

Appendix 1

Reporting period:

1.1.2015

to

31.12.2015

Annual financial report of entrepreneur - GFI-POD

Registration number (MB): 03166619

Identification number of subject (MBS): 040008080

Personal identification number (OIB): 15573308024

Issuer company: LIBURNIA RIVIERA HOTELI d.d. OPATIJA

Postal code and place: 51410 OPATIJA

Street and number: MARŠALA TITA 198

E-mail address: remisens@remisens

Internet address: www.remisens.com

Code and name of comune/town: 302

Code and county name: 8 PRIMORSKO GORANSKA Number of employees (at quarter end): 558

Consolidated statement: YES NKD/NWC code: 5510

Subsidiaries subject to consolidation (according to IFRS):

Registration number

Subsidiary name	Location	Registration number
HOTELI CAVTAT d.d.	CAVTAT	91951159924
HOTELI METROPOL d.o.o.	PORTOROŽ	6767546

Book keeping service:

Contact person: Kamena Biserka (authorised person for representation)

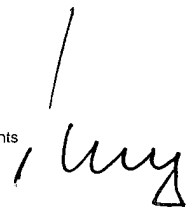
Phone number: 051 710 395 Fascimile: 051 710 404

E-mail address: biserka.kamenar@remisens.com

Surname and name: Šehanović Igor (authorised person for representation)

Disclosure documents:

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



(signed by authorised person for representation)

M.P.

LIBURNIA RIVIERA HOTELI
DIONIČKO DRUŠTVO
OPATIJA 13

BALANCE SHEET
as at 31.12.2015.

Obligator: LIBURNIA RIVIERA HOTELI d.d. OPATIJA			
Item	AOP code	Last year (net)	Current year (net)
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL	001		
B) LONG-TERM ASSETS (003+010+020+029+033)	002	142.671.265	657.918.887
I. INTANGIBLE ASSETS (004 to 009)	003	21.199.341	1.382.928
1. Assets development	004	559.107	592.534
2. Concessions, patents, licences fees, trade and service marks, software and	005	1.499.381	790.394
3. Goodwill	006		
4. Prepayments for purchase of intangible assets	007		
5. Intangible assets in preparation	008		0
6. Other intangible assets	009	19.140.853	
II. TANGIBLE ASSETS (011 to 019)	010	120.041.007	652.372.980
1. Land	011	194.334.017	110.840.589
2. Buildings	012	819.596.935	643.696.252
3. Plant and equipment	013	16.838.587	13.688.733
4. Tools, facility inventory and transport assets	014	74.558.174	71.219.529
5. Biological assets	015		
6. Prepayments for tangible assets	016	345.568	481.961
7. Tangible assets in progress	017	10.802.302	8.887.349
8. Other tangible assets	018	3.565.418	3.558.567
9. Investments in buildings	019		
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	14.920	528.860
1. Investments (shares) with related parties	021		500.000
2. Loans given to related parties	022		
3. Participating interest (shares)	023		
4. Loans to entrepreneurs in whom the entity holds participating interests	024		
5. Investments in securities	025	14.920	28.860
6. Loans, deposits and similar assets	026		
7. Other long - term financial assets	027		
8. Investments accounted by equity method	028		
IV. RECEIVABLES (030 to 032)	029	0	0
1. Receivables from related parties	030		
2. Receivables from based on trade loans	031		
3. Other receivables	032		
V. DEFERRED TAX ASSETS	033	1.416.003	3.634.099
C) SHORT TERM ASSETS (035+043+050+058)	034	111.073.107	65.717.792
I. INVENTORIES (036 to 042)	035	3.455.179	2.492.615
1. Raw-material and supplies	036	2.749.794	1.902.931
2. Work in progress	037		
3. Finished goods	038		
4. Merchandise	039	109.184	222.533
5. Prepayments for inventories	040	596.201	367.151
6. Long - term assets held for sales	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	10.998.143	10.694.365
1. Receivables from related parties	044		
2. Accounts receivable	045	9.350.397	8.021.696
3. Receivables from participating parties	046		
4. Receivables from employees and members of related parties	047	273.069	170.883
5. Receivables from government and other institutions	048	940.676	2.501.806
6. Other receivables	049	434.001	
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	0	15.800
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052		
3. Participating interests (shares)	053		
4. Loans to entrepreneurs in whom the entity holds participating interests	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056		
7. Other financial assets	057		15.800
IV. CASH AT BANK AND IN CASHIER	058	96.619.785	82.514.992
D) PREPAID EXPENSES AND ACCRUED REVENUE	059	720.512	286.448
E) TOTAL ASSETS (001+002+034+059)	060	1.254.464.884	653.923.107
F) OFF-BALANCE RECORDS	061	4.452.613	4.452.613

