



LIBURNIA  
HOTELS & VILLAS



Hotel Ambasador 5\*, Opatija

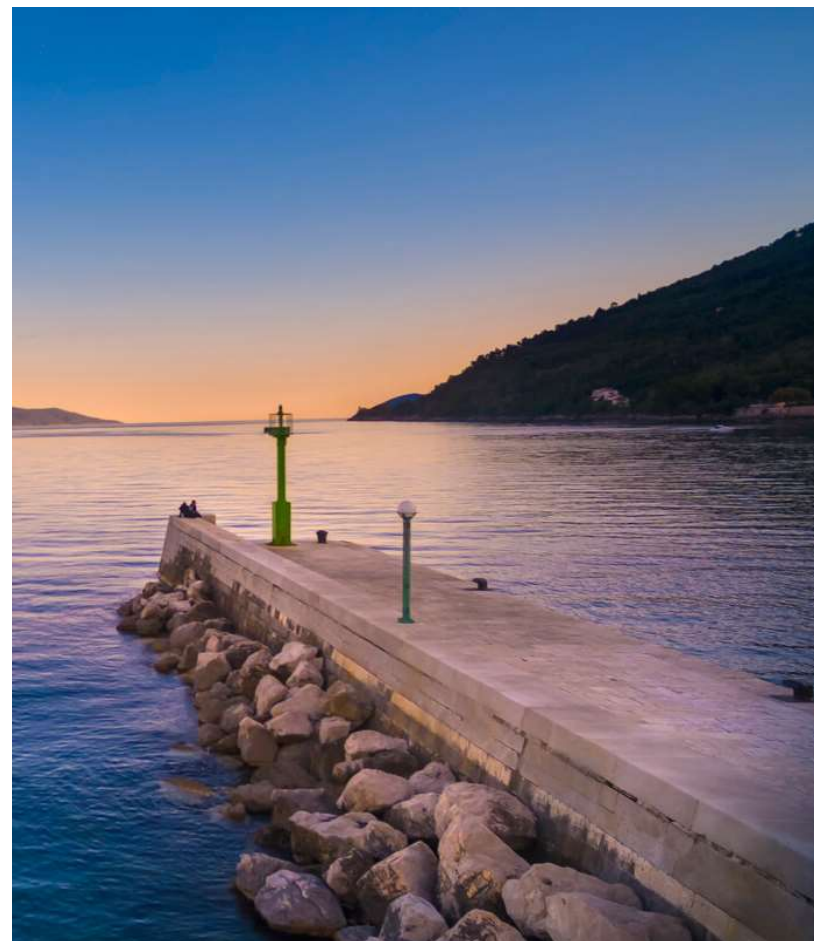
UNAUDITED BUSINESS RESULTS 1/1/2022 - 30/6/2022

LIBURNIA RIVIERA HOTELI d.d.

Opatija, July 2022

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## KEY MESSAGES

### KEY FINANCIAL INDICATORS

(in HRK million)	6M 2021	6M 2022	6M '22/'21
Total revenues	52.9	119.9	127%
Operating revenues	52.9	117.4	122%
Sales revenues	34.7	112.4	224%
Board revenues	27.4	89.1	225%
Operating costs	68.7	104.7	52%
EBITDA	-15.8	12.7	180%
EBIT	-66.4	-35.4	47%
EBT	-68.3	-39.3	43%
	31/12/2021	30/06/2022	%
Net debt	350.2	351.4	0.3%
Cash and cash equivalents	15.2	27.7	82%

### KEY OPERATING INDICATORS

	6M 2021	6M 2022	6M 22/'21
Number of acc. units (operating)	2,007	2,120	6%
Annual occupancy (%)	10.9%	29.2%	1,829 bp
Accommodation units sold	39,482	111,896	183%
Overnights	66,083	205,131	210%
Average daily rate (in HRK)	694	796	15%
RevPAR (in HRK)	13,651	42,007	208%

Note: Details and explanations of indicators can be found on page 9 in the chapter "Company results"

During the first half of 2022, Liburnia Riviera Hoteli d.d. (hereinafter Liburnia Riviera or the Company) recorded a strong recovery in tourist and operating activities in relation to the comparable period in 2021. The strong recovery is due to: i) the gradual mitigation of the COVID-19 impact on business activities, ii) strategic focus on season prolongation and the organization of numerous events, iii) the continuing trend of strong demand for Liburnia's tourist capacities, which started in June 2021, and iv) improvement of marketing and sales activities with optimization of price management according to demand.

Total revenues amount to HRK 119.9 million, which represents an increase of 127% compared to the same period last year (2021: HRK 52.9 million). Of the total revenues, HRK 117.4 million refer to operating revenues (2021: HRK 52.9 million), while the rest of HRK 2.5 million refer to financial revenues, mainly based on the quarterly statement of exchange rate differences, primarily on the Company's long-term debt in relation to the annual reporting in the previously observed period. The growth in sales revenues (+224%: HRK +77.7 million) is mostly the result of a 225% increase in board revenues to the level of HRK 89.1 million (2021: HRK 27.4 million) and a 254% growth in extra food and beverage revenues to the level of HRK 16.4 million (2021: HRK 4.6 million).

During the first six months of 2022, the Company achieved 205,131 overnight stays (+210%) and an increase in the average daily price by 15% to the level of HRK 796. The majority of the 61.7 million growth in board revenues is primarily influenced by: i) the gradual mitigation of the impact of the COVID-19 pandemic on business, ii) strategic determinants of further extension of the tourist season and positioning of Opatija as a year-round destination, iii) optimization of distribution and price management in accordance with demand, iv) successful implementation of a greater number of events and v) better occupancy of the facilities.

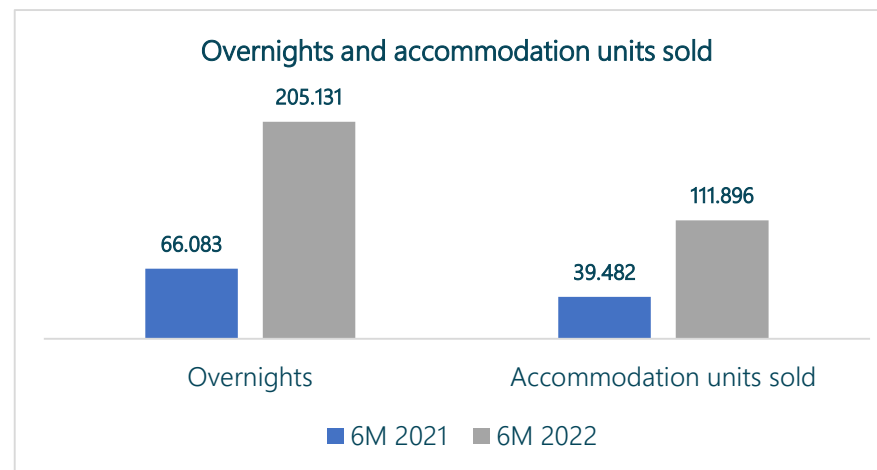
The achieved results again indicate a faster, but initially expected recovery as well as the resilience of Croatian tourism, especially in the northern Adriatic

regions where Liburnia Riviera operates. Namely, the suitable geographical location for automobile guests (primarily Austrians, Croatians, Germans, Slovenians, Hungarians and Italians who made up more than 80% of all overnight stays) represents partial natural protection of the Liburnia Riviera from the disruption of tourist flows caused by the COVID-19 virus pandemic and the escalation of the Russian-Ukrainian conflict. We draw attention to the fact that the mentioned growth was achieved despite the absence of support measures provided by the Government of the Republic of Croatia, which during the first half of 2021 resulted in an additional income of HRK 13.5 million.

