



LIBURNIA  
HOTELS & VILLAS



Apartments Belvedere 4\*, Lovran

## BUSINESS RESULTS 1/1/2023 - 31/3/2023

LIBURNIA RIVIERA HOTELI d.d.

Opatija, April 2023

## CONTENT

KEY MESSAGES	3
ABOUT LIBURNIA RIVIERA	5
SIGNIFICANT BUSINESS EVENTS	6
COMPANY RESULTS	7
RISKS IN THE COMPANY'S BUSINESS	10
CORPORATE GOVERNANCE	12
STATEMENT OF RESPONSIBILITY OF THE MANAGEMENT BOARD	14
FINANCIAL STATEMENTS ACCORDING TO TFI-POD	15



## KEY MESSAGES

### KEY FINANCIAL INDICATORS

in EUR million	3M 2022	3M 2023	'23/'22
Total revenues	3.3	5.1	56%
Operating revenues	3.3	5.1	55%
Sales revenues	3.0	4.4	45%
Board revenues	2.3	3.4	44%
Operating costs	4.7	6.5	39%
EBITDA	-1.4	-1.4	0%
EBIT	-4.6	-3.9	15%
EBT	-5.1	-4.1	19%
	31/12/2022	31/3/2023	%
Net debt	42.3	44.8	6%
Cash and cash equivalents	9.7	5.9	-39%

### KEY OPERATING INDICATORS

	3M 2022	3M 2023	'23/'22
Number of acc. units (operating)	1,208	1,571	30%
Operating occupancy (%)	50.2%	55.8%	561bp
Accommodation units sold	25,350	34,973	38%
Overnights	45,791	63,690	39%
Average daily rate (in EUR)	92	97	5%
RevPAR (in EUR)	46	54	16%

Note: Details and explanations of indicators can be found on page 7 in the chapter "Company results"

## BUSINESS RESULTS

Liburnia Riviera Hoteli d.d. (hereinafter: Liburnia Riviera or the Company) effectively continued its strategical evolution of its business model that is primarily focused on long-term sustainable growth and development. The successful implementation of the evolved business model along with the increased demand on our source markets after our proactive promotional activities, better positioning and management of our tourism properties and improved guest relations are reflected in strong first quarter 2023 business results and evidenced by the Travellers' Choice award which Tripadvisor gave to our Ambassador hotel for its continuous excellent guest review.

Despite the challenges of the macroeconomic and geo-political environment that generated a significant increase in energy costs and a general increase in input prices, the Company retained the same EBITDA (EUR -1.4 million) vs. the same period in the previous year. Please note that the first quarter of the year has a characteristically negative EBITDA due to smaller pre-season business volumes.

The key impact on the achieved business results (along with cost optimization to reduce inflationary pressures) was a strong 45% sales revenue growth totalling EUR 4.4 million (2022: EUR 3.0 million; 2019: EUR 1.8 million). Namely, an active approach to improve the tourism portfolio with a focus on year-round operations and enriching our products and services lines, as well as, optimizing the mix of marketing and sales channels and related price management resulted in an increase in physical indicators (+9,623 accommodation units sold, +17,899 overnights) while average daily rate grew to EUR 97 (+5% vs. 2022; +45% vs. 2019). This resulted in a 44% board revenues growth that reached EUR 3.4 million (2022: EUR 2.3 million).

## HUMAN RESOURCES MANAGEMENT

Liburnia Riviera has strived to be the leader in year-long operations in Kvarner tourism and secure a skilled workforce needed to improve service quality and guest satisfaction. Thus, at the beginning of April 2023, the Company signed a new collective agreement with the trade unions to increase workers' material rights, improve working conditions for permanent and seasonal employees and increase bonus payments. These measures represent the continuation of the program to improve conditions and the working environment through investing in training programs, increasing the number of permanent employment contracts and adapting the organization to changes in tourism with the aim of adequately valorising the Company's employees as its key resource needed to secure stability, quality and long-term business sustainability.

It should be noted that workforce recruitment and preparation for the 2023 tourist season started earlier this year due to the earlier opening of properties in the destinations. As at 31/3/2023, the company employs a total of 662 workers, out of which 346 are permanently employed.

## INVESTMENTS

During the first quarter of 2023, investments focused on the necessary works to improve service quality and prepare the properties for the current and next business seasons. Some of the investments were focused on the Kvarner hotel façade, the ongoing beach and promenade improvement under Ambassador hotel, continued investments in software solutions aimed at digital transformation and business optimization, as well as projects aimed at increasing energy efficiency and Wi-Fi network coverage. The investments in the reporting period were worth EUR 1.2 million.

## OUTLOOK

The introduction of the euro and Croatia's entry into the Schengen area from 1 January 2023 (in addition to the earlier positive impact on Croatia's credit rating) represents an additional boost to Croatia as a European tourist destination. The current demand for the Company's properties is strong, as evidenced by almost 35% more reservations on the books by the end of this April vs. last year's April.

On the other hand, strong inflationary pressures including significant increases in energy prices, increases in prices of all categories of goods and services, and necessary improvements in the material rights of employees have a negative impact on the business results of tourism companies and represent a risk for future business.

Given the growing global geopolitical tensions, the strategic focus of the Government of the Republic of Croatia on key resources and the encouragement of investments in tourism must continue in 2023. It represents the crucial foundations for strengthening business sustainability, accelerating growth and increasing the competitiveness of the Croatian tourism sector in the coming period. This will enable the tourism sector, together with the entire economy, to accelerate business empowerment and ensure multiplier effects of recovery on other industrial branches as well, while encouraging investments in key business resources (primarily workforce and investments).

## ABOUT LIBURNIA RIVIERA

Liburnia Riviera is one of the largest hospitality companies in the Republic of Croatia with over EUR 50 million in revenues. Opatija, also known as the 'Pearl of the Adriatic' or 'Queen of Tourism', represents an exclusive Adriatic resort with a long history of tourism dating back to 1844, and Liburnia Riviera's tourism portfolio has been highly integrated into international tourist markets for more than 100 years. Liburnia Riviera has more than 2,100 keys in its operational tourism portfolio where in its 13 hotels, 2 villas, 2 apartment complexes and one camping resort it can host more than 4,700 guests per day. Catering for the perfect holiday and authentic experiences for them, there are over 1,000 high-season employees.

Adhering to the vision of positioning Opatija and surrounding municipalities as one of the best tourist destinations in the Mediterranean, destination Liburnia riviera needs a significant strategic shift in tourism development that will ultimately result in further improvements and upscaling of tourist products and experiences. As the largest hotelier on the Liburnia riviera, the Company has launched internal reorganization measures, improving the business model, as well as renovating and repositioning hotels and other premises during the last 3 years (2020-2022). However, due to the COVID-19 pandemic and its adverse impact on all industries, economic and tourist flows, and Liburnia's cash flow, the amount of planned investments decreased compared to the initial expectations and development plans. Nevertheless, the Company is focused on a strategy to stimulate growth and create new value, recognizing the started reorganization to be the first step in building a solid ground for sustainable investments in high value-added products, talents, innovative services and destinations, as well as international branding.



