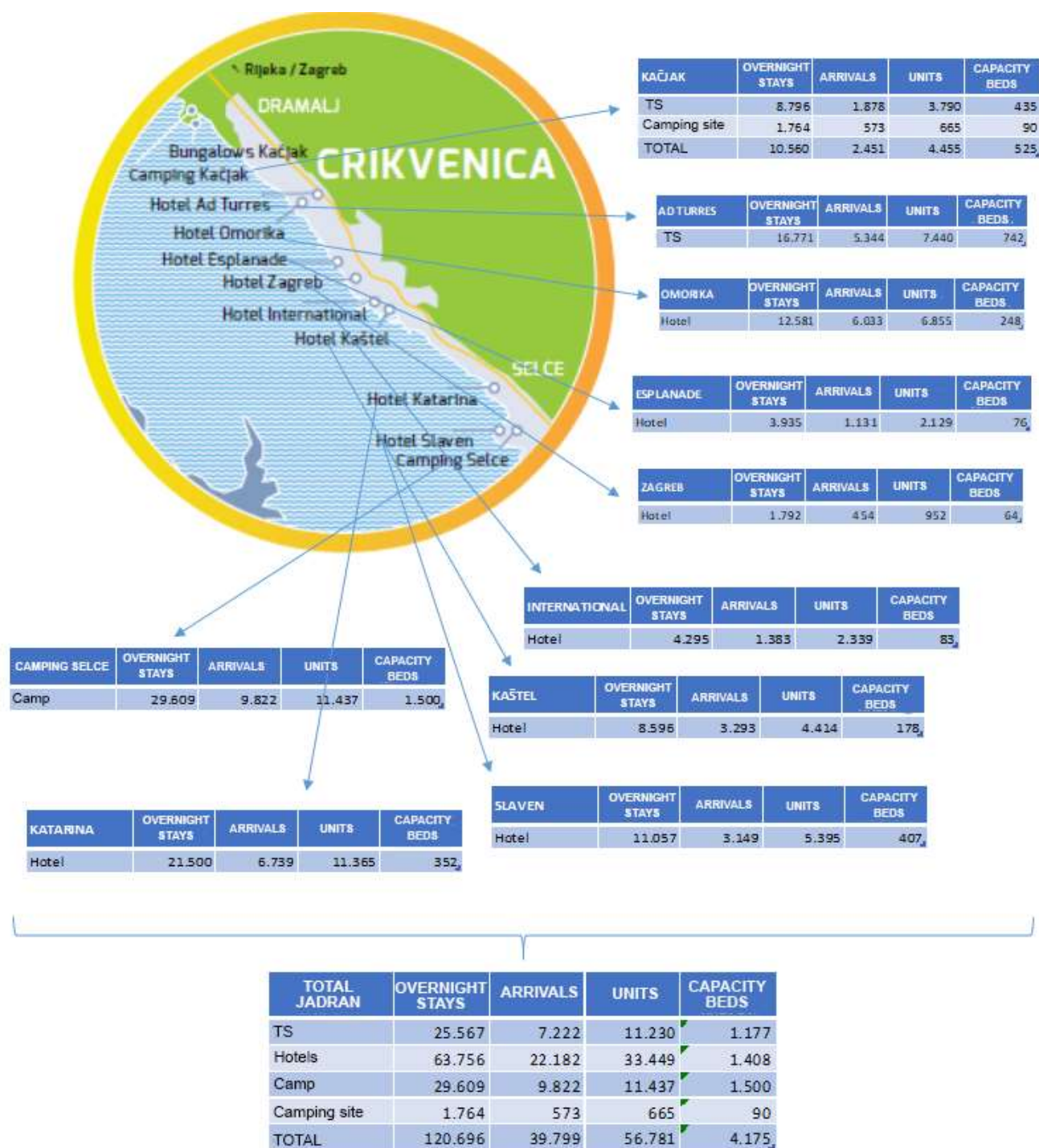
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4. KEY INDICATORS



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5. EXPOSURE TO RISKS

We list the most significant risks for the Company or its business operations:

Risk of competition

The risk of competition is exceptionally high in the tourist market since other similar tourist destinations invest significant resources in growth and development of their capacities as well as in marketing activities aimed at tourist arrivals. The competition, inter alia, focuses on the price, quality and content of the tourist offer in the area of Crikvenica Riviera and other domestic and foreign tourist destinations.

Currency risk

Exposure of the Company to currency risk exists within business operations related to users of the Company's services who contract prices of services in foreign currency or apply the currency clause.