Operating costs during the first half of 2022 amount to HRK 104.7 million. The main reasons for the 52% increase can be found in: i) increased business volume (+210%; +139,048 overnight stays), ii) increased material costs due to inflationary pressures on the prices of raw materials and materials, and iii) further strengthening of the key management and operational teams, aiming to transform the business model in order to make Liburnia Riviera an internationally competitive tourism company in the hotel business in the medium term.

A significant increase in the number of sold accommodation units (+183%; +72,414) with a simultaneous 15% increase in the average daily price resulted in an increase in the operating earnings (EBITDA) from a negative HRK 15.8 million realized in the first half of 2021 to a positive HRK 12.7 million realized in the comparative period of 2022, despite the absence of HRK 13.5 million of revenues realized in the first six months of 2021 due to the usage of support measures provided by the Government of the Republic of Croatia. If we exclude the one-time positive effect of the support measures received in 2021, the operating result would be improved by HRK 42 million.

In 2022, due to increasingly strong inflationary pressures caused by disruptions in supply chains and the Russian-Ukrainian conflict as well as mutually imposed economic sanctions, Liburnia Riviera continued with the



rationalization of operating costs, which includes active management of energy costs, direct food and beverage costs, maintenance costs through negotiations with suppliers for lower prices, as well as minimizing employee costs through maintaining an optimal number of employees.

In order to promote Liburnia Riviera as the leader of year-round tourism in the Kvarner region and to ensure the quality workforce needed to further raise the service quality level and guest satisfaction, the Company preserved all jobs without layoffs and reducing working conditions. In addition, in cooperation with the unions, from the second quarter of 2022, an increase in the material rights of workers and cash rewards for permanent and seasonal workers depending on the months of work during 2022 have been agreed. The aim of the previously mentioned measures is to adequately valorize the Company's key resource, our employees, which ensures the stability and long-term sustainability of the business. As of June 30, 2022, the company employed a total of 1,040 employees, of which 336 were permanent. It should certainly be noted that recruitment and preparation for the 2022 season began much earlier due to the earlier opening of facilities in the destinations and that the Company secured the majority, i.e. 94% of the planned employees for the 2022 season, on time through numerous activities in the labor market.

After a successful refinancing of the majority of the existing credit obligations towards the Company's largest creditor, Erste&Steiermärkische Bank d.d., in the amount of EUR 25 million, and after contracting 6-year long-term loan with Sberbank d.d. (now Nova Hrvatska banka d.d.), in the amount of EUR 11.5 million during past year, in 2022 the Company continued strengthening its medium-term cash position. Thus, in early March 2022, a revolving loan agreement in the amount of EUR 5.3 million was concluded with Istarska kreditna banka d.d., which ensures further flexibility in cash flows planning, and enables proactive working capital management.

Considering the reduced, but still present impact of the COVID-19 pandemic on the Company's operations, and with the aim of a timely approach to mitigate and control any new adverse impacts on the Company's business, the CAPEX segment continued with an adapted business plan. In the first half of 2022, investments have been reduced to the necessary works for the purpose of improving the quality of services and guest safety, as well as preparing facilities for this year's and the following business seasons (Hotel Admiral, Hotel Lungomare, Villa Danica, Villa Slatina, Garden Bar at the Marina Hotel). Also, work was carried out on the arrangement and preparation of the facility for seasonal employees' accommodation in all destinations where Liburnia Riviera has open capacities. Thus, investments during the first six months of 2022 amounted to a total of HRK 19.3 million.

Simultaneously continues the preparation of projects aimed at further Liburnia Riviera's growth and development of tourism portfolio, with the current priority being the maximization of free cash flow and reduction of net debt/EBITDA ratio towards pre-COVID levels. Namely, Croatia in 2022 has the opportunity to further consolidate the position of a safe and desirable Mediterranean destination, as well as to continue with a strong recovery dynamic.

Given the resilience of the tourism industry in Croatia, especially the locations where Liburnia Riviera has its own tourist capacities, the strategic focuses of the Government of the Republic of Croatia should be on key resources and the promotion of investments in tourism. The latter ones represent fundamental grounds for the acceleration of business normalization, expediting the growth of Croatia's total GDP and increasing the competitiveness of the Croatian tourism sector in the coming period.

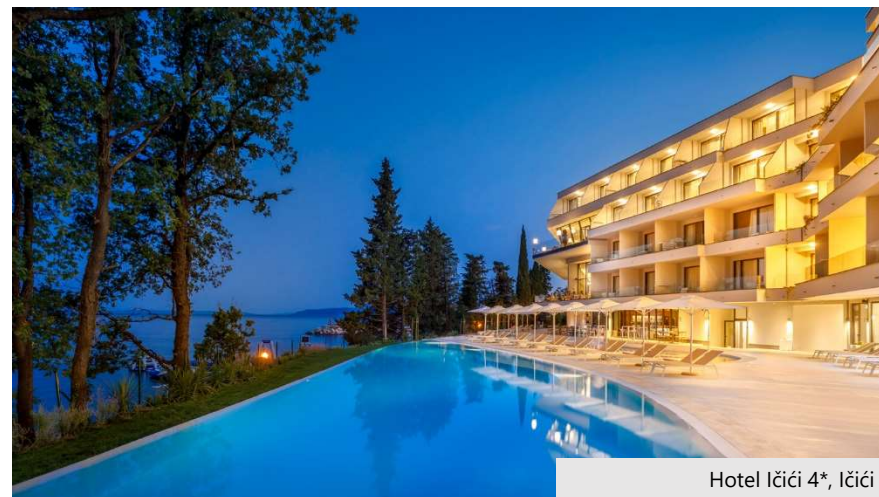
One of the key determinants of the Government in defining the framework of the Croatian economy in 2022 must be based on limiting inflationary pressures on rising prices of essential products and energy. This will enable the tourism sector, together with the whole economy, to accelerate the normalization of business and ensure multiplier effects of recovery on other industries while encouraging investment in key business resources (primarily human resources and investment).

Liburnia Riviera, as a company with a strong positive net asset value and simultaneous ownership and management of the valuable hotel and tourist properties together with contracted credit lines and refinancing of credit obligations during 2021, has created the necessary preconditions for the expected normalization of the business during 2022 and 2023, and further sustainable growth and development of the company.