## **SIGNIFICANT BUSINESS EVENTS**

### **IMPACT OF THE COVID-19 PANDEMIC AND THE RUSSIAN-UKRAINIAN CRISIS ON THE COMPANY'S BUSINESS**

During the first quarter of 2023 the Company reported a significantly lower COVID-19 impact on its business compared to the same period last year. The lack of previously imposed restrictions on movement and the increased desire of tourists to travel had a positive business impact. Liburnia Riviera reported strong growth in demand in the reporting period, thus resulting in a significant growth in sales numbers (overnights, rooms) and financial results (revenues, average daily rate). Liburnia Riviera's great advantage is its partial natural protection from tourism disruptions due to the suitable geographical location of its destinations that can primarily be reached by guests travelling by car from our most important source markets (Germany, Austria, Hungary, Czech Republic, Slovenia, Italy, Serbia).

The Russian-Ukrainian crisis did not have a significant impact on sales results during the first quarter of 2023 since the absence of Russian and Ukrainian guests was compensated with arrivals from other source markets (2021: 2% of revenues). However, the negative impact in operating costs continued due to the cost increase of energy sources and other material costs and services. In order to rationalize operating costs, the Company continued its overall measures to decrease them, i.e., savings in energy sources costs, direct costs of food and beverages, maintenance costs as well as active negotiations with suppliers to have lower purchase prices and ensuring enough quantities for the season.

Furthermore, the containment of the further growth of inflation by central banks (primarily the ECB) and the related increases in the rates of reference interest rates have a negative impact on the interest costs in loan arrangements with a variable interest rate. The Company has been closely

monitoring the course of the Russian-Ukrainian crisis and has been carrying out continuous assessments of all the possible negative influences on the business based on known facts, information and circumstances. Hence, it has been undertaking all the necessary steps to minimize the negative impacts on its business.

Despite the positive development of the pandemic-related impacts and the partial normalization of commodity and energy prices on world markets, it is still too early to predict the end of the Russian-Ukrainian crisis as well as the related impact on the Company's business. It is also hard to predict the booking pace in 2023, especially due to the strong "last minute" trend in bookings, but also due to the simpler cancellation policy.

It should be noted that in the reporting period there were no out-of-ordinary booking cancellations. The current demand for the Company's properties is going strong, as evidenced by almost 35% more bookings on the books at the end of April compared to the same period last year.

### **CHANGES IN THE SUPERVISORY BOARD**

At the beginning of 2023, the Company's shareholder, GITONE Adriatic d.o.o. made a decision appointing Mr. Ante Barić as the ninth member of the Company's Supervisory Board. As of 3/1/2023, the Supervisory Board is composed of: Mr. Johannes Böck, president and members: Mr. Davor Žic, Mrs. Ana Odak, Mr. Thomas Mayer, Mr. Philip Göth, Mr. Alexander Zinell, Mr. Danijel Jerman, Mr. Ante Barić and Mr. Rikardo Gregov (employee representative).

## COMPANY RESULTS

### KEY FINANCIAL INDICATORS <sup>1</sup>

in EUR million	3M 2022	3M 2023	'23/'22
Total revenues	3.3	5.1	56%
Operating revenues	3.3	5.1	55%
Sales revenues	3.0	4.4	45%
Bord revenues <sup>2</sup>	2.3	3.4	44%
Operating expenses <sup>3</sup>	4.7	6.5	39%
EBITDA <sup>4</sup>	-1.4	-1.4	0%
EBIT	-4.6	-3.9	15%
EBT	-5.1	-4.1	19%
	<b>31/12/2022</b>	<b>31/3/2023</b>	<b>%</b>
Net debt <sup>5</sup>	42.3	44.8	6%
Cash and cash equivalents	9.7	5.9	-39%

### KEY OPERATING INDICATORS

	3M 2022	3M 2023	'23/'22
Number of acc. units (operating)	1,208	1,571	30%
Operating occupancy (%) <sup>6</sup>	50.2%	55.8%	561bp
Accommodation units sold	25,350	34,973	38%
Overnights	45,791	63,690	39%
Average daily rate (in EUR)	92	97	5%
RevPAR (in EUR) <sup>6</sup>	46	54	16%

<sup>1</sup> Classified according to Annual Financial Statement standard (TFI POD-RDG) EBIT and EBITDA are recorded on the basis of operating income.

<sup>2</sup> In compliance with the classification under the USALI international standard for reporting in hotel industry (Uniform System of Accounts for the Lodging Industry) board revenues include accommodation revenues and board food and beverage revenues.

<sup>3</sup> Operating costs calculated according to the formula operating expenses - depreciation - value adjustment - provisions.

## REVENUES

During the first quarter of 2023, total revenues went up by 56% (EUR +1.8 million) and totalled EUR 5.1 million. They were driven by the following:

- a) sales revenues, up by 45% (EUR +1.4 million) and totalling EUR 4.4 million, mainly consisting of board revenues (EUR +1.1 million; +44%). Board revenues grew strongly due to i) a significant increase in accommodation units sold (+38%) that totalled 34,973 accommodation units sold and the related increased number of overnights (+39%) totalling 63,690 overnights, ii) the increase in the number of operating days due to the earlier opening of the hotel following the strategy of further extending the tourist season and positioning Opatija as a year-round destination, whereby the Ambassador, Bellevue, Istra, Excelsior, Imperial and Admiral hotels were open, iii) a 5% increase in the average daily rate in comparison with the same period last year thanks to the optimization of the marketing and sales positioning of the tourist portfolio with further improvement of activities and the system of daily rate management, iv) the development of products and services and many interesting events with added value for guests (e.g. the holding of the Dora National Eurovision Song Contest, the "Romantic Opatija" offer, Marko Tolja's Valentine's concert, wine evenings...) and v) the strong recovery of the group and M.I.C.E segment after the normalization of business due to the calming of the COVID-19 pandemic. The outlet food and beverage segment also contributed to the significant increase in sales revenue. The extra food and beverage segment

<sup>4</sup> EBITDA (earnings before interest, taxes, depreciation and amortization) is calculated according to the formula: operating income - operating expenses + depreciation + value adjustments.

<sup>5</sup> Net debt: long-term and short-term liabilities to banks and other financial institutions + other liabilities in accordance with IFRS 16 (leases) - cash and cash equivalents.

