

Annex 1.

Reporting period

1.1.2017

to

31.3.2017

Quarterly financial report TFI-POD

Tax number (MB): 03166619

Company registration number (MRS): 040008080

Personal identification number (OIB): 15573308024

Issuing company: LIBURNIA RIVIERA HOTELI d.d. OPATIJA

Postal code and place: 51410 Opatija

Street and house number: MARŠALA TITA 198

E-mail address: remisens@remisens.comInternet address: www.remisens.com

Municipality/city code and name: 302

County code and name: 8 PRIMORSKO GORANSKA ŽUPANIJA

Number of employees: 564
(period end)

Consolidated report: NO

NKD code: 5510

Companies of the consolidation subject (according to IFRS)

Seat:

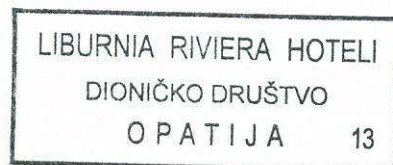
MB:

Bookkeeping service:

Contact person: Kamenar Biserka
(only surname and name)

Telephone: 051 710-395

Telefaks: 051 710-404

E-mail address: biserka.kamenar@remisens.comFamily name and name: Šehanović Igor
(person authorized to represent the company)

L.S.

(signature of the person authorized to represent the company)

Balance Sheet
as of 31.03.2017.

Company: LIBURNIA RIVIERA HOTELI d.d.			
Position	AOP	Previous period 31.12.2016.	Current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	866.004.574	868.032.789
I. INTANGIBLE ASSETS (004 do 009)	003	815.442	685.705
1. Expenditure for development	004	350.824	270.487
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	464.618	415.218
3. Goodwill	006		
4. Advances for purchase of intangible assets	007		
5. Intangible assets in progress	008		
6. Other intangible assets	009		
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	863.285.263	865.443.215
1. Land	011	108.949.320	108.949.320
2. Buildings	012	612.568.336	593.876.043
3. Plant and equipment	013	15.180.889	14.616.148
4. Tools, working inventory and transportation assets	014	87.328.908	88.885.306
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	8.319.148	5.638.821
7. Tangible assets in progress	017	27.380.095	49.919.010
8. Other tangible assets	018	3.558.567	3.558.567
9. Investment in real-estate	019		
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	500.000	500.000
1. Share in related parties	021	500.000	500.000
2. Loans to related parties	022		
3. Participating interests (shares)	023		
4. Loans to companies with participating interest	024		
5. Investments in securities	025		
6. Loans, deposits, etc.	026		
7. Other non-current financial assets	027		
8. Equity-accounted investments	028		
IV. RECEIVABLES (030 do 032)	029	0	0
1. Receivables from related parties	030		
2. Receivables arising from sales on credit	031		
3. Other receivables	032		
V. DEFERRED TAX ASSET	033	1.403.869	1.403.869
C) CURRENT ASSETS (035+043+050+058)	034	84.389.132	52.828.493
I. INVENTORIES (036 do 042)	035	3.160.994	3.505.632
1. Raw materials and supplies	036	2.519.217	2.628.326
2. Production in progress	037		
3. Finished products	038		
4. Merchandise	039	326.467	372.786
5. Advances for inventories	040	315.310	504.520
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	12.837.958	11.208.678
1. Receivables from related parties	044		
2. Receivables from end-customers	045	10.009.562	6.488.028
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	138.816	138.644
5. Receivables from government and other institutions	048	2.689.580	4.582.006
6. Other receivables	049		
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	6.001.842	3.415.800
1. Share in related parties	051		
2. Loans to related parties	052		
3. Participating interests (shares)	053		
4. Loans to companies with participating interest	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056	5.986.042	3.400.000
7. Other financial assets	057	15.800	15.800
IV. CASH AND CASH EQUIVALENTS	058	62.388.338	34.698.383
D) PREPAYMENTS AND ACCRUED INCOME	059	282.786	232.984
E) TOTAL ASSETS (001+002+034+059)	060	950.676.492	921.094.266
F) OFF BALANCE SHEET ITEMS	061	4.452.613	4.452.613