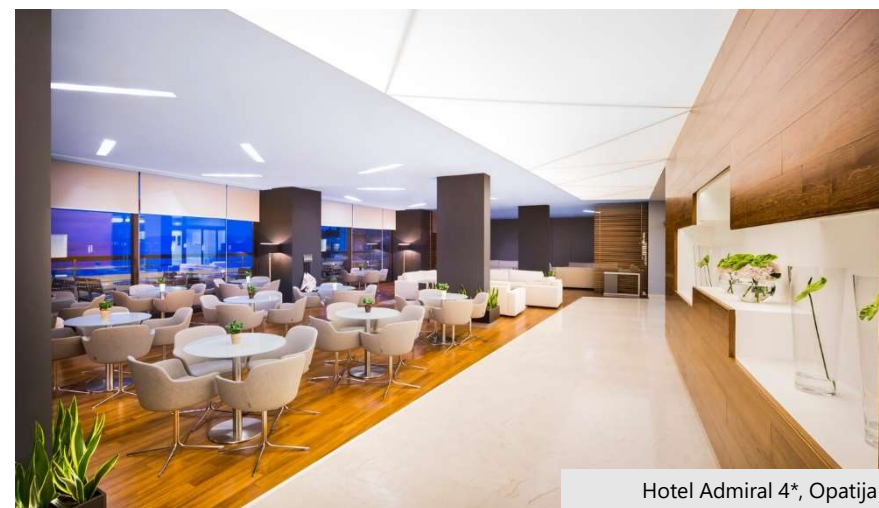
## ABOUT LIBURNIA RIVIERA

Liburnia Riviera is one of the largest hospitality companies in the Republic of Croatia with revenues of over HRK 300 million in pre-COVID-19 market conditions. 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 the Liburnia Riviera destination as one of the best tourist destinations in the Mediterranean, the Company 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, Company has launched internal reorganization measures, improving the business model, as well as renovating and reconstructing hotels and other premises in 2020 and 2021. However, due to the COVID-19 pandemic outbreak and its adverse impact on all industries, economic and tourist flows, including 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.



Hotel Ičići 4\*, Ičići



Hotel Admiral 4\*, Opatija

## **SIGNIFICANT BUSINESS EVENTS**

### **IMPACT OF COVID-19 ON THE COMPANY'S BUSINESS**

Given the significantly decreased, but still present, adverse impact and issues caused by the unpredictable spread of the COVID-19 virus on the Company's operations, actions and events related to the pandemic are explained in more detail in the chapter "Business management during the COVID-19 pandemic", to follow.

### **FURTHER STRENGTHENING OF MEDIUM-TERM LIQUIDITY**

At the beginning of March 2022, the Company entered into an agreement for a long-term revolving loan with Istarska kreditna banka d.d. Umag in the total amount of EUR 5.3 million for the purposes of working capital financing and ensuring the Company's medium-term liquidity. This represents a confirmation of the trust of investors and financiers in the further development of Liburnia Riviera, as well as in the continuation of recovery from the negative consequences of the COVID-19 pandemic and the further development of Croatian tourism.

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

On May 25, 2022, Mrs. Helena Masarić resigned from the Supervisory Board of Liburnia Riviera effective as of the date of resignation. Supervisory Board of the Company, by decision of Nova Liburnija d.o.o., appointed Mr. Danijel Jerman as a replacement for Mrs. Masarić. Also, at the beginning of June 2022, the Workers' Council decided to elect a new member to the Company's Supervisory Board (employee representative), and Mr. Rikardo Gregov was appointed to replace Mr. Domijan Mršić. Following the aforementioned changes, the Supervisory Board operates as follows: Mr. Johannes Böck, president, members: Mr. Davor Žic, Mrs. Ana Odak, Mr. Thomas Mayer, Mr. Philip Göth, Mr. Alexander Zinell, Mr. Danijel Jerman and Mr. Rikardo Gregov (employee representative).

### **LIBURNIA RIVIERA GENERAL ASSEMBLY**

On July 1, 2022, the Company publicly announced the invitation to convene the regular General Assembly. The General Assembly was set for August 11, 2022. The agenda of the General Assembly, proposed decisions and instructions to shareholders are available on the Company's website.

### **THE INFLUENCE OF THE RUSSIAN-UKRAINIAN CRISIS ON THE COMPANY'S BUSINESS**

The Russian-Ukrainian crisis currently has no significant impact on the Company's operations. In 2021, guests from the Russian and Ukrainian emission markets generated less than 2% of the Company's total operating revenues, and it is expected that their anticipated absence could be compensated from other markets, although in the current circumstances of uncertainty it is not possible to predict all potential impacts of the crisis on the Company's operations, nor the influence of all relevant macroeconomic and political factors. Namely, in 2022, inflationary pressures caused by disruptions in supply chains and the Russian-Ukrainian conflict followed, as well as imposed economic sanctions. In order to rationalize operating costs, the Company continued with comprehensive measures to reduce operating costs, which include savings in energy costs, direct food and beverage costs, maintenance costs, as well as active negotiations with suppliers to reduce prices and ensure sufficient quantities for the season. The company points out that it closely monitors the course of the Russian-Ukrainian crisis and continuously assesses possible negative impacts on business, noting that the conclusions presented are based on currently available facts, knowledge and circumstances, as well as assessments regarding the current situation in Ukraine.

## BUSINESS MANAGEMENT DURING THE COVID-19 PANDEMIC

In the first half of 2022, the market environment was further influenced by the normalization of business, given that countries across Europe gradually abolished previously adopted measures and recommendations with varying degrees of movement restrictions, all with the aim of reducing the number of people infected with the COVID-19 virus. Softening of movement restrictions had a positive effect on the number of bookings and the continued increase in demand for tourist facilities in Croatia. Therefore, Liburnia Riviera had 3 properties open continuously throughout the first half of the year (Hotel Ambassador, Hotel Bellevue and Hotel Istra), following the strategy of further extension of tourist season and of positioning Opatija as a year-round destination. The remaining 15 facilities were gradually opened in the period from March to June in accordance with demand and the needs of the organization of events in group and M.I.C.E. marketing segment.

During the first half of 2022, there was a noticeable increase in the number of guest arrivals and overnight stays with a significant increase in average daily prices (+15% compared to the same period in 2021 and +38% compared to the respective period in 2019). The above results indicate the continued recovery and normalization of Liburnia Riviera's business, as well as the resilience of Croatian tourism.

The Company continuously monitors situation related to the adverse impact of the COVID-19 pandemic on market dynamics and analytically assesses necessary changes in its operations. To that extent, during the first half of 2022, the Company continued applying preventive measures to protect the health of guests and employees. At the same time, the Company continues with active promotion of the benefits of employee vaccination in agreement with the epidemiological service, complemented by the observance of "Stay safe"

standards as defined by the Croatian Tourist Board and the Teaching Institute for Public Health (NZZJZ).

Committed to continued containment of the COVID-19 virus spread, during the first half of 2022 the Company consistently implemented comprehensive set of activities, envisaged to improve the quality of services and the safety of guests and employees. Despite the decision of the Government of the Republic of Croatia from the beginning of April 2022 to further relax the number of epidemiological measures, and to abolish the mandatory wearing of protective masks, Liburnia Riviera continues to apply the hygiene program "#WeCare", emphasizing the great importance of safety and well-being of all the guests, partners and employees.