Obligator: LIBURNIA RIVIERA HOTELI d.d. OPATIJA

Item	AOP code	Last year (net)	Current year (net)
1	2	3	4
LIABILITIES AND CAPITAL			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	989.631.119	742.685.616
I. SUBSCRIBED CAPITAL	063	865.553.260	696.074.300
II. CAPITAL RESERVES	064		
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	45.216.111	46.528.648
1. Reserves prescribed by law	066	43.277.663	45.018.765
2. Reserves for treasury shares	067		
3. Treasury stocks and shares (deduction)	068		
4. Statutory reserves	069		
5. Other reserves	070	1.938.448	1.510.883
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	6.897.270	0
1. Retained earnings	073	6.897.270	
2. Accumulated loss	074		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	49.163.158	81.668
1. Profit for the current year	076	49.163.158	81.668
2. Loss for the current year	077		
IX. MINORITY INTERESTS	078	16.801.320	
B) PROVISIONS (080 to 082)	079	27.326.718	19.429.553
1. Provisions for pensions, severance pay, and similar liabilities	080	10.491.066	2.563.749
2. Reserves for tax liabilities	081		
3. Other reserves	082	16.835.652	16.865.804
C) LONG - TERM LIABILITIES (084 to 092)	083	178.208.308	124.161.675
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits etc.	085		
3. Liabilities to banks and other financial institutions	086	166.366.746	124.161.675
4. Liabilities for received prepayments	087		
5. Accounts payable	088		
6. Liabilities arising from debt securities	089		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	090		
8. Other long-term liabilities	091		
9. Deferred tax liability	092	11.841.462	
D) SHORT - TERM LIABILITIES (094 to 105)	093	63.841.827	66.671.375
1. Liabilities to related parties	094		
2. Liabilities for loans, deposits etc.	095		
3. Liabilities to banks and other financial institutions	096	34.831.354	44.128.276
4. Liabilities for received prepayments	097	7.549.961	5.598.394
5. Accounts payable	098	10.331.368	6.845.012
6. Liabilities arising from debt securities	099		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100		
8. Liabilities to employees	101	6.839.564	5.216.783
9. Liabilities for taxes, contributions and similar fees	102	2.272.367	2.151.484
10. Liabilities to share - holders	103		
11. Liabilities for long-term assets held for sale	104		
12. Other short - term liabilities	105	2.017.213	2.731.426
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO	106	1.457.012	974.888
F) TOTAL - CAPITAL AND LIABILITIES (062+079+083+093+106)	107	1.254.464.884	953.923.107
G) OFF-BALANCE RECORDS	108	4.452.613	4.452.613
APPENDIX to balance sheet(to be filled in by entrepreneur that prepares consolidated annual financial report)			
CAPITAL AND RESERVES			
1. Attributed to equity holders of parent company	109	966.829.799	
2. Attributed to minority interest	110	16.801.320	0

PROFIT AND LOSS ACCOUNT
for the period 01.01.2015. to 31.12.2015.