<sup>6</sup> Operating occupancy and RevPar are calculated based on the number of operating accommodation units whereby RevPar is calculated according to the formula: Operating occupancy (%) x Average daily rate.

also contributed to the significant increase in sales revenue (EUR +0.3 million; +54%) as a result of enriching the products and raising the quality of service in F&B outlets.

- b) other operating income was EUR 0.6 million, which represents an increase of 203% in relation to the comparative period of 2022. The other operating income in 2023 is mainly income from rents, write-offs of liabilities from previous years and income from cancellation of long-term provisions.

## OPERATING EXPENSES

in EUR million	3M 2022	3M 2023	'23/'22
Total operating expenses	7,9	9,0	14%
Material costs	2,1	2,9	39%
Staff costs	2,1	2,6	26%
Depreciation and amortization	3,2	2,5	-21%
Provisions and value adjustments	0,0	0,0	0%
Other operating revenues	0,5	0,9	92%

Total operating expenses during the first quarter of 2023 were EUR 9.0 million, up by 14% (EUR +1.1 million). They consisted of:

- a) **material costs** representing 33% (27% in 2022). They grew by 39% (EUR +0.8 million) and reached EUR 2.9 million mainly due to increased direct costs of raw materials driven by strong growth in business (+39% overnights) vs. previous comparable period while inflationary pressures especially those related to energy sources were kept under control primarily by optimizing the cost structure;
- b) the share of **staff costs** within total operating expenses grew (29%) vs. last comparable period (27% in 2022). The 26% growth (EUR +0.5 million) to EUR 2.6 million was primarily due to the earlier opening of

properties and a strong growth in business and employees' working hours;

- c) **depreciation** represented 28% of total operating expenses (40% in 2022). It fell by 21% (EUR -0.7 million) to EUR 2.5 million due to a change in depreciation rates with the aim of harmonizing individual depreciation groups with the expected lifetime of fixed assets;
- d) **provisions and value adjustments** were not reported in the first quarter of 2023, nor in last year's comparable period.
- e) **other operating expenses** represented 10% of total expenses (6% in 2022). They grew by EUR 0.4 million and totalled EUR 0.9 million.

## EBITDA

The reported EBITDA was the same (EUR -1.4 million) compared to the same period last year, despite the negative impact of inflationary pressures on purchase prices and energy products thanks to i) the active management of operational efficiency and related optimization of operating costs at all levels of operations and ii) a 55% growth of operating revenues to EUR 5.1 million (2022: EUR 3.3 million).

## FINANCIAL RESULT

The financial result was EUR -0.2 million (EUR -0.5 million in 2022). The main reason for the EUR 0.3 million higher financial performance vs. previous comparable period was due to the lack of last year's negative exchange rate difference related to debt totalling EUR 0.4 million since they are not calculated anymore with Croatia being in the eurozone as of 1/1/2023. On the other hand, expenses based on interest and fees increased by EUR 0.1 million due to the withdrawal of long-term and short-term credit lines in 2021 and 2022 to strengthen the Company's liquidity position and the increase in reference interest rates in credit arrangements with a variable interest rate.



## GROSS PROFIT / (LOSS)

Loss before tax was decreased by EUR 1.0 million and totalled EUR -4.1 million due to the change in depreciation rates and the absence of negative exchange rate differences (explained earlier in the text).

## ASSETS AND LIABILITIES

In EUR million	31/12/2022	31/03/2023	'23/'22
Fixed assets	115.4	114.1	-1%
Current assets	14.3	10.4	-28%
Prepaid expenses and accrued income	0.1	0.2	+298%
<b>TOTAL ASSETS</b>	<b>129.8</b>	<b>124.7</b>	<b>-4%</b>
Capital and reserves	68.1	64.0	-6%
Provisions	1.9	1.7	-8%
Long-term liabilities	43.1	43.1	0%
Short term liabilities	15.8	15.3	-3%
Accruals and deferred income	0.9	0.6	-33%
<b>TOTAL LIABILITIES</b>	<b>129.8</b>	<b>124.7</b>	<b>-4%</b>

As of 31/3/2023, the total value of the Company's assets was EUR 124.7 million, down by 4% vs. 31 December 2022. Fixed assets were EUR 114.1 million, decreasing by EUR 1.3 million mostly because of the following: i) calculated amortization totalling EUR 2.5 million and ii) investments in maintaining and improving the quality of tourism products and services totalling EUR 1.2 million.

Total current assets decreased by EUR 3.9 million and totalled EUR 10.4 million mainly due to a lower cash position (EUR 5.9 million, EUR -3.8 million vs. 31/12/2022), and EUR 0.1 lower receivables.

Total capital and reserves were EUR 64.0 million and they decreased by 6% due to a EUR 4.1 million net loss during the first quarter of 2023.

Total long-term liabilities remained EUR 43.1 million while total short-term liabilities were EUR 15.3 million and are lower by 3% (EUR -0.5 million) compared to 31 December 2022. The increase in short-term liabilities was primarily influenced by an increase in liabilities for advances (EUR +1.3 million and totalling EUR 2.8 million) due to received early booking payments. The largest decrease in the items of short-term liabilities is reported in liabilities to banks and other financial institutions due to the repayment of part of the short-term debt and calculated interest.

Accrued expenses and deferred income decreased by EUR 0.3 million due to the payment of calculated costs related to invoices from suppliers in 2022.

## RISKS IN THE COMPANY'S BUSINESS

The tourism industry has been changing rapidly over recent years. This is a result of changes in travel patterns, the emergence of low-cost airlines and various online agencies, new technologies and changes in booking trends, as well as in the very expectations of guests. Considering that the tourism industry represents a business of global proportions, it is very closely linked to the real and financial economy, macroeconomic and geopolitical aspects, and environmental sustainability, Company assesses the probability of the occurrence of a particular risk at the macro and micro level for each segment of the business and its potential consequences, or impact on the business processes and system of Liburnia Riviera.

The aim of risk management is to further encourage the creation of sustainable value and to assure Company's many stakeholders. The risk management process consists of the following steps: a) identification of potential risks in the business, b) analysis and assessment of the occurrence of identified risks, c) defining activities and responsibilities for effective risk management, d) supervision and monitoring of measures taken to eliminate and/or reduce the occurrence of risk events, and e) exchange of information on risk management results.

The Company, like most companies in the tourism sector, is exposed to a number of risks in daily business that can be divided into the following categories:

### 1) FINANCIAL RISKS

Financial risks include interest rate, credit, price and liquidity risk.

Part of the debt with banks contracted at variable interest rates partially exposes the Company to the risk of changing interest outflows at cash flow, while credit risk arises from money, term deposits and trade receivables. Credit risk is minimized by arranging deals with customers who have an appropriate

credit history, arranging prepayments or payments through security deposits and credit cards for individual customers. The Company also acquires insurance instruments for receivables (bills of exchange, promissory notes and guarantees) thus allaying the risks of non-performing of its claims for the services provided. The Company continuously monitors tour operators and travel agencies with which it does regular business, while actively checking their financial competencies, and in the end, it implements forced collection by activating insurance measures to collect its receivables.