Incrementally adapting to the impact of the pandemic and aiming to increase the demand for the Company's tourist capacities, the policy of active management and adjustment of the daily prices of tourist facilities has been intensified, as well as the designing of packages with additional services included. Everything mentioned has contributed to the achievement of a significant increase in average daily prices during the first half of 2022.

Despite the positive development of the circumstances related to the COVID-19 pandemic and the freedom of movement of people, it is still not possible to predict with certainty the final effect of the entry of new bookings in 2022, especially considering the prominent trend of "last-minute" bookings, as well as of simplified policies of bookings cancellation. Namely, the positive effect of reduced negative impacts of the COVID-19 pandemic was "undone" in a certain way by the negative consequences caused by the escalation of the war in Ukraine. However, it should be emphasized that there have been no unusual cancellations of bookings due to this event in the recent period, with a note that the current pace of bookings is strong, as proven by more than doubled number of bookings at the end of July compared to the same period last year.



## COMPANY RESULTS

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

(in HRK million)	6M 2021	6M 2022	6M '22/'21
Total revenues	52.9	119.9	127%
Operating revenues	52.9	117.4	122%
Sales revenues	34.7	112.4	224%
Board revenues <sup>2</sup>	27.4	89.1	225%
Operating costs <sup>3</sup>	68.7	104.7	52%
EBITDA <sup>4</sup>	-15.8	12.7	180%
EBIT	-66.4	-35.4	47%
EBT	-68.3	-39.3	43%
	31/12/2021	30/06/2022	%
Net debt <sup>5</sup>	350.2	351.4	0.3%
Cash and cash equivalents	15.2	27.7	82%

### KEY OPERATING INDICATORS

	6M 2021	6M 2022	6M 22/'21
Number of acc. units (operating)	2,007	2,120	6%
Annual occupancy (%) <sup>6</sup>	10.9%	29.2%	1,829 bp
Accommodation units sold	39,482	111,896	183%
Overnights	66,083	205,131	210%
Average daily rate (in HRK)	694	796	15%
RevPAR (in HRK) <sup>6</sup>	13,651	42,007	208%

<sup>1</sup> Classified according to Quarterly Financial Statement standard (TFI PODRDG) 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

In the first half of 2022, Liburnia Riviera's total revenues amounted to HRK 119.9 million (2021: HRK 52.9 million), which represents an increase of 127% compared to the respective period last year. The increase in total revenues in the amount of HRK 67.0 million was influenced by:

- a) **a significant increase in sales revenues** of 224% (HRK +77.7 million) to the level of HRK 112.4 million, which are primarily made up of board revenues in the amount of HRK 89.1 million (+225%; HRK +61.7 million). In the period from March to June, Liburnia Riviera gradually opened its accommodation facilities, where it is certainly worth noting that the Ambassador, Bellevue and Istra hotels were open throughout the first half of the year following the strategy of further extension of the tourist season and positioning of Opatija as a year-round destination. Thus, during the first half of the year, a total of 2,120 accommodation units were opened with achieved 205,131 overnight stays (+210% compared to the same period in 2021). The strong increase in board revenues was influenced by: i) a significant increase in the number of sold accommodation units (+183%) to the level of 111,896 accommodation units, ii) a 15% increase in the average daily price compared to the respective period last year, primarily in individual marketing segment thanks to the convenient geographical location for automobile guests (mainly Austrians, Croatians, Germans, Slovenians, Hungarians and Italians who accounted for more than 80% of all overnight stays) and the organization of many interesting events and experiences for guests (Romantic Getaway offers for Valentine's Day, Active&Healthy offers in the Istra hotel, holding Dora -

<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> Annual occupancy and RevPar calculated based on the number of operating accommodation units.

the national Eurovision song contest, holding RetrOpatija event, Sensual Summer Days and other events), and iii) the gradual recovery of the group and M.I.C.E segments after their strong decline in 2020 and in the first half of 2021. The reasons for the significant increase in sales revenues (HRK +77.7 million), in addition to the increase in board revenues (HRK +61.7 million), can be attributed to the strong increase in extra food and beverages revenues (HRK +11.8 million) due to the enrichment of the food and beverage assortment and increased quality of service in F&B outlets, where the newly renovated premium cafe Imperial certainly stands out, opened for service at the end of last year;

- b) achieved **other operating income** in the amount of HRK 5.0 million, which represents a decrease of 73% compared to the same period of 2021. The decrease is due to a lack of Government support measures, primarily aimed at job preservation (HRK 4,000 per employee) and exemption from related contributions and tax liabilities (during the first half of 2021 they contributed with HRK 13.5 million of additional revenues). Realized other operating income in 2022 mostly represents rental income;
- c) realized **financial income** in the amount of HRK 2.5 million (HRK 0.0 million in the comparative period of 2021) refers to income generated mainly based on the quarterly statement of exchange rate differences, primarily on the Company's long-term debt compared to the annual statement in the previously observed period.

## OPERATING EXPENSES

(in HRK million)	6M 2021	6M 2022	6M 22'/21'
Total operating expenses	119.3	152.8	28%
Material costs	26.6	50.0	88%
Staff costs	33.8	44.3	31%
Depreciation and amortization	50.6	47.9	-5%
Provisions and value adjustments	0.0	0.2	-
Other operating expenses	8.2	10.4	26%

Total operating expenses in the first half of 2022 amount to HRK 152.8 million with an increase of 28% (HRK +33.5 million). The structure of operating expenses consists of:

- a) **material costs** with a share of 33% (22% in 2021). Their 88% growth (HRK +23.4 million) to the level of HRK 50.0 million is primarily due to an increase in direct costs of raw materials, consumables and food and beverages costs due to the absence of operating business during the first and most of the second quarter of 2021, and consequently a strong increase in the business volume (+210% overnight stays) in the comparable period of 2022;
- b) **staff costs** with an increase in the share of total business expenses (29%) compared to the previous comparative period (28% in 2021). The reasons for the 31% increase (HRK +10.5 million) to the amount of HRK 44.3 million can be found in i) the strong increase in business volumes and the associated increase in the number of hours worked, and ii) further strengthening of the key management and operational teams, aiming to transform the business model in order to make Liburnia Riviera an internationally competitive tourism company in the hotel business in the medium term;

- c) **depreciation** with a share of 31% (42% in 2021). Its 5% drop (HRK -2.7 million) to the level of HRK 47.9 million is the result of the absence of stronger investment cycles during 2020 and most of 2021 in order to preserve and prudently manage liquidity due to the COVID-19 pandemic;
- d) **provisions and value adjustments** during the first half of 2022 amount to HRK 0.2 million, while in the comparative period last year were not recorded;
- e) **other operating expenses** with a share of 7% (7% in 2021) recorded an increase of HRK 2.2 million to the amount of HRK 10.4 million.