Obligator: LIBURNIA RIVIERA HOTELI d.d. OPATJA			
Item	AOP code	Last year	Current year
1	2	3	4
I. OPERATING REVENUE (112+113)	111	354.438.819	395.729.576
1. Sales revenue	112	314.829.685	371.504.465
2. Other operating revenues	113	39.609.134	24.225.111
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	295.760.028	365.153.255
1. Changes in value of work in progress and finished products	115		
2. Material costs (117 to 119)	116	85.350.874	99.074.379
a) Raw material and material costs	117	36.214.297	39.997.105
b) Costs of goods sold	118	317.822	302.809
c) Other external costs	119	48.818.755	58.774.465
3. Staff costs (121 to 123)	120	87.329.591	86.324.356
a) Net salaries and wages	121	51.758.115	48.341.639
b) Cost for taxes and contributions from salaries	122	22.920.332	25.245.029
c) Contributions on gross salaries	123	12.651.144	12.737.688
4. Depreciation	124	78.549.634	127.939.668
5. Other costs	125	33.450.142	40.148.270
6. Impairment (127+128)	126	2.278.188	11.339.626
a) Impairment of long-term assets (financial assets excluded)	127	1.974.485	11.098.605
b) Impairment of short - term assets (financial assets excluded)	128	303.703	241.021
7. Provisions	129	8.801.599	326.956
8. Other operating costs	130		
III. FINANCIAL INCOME (132 to 136)	131	2.808.537	2.989.678
1. Interest income, foreign exchange gains, dividends and similar income from related	132		
2. Interest income, foreign exchange gains, dividends and similar income from non -	133	2.808.537	2.989.678
3. Share in income from affiliated entrepreneurs and participating interests	134		
4. Unrealized gains (income) from financial assets	135		
5. Other financial income	136		
IV. FINANCIAL EXPENSES (138 do 141)	137	10.897.724	13.810.698
1. Interest expenses, foreign exchange losses, dividends and similar expenses from related	138		
2. Interest expenses, foreign exchange losses, dividends and similar expenses from non -	139	10.897.724	13.810.698
3. Unrealized losses (expenses) on financial assets	140		
4. Other financial expenses	141		
V. INCOME FROM INVESTMENT - SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS	142		
VI. LOSS FROM INVESTMENT - SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS	143		
VII. EXTRAORDINARY - OTHER INCOME	144		
VIII. EXTRAORDINARY - OTHER EXPENSES	145		
IX. TOTAL INCOME (111+131+142 + 144)	146	357.247.356	398.719.254
X. TOTAL EXPENSES (114+137+143 + 145)	147	306.657.752	378.963.953
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	50.589.604	19.755.301
1. Profit before taxation (146-147)	149	50.589.604	19.755.301
2. Loss before taxation (147-146)	150	0	0
XII. PROFIT TAX	151		3.279.132
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	50.589.604	16.476.169
1. Profit for the period (149-151)	153	50.589.604	16.476.169
2. Loss for the period (151-148)	154	0	0
APPENDIX to P&L account (to be filled in by entrepreneur that prepares consolidated financial report)			
XIV. PROFIT OR LOSS FOR THE PERIOD			
1. Attributed to equity holders of parent company	155	49.163.158	15.759.448
2. Attributed to minority interest	156	1.426.446	716.721
STATEMENT OF OTHER COMPREHENSIVE INCOME (IFRS)			
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	50.589.604	16.476.169
II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX (159 do 165)	158	0	0
1. Exchange differences on translation of foreign operations	159		
2. Movements in revaluation reserves of long - term tangible and intangible assets	160		
3. Profit or loss from reevaluation of financial assets available for sale	161		
4. Gains or losses on efficient cash flow hedging	162		
5. Gains or losses on efficient hedge of a net investment in foreign countries	163		
6. Share in other comprehensive income / loss of associated companies	164		
7. Actuarial gains / losses on defined benefit plans	165		
III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166		
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (158-166)	167	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	50.589.604	16.476.169
APPENDIX to Statement of other comprehensive income (to be filled in by entrepreneur that prepares consolidated financial			
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD			
1. Attributed to equity holders of parent company	169	49.163.158	15.759.448
2. Attributed to minority interest	170	1.426.446	716.721

STATEMENT OF CASH FLOWS - INDIRECT METHOD
for the period 01.01.2015. to 31.12.2015.

Obligator: LIBURNIA RIVIERA HOTELI d.d. OPATIJA			
Item	AOP code	Last year	Current year
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	50.589.604	19.755.301
2. Depreciation	002	78.549.634	127.939.668
3. Increase in short term liabilities	003		
4. Decrease in short term receivables	004	2.050.356	3.562.419
5. Decrease in inventories	005	2.196.644	
6. Other increase in cash flow	006		
I. Total increase in cash flow from operating activities (001 to 006)	007	133.386.238	151.257.388
1. Decrease in short term liabilities	008	17.044.019	
2. Increase in short term receivables	009	1.199.681	8.697.459
3. Increase in inventories	010	1.134.317	1.123.250
4. Other decrease in cash flow	011	14.758.613	13.776.658
II. Total decrease in cash flow from operating activities (008 to 011)	012	34.136.630	23.597.367
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (007-	013	99.249.608	127.660.021
A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES	014	0	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	015	24.542.965	18.188.368
2. Cash inflows from sales of equity and debt instruments	016		
3. Interests receipts	017	1.700.254	657.324
4. Dividend receipts	018		
5. Other cash inflows from investing activities	019		
III. Total cash inflows from investing activities (015 to 019)	020	26.243.219	18.845.692
1. Cash outflow for purchase of long-term tangible and intangible assets	021	94.364.790	64.350.993
2. Cash outflow for acquisition of equity and debt financial instruments	022	1.404.384	170.118.972
3. Other cash outflow for investing activities	023	19.140.027	
IV. Total cash outflow for investing activities (021 do 023)	024	114.909.201	234.469.965
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-	025	0	0
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES (024-	026	88.665.982	215.624.273
CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Cash inflow from issuing property and debt financial instruments	027		
2. Proceeds from the credit principal, promissory notes, borrowings and other loans	028	64.539.719	153.419.678
3. Other proceeds from financial activities	029		
V. Total cash inflows from financial activities (027 to 029)	030	64.539.719	153.419.678
1. Cash outflow for repayment of credit principal and bonds	031	55.442.475	37.942.494
2. Cash outflow for dividends paid	032		
3. Cash outflow for financial lease	033		
4. Cash outflow for purchase of treasury shares	034		
5. Other cash outflow for financial activities	035		41.617.725
VI. Total cash outflow for financial activities (031 to 035)	036	55.442.475	79.560.219
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-	037	9.097.244	73.859.459
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-	038	0	0
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	19.680.870	0
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040		14.104.793
Cash and cash equivalents at the beginning of the period	041	76.938.915	96.619.785
Increase of cash and cash equivalents	042	19.680.870	0
Decrease of cash and cash equivalents	043	0	14.104.793
Cash and cash equivalents at the end of the period	044	96.619.785	82.514.992