The Company is not an active participant in the capital markets in terms of trading with equity and debt securities, therefore it is not significantly exposed to price risk.

Sound liquidity risk management ensures that the Company ensures day-to-day control and provision of sufficient amounts of free cash through operating cash flows and adequate amounts of currently agreed and future credit lines to meet its obligations. Credit lines for 2023 are contracted with reputable financial institutions, while in general credit repayments are aligned with the period of significant cash inflows from operational activities. The Company monitors the level of available funds through daily cash and debt reports. Long-term cash flow forecasts, as well as annual (monthly) forecasts, are based on the set budget. After meeting the needs of working capital management the surplus is deposited in the treasury. From there the funds are invested in interest-bearing current accounts, time deposits, money market deposit accounts and marketable securities. Only instruments with suitable maturities and sufficient liquidity are selected, according to the forecast needs for liquid funds.

### 2) BUSINESS RISKS

The Company is exposed to business risks related to competitiveness and business stability. Since the Company owns real estate, this business model requires intensive capital engagement to maintain high-quality products and

services. Capital intensive investment projects in increasing the quality of services and products may exceed budget expectations, construction does not have to be completed on time, in the meantime, changes to urban planning regulations, other laws and fiscal policy may take effect and may lead to the opening of litigations with suppliers and contractors or inconsistent quality of work. These risks may adversely affect the Company's cost increase, as well as weaker cash flow and lower revenues.

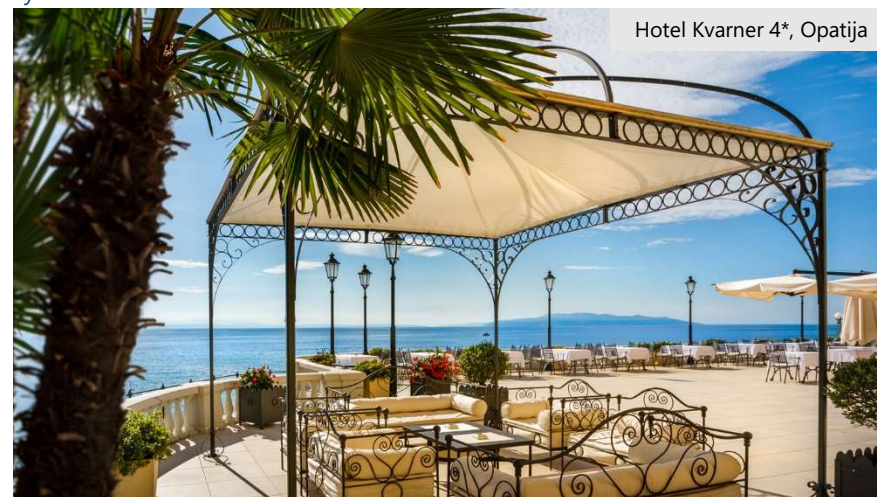
Given that in conditions of a stable market, excluding the impact of the pandemic, more than 90% of the Company's guests are guests from abroad, the stability of macroeconomic indicators in their domicile countries is very important, where the exchange rate and price of goods and services that directly affect the purchasing power of guests play a significant role. The extreme seasonality of Croatian tourism as an industry poses a significant risk and impact on business results, as it leads to insufficient use of available tourist capacities and resources. Therefore, the Company at all levels of management strives to develop the tourist offer, using its comparative advantages and expertise while pondering strategically about the development of the tourist product.

Without high-quality human resources management, the development of the Company is not possible, and the expansion of the labour market in recent years has identified risks related to deficit positions, the development of new knowledge and specific skills. The Company's ability to provide support to its business may be impaired if the Company is unable to hire, train and retain the sufficient number of workers necessary for the realization of its business strategy and sustainable growth and development, especially during the high season from June to September. Therefore, the Company continuously engages in a dialogue with social partners and ensures a high level of workers' rights, starting with wage competitiveness, motivation and reward systems, untie career development, health care programs and numerous training programs.

### 3) OTHER RISKS

The Company is exposed to operational risk, i.e., direct and indirect losses arising from the Company's flawed internal and external processes. An incorrect assessment of a development opportunity may affect the Company's ability to deliver business growth and long-term value for shareholders. Given the complexity of the organization, systematic work is being done on the analysis of data that actively monitors the Company's business actions, thus providing timely work frame for valid business decisions.

The Company is aware of the risk of exposure to cyber-attacks which may result in significant disruptions to operations and financial losses due to declining revenues, costs of repairing damage from attacks, and significant fines in the event of data security breaches, as well as the reliability of IT business solutions. Hence, the Company continuously works on its further development with a focus on data protection projects, improvement of existing and development and implementation of new, modern business systems.



Hotel Kvarner 4\*, Opatija

## CORPORATE GOVERNANCE

The Company continuously, to the greatest extent possible, develops and operates, in accordance with the good practice of corporate governance prescribed by the Croatian Financial Services Supervisory Agency (HANFA) and the Zagreb Stock Exchange d.d. Business strategy, policy, key acts and business practices have established governance standards, aimed at contributing to transparent and efficient business.

During the first quarter of 2023, for the most part, the Company has followed and applied the recommendations set out in the Code, disclosing all information as foreseen by the positive regulations and information beneficial for the interest of the Company's shareholders.

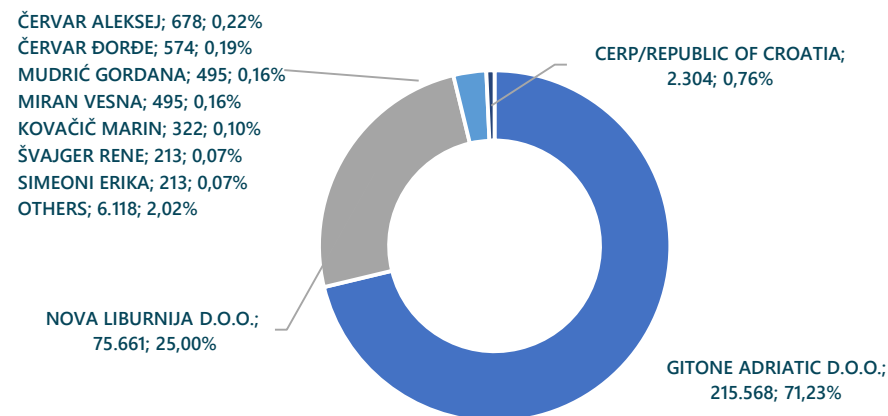
In accordance with the requirements of the Code, and in accordance with the provisions of the Companies Act, the Supervisory Board conducts internal supervision of the Company by regular inspections of presented reports. Members of the Supervisory Board are regularly provided with detailed information on the management and operations of the Company. At the meetings of the Supervisory Board, all matters within the competence of that body prescribed by the Companies Act and the Statute of the Company are discussed and decided. In addition, the Supervisory Board performs internal control and oversight through the Audit Committee, which provides expert support to the Supervisory Board and the Management Board in the effective performance of corporate governance, risk management, financial reporting and control obligations of the Company. Since 2021, the Strategic Development, Investment and Construction Committee, and the Procurement Committee have also been active within the Supervisory Board, with the purpose to accelerate internal processes of apt decision-making in cooperation with the Company's management, with the aim of implementing further planned investments in the shortest possible time frame.