### OPERATING EARNINGS (EBITDA)

A significant increase in the number of sold accommodation units (+183%; +72,414) with a simultaneous 15% increase in the average daily price resulted in a decrease in the negative operating earnings (EBITDA) by HRK 28.5 million to the level of HRK 12.7 million despite the recorded negative effect of an increase in material and labor costs and the absence of HRK 13.5 million in revenue generated in the first half of 2021 due to the usage of support measures provided by the Government of the Republic of Croatia. If, when comparing the reporting periods, we exclude the one-time impact of the grants received during the first half of 2021, the increase in the operating earnings would amount to HRK 42 million.

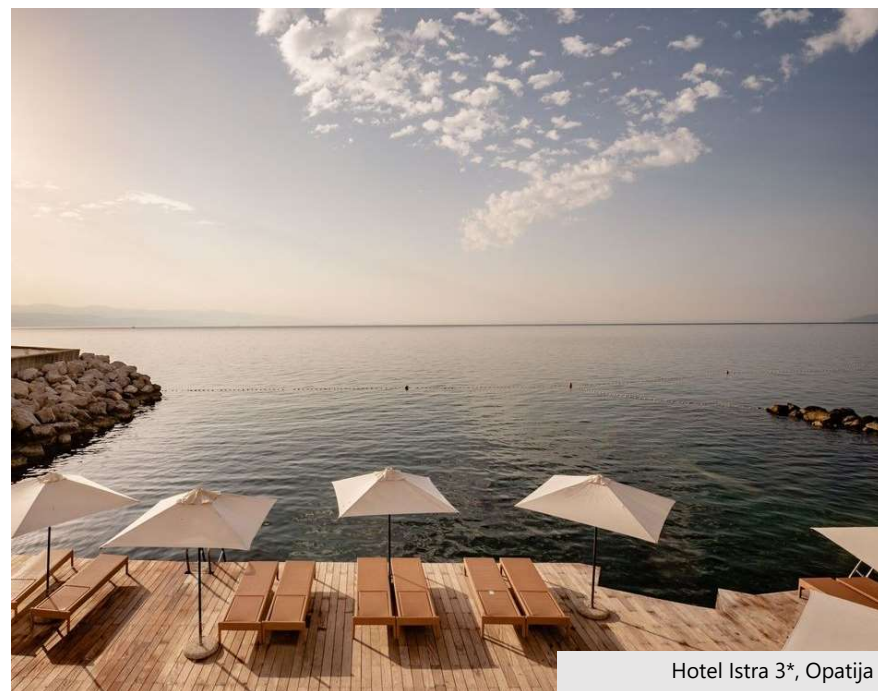
### FINANCIAL RESULT

The financial result amounts to HRK -3.9 million (HRK -1.8 million in 2021). The main reason for the HRK 2.1 million lower financial performance compared to the previous comparative period is primarily found in i) the HRK 0.4 million net negative effect of the exchange rate difference (primarily on debt) as a result of the depreciation of the domestic currency against the euro at the end of the second quarter compared to the end in 2021 and changes in the way

exchange rate differences are reported (in 2022, exchange rate differences are reported quarterly, while in previous years they were reported exclusively on an annual basis) and ii) an increase in expenses based on interest and fees due to the withdrawal of long-term credit lines in order 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)

The gross loss amounts to HRK -39.3 million (HRK -68.3 million in 2021), which represents an improvement of 43%, i.e., 53% if we exclude the effect of the change in the way of reporting exchange rate differences and the grants received in the first half of 2021, all as the result of the partial recovery of the tourism industry and the normalization of operational business.



Hotel Istra 3\*, Opatija

## ASSETS AND LIABILITIES

(in HRK million)	31/12/2021	30/6/2022	2022/2021
Fixed assets	906.3	876.7	-3.3%
Current assets	43.7	66.6	52.3%
Prepaid expenses and accrues income	0.6	4.1	620.4%
<b>TOTAL ASSETS</b>	<b>950.6</b>	<b>947.4</b>	<b>-0.3%</b>
Capital and reserves	517.0	477.9	-7.6%
Provisions	21.4	20.0	-6.5%
Long-term liabilities	297.1	327.7	10.3%
Short term liabilities	112.3	108.9	-3.0%
Accruals and deferred income	2.8	12.9	369.9%
<b>TOTAL LIABILITIES</b>	<b>950.6</b>	<b>947.4</b>	<b>-0.3%</b>

On June 30, 2022, the total value of the Company's assets amounts to HRK 947.4 million, which is 0.3% lower than on December 31, 2021. Fixed assets amount to HRK 876.7 million and are lower by HRK 29.6 million mainly as a result of: i) accrued depreciation in the amount of HRK 47.9 million and ii) performed investments to maintain and improve the existing quality of tourist products and services in the total amount of HRK 19.3 million.

Total current assets are HRK 22.9 million higher and amount to HRK 66.6 million, primarily as a result of a stronger cash position (HRK 27.7 million; HRK +12.5 million compared to December 31, 2021) and a higher level of inventory (HRK +3.5 million) and trade receivables (HRK +9 million), which is usual for the end of the first half of the year, given the increase in business activities.

Total share capital and reserves amount to HRK 477.9 million and are 7.6% lower as a result of the usual loss during the first half of 2022.

Total long-term liabilities increased from HRK 297.1 million to HRK 327.7 million due to the withdrawal of long-term credit lines for the purpose of strengthening the Company's liquidity position and financing the season preparation.

Total short-term liabilities amount to HRK 108.9 million and are decreased by 3% (HRK -3.4 million) compared to December 31, 2021. Although total short-term liabilities remained at similar levels from the end of 2021, it should be noted that there was a change in their structure in the reporting period. Namely, short-term liabilities to banks and other financial institutions decreased by HRK 16.3 million, mainly due to the repayment of current portion of the long-term debt and accrued interest. On the other hand, the largest uptake was recorded in liabilities for advances (HRK +4 million) and other liabilities (HRK +4.2 million).

The item of accruals and deferred income increased by HRK 10.1 million as a result of the accrual of expected costs related to incoming supplier invoices for June, which were not received.

## 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) super-vision 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 number of risks in daily business that can be divided into the following categories:

### 1) FINANCIAL RISKS

Financial risks include currency, interest rate, credit, price and liquidity risk. Since the Company operates internationally, it is exposed to currency risk, which mainly arises from changes in the nominal exchange rate of EUR/HRK. The majority of the proceeds from sales abroad are generated in EUR, the currency in which all long-term credit debt is denominated, so the Company

is for the most part naturally protected from currency risk. However, a certain part of liabilities (primarily obligations to suppliers and obligations to employees) are expressed in HRK, which is why the Company actively manages currency risk through financial instruments available on the financial market accordance with the current state and future assessment of the Company's foreign exchange position, expectations of the movement of the value of the EUR/HRK currency pair, as well as other cross-currency relationships between the world currencies.

Furthermore, 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. In view of the negative consequences of COVID-19 on the Company's customers, mainly tour operators and travel agencies, the Company continuously monitors the adverse impact on related parties, 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 2021 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. The COVID-19 pandemic, as an external stressor on the Company's business, has created strong pressures on operating cash flow. In accordance with sound management of the now increased liquidity risk, escalation plans for minimizing operating and fixed costs, preserving liquidity, solvency of companies and maintaining business continuity have been developed and activated.

