



BUSINESS RESULTS

1/1/2021 – 31/3/2021

LIBURNIA RIVIERA HOTELI D.D.

Subject to the provisions of the Companies act (hereinafter: CA) and the Accounting act, the Management Board of Liburnia Riviera hoteli d.d. (hereinafter referred to as: the Company), with head office in Opatija, Maršala Tita 198, whose main activities are accommodation and hospitality services, travel agencies and tour-operator services, presents the quarterly non-audited financial reports for the period from January 1st, 2021 to March 31st 2021.

I/ Key messages of the Company's operations during the first quarter of 2021

During the first quarter of 2021, the Company continued to actively manage the COVID-19 crisis by means of implemented action plans in order to stabilize the business that was successfully adapted to extraordinary circumstances, with the aim of protecting the health of guests and employees, ensuring sufficient liquidity, employment protection and normalization of business.

Business operations in the reporting period took place under unfavourable market circumstances, and continued pandemic in the first quarter of 2021 resulted in almost completely closed tourist capacities resulting in HRK 1,9 million of sales revenue (-82% as compared to the same period of 2020, considering that on March 11th, 2020, the world Health Organization declared COVID-19 a global pandemic). Namely, apart from the hotel Amassador 5*, which was open during the New Year's holidays, by March 2021 all tourist facilities were closed in accordance with low demand, and business was restarted during March with the opening of 3 tourist facilities. Simultaneously with the operational pressures, operational and investment savings policies were extended and the measures of the government of the Republic of Croatia were used to preserve jobs, thus ensuring the required liquidity level. The improvement of tourist products and services continued with the aim of increasing the quality and safety of guests and employees for the 2021 tourist season.

The Company, supported by all stakeholders, actively manages the crisis and the possibility to realize the 2021 tourist season in order to ensure a stable position for expected business normalization during 2021 - 2023.

II/ Significant business events

Impact of the COVID-19 pandemic on the Company's operations

Considering the continued negative impact and the problems caused by the further unforeseeable spread of the COVID-19 virus on the Company's operations, the actions and events related to the pandemic are further clarified in Chapter III/Business management during the COVID-19 pandemic, in the report below.

III/Business management during the COVID-19 pandemic

The Company actively monitors the development of the situation related to the negative impact of the COVID-19 pandemic on market trends and dynamically analyses the necessary changes in operational business. Extraordinary measures of movement restriction, including restrictions on gatherings, partial restrictions on the operation of hospitality facilities and shops, as well as restrictions on border crossings and passenger border controls, continue to negatively affect the tourism industry by reducing the demand for travel. Therefore, the Company has taken preventive measures to protect the health of guests and employees,

activated crisis management procedures and maintenance of business continuity while preserving jobs, thus successfully achieving a partial normalization of business operations.

Modification of tourist products and services and demand

In order to improve the quality of services and the safety of guests and employees, the Company has implemented a comprehensive package of activities that included the implementation of crisis procedures, together with providing general information on the spread of the COVID-19 and measures to prevent the occurrence and to control the spread of the respiratory viruses, buffet service by waiters, limiting the number of seating places in restaurants according to the prescribed measures, mandatory wearing of masks of all employees who are in contact with guests, the possibility of testing guests and test results delivery, mandatory measurement of employees' temperature, and in certain facilities of guests' temperature before entering the restaurant. Disinfection procedures of all public spaces and accommodation units were introduced and improved, as well as additional disinfection measures after the guest departure.

Disruptions in European and world tourist flows negatively affected guest arrivals during the first quarter of 2021, and reduced business and revenue volumes are expected, as well as increased volatility of booking requests in the remainder of 2021. In order to dynamically adapt business operations to the impact of the pandemic and increase the demand for the Company's tourist capacities, the "non-refundable" price list was abolished, the policy of active management and adjustment to daily prices of tourist facilities has been intensified, as well as the creation of packages with included additional services. In current circumstances of uncertainty related to the further development of the pandemic and freedom of movement of people, it is not possible to predict with certainty the final negative effect of the slower trend of new booking requests on business operations, especially given the pronounced trend of "last-minute" bookings and the simplified booking cancellation policy.

Economic support and aid measures

Competent state and local authorities have adopted economic support and aid packages to mitigate the effects of the special circumstances caused by the COVID-19 pandemic in order to overcome short-term liquidity challenges and ensure the preservation of jobs. The Company has undertaken a comprehensive package of activities to minimize the negative effects on its own operations, including among other, aid for jobs preservation (HRK 4.000 for salaries during the first three months of 2021) and exemption from tax obligations, thus relieving the cost of employees during the first quarter of 2021 by a total of HRK 4,3 million.

Liquidity protection

In order to ensure liquidity and solvency, the Company continued with financial austerity measures during 2021, mostly in the part of direct and operating costs savings due to reduced volume of operations while at the same time ensuring a smooth continuation of business operations. Cash outflow plans remain adjusted to crisis management measures and include a high level of savings in direct and operating costs due to reduced business volume and minimizing otherwise fixed costs by partially opening tourist facilities, while rationally using the labour force. Rationalization of operating costs included savings on energy costs, direct food and beverage costs, system and processes maintenance costs through negotiations with suppliers over lower prices, as well as minimization of the costs of employees through active management of the number of employees according to the needs.