Management ensures that the Company keeps business and other books and business documentation, draws up bookkeeping documents, realistically

assesses assets and liabilities, compiles financial and other reports in accordance with accounting regulations and standards and applicable laws and regulations.

The Company does not have a formal diversity policy in place regarding gender, age, education or profession in executive, managerial and supervisory bodies. Executive/managerial roles in the Company are appointed depending on the needs of specific business activities, requiring certain knowledge, professional qualification, and the capacity of potential role holder, without taking into account diversity with regards to gender or age. The Company also requires certain knowledge, education and capacity of potential job holders in these bodies in management and supervisory boards, and in accordance with the criteria and decisions of the Supervisory Board and the Assembly of the Company.

### Overview of the largest shareholders of the Company on March 31, 2023:



In accordance with the Statute of the Company, shareholders' right to vote is not limited to a certain percentage or number of votes, nor are there time restrictions for exercising of voting rights. Each ordinary share carries one vote at the General Assembly.

The Company's rights and obligations arising from the acquisition of its own shares are exercised in accordance with the provisions of Companies Act (ZTD). On the day of 31 March 2023, the Company holds 4 of its own shares, and in the first quarter of 2023 the Company did not acquire its own shares.

Members of the Company's Management and Supervisory Board are not direct or indirect holders of the Company's shares in terms of the Companies Act (ZTD), and thus do not represent significant holders of the Company's shares in terms of the Companies Act (ZTD) and the Corporate Governance Code, thereby ensuring their independence as provided by the applicable legislation. The Management Board of the Company shall be appointed and revoked by the Supervisory Board.

Since November 1, 2021, the Management Board of the Company consisted of the Management Board President Mr. Karl Eckerstorfer and the Management Board Member Mr. Dušan Mandič. During the first quarter of 2023, there were no changes in the composition of the Company's Management Board.

The Authority of members of the Management Board is fully aligned with the provisions of the Companies Act (ZTD) and is regulated in more detail by the provisions of the Statute.

Company's Assembly appoints and revokes the Supervisory Board, in accordance with the Statute of the Company and the Companies Act (ZTD), and on the day of 31 March 2023 is composed of the following members:

- Johannes Böck, President,
- Alexander Paul Zinell, Deputy President,
- Philip Göth, Member,
- Thomas Mayer, Member,
- Davor Žic, Member,
- Danijel Jerman, Member,
- Rikardo Gregov, Member,
- Ana Odak, Member,
- Ante Barić, Member.

At the beginning of 2023, the Company's shareholder, the company GITONE Adriatic d.o.o. decided to appoint Mr. Ante Barić as the ninth member of the Company's Supervisory Board.

As a rule, the Management Board and the Supervisory Board work in meetings, by decision-making without holding meetings, by correspondence, all in accordance with the provisions of positive regulations. The General Assembly is convened, operates and has the authority in accordance with the provisions of the ZTD as well as the provisions of the Statute of the Company, and the invitation and proposals of decisions, as well as the decisions taken, are made public in accordance with the provisions of the Companies Act (ZTD), the Capital Market Act and the Rules of the Zagreb Stock Exchange d.d. The rules on the appointment and revocation of members of the Management Board and members of the Supervisory Board are defined by the Statute, and in accordance with the provisions of the Companies Act (ZTD). The appointment rules do not contain any restrictions on diversity with regards to gender, age, education, profession and similar limitations.

The Supervisory Board, for the purpose of performing its function more efficiently as well as the tasks prescribed by the provisions of the Law on Audit and the Code of Corporate Governance, includes:

Audit Committee: Mr. Johannes Böck, President, Mr. Philip Göth and Mrs. Ana Odak, members,

Strategic Development, Investments and Constructions Committee: Mr. Johannes Böck, President and Mr. Ante Barić and Mrs. Ana Odak, members,

Procurement Committee: Mr. Johannes Böck, President and Mr. Ante Barić and Mrs. Ana Odak, members.

## STATEMENT OF RESPONSIBILITY OF THE MANAGEMENT BOARD FOR COMPILING THE ISSUER'S REPORTS

Opatija, April 28<sup>th</sup>, 2023

The Management Board is required to prepare financial statements for each financial year that present fairly, in all material respects, the financial position of the Company and its performance and cash flows, in accordance with International Financial Reporting Standards adopted by the European Union and is responsible for keeping appropriate accounting records to prepare these financial statements at any time. The Management Board has the general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Management is responsible for selecting appropriate accounting policies that are in line with applicable accounting standards and should be applied consistently thereafter; make reasonable and prudent judgments and estimates, prepare financial statements based on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Management Board is also responsible for the preparation and content of management reports, statements on the application of the Code of corporate governance and non-financial report, in accordance with the Croatian Accounting Act. The management report, report of the corporate governance code and non-financial report for the period from 1.1.2023 to 31.03.2023 were approved for issuance by the Management Board.

Pursuant to Articles 462 to 471 of the Capital Market Act (Official Gazette 65/18), the Management Board issues this statement:

Interim unaudited unconsolidated financial statements of Liburnia Riviera Hoteli d.d. have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Croatian Accounting Act.

The unaudited unconsolidated financial statements for the period from 1 January to 31 March 2023 give a true and fair view of the Company's assets and liabilities, financial position, profit or loss.

The management report, together with the unaudited financial statements for the stated period, contains an objective presentation of the development and results of operations and position of the Company with a description of the most significant risks and uncertainties to which the Company is exposed.



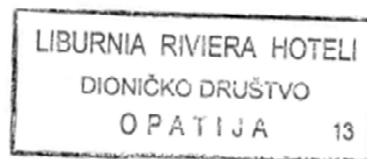
Mr. Karl Eckerstorfer,

Management Board President



Mr. Dušan Mandič,

Management Board Member



**Annex 1****ISSUER'S GENERAL DATA**

Reporting period:

1.1.2023

to

31.3.2023

Year:

2023

Quarter:

1.