## 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 labor 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.

Quality human resources management is the basis of future sustainable development of the Company, and hence the opening and expansion of the

labour market highlights risks related to deficient positions, development of new knowledge and specific skills. Proactive monitoring and identifying global tourism trends helps Liburnia Riveira to define the need for new knowledge and skills, as well as respond to challenges in the environment. Therefore, in dialogue with the social partners, the Company seeks to ensure a high level of workers' rights in terms of wage competitiveness, motivation and reward systems, as well as career development, health care and cooperation with educational institutions throughout Croatia.

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 Marina 4\*, M. Draga

## 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.

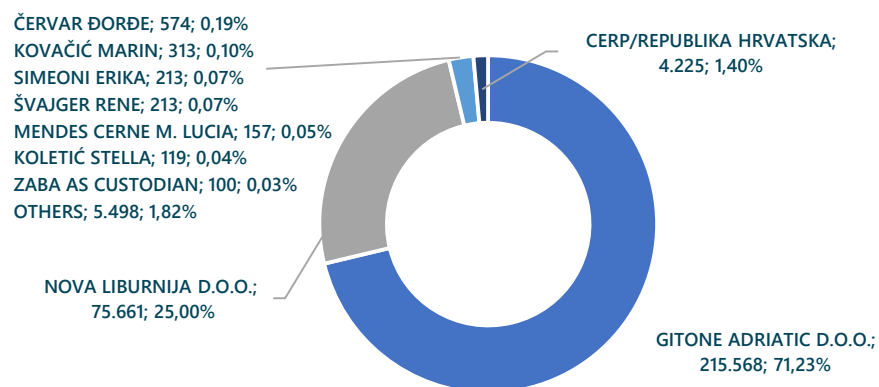
During the first half of 2022 for the most part, the Company has followed and applied the recommendations set out in the Code, disclosing all information as foreseen by the positive regulations and information beneficial for the interest of the Company's shareholders.

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 June 30, 2022:



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 30 June 2021, the Company holds 4 of its own shares, and in the first half of 2022 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 half of 2022, 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 30 June 2022 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.

On May 25, 2022, Mrs. Helene Masarić resigned from the Supervisory Board of Liburnia Riviere effective as of the date of resignation. Supervisory Board of the Company, by decision of Nova Liburnija d.o.o., appointed Mr. Danijel Jerman as a replacement for Mrs. Masarić. Also, at the beginning of June 2022, the Workers' Council decided to elect a new member to the Company's Supervisory Board (employee representative), and Mr. Rikardo Gregov was appointed to replace Mr. Domijan Mršić. Following the aforementioned changes, the Supervisory Board operates as follows: Mr. Johannes Böck, president, members: Mr. Davor Žic, Mrs. Ana Odak, Mr. Thomas Mayer, Mr. Philip Göth, Mr. Alexander Zinell, Mr. Danijel Jerman and Mr. Rikardo Gregov (employee representative).

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 Mr. Domijan Mršić, members,

**Strategic Development, Investments and Constructions Committee:** Mr. Johannes Böck, President and Mr. Domijan Mršić and Mrs. Ana Odak, members,

**Procurement Committee:** Mr. Johannes Böck, President and Mr. Domijan Mršić and Mrs. Ana Odak, members.

Due to the change of employee representative in the Supervisory Board of the Company, Mr. Domijan Mršić ceases to be a member of the above mentioned boards. His replacement will be appointed in the coming period.

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

Opatija, July 28<sup>th</sup>, 2022

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.

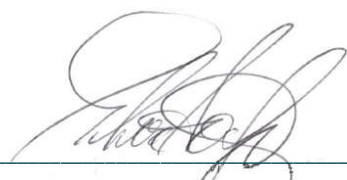
The Management Board is also responsible for the preparation and content of management reports and statements on the application of the Code of corporate governance, in accordance with the Croatian Accounting Act. Management report and report of the corporate governance code for the period from 1.1.2022 to 30.6.2022 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:

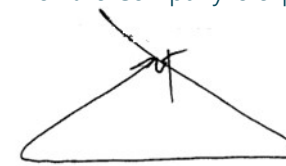
Interim unaudited unconsolidated financial statements of Liburnia Riviera Hoteli d.d. have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Croatian Accounting Act.

The unaudited unconsolidated financial statements for the period from 1 January to 30 June 2022 give a true and fair view of the Company's assets and liabilities, financial position, profit or loss.

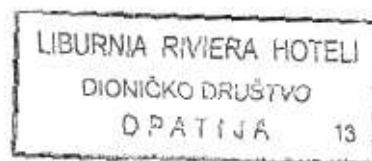
The management report, together with the unaudited financial statements for the stated period, contains an objective presentation of the development and results of operations and position of the Company with a description of the most significant risks and uncertainties to which the Company is exposed.



g. Karl Eckerstorfer,  
Management Board President



g. Dušan Mandič,  
Management Board Member



**Annex 1**

**ISSUER'S GENERAL DATA**

Reporting period:  to   
 Year:   
 Quarter:

**Quarterly financial statements**

Registration number (MB):  Issuer's home Member State code:   
 Entity's registration number (MBS):   
 Personal identification number (OIB):  LEI:   
 Institution code:

Name of the issuer:   
 Postcode and town:    
 Street and house number:

E-mail address:   
 Web address:

Number of employees (end of the reporting):   
 Consolidated report:  (KN-not consolidated/KD-consolidated)  
 Audited:  (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:  (only name and surname of the contact person)  
 Telephone:   
 E-mail address:   
 Audit firm:  (name of the audit firm)  
 Certified auditor:  (name and surname)