In 2020, moratoriums on loan repayments were successfully contracted in accordance with the applicable measures. Thus, in agreement with commercial banks, the repayment of the principal in the total amount of HRK 89,2 million was postponed until June 30th, 2021.

Reduced capital expenditures during the first quarter of 2021, amounting to HRK 5,8 million, included improvement and preparation of the facilities for the season (primarily hotels Ambassador and Excelsior). In addition, the modification of tourist products and services has continued to improve the quality and safety of services for the tourist season 2021. The intensity of the next investment cycle depends on the dynamics of the recovery of tourist flows, while prioritizing the maximization of free cash flow.

The Company, as a company of a strong positive net asset value and, at the same time, the owner and manager of valuable hotel and tourist facilities and content, with contracted credit lines and moratoriums on credit liabilities, does not anticipate any challenges in bridging the potential further reductions of business activities.

IV/ Results of the company Liburnia Riviera hoteli d.d.

In the first quarter of 2021, the Company's business revenues amounted to HRK 8,7 million (-33% as compared to the same period of the year in 2020). The operating revenues were primarily affected by an 82% drop in sales revenues (HRK -8.8 million) to the amount of HRK 1,9 million as a result of a reduction in the business volume in the observed period of 2021 compared to the same period of the previous year considering that World Health Organization declared a global COVID-19 pandemic on March 11th, 2020.

The main sales revenue consists of guesthouse revenues, which amounted to HRK 1,2 million during the first quarter of 2021 (-85% as compared to the same period of 2020). Apart from the opening of the hotel Ambassador 5* during New year's holidays, the closure of all tourist facilities was reached by March 2021, according to low demand. Hotel Bellevue 4* was opened at the beginning of March, villa Abbazia 4* was opened in the middle of the month, and Hotel Imperial 4* at the end of March.

Other operating revenues amounted to HRK 6,8 million (HRK + 4,4 million as compared to the same period of 2020) as a result of the use of measures by the government of the Republic of Croatia, including aid for the preservation of jobs (HRK 4,000 per employee) and exemption from related tax liabilities (total revenue of HRK 4,3 million).

Operating expenses amount to HRK 47,3 million with a drop of 8% (HRK 51,5 million in the first quarter of 2020). Material costs amount to HRK 6,0 million with a decrease of the share in total operating expenses to 13% (19% in the first quarter of 2020). The decrease of HRK 3,9 million is a consequence of a lower business volume. Staff costs amount to HRK 12,4 million with a share of 26% in operating expenses (21% in the first quarter of 2020). Compared to the same period last year, they have increased by HRK 1,7 million due to the improvement in organization of central services and related employment. Other operating expenses amount to HRK 3,5 million with a share of 7% in operating expenses (8% in the first quarter of 2020). The 19% drop in other operating expenses is primarily due to reduced utility charges.

The financial result in the first quarter of 2021 is HRK -0,9 million (HRK -0,6 million in the same period of 2020). The main reason for the worse financial result is the increased interest expenses on loans.

The loss before tax during the first quarter of 2021 amounts to HRK 39,4 million, while in the comparable period of the previous year the loss amounted to HRK 39,1 million.

The recorded loss, as well as negative operating earnings (EBITDA), in the amount of HRK 13,1 million (HRK 11,7 million in the first quarter of 2020), are the result of continuous disturbances on the tourism market, and disruptions of European and world tourist flows, and the partial closure of facilities caused by the COVID-19 pandemic.

VI/ Risks of the Company

The tourism industry is within its scope globally oriented and very closely linked to the real and financial economy, the geopolitical environment and environmental sustainability. Thus, the Company proactively monitors and assesses risks, at a micro and macro level, considering the impact of each individual risk. The objective of risk management is to further encourage the creation of sustainable value and offer confidence to many shareholders of the Company. The risk management process consists of the following steps: a) identification of potential risks in business, b) analysis and assessment of identified risks, c) definition of activities and responsibilities for effective risk management, d) monitoring and follow-up of initiatives to avoid risk events, and e) exchange of information on the results of risk management