**Quarterly financial statements**

Registration number (MB):

03166619

Issuer's home  
Member State code:

HR

Entity's registration  
number (MBS):

040008080

Personal identification  
number (OIB):

15573308024

LEI:

74780000COJHFR9WBI35

Institution  
code:

1121

Name of the issuer: LIBURNIA RIVIERA HOTELI d.d.

Postcode and town:

51410

OPATIJA

Street and house number: MARŠALA TITA 198

E-mail address: liburnia@liburnia.hr

Web address: www.liburnia.hr

Number of employees  
(end of the reporting

662

Consolidated report:

KN

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Bookkeeping firm:

(Yes/No)

(name of the bookkeeping firm)

Contact person:

Laković Alen

(only name and surname of the contact person)

Telephone:

+ 385 (0)51 710-347

E-mail address:

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

**BALANCE SHEET**  
balance as at 31.03.2023

in EUR

Submitter: LIBURNIA RIVIERA HOTELI d.d.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>		
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	115.431.296	114.133.329
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	2.575.232	2.641.244
1 Research and development	004	162.757	151.419
2 Concessions, patents, licences, trademarks, software and other rights	005	1.034.993	972.238
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	247.088	416.353
6 Other intangible assets	009	1.130.394	1.101.234
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	107.009.065	105.637.752
1 Land	011	16.251.192	16.251.192
2 Buildings	012	69.039.691	67.668.041
3 Plant and equipment	013	3.017.084	2.961.063
4 Tools, working inventory and transportation assets	014	12.776.877	12.291.597
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	2.523.089	2.529.387
7 Tangible assets in preparation	017	2.885.357	3.420.697
8 Other tangible assets	018	515.775	515.775
9 Investment property	019	0	0
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	3.228.169	3.228.169
1 Investments in holdings (shares) of undertakings within the group	021	3.228.169	3.228.169
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	0	0
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	0	0
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	0	0
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	2.618.830	2.626.164
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	14.328.998	10.356.885
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	737.375	711.061
1 Raw materials and consumables	039	652.143	621.424
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	44.725	46.310
5 Advances for inventories	043	40.507	43.327
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	3.884.322	3.743.667
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	1.899.899	1.912.723
3 Customer receivables	049	1.760.655	1.259.452
4 Receivables from employees and members of the undertaking	050	20.700	37.035
5 Receivables from government and other institutions	051	171.115	497.483
6 Other receivables	052	31.953	36.974
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	637	637
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	637	637



8 Loans, deposits, etc. given	061	0	0
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	9.706.664	5.901.520
D ) PREPAID EXPENSES AND ACCRUED INCOME	064	61.783	245.753
E) TOTAL ASSETS (ADP 001+002+037+064)	065	129.822.077	124.735.967
OFF-BALANCE SHEET ITEMS	066	7.098	5.107
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)</b>	<b>067</b>	<b>68.068.631</b>	<b>63.951.008</b>
I INITIAL (SUBSCRIBED) CAPITAL	068	92.384.936	92.384.936
II CAPITAL RESERVES	069	0	0
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	6.173.449	6.173.449
1 Legal reserves	071	5.975.017	5.975.017
2 Reserves for treasury shares	072	1.221	1.221
3 Treasury shares and holdings (deductible item)	073	-1.221	-1.221
4 Statutory reserves	074	0	0
5 Other reserves	075	198.432	198.432
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	0	0
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	-29.936.432	-30.489.754
1 Retained profit	084	0	0
2 Loss brought forward	085	29.936.432	30.489.754
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	-553.322	-4.117.623
1 Profit for the business year	087	0	0
2 Loss for the business year	088	553.322	4.117.623
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
<b>B) PROVISIONS (ADP 091 to 096)</b>	<b>090</b>	<b>1.869.369</b>	<b>1.721.306</b>
1 Provisions for pensions, termination benefits and similar obligations	091	241.962	241.962
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	1.627.407	1.479.344
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	0	0
<b>C) LONG-TERM LIABILITIES (ADP 098 to 108)</b>	<b>097</b>	<b>43.113.565</b>	<b>43.113.565</b>
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities to banks and other financial institutions	103	42.002.032	42.002.032
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	1.111.533	1.111.533
11 Deferred tax liability	108	0	0
<b>D) SHORT-TERM LIABILITIES (ADP 110 to 123)</b>	<b>109</b>	<b>15.856.464</b>	<b>15.334.811</b>
1 Liabilities to undertakings within the group	110	205.659	351.839
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities to banks and other financial institutions	115	8.674.072	7.457.240
7 Liabilities for advance payments	116	1.448.394	2.794.485
8 Liabilities to suppliers	117	1.815.223	1.858.462
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	2.298.297	1.480.913
11 Taxes, contributions and similar liabilities	120	785.161	917.752
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	629.658	474.120
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>124</b>	<b>914.048</b>	<b>615.277</b>
<b>F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)</b>	<b>125</b>	<b>129.822.077</b>	<b>124.735.967</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>126</b>	<b>7.098</b>	<b>5.107</b>

**STATEMENT OF PROFIT OR LOSS**  
for the period 1.1.2023 to 31.3.2023

in EUR

Submitter: LIBURNIA RIVIERA HOTELI d.d.					
Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I OPERATING INCOME (ADP 002 to 006)</b>	<b>001</b>	<b>3.253.518</b>	<b>3.253.518</b>	<b>5.054.919</b>	<b>5.054.919</b>
1 Income from sales with undertakings within the group	002	2.510	2.510	22.935	22.935
2 Income from sales (outside group)	003	3.046.513	3.046.513	4.411.652	4.411.652
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	0	0	0	0
5 Other operating income (outside the group)	006	204.495	204.495	620.332	620.332
<b>II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)</b>	<b>007</b>	<b>7.863.921</b>	<b>7.863.921</b>	<b>8.984.852</b>	<b>8.984.852</b>
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	2.112.780	2.112.780	2.929.817	2.929.817
a) Costs of raw materials and consumables	010	1.004.196	1.004.196	1.687.813	1.687.813
b) Costs of goods sold	011			3.626	3.626
c) Other external costs	012	1.108.584	1.108.584	1.238.378	1.238.378
3 Staff costs (ADP 014 to 016)	013	2.090.657	2.090.657	2.637.657	2.637.657
a) Net salaries and wages	014	1.370.333	1.370.333	1.857.565	1.857.565
b) Tax and contributions from salary costs	015	460.892	460.892	464.834	464.834
c) Contributions on salaries	016	259.432	259.432	315.258	315.258
4 Depreciation	017	3.180.611	3.180.611	2.497.605	2.497.605
5 Other costs	018	0	0	0	0
6 Value adjustments (ADP 020+021)	019	0	0	0	0
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	0	0	0	0
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	479.873	479.873	919.773	919.773
<b>III FINANCIAL INCOME (ADP 031 to 040)</b>	<b>030</b>	<b>747</b>	<b>747</b>	<b>15.848</b>	<b>15.848</b>
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	0	0	15.757	15.757
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	0	0
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	31	31	91	91
8 Exchange rate differences and other financial income	038	716	716	0	0
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	0	0
<b>IV FINANCIAL EXPENSES (ADP 042 to 048)</b>	<b>041</b>	<b>497.864</b>	<b>497.864</b>	<b>210.872</b>	<b>210.872</b>
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0
3 Interest expenses and similar expenses	044	106.926	106.926	210.872	210.872
4 Exchange rate differences and other expenses	045	385.584	385.584	0	0
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	5.354	5.354	0	0
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>049</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>050</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>051</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>052</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IX TOTAL INCOME (ADP 001+030+049 +050)</b>	<b>053</b>	<b>3.254.265</b>	<b>3.254.265</b>	<b>5.070.767</b>	<b>5.070.767</b>
<b>X TOTAL EXPENDITURE (ADP 007+041+051 + 052)</b>	<b>054</b>	<b>8.361.785</b>	<b>8.361.785</b>	<b>9.195.724</b>	<b>9.195.724</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 053-054)</b>	<b>055</b>	<b>-5.107.520</b>	<b>-5.107.520</b>	<b>-4.124.957</b>	<b>-4.124.957</b>