**BALANCE SHEET**  
balance as at 30.06.2022

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
<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>	906.289.511	876.701.474
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	19.101.960	18.999.759
1 Research and development	004	501.975	489.595
2 Concessions, patents, licences, trademarks, software and other rights	005	9.218.145	8.507.516
3 Goodwill	006		
4 Advances for the purchase of intangible assets	007		
5 Intangible assets in preparation	008		1.067.233
6 Other intangible assets	009	9.381.840	8.935.415
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	853.865.609	824.285.818
1 Land	011	122.286.155	122.438.653
2 Buildings	012	547.135.981	519.249.580
3 Plant and equipment	013	23.255.373	21.642.817
4 Tools, working inventory and transportation assets	014	113.269.312	103.474.225
5 Biological assets	015		
6 Advances for the purchase of tangible assets	016	22.208.256	22.364.829
7 Tangible assets in preparation	017	21.824.422	31.229.604
8 Other tangible assets	018	3.886.110	3.886.110
9 Investment property	019		
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	24.310.192	24.310.192
1 Investments in holdings (shares) of undertakings within the group	021	24.310.192	24.310.192
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		
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	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		
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	9.011.750	9.105.705
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	43.715.916	66.591.274
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	4.079.833	7.527.449
1 Raw materials and consumables	039	2.885.896	6.474.589
2 Work in progress	040		
3 Finished goods	041		
4 Merchandise	042	101.643	176.255
5 Advances for inventories	043	1.092.294	876.605
6 Fixed assets held for sale	044		
7 Biological assets	045		
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	24.425.819	31.347.934
1 Receivables from undertakings within the group	047		
2 Receivables from companies linked by virtue of participating interests	048	13.662.122	13.722.139
3 Customer receivables	049	6.751.014	15.669.657
4 Receivables from employees and members of the undertaking	050	53.276	112.970
5 Receivables from government and other institutions	051	3.926.853	1.811.399
6 Other receivables	052	32.554	31.769
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	0	0
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		
8 Loans, deposits, etc. given	061		
9 Other financial assets	062		
IV CASH AT BANK AND IN HAND	063	15.210.264	27.715.891
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	<b>572.024</b>	<b>4.120.675</b>
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	<b>950.577.451</b>	<b>947.413.423</b>
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	<b>251.939</b>	
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)</b>	<b>067</b>	<b>517.032.099</b>	<b>477.871.770</b>
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	46.513.848	46.513.848
1 Legal reserves	071	45.018.765	45.018.765
2 Reserves for treasury shares	072	9.200	9.200
3 Treasury shares and holdings (deductible item)	073	-9.200	-9.200
4 Statutory reserves	074		
5 Other reserves	075	1.495.083	1.495.083
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	-133.862.731	-225.556.049
1 Retained profit	084		
2 Loss brought forward	085	133.862.731	225.556.049
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	-91.693.318	-39.160.329
1 Profit for the business year	087		
2 Loss for the business year	088	91.693.318	39.160.329
VIII MINORITY (NON-CONTROLLING) INTEREST	089		
<b>B) PROVISIONS (ADP 091 to 096)</b>	<b>090</b>	<b>21.397.957</b>	<b>20.005.015</b>
1 Provisions for pensions, termination benefits and similar obligations	091	2.033.432	2.033.432
2 Provisions for tax liabilities	092		
3 Provisions for ongoing legal cases	093	19.364.525	17.971.583
4 Provisions for renewal of natural resources	094		
5 Provisions for warranty obligations	095		
6 Other provisions	096		
<b>C) LONG-TERM LIABILITIES (ADP 098 to 108)</b>	<b>097</b>	<b>297.130.786</b>	<b>327.660.695</b>
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	287.539.871	318.069.780
7 Liabilities for advance payments	104		
8 Liabilities to suppliers	105		
9 Liabilities for securities	106		
10 Other long-term liabilities	107	9.590.915	9.590.915
11 Deferred tax liability	108		
<b>D) SHORT-TERM LIABILITIES (ADP 110 to 123)</b>	<b>109</b>	<b>112.263.765</b>	<b>108.941.575</b>
1 Liabilities to undertakings within the group	110	433.630	576.687
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	67.016.623	50.687.636
7 Liabilities for advance payments	116	6.560.349	10.504.651
8 Liabilities to suppliers	117	15.274.634	17.478.127
9 Liabilities for securities	118		
10 Liabilities to employees	119	15.473.863	14.265.925
11 Taxes, contributions and similar liabilities	120	3.678.408	7.443.836
12 Liabilities arising from the share in the result	121		0
13 Liabilities arising from fixed assets held for sale	122		
14 Other short-term liabilities	123	3.826.258	7.984.713
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>124</b>	<b>2.752.844</b>	<b>12.934.368</b>
<b>F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)</b>	<b>125</b>	<b>950.577.451</b>	<b>947.413.423</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>126</b>	<b>251.939</b>	

**STATEMENT OF PROFIT OR LOSS**  
for the period 01.01.2022 to 30.0.2022

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
<b>I OPERATING INCOME (ADP 002 to 006)</b>	<b>001</b>	<b>52.864.537</b>	<b>44.150.764</b>	<b>117.409.529</b>	<b>92.895.895</b>
1 Income from sales with undertakings within the group	002			93.558	74.647
2 Income from sales (outside group)	003	34.669.557	32.795.192	112.339.047	89.385.095
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	18.194.980	11.355.572	4.993.920	3.453.149
<b>II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)</b>	<b>007</b>	<b>119.312.068</b>	<b>72.007.868</b>	<b>152.795.815</b>	<b>93.545.102</b>
1 Changes in inventories of work in progress and finished goods	008				
2 Material costs (ADP 010 to 012)	009	26.645.755	20.694.255	49.971.283	34.052.545
a) Costs of raw materials and consumables	010	9.372.170	7.742.533	24.768.630	17.202.516
b) Costs of goods sold	011			990	990
c) Other external costs	012	17.273.585	12.951.722	25.201.663	16.849.039
3 Staff costs (ADP 014 to 016)	013	33.820.872	21.455.266	44.273.911	28.521.851
a) Net salaries and wages	014	21.595.334	13.762.541	29.711.592	19.386.816
b) Tax and contributions from salary costs	015	8.056.550	5.095.298	9.275.509	5.802.916
c) Contributions on salaries	016	4.168.988	2.597.427	5.286.810	3.332.119
4 Depreciation	017	50.607.016	25.107.018	47.913.861	23.949.548
5 Other costs	018				
6 Value adjustments (ADP 020+021)	019	0	0	217.381	217.381
a) fixed assets other than financial assets	020			217.381	217.381
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	8.238.425	4.751.329	10.419.379	6.803.777
<b>III FINANCIAL INCOME (ADP 031 to 040)</b>	<b>030</b>	<b>27.622</b>	<b>24.009</b>	<b>2.481.681</b>	<b>2.476.053</b>
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	29	13	297	64
8 Exchange rate differences and other financial income	038	27.593	23.996	2.481.384	2.475.989
9 Unrealised gains (income) from financial assets	039				
10 Other financial income	040				
<b>IV FINANCIAL EXPENSES (ADP 042 to 048)</b>	<b>041</b>	<b>1.850.368</b>	<b>987.499</b>	<b>6.349.679</b>	<b>2.598.522</b>
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	1.811.019	963.053	3.364.086	2.558.451
4 Exchange rate differences and other expenses	045	39.349	24.446	2.923.026	17.845
5 Unrealised losses (expenses) from financial assets	046				
6 Value adjustments of financial assets (net)	047				
7 Other financial expenses	048			62.567	22.226
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>049</b>				
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>050</b>				
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>051</b>				
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>052</b>				
<b>IX TOTAL INCOME (ADP 001+030+049 +050)</b>	<b>053</b>	<b>52.892.159</b>	<b>44.174.773</b>	<b>119.891.210</b>	<b>95.371.948</b>
<b>X TOTAL EXPENDITURE (ADP 007+041+051 + 052)</b>	<b>054</b>	<b>121.162.436</b>	<b>72.995.367</b>	<b>159.145.494</b>	<b>96.143.624</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 053-054)</b>	<b>055</b>	<b>-68.270.277</b>	<b>-28.820.594</b>	<b>-39.254.284</b>	<b>-771.676</b>