In its daily operations, the Company is exposed to a number of financial risks, including currency, interest rate, credit, price and liquidity risk. As the Company operates internationally, it is exposed to currency risk, mostly arising from changes in the nominal exchange rate of the euro / kuna. Currency risk arises from future commercial transactions and recognized assets and liabilities. Most foreign sales revenue is generated in euros, the currency in which most of the long-term credit debt is denominated. Consequently, the Company is partially hedged against currency risk. Due to the occurrence of extraordinary circumstances caused by the COVID-19 pandemic in 2020 and 2021, potentially strong depreciation pressures on the kuna against the euro affect the value of long-term credit debt denominated in euros. In the event of an exceptional reduction in euro inflows, the Company and the Group will use existing euro liquidity reserves to service long-term debt repayments and access adequate hedging financial instruments, in accordance with the current situation and future assessment of the Company's foreign exchange position, expectations of value movements of the currency pair kuna / euro as well as other intercurrency relations between world currencies. Furthermore, part of the indebtedness with banks contracted at variable interest rates partially exposes the Company to cash flow interest rate risk, while credit risk arises from cash, time deposits and trade receivables. Credit risk is minimized by contracting transactions with customers who have an appropriate credit history, by arranging prepayments or payments through security deposits and credit cards for individual customers. The Company also obtains security instruments for receivables (bills of exchange, promissory notes and guarantees), thus reducing the risks of uncollectibility of its receivables for services rendered. Given the negative consequences of COVID-19 on the Company's customers, especially on tour operators and travel agencies, the Company continuously monitors the adverse impact on related parties while actively checking their creditworthiness. The Company is not an active participant in the capital market in terms of trading with equity and debt securities. The Company prudently manages liquidity risk and, at any time, controls and ensures a sufficient amount of cash through operating cash flows and adequate amounts of contracted credit lines to meet liabilities, as well as ensuring the availability of credit lines in the future. Credit lines for 2021 have been contracted with reputable financial institutions, while loan repayments, in general, have been aligned with periods of significant cash inflows from operating activities. The Company and the Group monitor the level of available sources of cash on a daily basis through reports on the balance of cash and liabilities. The COVID-19 pandemic, as an external stressor to the Company's business, has created strong pressures on the operating cash flow.

In accordance with prudent management of the now increased liquidity risk, escalation plans have been developed and activated to minimize costs, preserve liquidity, solvency of companies and maintain business continuity together with applications for support and aid measures to the economic and tourism sector, including deferral of payment of due long-term loan principals in line with the possibility of placing moratoriums on the repayment of loan liabilities (in more detail in the chapter III/ Business management during the COVID-19 pandemic).

The Company is exposed to business risk related to competitiveness and business stability. Since the Company owns real estate, this business model requires intensive capital investment to maintain high quality products and services. Capital-intensive investment projects to increase the quality of services and products may exceed budget expectations, construction may not be completed on time, and in the meantime changes to urban regulations, other laws and fiscal policy may take effect. These risks may adversely affect the increase of the Company's and Group's costs, as well as lower cash flow and lower revenues.

Given that in a stable market, beyond the impact of the pandemic, more than 90% of the Company's guests are foreign guests, the stability of macroeconomic indicators in their domicile countries is very important where the exchange rate and prices of goods and services directly affect the purchasing power of guests.

The pronounced seasonality of Croatian tourism as an economic branch represents a significant risk and impact on business results, as it leads to insufficient use of available tourist capacities and resources. The Company strives at all levels of management to develop its tourist offer using comparative advantages and expertise know-how by strategic considerations of the development of the tourist product.

Without a qualitative human resources management, the development of the Company is not possible, and the expansion of the labor market in recent years has identified risks related to scarce positions, the development of new knowledge and specific skills. The Company continuously works on a dialogue with social partners and ensures a high level of workers' rights in terms of salary competitiveness, motivation and reward systems, as well as career development, health care and cooperation with educational institutions.

The Company is exposed to operational risk, ie direct and indirect losses arising from incorrect internal and external processes of the Company. Given the complexity of the system, the Company is systematically working on the analysis of data that actively monitors the business trends of the Company in order to make timely fair business decisions.

Aware of the risk of reliability of IT business solutions and cyber security of business, the Company is continuously working on their further development with an emphasis on data protection projects and the improvement of existing and development and implementation of new, modern business systems.

VII/ Corporate management

The Company is continuously, to the greatest extent possible, developing and operating, in accordance with the good corporate governance practice prescribed by the Croatian Financial Services Supervisory Agency (HANFA) and the Zagreb Stock Exchange d.d. Zagreb. By its business strategy, policy, key acts and business practice the Company has established management standards that seek to contribute to transparent and efficient business operations.

In first quarter 2021, the Company followed and applied the recommendations set out in the Code, publishing all the information whose publishing is anticipated by positive regulations and the information that is in the best interests of the Company's shareholders.

In accordance with a requirement of the Code and with the directives of the CA, the Supervisory Board conducts internal control of the Company through regular audits of the presented reports. The members of the Supervisory Board are regularly provided with detailed information on the management and operations of the Company. At the Supervisory Boards meetings, all the matters within the competence of that body, prescribed by the CA and the Company's Articles of Association, are discussed and the decisions are made. The Supervisory Board's report on the conducted supervision of the management is a part of the Company's Annual Report, submitted to the General Assembly. In addition, the Supervisory Board performs internal control and oversight through the Audit Committee which provides professional support to the Supervisory Board and the Management Board in the effective performance of corporate governance, risk management, financial reporting and control of the Company. The Management Board is responsible for monitoring that the Company runs its business and other records and documentation, complies the accounting documents, evaluates assets and liabilities and prepares financial and other reports in accordance with accounting rules and standards, as well as applicable laws and regulations.

The Company does not have a formal diversity policy in place with respect to gender, age, education or profession for its executive, management and supervisory bodies. The Company's policy of appointment to executive bodies is carried out in accordance with the needs of specific business activities in terms of knowledge, qualifications and competence on the part of potential executives, without taking into account gender or age. The Company's management and oversight bodies also require certain knowledge, education and competence on the part of potential executives in these bodies, in accordance with the criteria and decisions of the Supervisory Board and the Company's Assembly.