1 Pre-tax profit (ADP 053-054)	056	0	0	0	0
2 Pre-tax loss (ADP 054-053)	057	-5.107.520	-5.107.520	-4.124.957	-4.124.957
<b>XII INCOME TAX</b>	<b>058</b>	-6.888	-6.888	-7.334	-7.334
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)</b>	<b>059</b>	<b>-5.100.632</b>	<b>-5.100.632</b>	<b>-4.117.623</b>	<b>-4.117.623</b>
1 Profit for the period (ADP 055-059)	060	0	0	0	0
2 Loss for the period (ADP 059-055)	061	-5.100.632	-5.100.632	-4.117.623	-4.117.623
<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>					
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)</b>	<b>062</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>065</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>					
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 055+062)</b>	<b>068</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
<b>XVII INCOME TAX (ADP 058+065)</b>	<b>071</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)</b>	<b>072</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	0	0
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>					
<b>XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)</b>	<b>075</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Attributable to owners of the parent	076	0	0	0	0
2 Attributable to minority (non-controlling) interest	077	0	0	0	0
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>					
<b>I PROFIT OR LOSS FOR THE PERIOD</b>	<b>078</b>	<b>-5.100.632</b>	<b>-5.100.632</b>	<b>-4.117.623</b>	<b>-4.117.623</b>
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)</b>	<b>079</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>III Items that will not be reclassified to profit or loss (ADP 081 to 085)</b>	<b>080</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
<b>IV Items that may be reclassified to profit or loss (ADP 088 to 095)</b>	<b>087</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Exchange rate differences from translation of foreign operations	088	0	0	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
<b>V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)</b>	<b>097</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)</b>	<b>098</b>	<b>-5.100.632</b>	<b>-5.100.632</b>	<b>-4.117.623</b>	<b>-4.117.623</b>
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>					
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)</b>	<b>099</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Attributable to owners of the parent	100	0	0	0	0
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

**STATEMENT OF CASH FLOWS - indirect method**  
for the period 1.1.2023 to 31.3.2023

in EUR

Submitter: LIBURNIA RIVIERA HOTELI d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>Cash flow from operating activities</b>			
1 Pre-tax profit	001	-5.107.520	-4.124.957
2 Adjustments (ADP 003 to 010):	002	3.672.137	2.560.323
a) Depreciation	003	3.180.611	2.497.605
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-49	0
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	-31	-91
e) Interest expenses	007	106.926	210.872
f) Provisions	008	0	-148.063
g) Exchange rate differences (unrealised)	009	384.680	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	0
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>-1.435.383</b>	<b>-1.564.634</b>
3 Changes in the working capital (ADP 013 to 016)	012	541.577	393.583
a) Increase or decrease in short-term liabilities	013	-242.367	410.584
b) Increase or decrease in short-term receivables	014	869.047	-43.315
c) Increase or decrease in inventories	015	-85.103	26.314
d) Other increase or decrease in working capital	016	0	0
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>-893.806</b>	<b>-1.171.051</b>
4 Interest paid	018	-308.451	-564.190
5 Income tax paid	019	0	0
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>-1.202.257</b>	<b>-1.735.241</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021	8.484	0
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	31	91
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>8.515</b>	<b>91</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-820.752	-1.192.304
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-820.752</b>	<b>-1.192.304</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-812.237</b>	<b>-1.192.213</b>
<b>Cash flow from financing activities</b>			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	3.505.314	0
4 Other cash receipts from financing activities	038	0	0
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>3.505.314</b>	<b>0</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-1.005.599	-863.514
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	-18.296	-14.176
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	0	0
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>-1.023.895</b>	<b>-877.690</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>2.481.419</b>	<b>-877.690</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>466.925</b>	<b>-3.805.144</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>2.018.749</b>	<b>9.706.664</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)</b>	<b>050</b>	<b>2.485.674</b>	<b>5.901.520</b>



## NOTES TO FINANCIAL STATEMENTS - TFI

(Drawn up for quarterly reporting periods)

Name of the issuer: LIBURNIA RIVIERA HOTELI d.d.

Personal identification number (OIB): 1557308024

Reporting period: from 1.1.2023 to 31.03.2023

Notes to financial statements for quarterly periods include:

a) explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the reporting quarterly period of the issuer with respect to the last business year: information is provided regarding these events and relevant information published in the last annual financial statement is updated (items 15 to 15C IAS 34 - Interim financial reporting)

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). They are made using the historical cost method. Significant business events and transactions in the observed period are explained in the report "Business results from 1.1.2023 to 31.03.2023" which was published simultaneously with this document on the company's website as well as on the website of the Zagreb Stock Exchange and submitted to the Official Register at the Croatian Financial Services Supervisory Agency.

b) information on the access to the latest annual financial statements, for the purpose of understanding information published in the notes to financial statements drawn up for the semi-annual reporting period

Report "Business results from 1.1.2023 to 31.03.2023" as well as all officially published reports so far are available on the website of the Zagreb Stock Exchange and on the Company's website.

Audited annual reports of Liburnia Riviera Hotels d.d. for 2022 are available on the website of the Zagreb Stock Exchange as well as on the company's website. ([www.liburnia.hr](http://www.liburnia.hr), [www.hanfa.hr](http://www.hanfa.hr), [www.zse.hr](http://www.zse.hr)).

c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the semi-annual reporting period as in the latest annual financial statements or, in the case where the accounting policies have changed, a description of the nature and effect of the changes (item 16.A (a) IAS 34 - Interim financial reporting)

The Company declares that the accounting policies applied in the preparation of the financial statements for the reporting period ending on 31.03.2023 are identical to those applied in the last published annual audited financial statements.