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	755.574.946	723.409.182
I. SUBSCRIBED SHARE CAPITAL	063	696.074.300	696.074.300
II. CAPITAL RESERVES	064		
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	46.529.648	46.529.648
1. Legal reserves	066	45.018.765	45.018.765
2. Reserve for own shares	067		
3. Treasury shares and shares (deductible items)	068		
4. Statutory reserves	069		
5. Other reserves	070	1.510.883	1.510.883
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	81.668	12.970.998
1. Retained earnings	073	81.668	12.970.998
2. Loss carried forward	074		
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	12.889.330	-32.165.764
1. Net profit for the period	076	12.889.330	
2. Net loss for the period	077		32.165.764
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	16.712.499	16.712.499
1. Provisions for pensions, severance pay and similar liabilities	080	2.701.683	2.701.683
2. Provisions for tax liabilities	081		
3. Other provisions	082	14.010.816	14.010.816
C) NON-CURRENT LIABILITIES (084 do 092)	083	89.174.011	89.174.011
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits, etc.	085		
3. Liabilities to banks and other financial institutions	086	89.174.011	89.174.011
4. Liabilities for advances	087		
5. Trade payables	088		
6. Commitments on securities	089		
7. Liabilities to companies with participating interest	090		
8. Other non-current liabilities	091		
9. Deferred tax liabilities	092		
D) CURRENT LIABILITIES (094 do 105)	093	88.916.829	90.151.981
1. Liabilities to related parties	094		
2. Liabilities for loans, deposits, etc.	095		
3. Liabilities to banks and other financial institutions	096	57.168.781	54.458.984
4. Liabilities for advances	097	7.644.277	19.845.190
5. Trade payables	098	11.930.862	7.222.349
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	6.167.048	3.684.666
9. Taxes, contributions and similar liabilities	102	1.868.011	1.527.097
10. Liabilities arising from share in the result	103		
11. Liabilities arising from non-current assets held for sale	104		
12. Other current liabilities	105	4.137.850	3.413.695
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	298.207	1.646.593
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	950.676.492	921.094.266
G) OFF BALANCE SHEET ITEMS	108	4.452.613	4.452.613
ADDITION TO BALANCE SHEET (only for consolidated financial statements)			
ISSUED CAPITAL AND RESERVES			
1. Attributable to majority owners	109		
2. Attributable to minority interest	110		

Income statement
period 01.01.2017. to 31.03.2017.

Company: LIBURNIA RIVIERA HOTELI d.d.

Position	AOP	Previous period	Previous period	Current period	Current period
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (112 do 113)	111	18.191.354	18.191.354	19.111.394	19.111.394
1. Rendering of services	112	15.884.438	15.884.438	16.380.586	16.380.586
2. Other operating income	113	2.306.916	2.306.916	2.730.808	2.730.808
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	46.857.554	46.857.554	49.803.663	49.803.663
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	7.753.008	7.753.008	8.287.900	8.287.900
a) Costs of raw materials	117	2.291.709	2.291.709	2.614.589	2.614.589
b) Cost of goods sold	118	43.769	43.769	32.790	32.790
c) Other material expenses	119	5.417.530	5.417.530	5.640.521	5.640.521
3. Employee benefits expenses (121 do 123)	120	11.494.182	11.494.182	11.689.762	11.689.762
a) Net salaries	121	6.876.479	6.876.479	7.041.615	7.041.615
b) Tax and contributions from salary expenses	122	2.947.062	2.947.062	2.738.406	2.738.406
c) Contributions on salary	123	1.670.641	1.670.641	1.909.741	1.909.741
4. Depreciation and amortisation	124	23.695.967	23.695.967	24.433.448	24.433.448
5. Other expenses	125	3.830.563	3.830.563	5.249.779	5.249.779
6. Write down of assets (127+128)	126	83.834	83.834	142.774	142.774
a) non-current assets (except financial assets)	127			37.628	37.628
b) current assets (except financial assets)	128	83.834	83.834	105.146	105.146
7. Provisions	129				
8. Other operating costs	130				
III. FINANCIAL INCOME (132 do 136)	131	290.567	290.567	161.014	161.014
1. Interest, foreign exchange differences, dividends and similar income from related parties	132				
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	290.567	290.567	161.014	161.014
3. Income from investments in associates and joint ventures	134				
4. Unrealised gains (income) from financial assets	135				
5. Other financial income	136				
IV. FINANCIAL EXPENSES (138 do 141)	137	1.928.033	1.928.033	1.634.509	1.634.509
1. Interest, foreign exchange differences, dividends and similar income from related parties	138				
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	1.928.033	1.928.033	1.634.509	1.634.509
3. Unrealised losses (expenses) from financial assets	140				
4. Other financial expenses	141				
V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES	142				
VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES	143				
VII. EXTRAORDINARY - OTHER INCOME	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL INCOME (111+131+144)	146	18.481.921	18.481.921	19.272.408	19.272.408
X. TOTAL EXPENSES (114+137+143+145)	147	48.785.587	48.785.587	51.438.172	51.438.172
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	-30.303.666	-30.303.666	-32.165.764	-32.165.764
1. Profit before taxes (146-147)	149	0	0	0	0
2. Loss before taxes (147-146)	150	30.303.666	30.303.666	32.165.764	32.165.764
XII. TAXATION	151				
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-30.303.666	-30.303.666	-32.165.764	-32.165.764
1. Profit for the period (149-151)	153	0	0	0	0
2. Loss for the period (151-148)	154	30.303.666	30.303.666	32.165.764	32.165.764
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	155				
2. Attributable to minority interest	156				
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157	-30.303.666	-30.303.666	-32.165.764	-32.165.764
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158	0	0	0	0
1. Exchange differences from international settlement	159				
2. Changes in revaluation reserves of long-term tangible and intangible assets	160				
3. Profit or loss from re-evaluation of financial assets held for sale	161				
4. Profit or loss from cash flow hedging	162				
5. Profit or loss from hedging of foreign investments	163				
6. Share of other comprehensive income/loss from associated companies	164				
7. Actuarial gains/losses from defined benefit plans	165				
III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD (158 TO 166)	167	0	0	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	-30.303.666	-30.303.666	-32.165.764	-32.165.764
ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)					
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	169				
2. Attributable to minority interest	170				

Cash flow statement - indirect method
period 01.01.2017. to 31.03.2017.