VII/ Corporate management (continued)

1. Ten main shareholders as at March 31st, 2021:

No.	Shareholder	Number of shares	% (percentage of ownership)
1.	GITONE ADRIATIC D.O.O.	215.568	71,23
2.	NOVA LIBURNIJA D.O.O.	75.661	25,00
3.	CERP/REPUBLIC OF CROATIA	5.308	1,75
4.	KOVAČIĆ MARIN	300	0,10
5.	SIMEONI ERIKA	213	0,70
6.	KOLETIĆ STELLA	119	0,04
7.	ZAGREBAČKA BANKA D.D./KRASS GUIDO ALEXANDER GISBERT	100	0,03
8.	MIHELIĆ ŽELJKO	86	0,03
9.	KOVAČ ZDENKO	80	0,03
10.	TODORIĆ IVANA	75	0,02
11.	OTHER	5.133	1,69

In accordance with the Company's Articles of Association, the voting right of a shareholder is neither limited to a certain percentage or number of votes, nor are there time constraints to gain voting rights. Each regular share entitles to one vote at the General Assembly.

The Company's rights and obligations arising from the acquisition of its own shares are achieved in accordance with the directives of the CA. During first quarter 2021, the Company did not acquire own shares.

The members of the Company's Management and Supervisory Board are not, either directly or indirectly, owners of Company shares in terms of the provisions of CA, thus they do not represent material shareholders of the Company in terms of the provisions of CA and the Corporate Governance Code, enabling their independence in terms of the regulations of applicable legislation.

The management board of the Company is nominated and revoked by the Supervisory Board and is composed of two members.

As of March 4th 2021 the Management Board consisted of two members, the president of the Board, Mr. Agron Beriša who resigned in the first quarter of 2021, and the member of the Board, Mr. Johannes Böck. On March 5th, 2021, the Supervisory Board nominated Mr. Vladimir Bošnjak as a new president of the Management Board.

The powers of the members of the Management Board are entirely harmonized with the provisions of the CA and are described in more detail in the Company's Articles of association.

VII/ Corporate management (continued)

The Supervisory Board of the Company is nominated and revoked by the General Assembly of the Company in accordance with the Company's Articles of Association and the CA and it is composed of the following members as at 31 March 2021:

- Klaus Riederer, president,
- Alexander Paul Zinell, vice president,
- Philip Goeth, member,
- Thomas Mayer, member,
- Branimir Žarković, member,
- Andreja Rudančić, member,
- Barbara Mesić, member
- Helena Masarić, member and
- Domijan Mršić, member.

The Management Board and the Supervisory Board work normally in meetings, by correspondence in accordance with the provisions of positive regulations.

The General Assembly is convened, works and has powers in accordance with the provisions of the CA and the provisions of the Company's Articles of Association, while the call and proposed decisions, as well as decisions made are published in accordance with the provisions of the CA, 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 determined by the Articles of Association, in accordance with the provisions of the CA. The rules of appointment do not contain any restrictions on diversity with regard to gender, age, education, profession and similar restrictions.

The Company has an Audit Board, and the Supervisory Board appoints and revokes the Audit Board in accordance with the Company's Articles of Association and the CA. As at 1 January 2021 members of the Audit Board were: Branimir Žarković, president, Philip Goeth, member, Domijan Mršić, member.

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1.1.2021

to

31.3.2021

Year:

2021

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. OPATIJA

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

416

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:

Šifter Mlinar Melita

(only name and surname of the contact person)

Telephone:

+ 385 (0)51 710-391

E-mail address:

melita.siftermlinar@liburnia.hr

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

BALANCE SHEET
balance as at 31.03.2021.