However, in the reporting period, the Company changed the accounting estimate of the useful life of long-term tangible assets with application from January 1, 2023. with the aim of harmonizing individual depreciation groups with the expected lifetime of fixed assets. If there had been no change in the accounting estimate, depreciation would, for the period 01.01.2023. until March 31, 2023, amounted to 3,249 thousand euros, which makes a difference of 752 thousand euros.

d) a description of the financial performance in the case of the issuer whose business is seasonal (items 37 and 38 IAS 34 - Interim financial reporting)

Report "Business results from 1.1.2023 to 31.03.2023" as well as all officially published reports so far are available on the website of the Zagreb Stock Exchange and on the Company's website ([www.liburnia.hr](http://www.liburnia.hr), [www.hanfa.hr](http://www.hanfa.hr), [www.zse.hr](http://www.zse.hr)).

e) other comments prescribed by IAS 34 - Interim financial reporting

All other announcements can be found in the Report "Business Results from 1.1.2023 until 31.03.2023" which is available on the website of the Zagreb Stock Exchange and on the Company's website ([www.liburnia.hr](http://www.liburnia.hr), [www.hanfa.hr](http://www.hanfa.hr), [www.zse.hr](http://www.zse.hr)).

f) in the notes to quarterly periods financial statements, in addition to the information stated above, information in respect of the following matters shall be disclosed:

1. undertaking's name, registered office (address), legal form, country of establishment, entity's registration number and, if applicable, the indication whether the undertaking is undergoing liquidation, bankruptcy proceedings, shortened termination proceedings or extraordinary administration

Name of the issuer: LIBURNIA RIVIERA HOTELI d.d.

Headquarters: Maršala Tita 198, 51410 Opatija

Legal form: joint stock company

Country of establishment: Republic of Croatia

OIB: 1557308024

Statistic number of the subject: 040008080

2. adopted accounting policies (only an indication of whether there has been a change from the previous period)

No changes were applied in the accounting policies.

However, in the reporting period, the Company changed the accounting estimate of the useful life of long-term tangible assets with application from January 1, 2023. with the aim of harmonizing individual depreciation groups with the expected lifetime of fixed assets. If there had been no change in the accounting estimate, depreciation would, for the period 01.01.2023. until March 31, 2023, amounted to EUR 3,249 thousand, which makes a difference of EUR 752 thousand.

3. the total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any valuable security which has been provided; any commitments concerning pensions of the undertaking within the group or company linked by virtue of participating interest shall be disclosed separately

All financial liabilities of the Company are included in the balance sheet.

4. the amount and nature of individual items of income or expenditure which are of exceptional size or incidence

Details are available in the published report "Business results from 1.1.2023 until 31.03.2023."

5. amounts owed by the undertaking and falling due after more than five years, as well as the total debts of the undertaking covered by valuable security furnished by the undertaking, specifying the type and form of security

On 31.03.2023 long-term and short-term loans liabilities and liabilities under leasing contracts of the Company amounted to EUR 49,607 thousand of which EUR 9,306 thousand matures after more than 5 years.

Bank loans are secured primarily by mortgages on the Company's real estate, while leasing liabilities are secured by issued debentures of the Company.

Liabilities for leases according to IFRS 16 as of 31 March 2023, based on signed concession agreements, amount to EUR 1,120 thousand, of which EUR 672 thousand is due after more than 5 years.

6. average number of employees during the financial year

Average number of employees in the period from 1.1.2023 to 31.03.2023 was 628.

7. where, in accordance with the regulations, the undertaking capitalized on the cost of salaries in part or in full, information on the amount of the total cost of employees during the year broken down into the amount directly debiting the costs of the period and the amount capitalized on the value of the assets during the period, showing separately the total amount of net salaries and the amount of taxes, contributions from salaries and contributions on salaries

In the period from 1.1.2023 to 31.03.2023, the Company did not capitalized cost of salaries.

8. where a provision for deferred tax is recognized in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year

Deferred tax asset amounts to EUR 2,626 thousand and is higher by EUR 7 thousand primarily due to the increase of the tax base in the first quarter of 2023 for tax non-deductible expenses.

9. the name and registered office of each of the undertakings in which the undertaking, either itself or through a person acting in their own name but on the undertaking's behalf, holds a participating interest, showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which financial statements have been adopted; the information concerning capital and reserves and the profit or loss may be omitted where the undertaking concerned does not publish its balance sheet and is not controlled by another undertaking

The company has 100% ownership in the company Ika 21 d.o.o., with registered office at Ulica Maršala Tita 198, Opatija. As of 31<sup>st</sup> of December 2021, the share capital of the company is EUR 2,654 and the loss was EUR 8 thousand. In August 2021, Liburnia also acquired 100% ownership in the company Aeris d.o.o. in Opatija, address Ulica marsala Tita 198. The share capital of the company on the day of acquisition amounts to EUR 2,654 and the loss in 2021 was EUR 17 thousand. The company also holds 33.3% stake in the limited liability company Remisens Hotel Group in Zagreb, Miramarska 24 with share capital in the amount of EUR 0.2 million and realized loss in 2021 in the amount of EUR 4 thousand.

10. the number and the nominal value or, in the absence of a nominal value, the accounting par value of the shares subscribed during the financial year within the limits of the authorised capital

During the business year, there were no new share subscriptions.

11. the existence of any participation certificates, convertible debentures, warrants, options or similar securities or rights, with an indication of their number and the rights they confer

There are no certificates of participation, convertible debentures, guarantees, options or similar securities or rights related to the reporting period.

12. the name, registered office and legal form of each of the undertakings of which the undertaking is a member having unlimited liability

Not applicable.

13. the name and registered office of the undertaking which draws up the consolidated financial statements of the largest group of undertakings of which the undertaking forms part as a controlled group member

Not applicable.

14. the name and registered office of the undertaking which draws up the consolidated financial statements of the smallest group of undertakings of which the undertaking forms part as a controlled group member and which is also included in the group of undertakings referred to in point 13

Not applicable.

15. the place where copies of the consolidated financial statements referred to in points 13 and 14 may be obtained, provided that they are available

Not applicable.

16. the nature and business purpose of the undertaking's arrangements that are not included in the balance sheet and the financial impact on the undertaking of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for the purposes of assessing the financial position of the undertaking

There are no arrangements with companies that are not included in the financial statements as of March 31, 2023.

17. the nature and the financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet

There are no events with material effect in the financial position after the balance date.