The Company also has foreign currency-based costs.

The strong kuna exchange rate policy also has a partial impact on reducing the Company's competitiveness on the world market for tourist services.

Interest rate risk

The Company is exposed to interest rate risk as it concludes credit agreements with variable interest rates. The Company manages this risk by maintaining an appropriate ratio of fixed and variable interest rates in its credit portfolio.

Risk of settlement by other contracting party

Risk of settlement by other contracting party is present in all bilateral mandatory legal relations. Given that the issue of meeting the Company's financial obligations is one of the key elements for uninterrupted business operations, the Company pays considerable attention to this risk, especially due to the situation in the domestic economy.

Liquidity risk

The Company manages this risk by maintaining adequate reserves, loans from banks as well as other sources of funding by constantly monitoring the planned and realised cash flows and compares the profile of maturity of financial assets and liabilities.

Risk of changes in tax and concession regulations

The risk of changes in tax regulations implies likelihood that the legislature will change the tax regulations in a manner that would negatively affect the profitability of the Company's business. The risk of changes in tax and other regulations represents a significant risk for potential investors in the

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Company's shares. This risk is also reflected through possible changes in tax rates, but also in taxation subjects.

The Company is also exposed to risks of potential change in regulations related to concessions and concession permits, i.e. concession fees for maritime use. The right to use maritime domain is one of significant conditions for further operations of the Company.

The risk of the tourist branch of the economy and the risk of change in tourist trends

A wider political situation also has influence on tourism trends, as well as the increase in terrorism activities and the latest crisis related to refugee migrants from war-affected North African and Middle East countries, to which the Republic of Croatia has become a standard route towards the Western Europe.

Specificities of the hotel industry include a relatively short period of production and service processes, a discontinuous flow of work processes, the inability to store the tourist product, the constant preparedness of workers and means of production and the provision of services that start at the time of guest arrival (clients), i.e. according to their orders, including diversity of products and services, direct communication with guests and the need to constantly adapt to their requirements, the specificity of working conditions (long standing, long walking, high temperatures, certain nervous tension and the like), the inability to accurately plan and distribute production and service delivery in time, the rigidity of the scope and the structure of the funds that make up the dominant participation of fixed costs in the total hotel costs, the inability to fully adjust the number of employees and the level of employment capacity, the elasticity of working hours, the need to differentiate the hotel's sales prices, or constantly adjust the consumption, etc.

One of risks in the tourism industry is the seasonality where only one bad season may lead to business disturbances and liquidity problems.

Risk of lost court disputes

The Company is involved in numerous court disputes, judicial and extra-judicial proceedings regarding the establishment of ownership rights, proceedings regarding setting aside legal actions of creditors with separate satisfaction rights who did not accept the terms of the Bankruptcy Plan, civil and enforcement proceedings and proceedings conducted for the reimbursement of seized property.

Court disputes that may pose a risk for the Company are disputes to set aside legal actions of creditors who did not accept the terms of the Bankruptcy Plan. The disputes are against former employees of the Company and against Croatia osiguranje d.d. Zagreb, Rijeka Branch Office. They all have mortgages and records of foreclosures on the real property of the Company.

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6. EMPLOYEES

The total number of employees on 30 June 2018 in JADRAN d.d. was 478 workers. Within this number, 154 workers are in permanent employment, 265 workers are employed for a limited time and 59 are students.

7. CORPORATE GOVERNANCE CODE

JADRAN d.d. applies and is governed by the principals of corporate governance practice. The Company did not adopt its own corporate governance code but it applies the provisions of the Zagreb Stock Exchange Code (the Code is available at the following link <http://zse.hr/default.aspx?id=10865>).

Shares of the Company are listed in the official market of the Zagreb Stock Exchange.

All reports and other prescribed information are publicly disclosed and made available to the public in accordance with the Capital Market Act and the Rules of the Stock Exchange.

The Company applies the recommendations of the Code, with certain deviations as stated and explained below.

Up to now, the Company did not introduce the possibility of participation and voting of shareholders at the General Assembly using modern communication technology, since there was no need to do so, i.e. no such requests have been made by the shareholders.

Remuneration to the members of the Supervisory Board is determined in a fixed amount, in accordance with the decision of the General Assembly.

The Audit Committee, the Appointment and Remuneration Committee and the Corporate Governance Committee have been appointed on 6 July 2018.