Company: LIBURNIA RIVIERA HOTELI d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	001	-30.303.666	-32.165.764
2. Depreciation and amortisation	002	23.695.967	24.433.448
3. Increase of current liabilities	003	9.628.494	9.029.553
4. Decrease of current receivables	004	1.270.849	1.629.200
5. Decrease of inventories	005		
6. Other cash flow increases	006		
I. Total increase of cash flow from operating activities	007	4.291.644	2.926.437
1. Decrease of current liabilities	008		
2. Increase of current receivables	009		
3. Increase of inventories	010	1.437.077	109.109
4. Other cash flow decreases	011	4.207.133	2.508.958
II. Total decrease of cash flow from operating activities	012	5.644.210	2.618.067
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	013	0	308.370
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	1.352.566	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of non-current assets	015	41.769	13.310
2. Proceeds from sale of non-current financial assets	016		
3. Interest received	017	267.400	118.821
4. Dividend received	018		
5. Other proceeds from investing activities	019		
III. Total cash inflows from investing activities	020	309.169	132.131
1. Purchase of non-current assets	021	36.139.951	25.903.269
2. Purchase of non-current financial assets	022		
3. Other cash outflows from investing activities	023		
IV. Total cash outflows from investing activities	024	36.139.951	25.903.269
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	025	0	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	35.830.782	25.771.138
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issue of equity securities and debt securities	027		
2. Proceeds from loans and borrowings	028		
3. Other proceeds from financing activities	029		
V. Total cash inflows from financing activities	030	0	0
1. Repayment of loans and bonds	031	2.252.732	2.227.187
2. Dividends paid	032		
3. Repayment of finance lease	033		
4. Purchase of treasury shares	034		
5. Other cash outflows from financing activities	035		
VI. Total cash outflows from financing activities	036	2.252.732	2.227.187
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	037	0	0
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	2.252.732	2.227.187
Total increases of cash flows	039	0	0
Total decreases of cash flows	040	39.436.080	27.689.955
Cash and cash equivalents at the beginning of period	041	82.514.992	62.388.338
Increase of cash and cash equivalents	042	0	0
Decrease of cash and cash equivalents	043	39.436.080	27.689.955
Cash and cash equivalents at the end of period	044	43.078.912	34.698.383

STATEMENT OF CHANGES IN EQUITY

period **1.1.2017** to **31.3.2017**

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	001	696.074.300	696.074.300
2. Capital reserves	002		
3. Reserves from profit	003	46.529.648	46.529.648
4. Retained earnings or loss carried forward	004	81.668	12.970.998
5. Net profit or loss for the period	005	-30.303.666	-32.165.764
6. Revaluation of tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of available for sale assets	008		
9. Other revaluation	009		
10. Total equity and reserves (AOP 001 to 009)	010	712.381.950	723.409.182
11. Foreign exchange differences ffrom foreign investments	011		
12. Current and deferred taxes	012		
13. Cash flow hedge	013		
14. Change of accounting policies	014		
15. Correction of significant mistakes of prior period	015		
16. Other changes	016		
17.Total increase or decrease of equity (AOP 011 to 016)	017	0	0
17 a. Attributable to majority owners	018	0	0
17 b. Attributable to minority interest	019		

Management Board Report on the state of Liburnia Riviera Hoteli d.d. for the period January-March 2017

The operating results of Liburnia Riviera Hoteli d.d. for the period January-March 2017 show that the Company is achieving its primary objectives.

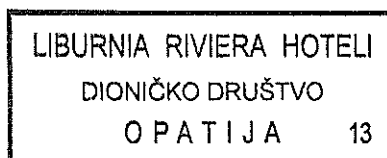
In the period January-March 2017, the Company had c. 4% more overnight stays than in the same period in 2016. Operating income (in the attached report) has increased by c. 5% compared to the same period last year. The operating income category, which according to the USALI report includes revenues from accommodation, board and extra food and beverages, sports, and other operating income, increased by 5% compared to the same period last year, and GOP (gross operating profit), according to the USALI report, was -4.2 million kn, while in the same period last year it was -3.0 million kn. The differences in GOP are temporary and will be annulled in the next month. The largest share in this year's increased negative result at the GOP level compared to the same period last year is due to a bonus to the Management Board, which in 2016 was entered in April, while in 2017 it was entered in March.

In the period January-March 2017, the Company's net extraordinary income was c. 313,000 kn, according to the USALI report, while in the same period last year, net extraordinary income, according to the USALI report, was c. 457,000 kn. In the observed period, financial result, EBITDA (gross profit + amortisation + interests) was -6.1 million kn, while last year's financial result in the same period was -4.7 million kn. The explanation of the difference at the EBITDA level is the same as that for the difference at the GOP level.

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

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Opatija 20/04/2017

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 for the period from 1 January to 31 March 2017.

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