in HRK

Submitter: LIBURNIA RIVIERA HOTELI d.d. OPATIJA			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001		
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	907.833.655	888.502.064
I INTANGIBLE ASSETS (ADP 004 to 009)	003	15.748.150	14.862.972
1 Research and development	004	445.970	418.814
2 Concessions, patents, licences, trademarks, software and other rights	005	11.778.261	11.109.599
3 Goodwill	006		
4 Advances for the purchase of intangible assets	007		
5 Intangible assets in preparation	008		
6 Other intangible assets	009	3.523.919	3.334.559
II TANGIBLE ASSETS (ADP 011 to 019)	010	870.968.717	852.522.304
1 Land	011	113.159.833	113.060.877
2 Buildings	012	578.790.808	561.459.989
3 Plant and equipment	013	25.600.306	24.577.911
4 Tools, working inventory and transportation assets	014	133.078.457	127.002.027
5 Biological assets	015		
6 Advances for the purchase of tangible assets	016	2.515.293	3.021.238
7 Tangible assets in preparation	017	14.318.728	19.894.970
8 Other tangible assets	018	3.505.292	3.505.292
9 Investment property	019		
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	7.716.435	7.716.435
1 Investments in holdings (shares) of undertakings within the group	021	7.716.435	7.716.435
2 Investments in other securities of undertakings within the group	022		
3 Loans, deposits, etc. to undertakings within the group	023		
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024		
5 Investment in other securities of companies linked by virtue of participating interests	025		
6 Loans, deposits etc. to companies linked by virtue of participating interests	026		
7 Investments in securities	027		
8 Loans, deposits, etc. given	028		
9 Other investments accounted for using the equity method	029		
10 Other fixed financial assets	030		
IV RECEIVABLES (ADP 032 to 035)	031	0	0
1 Receivables from undertakings within the group	032		
2 Receivables from companies linked by virtue of participating interests	033		
3 Customer receivables	034		
4 Other receivables	035		
V DEFERRED TAX ASSETS	036	13.400.353	13.400.353
C) CURRENT ASSETS (ADP 038+046+053+063)	037	23.265.016	19.532.923
II INVENTORIES (ADP 039 to 045)	038	3.239.639	3.617.371
1 Raw materials and consumables	039	1.789.582	1.981.050
2 Work in progress	040		
3 Finished goods	041		
4 Merchandise	042	151.454	149.125
5 Advances for inventories	043	1.298.603	1.487.196
6 Fixed assets held for sale	044		
7 Biological assets	045		
II RECEIVABLES (ADP 047 to 052)	046	7.947.388	5.421.645
1 Receivables from undertakings within the group	047		
2 Receivables from companies linked by virtue of participating interests	048	2.068.695	2.068.695
3 Customer receivables	049	1.482.169	2.110.143
4 Receivables from employees and members of the undertaking	050	32.877	56.833
5 Receivables from government and other institutions	051	4.363.647	1.185.974
6 Other receivables	052		

III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	16.320	16.320
1 Investments in holdings (shares) of undertakings within the group	054		
2 Investments in other securities of undertakings within the group	055		
3 Loans, deposits, etc. to undertakings within the group	056		
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057		
5 Investment in other securities of companies linked by virtue of participating interests	058		
6 Loans, deposits etc. to companies linked by virtue of participating interests	059		
7 Investments in securities	060	16.320	16.320
8 Loans, deposits, etc. given	061		
9 Other financial assets	062		
IV CASH AT BANK AND IN HAND	063	12.061.669	10.477.587
D) PREPAID EXPENSES AND ACCRUED INCOME	064	501.318	443.097
E) TOTAL ASSETS (ADP 001+002+037+064)	065	931.599.989	908.478.084
OFF-BALANCE SHEET ITEMS	066		

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	608.323.687	568.874.004
I INITIAL (SUBSCRIBED) CAPITAL	068	696.074.300	696.074.300
II CAPITAL RESERVES	069		
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	46.530.168	46.530.168
1 Legal reserves	071	45.018.765	45.018.765
2 Reserves for treasury shares	072		
3 Treasury shares and holdings (deductible item)	073		
4 Statutory reserves	074		
5 Other reserves	075	1.511.403	1.511.403
IV REVALUATION RESERVES	076		
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		
2 Cash flow hedge - effective portion	079		
3 Hedge of a net investment in a foreign operation - effective portion	080		
4 Other fair value reserves	081		
5 Exchange differences arising from the translation of foreign operations (consolidation)	082		
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	27.105.058	-134.280.781
1 Retained profit	084	27.105.058	
2 Loss brought forward	085		134.280.781
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	-161.385.839	-39.449.683
1 Profit for the business year	087		
2 Loss for the business year	088	161.385.839	39.449.683
VIII MINORITY (NON-CONTROLLING) INTEREST	089		
B) PROVISIONS (ADP 091 to 096)	090	12.476.993	12.229.644
1 Provisions for pensions, termination benefits and similar obligations	091	2.315.167	2.315.167
2 Provisions for tax liabilities	092		
3 Provisions for ongoing legal cases	093	10.161.826	9.914.477
4 Provisions for renewal of natural resources	094		
5 Provisions for warranty obligations	095		
6 Other provisions	096		
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	183.974.058	206.626.716
1 Liabilities to undertakings within the group	098		
2 Liabilities for loans, deposits, etc. of undertakings within the group	099		
3 Liabilities to companies linked by virtue of participating interests	100		
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101		
5 Liabilities for loans, deposits etc.	102		
6 Liabilities to banks and other financial institutions	103	180.232.700	202.885.358
7 Liabilities for advance payments	104		
8 Liabilities to suppliers	105		
9 Liabilities for securities	106		
10 Other long-term liabilities	107	3.741.358	3.741.358
11 Deferred tax liability	108		
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	124.838.089	117.413.918
1 Liabilities to undertakings within the group	110		
2 Liabilities for loans, deposits, etc. of undertakings within the group	111		
3 Liabilities to companies linked by virtue of participating interests	112		
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113		
5 Liabilities for loans, deposits etc.	114		
6 Liabilities to banks and other financial institutions	115	92.440.295	92.530.829
7 Liabilities for advance payments	116	4.646.613	4.602.900
8 Liabilities to suppliers	117	16.353.124	9.770.534
9 Liabilities for securities	118		
10 Liabilities to employees	119	4.496.563	3.722.343
11 Taxes, contributions and similar liabilities	120	556.564	1.006.818
12 Liabilities arising from the share in the result	121		
13 Liabilities arising from fixed assets held for sale	122		
14 Other short-term liabilities	123	6.344.930	5.780.494
E) ACCRUALS AND DEFERRED INCOME	124	1.987.162	3.333.802
F) TOTAL - LIABILITIES (ADP 067+090+097+109+124)	125	931.599.989	908.478.084
G) OFF-BALANCE SHEET ITEMS	126		