STATEMENT OF CHANGES IN EQUITY
for the period 1.1.2015 do 31.12.2015

Item	AOP code	Last year	Current year
1	2	3	4
1. Subscribed capital	001	865.553.560	696.074.300
2. Capital reserves	002		
3. Reserves from profit	003	43.277.663	45.018.765
4. Retained earnings or accumulated loss	004	6.896.970	
5. Profit or loss for the current year	005	49.163.158	81.668
6. Revaluation of long - term tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of financial assets available for sale	008		
9. Other revaluation	009	1.938.448	1.510.883
10. Total capital and reserves (AOP 001 do 009)	010	966.829.799	742.685.616
11. Currency gains and losses arising from net investment in foreign operations	011		
12. Current and deferred taxes (part)	012		
13. Cash flow hedging	013		
14. Changes in accounting policy	014		
15. Correction of significant errors in prior period	015		
16. Other changes of capital	016		
17. Total increase or decrease in capital (AOP 011 do 016)	017	0	0
17 a. Attributed to equity holders of parent company	018	966.829.799	
17 b. Attributed to minority interest	019	15.801.320	

**Consolidated and revised Management Board Report on the state of the
Liburnia Riviera Hoteli d.d., Hoteli Cavtat d.d., Hoteli Metropol d.o.o. and
Remisens d.o.o. Group for the year 2015**

The consolidated operating results for the year 2015 show that the Group is achieving its primary objectives. The 2014 report shows the data for the Liburnia Riviera Hoteli d.d. and Hoteli Cavtat d.d. Group, while the report for the year 2015 shows the data for the Liburnia Riviera Hoteli d.d., Hoteli Cavtat d.d., Hoteli Metropol d.o.o. and Remisens d.o.o. Group.

In February 2015, the Hoteli Cavtat d.d. company acquired 100% of the shares of the Hoteli Metropol d.o.o. Portorož company.

In June 2015, the Hoteli Cavtat d.d., Hoteli Metropol d.o.o. and Liburnia Riviera Hoteli d.d. companies founded the Remisens d.o.o. company. Each of the investors acquired 33.3% of the shares in the new company.

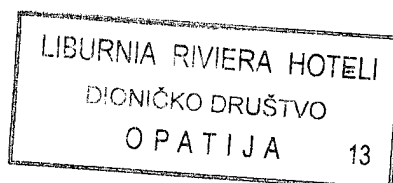
Based on the decision of the General Assembly of the Company of 27 August 2015 and the approval of the Company Division Plan of 9 July 2015, it was decided to separate the Liburnia Riviera Hoteli d.d. company and establish a new LRH Hoteli Cavtat d.d. company and simultaneously transfer part of the property to the new company. The separation of the Company was completed on 2 October 2015, when the new LRH Hoteli Cavtat d.d. company was registered (later renamed FTB TURIZAM d.d.). On the basis of this division, the new company acquired shares in the Hoteli Cavtat d.d. company and thus became the parent company of the Group, which includes the following companies: Hoteli Cavtat d.d., Hoteli Metropol d.o.o. and Remisens d.o.o. Following this, the consolidated audit report of the LRH d.d. Group for the year 2015 shows the consolidated positions at 31/12/2015 and those of the included subsidiaries until 30/09/2015.

The mentioned consolidation period in the year 2015 compared to the previous year shows an increase of c. 18% in sales revenue and an increase of c. 32% in GOP. The realised EBITDA was c. 172.2 million kuna, while the previous year's EBITDA at the level of the Group was c. 146.8 million kuna.

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

Chairman of the Management Board

Dr. Sc. Igor Šehanović



LIBURNIA RIVIERA HOTELI

LRH
A Maršala Tita 198
HR - 51410 OPATIJA
T + 385 51 710 300
F + 385 51 710 410
E contact@remisens.com
W www.remisens.com

Opatija, 23/05/2016

Statement of persons responsible for the preparation of the reports

Pursuant to Article 407 Paragraph 2 of the Capital Market Act (Official Gazette Nos. 88/08 and 146/08), I declare that to the best of our knowledge the financial reports of the company LIBURNIA RIVIERA HOTELI d.d. Opatija have been prepared in accordance with International Financial Reporting Standards and the Croatian Accounting Act and that they provide a true and fair view of the assets and liabilities, profit and loss and financial operations of the Company and the Company included in the consolidation as a whole for the period from 1 January to 31 December 2015.

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