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ENCLOSURE 1

Reporting period:

01.01.2018.

to

30.06.2018.

Quarterly Financial Report TFI-POD

Tax number (MB):	03145662	
Registration number (MBS):	040000817	
Personal identification number (OIB):	56994999963	
Issuer:	JADRAN D.D., CRIKVENICA	
Postal code and location:	51260	CRIKVENICA
Street and number:	Bana Jelačića 16	
E-mail:	uprava@jadran-crikvenica.hr	
Internet address:	www.jadran-crikvenica.hr	
Code and city / municipality:	53	CRIKVENICA
Code and county:	8	PRIMORSKO-GORANSKA
Consolidated Report:	NO	
Number of employees: (at the end of year)	419	
Business activity code:	5510	
Entities in consolidation (according to IFRS)	Registered seat:	Tax number (MB):
Book-keeping office:		
Contact person:	Natali Ivančić Majetić	
	(Name and surname of contact person)	
Telephone:	+385 (0)51 800 482	Telefaks: +385 (0)51 241 349
E-mail:	financije@jadran-crikvenica.hr	
Name and surname:	Karlo Čulo	
	(authorized representatives)	
Documents to be published:		
1. Financial Statements (Balance Sheet, Income statement, Cash Flow Statement, Statement of Changes in Equity)		
2. Management Commentary Statement with notes		
3. Responsibility of the Management for the preparation of the financial statements		
	(seal)	(signature of authorized representative)

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Balance Sheet
as at 30 June 2018

Issuer: JADRAN D.D., CRIKVENICA			
Item	AOP	Previous period	Current period
1	2	3	4
A) RECEIVABLES FOR REGISTERED UNPAID CAPITAL	001		
B) NON CURRENT ASSETS (003+010+020+029+033)	002	627.634.236	627.522.540
I. INTANGIBLE ASSETS (004 do 009)	003	284.252	203.251
1. Research & Development expenditure	004		
2. Patents, licences, royalties, trade marks, software&similar rights	005	274.867	203.251
3. Goodwill	006		
4. Prepayments for intangible assets	007		
5. Intangible assets under construction	008	9.385	0
6. Other intangible assets	009		
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	623.803.273	625.137.780
1. Land	011	298.461.517	298.373.064
2. Property	012	263.799.030	296.811.446
3. Plants and equipment	013	16.145.604	29.602.953
4. Tools, plants&vehicles	014		
5. Biological asset	015		
6. Prepayments for tangible assets	016		
7. Assets under construction	017	45.397.122	350.317
8. Other tangible assets	018		
9. Investments property	019		
III. FINANCIAL ASSETS (021 do 028)	020	3.212.240	1.847.038
1. Investments in subsidiaries	021		
2. Loans to subsidiaries	022		
3. Participating interests (stakes)	023		
4. Loans to participating interest	024		
5. Investments in securities	025		
6. Loans & deposits	026		
7. Other non-current financial assets	027	3.212.240	1.847.038
8. Investment accounted by equity method	028		
IV. RECEIVABLES (030 do 032)	029	0	0
1. Receivables from subsidiaries	030		
2. Receivables from credit sales	031		
3. Other receivables	032		
V. DEFERRED TAX ASSETS	033	334.471	334.471
C) CURENT ASSETS (035+043+050+058)	034	16.417.529	19.596.882
I. INVENTORIES (036 do 042)	035	1.030.455	1.159.461
1. Raw materials & consumables	036	1.009.014	1.114.369
2. Work in progress	037		
3. Products	038		
4. Merchandise	039	21.441	45.092
5. Prepayments for inventories	040		
6. Other available-for-sale assets	041		
7. Biological asset	042		
II. RECEIVABLES (044 do 049)	043	9.483.403	8.836.683
1. Receivables for trade debt of subsidiaries	044		
2. Trade receivables	045	5.476.754	4.617.011
3. Receivables for trade debts of participating entities	046		
4. Amounts receivable from employees	047	140.130	101.673
5. Receivables from government agencies	048	6.932	1.185.075
6. Other receivables	049	3.859.587	2.932.924
III. FINANCIAL ASSETS (051 do 057)	050	222.199	66.100
1. Investments in subsidiaries	051		
2. Loans to subsidiaries	052		
3. Participating interests (stakes)	053		
4. Loans to participating interest	054		
5. Investments in securities	055		