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2021. to 31.03.2021.

in HRK

Submitter: LIBURNIA RIVIERA HOTELI d.d. OPATIJA

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	13.058.154	13.058.154	8.713.773	8.713.773
1 Income from sales with undertakings within the group	002				
2 Income from sales (outside group)	003	10.625.071	10.625.071	1.874.365	1.874.365
3 Income from the use of own products, goods and services	004				
4 Other operating income with undertakings within the group	005				
5 Other operating income (outside the group)	006	2.433.083	2.433.083	6.839.408	6.839.408
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	51.507.227	51.507.227	47.304.200	47.304.200
1 Changes in inventories of work in progress and finished goods	008				
2 Material costs (ADP 010 to 012)	009	9.849.989	9.849.989	5.951.500	5.951.500
a) Costs of raw materials and consumables	010	3.769.329	3.769.329	1.629.637	1.629.637
b) Costs of goods sold	011	8.830	8.830		
c) Other external costs	012	6.071.830	6.071.830	4.321.863	4.321.863
3 Staff costs (ADP 014 to 016)	013	10.652.906	10.652.906	12.365.606	12.365.606
a) Net salaries and wages	014	6.854.924	6.854.924	7.832.793	7.832.793
b) Tax and contributions from salary costs	015	2.414.960	2.414.960	2.961.252	2.961.252
c) Contributions on salaries	016	1.383.022	1.383.022	1.571.561	1.571.561
4 Depreciation	017	26.720.614	26.720.614	25.499.998	25.499.998
5 Other costs	018				
6 Value adjustments (ADP 020+021)	019	0	0	0	0
a) fixed assets other than financial assets	020				
b) current assets other than financial assets	021				
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	023				
b) Provisions for tax liabilities	024				
c) Provisions for ongoing legal cases	025				
d) Provisions for renewal of natural resources	026				
e) Provisions for warranty obligations	027				
f) Other provisions	028				
8 Other operating expenses	029	4.283.718	4.283.718	3.487.096	3.487.096
III FINANCIAL INCOME (ADP 031 to 040)	030	7.808	7.808	3.613	3.613
1 Income from investments in holdings (shares) of undertakings within the group	031				
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032				
3 Income from other long-term financial investment and loans granted to undertakings within the group	033				
4 Other interest income from operations with undertakings within the group	034				
5 Exchange rate differences and other financial income from operations with undertakings within the group	035				
6 Income from other long-term financial investments and loans	036				
7 Other interest income	037	1.418	1.418	16	16
8 Exchange rate differences and other financial income	038	6.390	6.390	3.597	3.597
9 Unrealised gains (income) from financial assets	039				
10 Other financial income	040				
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	632.946	632.946	862.869	862.869
1 Interest expenses and similar expenses with undertakings within the group	042				
2 Exchange rate differences and other expenses from operations with undertakings within the group	043				
3 Interest expenses and similar expenses	044	609.559	609.559	847.966	847.966
4 Exchange rate differences and other expenses	045	23.387	23.387	14.903	14.903
5 Unrealised losses (expenses) from financial assets	046				
6 Value adjustments of financial assets (net)	047				
7 Other financial expenses	048				
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049				
VI SHARE IN PROFIT FROM JOINT VENTURES	050				
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051				
VIII SHARE IN LOSS OF JOINT VENTURES	052				
IX TOTAL INCOME (ADP 001+030+049 +050)	053	13.065.962	13.065.962	8.717.386	8.717.386
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	52.140.173	52.140.173	48.167.069	48.167.069
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	-39.074.211	-39.074.211	-39.449.683	-39.449.683
1 Pre-tax profit (ADP 053-054)	056	0	0	0	0
2 Pre-tax loss (ADP 054-053)	057	-39.074.211	-39.074.211	-39.449.683	-39.449.683
XII INCOME TAX	058				
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	-39.074.211	-39.074.211	-39.449.683	-39.449.683
1 Profit for the period (ADP 055-059)	060	0	0	0	0
2 Loss for the period (ADP 059-055)	061	-39.074.211	-39.074.211	-39.449.683	-39.449.683

DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063				
2 Pre-tax loss on discontinued operations	064				
XV INCOME TAX OF DISCONTINUED OPERATIONS	065				
1 Discontinued operations profit for the period (ADP 062-065)	066				
2 Discontinued operations loss for the period (ADP 065-062)	067				
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062)	068				
1 Pre-tax profit (ADP 068)	069				
2 Pre-tax loss (ADP 068)	070				
XVII INCOME TAX (ADP 058+065)	071				
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072				
1 Profit for the period (ADP 068-071)	073				
2 Loss for the period (ADP 071-068)	074				
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	075	0	0	0	0
1 Attributable to owners of the parent	076				
2 Attributable to minority (non-controlling) interest	077				
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	-39.074.211	-39.074.211	-39.449.683	-39.449.683
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	0	0	0	0
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081				
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082				
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083				
4 Actuarial gains/losses on the defined benefit obligation	084				
5 Other items that will not be reclassified	085				
6 Income tax relating to items that will not be reclassified	086				
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	0	0	0	0
1 Exchange rate differences from translation of foreign operations	088				
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089				
3 Profit or loss arising from effective cash flow hedging	090				
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091				
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092				
6 Changes in fair value of the time value of option	093				
7 Changes in fair value of forward elements of forward contracts	094				
8 Other items that may be reclassified to profit or loss	095				
9 Income tax relating to items that may be reclassified to profit or loss	096				
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086 - 096)	097	0	0	0	0
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	-39.074.211	-39.074.211	-39.449.683	-39.449.683
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	0	0	0	0
1 Attributable to owners of the parent	100				
2 Attributable to minority (non-controlling) interest	101				

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2021. to 31.03.2021.

in HRK

Submitter: LIBURNIA RIVIERA HOTELI d.d. OPATIJA			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	-39.074.211	-39.449.683
2 Adjustments (ADP 003 to 010):	002	27.330.173	26.100.616
a) Depreciation	003	26.720.614	25.499.998
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004		
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005		
d) Interest and dividend income	006		
e) Interest expenses	007	609.559	847.966
f) Provisions	008		-247.348
g) Exchange rate differences (unrealised)	009		
h) Other adjustments for non-cash transactions and unrealised gains and losses	010		
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	-11.744.038	-13.349.067
3 Changes in the working capital (ADP 013 to 016)	012	-3.720.356	-3.957.895
a) Increase or decrease in short-term liabilities	013	4.169.604	-6.105.906
b) Increase or decrease in short-term receivables	014	-5.278.186	2.525.743
c) Increase or decrease in inventories	015	-304.648	-377.732
d) Other increase or decrease in working capital	016	-2.307.126	
II Cash from operations (ADP 011+012)	017	-15.464.394	-17.306.962
4 Interest paid	018	-647.009	-731.441
5 Income tax paid	019		
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-16.111.403	-18.038.403
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	135.517	
2 Cash receipts from sales of financial instruments	022		
3 Interest received	023	32.236	
4 Dividends received	024		
5 Cash receipts from repayment of loans and deposits	025		
6 Other cash receipts from investment activities	026		
III Total cash receipts from investment activities (ADP 021 to 026)	027	167.753	0
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-10.499.915	-6.198.336
2 Cash payments for the acquisition of financial instruments	029		
3 Cash payments for loans and deposits for the period	030		
4 Acquisition of a subsidiary, net of cash acquired	031		
5 Other cash payments from investment activities	032		
IV Total cash payments from investment activities (ADP 028 to 032)	033	-10.499.915	-6.198.336
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-10.332.162	-6.198.336
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035		
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036		
3 Cash receipts from credit principals, loans and other borrowings	037	18.650.000	22.652.657
4 Other cash receipts from financing activities	038		
V Total cash receipts from financing activities (ADP 035 to 038)	039	18.650.000	22.652.657
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040		
2 Cash payments for dividends	041		
3 Cash payments for finance lease	042		
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043		
5 Other cash payments from financing activities	044		
VI Total cash payments from financing activities (ADP 040 to 044)	045	0	0
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	18.650.000	22.652.657
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047		
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	-7.793.565	-1.584.082
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	25.944.110	12.061.669
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	18.150.545	10.477.587

NOTES TO FINANCIAL STATEMENTS - TFI
(drawn up for quarterly reporting periods)

Name of the issuer: Liburnia Riviera Hoteli d.d.

Personal identification number (OIB): 15573308024

Reporting period: 01.01.-31.3.2021.

Notes

Subject to the provisions of the Companies act (hereinafter: CA) and the Accounting act, the Management Board of Liburnia Riviera hoteli d.d. (hereinafter referred to as: the Company), with head office in Opatija, Maršala Tita 198, whose main activities are accommodation and hospitality services, travel agencies and tour-operator services, presents the quarterly non-audited financial reports for the period from January 1st, 2021. to March 31st, 2021.

Key messages of the Company's operations during the first quarter of 2021

During the first quarter of 2021, the Company continued to actively manage the COVID-19 crisis by means of implemented action plans in order to stabilize the business that was successfully adapted to extraordinary circumstances, with the aim of protecting the health of guests and employees, ensuring sufficient liquidity levels, employment protection and normalization of business.

Results of the company Liburnia Riviera Hoteli d.d.

In the first quarter of 2021, the Company's business revenues amounted to HRK 8,7 million (-33% as compared to the same period of the year in 2020). The operating revenues were primarily affected by an 82% drop in sales revenues (HRK -8.8 million) to the amount of HRK 1,9 million as a result of a reduction in the business volume in the observed period of 2021 compared to the same period of the previous year considering that World Health Organization declared a global COVID-19 pandemic on March 11th, 2020.