1 Pre-tax profit (ADP 053-054)	056	0	0	0	0
2 Pre-tax loss (ADP 054-053)	057	-68.270.277	-28.820.594	-39.254.284	-771.676
<b>XII INCOME TAX</b>	<b>058</b>			-93.955	-42.055
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)</b>	<b>059</b>	<b>-68.270.277</b>	<b>-28.820.594</b>	<b>-39.160.329</b>	<b>-729.621</b>
1 Profit for the period (ADP 055-059)	060	0	0	0	0
2 Loss for the period (ADP 059-055)	061	-68.270.277	-28.820.594	-39.160.329	-729.621
<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				
2 Pre-tax loss on discontinued operations	064				
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>065</b>				
1 Discontinued operations profit for the period (ADP 062-065)	066				
2 Discontinued operations loss for the period (ADP 065-062)	067				
<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>				
1 Pre-tax profit (ADP 068)	069				
2 Pre-tax loss (ADP 068)	070				
<b>XVII INCOME TAX (ADP 058+065)</b>	<b>071</b>				
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)</b>	<b>072</b>				
1 Profit for the period (ADP 068-071)	073				
2 Loss for the period (ADP 071-068)	074				
<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				
2 Attributable to minority (non-controlling) interest	077				
<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>-68.270.277</b>	<b>-28.820.594</b>	<b>-39.160.329</b>	<b>-729.621</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				
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				
<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				
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				
<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>-68.270.277</b>	<b>-28.820.594</b>	<b>-39.160.329</b>	<b>-729.621</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				
2 Attributable to minority (non-controlling) interest	101				

**STATEMENT OF CASH FLOWS - indirect method  
for the period 01.01.2022 to 30.06.2022**

in HRK

Submitter: LIBURNIA RIVIERA HOTELI d.d. OPATIJA			
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	-68.270.277	-39.254.284
2 Adjustments (ADP 003 to 010):	002	52.170.687	50.673.473
a) Depreciation	003	50.607.016	47.913.861
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004		217.381
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005		
d) Interest and dividend income	006		-297
e) Interest expenses	007	1.811.019	3.364.086
f) Provisions	008	-247.348	-1.299.301
g) Exchange rate differences (unrealised)	009		477.743
h) Other adjustments for non-cash transactions and unrealised gains and losses	010		
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>-16.099.590</b>	<b>11.419.189</b>
3 Changes in the working capital (ADP 013 to 016)	012	514.274	9.425.665
a) Increase or decrease in short-term liabilities	013	11.278.541	23.344.047
b) Increase or decrease in short-term receivables	014	-8.118.465	-10.470.766
c) Increase or decrease in inventories	015	-2.645.802	-3.447.616
d) Other increase or decrease in working capital	016		
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>-15.585.316</b>	<b>20.844.854</b>
4 Interest paid	018	-1.554.674	-3.242.525
5 Income tax paid	019		
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>-17.139.990</b>	<b>17.602.329</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021		825.872
2 Cash receipts from sales of financial instruments	022		
3 Interest received	023		297
4 Dividends received	024		
5 Cash receipts from repayment of loans and deposits	025		
6 Other cash receipts from investment activities	026		
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>0</b>	<b>826.169</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-19.668.055	-19.274.756
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		
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-19.668.055</b>	<b>-19.274.756</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-19.668.055</b>	<b>-18.448.587</b>
<b>Cash flow from financing activities</b>			
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	53.864.125	30.195.133
4 Other cash receipts from financing activities	038		
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>53.864.125</b>	<b>30.195.133</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-8.972.610	-16.593.516
2 Cash payments for dividends	041		
3 Cash payments for finance lease	042	-745.423	-249.732
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043		
5 Other cash payments from financing activities	044		
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>-9.718.033</b>	<b>-16.843.248</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>44.146.092</b>	<b>13.351.885</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047		
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>7.338.047</b>	<b>12.505.627</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>12.061.669</b>	<b>15.210.264</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)</b>	<b>050</b>	<b>19.399.716</b>	<b>27.715.891</b>



STATEMENT OF CHANGES IN EQUITY																				
for the period from		1.1.2022		to		30.6.2022		Attributable to owners of the parent											in HRK	
Item	ADP code	Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge effective portion	Hedge of a net investment in a foreign operation effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent	Minority (non-controlling) interest	Total capital and reserves	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 + 7 + 8 to 17)	19	20 (19+19)	
<b>Previous period</b>																				
1 Balance on the first day of the previous business year	01	696.074.300		45.018.765				1.511.403							-134.280.781		608.323.687		608.323.687	
2 Changes in accounting policies	02																			
3 Correction of errors	03																			
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	696.074.300	0	45.018.765	0	0	0	1.511.403	0	0	0	0	0	0	-134.280.781	0	608.323.687	0	608.323.687	
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-68.270.277	-68.270.277		-68.270.277	
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
21 Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	696.074.300	0	45.018.765	0	0	0	1.511.403	0	0	0	0	0	0	-134.280.781	-68.270.277	540.053.410	0	540.053.410	
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																				
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 05 to 14)	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-68.270.277	-68.270.277	0	-68.270.277	
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Current period</b>																				
1 Balance on the first day of the current business year	28	696.074.300		45.018.765	9.200	9.200		1.495.083							-225.556.049		517.032.099		517.032.099	
2 Changes in accounting policies	29																			
3 Correction of errors	30																			
4 Balance on the first day of the current business year (restated) (ADP 28 to 30)	31	696.074.300	0	45.018.765	9.200	9.200	0	1.495.083	0	0	0	0	0	0	-225.556.049	0	517.032.099	0	517.032.099	
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-39.160.329	-39.160.329		-39.160.329	
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
9 Profit or loss arising from effective cash flow hedge	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
12 Actuarial gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
13 Other changes in equity unrelated to owners	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
18 Redemption of treasury shares/holdings	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
19 Payments from members/shareholders	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
20 Payment of share in profit/dividend	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
22 Carryforward per annual plan	49	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	51	696.074.300	0	45.018.765	9.200	9.200	0	1.495.083	0	0	0	0	0	0	-225.556.049	-39.160.329	477.871.770	0	477.871.770	
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																				
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-39.160.329	-39.160.329	0	-39.160.329	
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

## 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 1.1.2022 to 30.6.2022

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 semi-annual 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 1.1.2022 to 30.6.2022" 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 1.1.2022 to 30.6.2022" 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 2021 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 30.6.2022 are identical to those applied in the last published annual audited financial statements.

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 1.1.2022 to 30.6.2022" 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 1.1.2022 until 30.6.2022" 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.

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 1.1.2022 until 30.6.2022"

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 30.6.2022 long-term and short-term loans liabilities and liabilities under leasing contracts of the Company amounted to HRK 370,264,404, of which HRK 95,585,737 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 30 June 2022, based on signed concession agreements, amount to HRK 8,808,623, of which HRK 5,519,786 is due after more than 5 years.

6. average number of employees during the financial year

Average number of employees in the period from 1.1.2022 to 30.6.2022 was 644.

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 1.1.2022 to 30.6.2022, the Company capitalized the cost of salaries in the amount of HRK 194,458.

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 HRK 9,063,650 and is higher by HRK 93,955 due to the increase in the tax base in the first quarter of 2022 for non-tax-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 HRK 20,000 and the loss was HRK 64 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 HRK 20.000 and the loss in 2021 was HRK 131 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 HRK 1.5 million and realized loss in 2021 in the amount of HRK 27 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 June 30, 2022

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.