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6. Loans & deposits	056	222.199	66.100
7. Other financial assets	057		
IV. CASH AND CASH EQUIVALENTS	058	5.681.472	9.534.638
D) PREPAYMENTS AND ACCRUED INCOME	059	1.183.981	1.941.374
E) TOTAL ASSETS (001+002+034+059)	060	645.235.746	649.060.796
F) OFF-BALANCE SHEET ITEMS	061		
EQUITY AND LIABILITIES			
A) EQUITY (063+064+065+071+072+075+078)	062	517.937.418	510.729.605
I. SHARE CAPITAL	063	491.316.690	491.316.690
II. CAPITAL RESERVES	064	25.401.322	25.401.322
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	0	
1. Legal reserves	066		
2. Reserves for treasury shares	067		
3. Treasury shares and stakes (less)	068		
4. Statutory reserves	069		
5. Other reserves	070		
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS (073-074)	072	11.586.151	3.718.510
1. Retained earnings	073	11.586.151	3.718.510
2. Loss brought forward	074		
VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR (076-077)	075	10.366.745	9.706.917
1. Profit for the financial year	076		
2. Loss for the financial year	077	10.366.745	9.706.917
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	839.413	885.032
1. Provisions for redundancy costs	080	392.923	438.542
2. Provisions for tax obligations	081		
3. Other provisions	082	446.490	446.490
C) NON-CURRENT LIABILITIES (084 do 092)	083	82.233.066	93.252.562
1. Amounts payable to subsidiaries	084		
2. Liabilities for loans, deposits and other	085		
3. Liabilities towards banks and other financial institutions	086	72.271.702	83.649.933
4. Amounts payable for prepayment	087		
5. Trade payables	088		
6. Amounts payable for securities	089		
7. Liabilities toward participating interests	090		
8. Other non-current liabilities	091	9.961.364	9.602.629
9. Deferred tax	092		
D) CURRENT LIABILITIES (094 do 105)	093	41.583.385	43.166.457
1. Amounts payable to subsidiaries	094		
2. Liabilities for loans, deposits and other	095	455.282	500.946
3. Liabilities towards banks and other financial institutions	096	1.395.555	5.630.604
4. Amounts payable for prepayment	097	15.713.373	17.421.850
5. Trade payables	098	19.819.607	14.191.311
6. Amounts payable for securities	099		
7. Liabilities toward participating interests	100		
8. Amounts payable to employees	101	2.137.201	2.170.050
9. Liabilities for taxes and contributions	102	2.022.795	2.483.824
10. Dividend payables	103		
11. Liabilities directly associated with the assets classified as held for sale	104		
12. Other current liabilities	105	39.572	767.872
E) ACCRUED CHARGES AND DEFERRED REVENUE	106	2.642.464	1.027.140
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	645.235.746	649.060.796
G) OFF-BALANCE SHEET ITEMS	108		
ANNEX TO THE BALANCE SHEET (to be filled in by entrepreneur submitting consolidated financial report)			
A) CAPITAL AND RESERVES			
1. Attributable to equity holders of the parent company's capital	109		
2. Attributable to minority interest	110		

Note 1.: APPENDIX TO THE BALANCE SHEET (to be filled in by entities who submitting consolidated financial statements).

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INCOME STATEMENT
for the period 01 January 2018 to 30 June 2018