The main sales revenue consists of guesthouse revenues, which amounted to HRK 1,2 million during the first quarter of 2021 (-85% as compared to the same period of 2020). Apart from the opening of the hotel Ambassador 5* during New year's holidays, the closure of all tourist facilities was reached by March 2021, according to low demand. Hotel Bellevue 4* was opened at the beginning of March, villa Abbazia 4* was opened in the middle of the month, and Hotel Imperial 4* at the end of March.

Other operating revenues amounted to HRK 6,8 million (HRK + 4.4 million as compared to the same period of 2020) as a result of the use of measures by the government of the Republic of Croatia, including aid for the preservation of jobs (HRK 4,000 per employee) and exemption from related tax liabilities (total revenue of HRK 4,3 million).

Operating expenses amount to HRK 47,3 million with a drop of 8% (HRK 51,5 million in the first quarter of 2020). Material costs amount to HRK 6,0 million with a decrease of the share in total operating expenses to 13% (19% in the first quarter of 2020). The decrease of HRK 3,9 million is a consequence of a lower business volume. Staff costs amount to HRK 12,4 million with a share of 26% in operating expenses (21% in the first quarter of 2020). Compared to the same period last year, they have increased by HRK 1,7 million due to the improvement in organization of central services and related employment. Other operating expenses amount to HRK 3,5 million with a share of 7% in operating expenses (8% in the first quarter of 2020). The 19% drop in other operating expenses is primarily due to reduced utility charges.

The financial result in the first quarter of 2021 is HRK -0,9 million (HRK -0,6 million in the same period of 2020). The main reason for the worse financial result as compared to the previous comparable period are the increased interest expenses on loans.

The loss before tax during the first quarter of 2021 amounts to HRK 39,4 million, while in the comparable period of the previous year the loss amounted to HRK 39,1 million.

The recorded loss, as well as negative operating earnings (EBITDA), in the amount of HRK 13,1 million (11,7 in the first quarter of 2020), are the result of continuous disturbances on the tourism market, and disruptions of European and world tourist flows, and the partial closure of facilities caused by the COVID-19 pandemic.

Liabilities

As of March 31st, 2021 short term liabilities amounted 117, 41 mil HRK which is lower than as of December 31st, 2020 mainly due to reduction in liabilities to suppliers that were lower for 6,5 mil HRK. Long term liabilities increased for 13% since December 31st, 2020 from 183,97 mil HRK to 206,63 mil HRK due to working capital loan used during 1st quarter 2021.

Collaterals

New collaterals and insurance vehicles were given - bill of exchange for car leases.

No of employees

Average number of employees in the period was 403.

Consolidated reports

The Company is included in the consolidated financial statements of the company Gitone Beteiligungsverwaltung GmbH, with registered seat in Austria, 1030 Vienna, Am Modenapark 13/9.

Business management during the COVID-19 pandemic

The Company actively monitors the development of the situation related to the negative impact of the COVID-19 pandemic on market trends and dynamically analyses the necessary changes in operational business. Extraordinary measures of movement restriction, including restrictions on gatherings, partial restrictions on the operation of hospitality facilities and shops, as well as restrictions on border crossings and passenger border controls, continue to negatively affect the tourism industry by reducing the demand for travel. Therefore, the Company has taken preventive measures to protect the health of guests and employees, activated crisis management procedures and maintenance of business continuity while preserving jobs, thus successfully achieving a partial normalization of business operations.

Modification of tourist products and services and demand

In order to improve the quality of services and the safety of guests and employees, the Company has implemented a

comprehensive package of activities that included the implementation of crisis procedures, together with providing general information on the spread of the COVID-19 and measures to prevent the occurrence and to control the spread of the respiratory viruses, buffet service by waiters, limiting the number of seating places in restaurants according to the prescribed measures, mandatory wearing of masks of all employees who are in contact with guests, the possibility of testing guests and test results delivery, mandatory measurement of employees' temperature, and in certain facilities of guests' temperature before entering the restaurant. Disinfection procedures of all public spaces and accommodation units were introduced and improved, as well as additional disinfection measures after the guest departure.

Disruptions in European and world tourist flows negatively affected guest arrivals during the first quarter of 2021, and reduced business and revenue volumes are expected, as well as increased volatility of booking requests in the remainder of 2021. In order to dynamically adapt business operations to the impact of the pandemic and increase the demand for the Company's tourist capacities, the "non-refundable" price list was abolished, the policy of active management and adjustment to daily prices of tourist facilities has been intensified, as well as the creation of packages with included additional services. In current circumstances of uncertainty related to the further development of the pandemic and freedom of movement of people, it is not possible to predict with certainty the final negative effect of the slower trend of new booking requests on business operations, especially given the pronounced trend of "last-minute" bookings and the simplified booking cancellation policy.

Corporate governance

As of March 4th, 2021 the Management Board consisted of two members, the president of the Board, Mr. Agron Beriša who resigned in the first quarter of 2021, and the member of the Board, Mr. Johannes Böck. On March 5th, 2021, the Supervisory Board nominated Mr. Vladimir Bošnjak as a new president of the Management Board.