Issuer: JADRAN D.D., CRIKVENICA

Item	AOP	Previous period			Current period
		Cumulativ e	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (112+113)	111	23.331.656	20.415.680	26.346.588	23.280.729
1. Sales revenue	112	21.232.072	19.152.945	24.753.869	22.492.708
2. Other operating income	113	2.099.584	1.262.735	1.592.719	788.021
II. OPERATING EXPENSES (115+118+120+124+125+128+129+130)	114	33.136.287	22.075.309	36.141.141	23.990.680
1. Changes in inventories of finished products and work in progress	115				
2. Raw material and consumables used (117 do 119)	116	14.995.305	10.593.652	13.860.261	10.222.800
a) Cost of raw materials & consumables	117	7.327.721	5.735.688	7.368.012	5.842.582
b) Cost of goods sold	118	26.960	23.878	33.747	32.376
c) Other costs	119	7.640.624	4.834.086	6.458.502	4.347.842
3. Staff costs (121 do 123)	120	11.197.879	7.638.700	13.901.250	9.214.212
a) Net salaries	121	7.255.594	4.986.187	8.754.434	5.898.102
b) Employee income tax and contributions	122	2.401.362	1.596.647	3.258.378	2.081.669
c) Employer's contributions	123	1.540.923	1.055.866	1.888.440	1.284.441
4. Depreciation and amortisation expense	124	4.344.991	2.173.908	5.315.105	2.659.204
5. Other costs	125	2.544.417	1.651.188	2.842.943	1.672.882
6. Impairment losses (127+128)	126	0	0	0	0
a) non-current assets (except financial assets)	127				
b) current assets (except financial assets)	128				
7. Provisions	129	0	0	0	0
8. Other operating expenses	130	53.695	17.861	221.582	221.582
III. FINANCIAL INCOME (132 do 136)	131	957.400	936.572	1.504.271	1.498.466
1. Interest, foreign exchange gains, dividends and other income from related parties	132				
2. Interest, foreign exchange gains, dividends and other income from non-related and other entities	133	957.400	936.572	1.504.271	1.498.466
3. Income from associates and ownership interests	134				
4. Unrealized gains	135				
5. Other financial income	136				
IV. FINANCIAL EXPENSES (138 do 141)	137	1.519.514	1.078.337	1.416.635	757.700
1. Interest, foreign exchange losses and other expenses with related parties	138				
2. Interest, foreign exchange differences and other expenses with non-related and other entities	139	1.519.514	1.078.337	1.416.635	757.700
3. Unrealized losses	140				
4. Other financial expenses	141				
V. SHARE OF INCOME OF ASSOCIATES	142				
VI. SHARE OF LOSS OF ASSOCIATES	143				
VII. EXTRAORDINARY - OTHER INCOME	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL INCOME (111+131+142 + 144)	146	24.289.056	21.352.252	27.850.859	24.779.195
X. TOTAL EXPENSES (114+137+143 + 145)	147	34.655.801	23.153.646	37.557.776	24.748.380
XI. PROFIT OR LOSS BEFORE TAX (146-147)	148	10.366.745	1.801.394	9.706.917	30.815
1. Profit before tax (146-147)	149				30.815
2. Loss before tax (147-146)	150	10.366.745	1.801.394	9.706.917	
XII. INCOME TAX EXPENSE	151				
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	10.366.745	1.801.394	9.706.917	30.815
1. Profit for the period (149-151)	153				30.815
2. Loss for the period (151-148)	154	10.366.745	1.801.394	9.706.917	
ANNEX TO THE PROFIT AND LOSS ACCOUNT (to be filled in by entities submitting consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to owners of the company	155				
2. Attributable to non-controlling interests	156				
STATEMENTS OF COMPREHENSIVE INCOME (to be filled by entities who work in compliance with IFRS)					
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	-10.366.745		-1.801.394	-9.706.917
II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 do 165)	158				
1. Exchange differences arising from foreign operations	159				
2. Revaluation of non-current assets and intangible assets	160				
3. Gains or loss available for sale investments	161				
4. Gains or loss on net movement on cash flow hedges	162				
5. Gains or loss on net investments hedge	163				
6. Share of the other comprehensive income/loss of associates	164				
7. Actuarial gain / loss on post employment benefit obligations	165				
III. TAX ON OTHER COMPREHENSIVE INCOME OF THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE YEAR (158-166)	167				
V. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (157+167)	168	-10.366.745		-1.801.394	-9.706.917
APPENDIX Statement of Comprehensive Income (to be filled in by entities submitting consolidated financial statements)					
VI. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD					
1. Attributable to owners of the company	169				
2. Attributable to non-controlling interests	170				

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The share capital amounts to HRK 491,316,690.00 paid in full divided into 49,131,669 ordinary shares with a nominal amount of HRK 10,00 each. The Company is registered in the Court Registry of the Commercial Court in Rijeka under MBS: 04000817 President of the Management Board: Goran Fabris, Member of the Management Board: Karlo Čulo, President of the Supervisory Board Tomislav Kitić

CASH FLOW STATEMENT - Indirect method			
in the period 01 January 2018 to 30 June 2018			
Issuer: JADRAN D.D., CRIVENICA			
Item	AOP	Previous period	Current period
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	-10.366.745	-9.706.917
2. Depreciation and amortisation	002	4.344.991	5.315.105
3. Increase in liabilities	003	29.267.110	19.156.057
4. Decrease in receivables	004		
5. Decrease in inventories	005		
6. Other increase in cash flow	006		110.181
I. Total increase in operating cash flow (001 do 006)	007	23.245.356	14.874.426
1. Decrease in liabilities	008	2.433.835	
2. Increase in receivables	009	6.740.578	5.548.322
3. Increase in inventories	010	673.135	697.794
4. Other decrease in cash flow	011	286.912	675.279
II. Total decrease in operating cash flow (008 do 011)	012	10.134.460	6.921.395
A1) NET INCREASE IN OPERATING CASH FLOW (007-012)	013	13.110.896	7.953.031
A2) NET DECREASE IN OPERATING CASH FLOW (012-007)	014		
CASH FLOW FROM INVESTMENT ACTIVITIES			
1. Proceeds from sale of property, plant and equipment	015		
2. Net disposal of financial assets	016		
3. Interest received	017	56.841	622
4. Dividend received	018		
5. Other cash from investing activities	019	987.047	66.100
III. Total cash flow from investing activities (015 do 019)	020	1.043.888	66.722
1. Purchase of property, plant and equipment and intangible assets	021	40.729.056	2.472.477
2. Purchase of financial instruments	022		
3. Other cash flow used in investing activities	023	32.280	
IV. Total cash flow from investing activities (021 do 023)	024	40.761.336	2.472.477
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025		
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES (024-020)	026	39.717.448	2.405.755
CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Proceeds from issuance of financial instruments	027		
2. Proceeds from loans	028	29.263.677	2.648.708
3. Other cash flow from financial activities	029		0
V. Total cash flow from financial activities (027 do 029)	030	29.263.677	2.648.708
1. Repayment of interest-bearing borrowings	031		1.313.816
2. Dividend paid	032		
3. Repayment of finance lease	033		
4. Repurchase of treasury shares	034		
5. Other cash flow used in financial activities	035	886.345	
VI. Total cash flow used in financial activities (031 do 035)	036	886.345	1.313.816
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)	037	28.377.332	1.334.892
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)	038		
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	1.770.780	6.882.168
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040		
Cash and cash equivalents at the beginning of the period	041	3.910.692	2.652.470
Increase in cash and cash equivalents	042	1.770.780	6.882.168
Decrease in cash and cash equivalents	043		
Cash and cash equivalents at the end of the period	044	5.681.472	9.534.638

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STATEMENT OF CHANGES IN EQUITY
for the period from 1.1.2018 to 30.6.2018

Item	AOP	Previous period	Current period
1	2	3	4
1. Share capital	001	491.316.690	491.316.690
2. Capital reserves	002	25.401.322	25.401.322
3. Reserves from profit	003		
4. Retained earnings	004	11.586.151	3.718.510
5. Profit or loss for the period	005	-10.366.745	-9.706.917
6. Revaluation of property, plant and equipment	006		
7. Revaluation of intangible assets	007		
8. Revaluation of financial financial assets available for sale	008		
9. Other revaluations	009		
10. Total capital and reserves (AOP 001 do 009)	010	517.937.418	510.729.605
11. Foreign exchange differences from investments in foreign operations	011		0
12. Current and deferred taxes	012		
13. Cash flow hedge	013		
14. Changes in accounting policies	014		
15. Prior year adjustment	015	0	-3.636.990
16. Other changes in equity	016		
17. Total increase/decrease in equity (AOP 011 do 016)	017	0	-3.636.990
17 a. Parent company share in subsidiary	018		
17 b. Minority interest	019		

Items that decrease equity have negative sign

Items from 001 to 009 are state of balance sheet date

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Notes to financial statements

Business data for the period from 1 January to 30 June 2018 are specified in the interim report which is an integral part of the report for the second quarter of 2018, i.e. the half-year of 2018.

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Pursuant to Articles 407 and 410 of the Capital Market Act (Official Gazette 88/08, 146/08), the Management Board of the company JADRAN d.d., according to our best knowledge, gives the following

STATEMENT BY PERSONS RESPONSIBLE FOR THE PREPARATION OF THE REPORT

Unaudited financial reports of JADRAN d.d. are prepared in accordance with International Financial Reporting Standards and the Accounting Act valid at the date of the financial reports.

Unaudited financial reports of JADRAN d.d. for the period from 1 January 2018 to 30 June 2018 provide a true and fair view of the assets and liabilities, losses and gains, financial position and operations of the Company.

Report on business operations contains a true and faithful presentation of the Company's business development and results, along with a description of the most significant risks and uncertainties to which the Company is exposed.


In Crikvenica, 25 July 2018

Predsjednik Uprave
Goran Fabris



Member of the Management Board

Karlo Čulo



Jadran
dioničko društvo
za hotelijerstvo i turizam
Crikvenica

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