

## Annex 1

## ISSUER'S GENERAL DATA

Reporting period:

1.1.2019

to

30.6.2019

Year:

2019

Quarter:

2.

## Quarterly financial statements

Registration number (MB):

03166619

Issuer's home Member

State code:

HR

Entity's registration  
number (MBS):

040008080

Personal identification  
number (OIB):

15573308024

LEI:

74780000COJHFR9WBI35

Institution  
code:

1121

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

Postcode and town:

51410

OPATIJA

Street and house number: MARŠALA TITA 198

E-mail address: liburnia@liburnia.hr

Web address: www.liburnia.hr

Number of employees  
(end of the reporting

798

Consolidated report:

KN

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Bookkeeping firm: (Yes/No)

(name of the bookkeeping firm)

Contact person: Biserka Kamenar

(only name and surname of the contact person)

Telephone: 051 710 395

E-mail address: biserka.kamenar@liburnia.hr

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

**BALANCE SHEET**  
balance as at 30.06.2019.

in HRK

Submitter: LIBURNIA RIVIERA HOTELI d.d.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	873.003.296	994.189.852
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	422.253	487.014
1 Research and development	<b>004</b>	169.780	214.253
2 Concessions, patents, licences, trademarks, software and other rights	<b>005</b>	182.573	272.761
3 Goodwill	<b>006</b>		
4 Advances for the purchase of intangible assets	<b>007</b>		
5 Intangible assets in preparation	<b>008</b>	69.900	
6 Other intangible assets	<b>009</b>		
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	866.889.847	988.011.642
1 Land	<b>011</b>	100.877.840	100.877.840
2 Buildings	<b>012</b>	612.616.166	585.308.507
3 Plant and equipment	<b>013</b>	15.024.441	14.074.600
4 Tools, working inventory and transportation assets	<b>014</b>	112.553.189	139.188.537
5 Biological assets	<b>015</b>		
6 Advances for the purchase of tangible assets	<b>016</b>	547.695	3.956.253
7 Tangible assets in preparation	<b>017</b>	21.761.124	141.096.513
8 Other tangible assets	<b>018</b>	3.509.392	3.509.392
9 Investment property	<b>019</b>		
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	500.000	500.000
1 Investments in holdings (shares) of undertakings within the group	<b>021</b>	500.000	500.000
2 Investments in other securities of undertakings within the group	<b>022</b>		
3 Loans, deposits, etc. to undertakings within the group	<b>023</b>		
4. Investments in holdings (shares) of companies linked by virtue of participating interests	<b>024</b>		
5 Investment in other securities of companies linked by virtue of participating interests	<b>025</b>		
6 Loans, deposits etc. to companies linked by virtue of participating interests	<b>026</b>		
7 Investments in securities	<b>027</b>		
8 Loans, deposits, etc. given	<b>028</b>		
9 Other investments accounted for using the equity method	<b>029</b>		
10 Other fixed financial assets	<b>030</b>		
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	0	0
1 Receivables from undertakings within the group	<b>032</b>		
2 Receivables from companies linked by virtue of participating interests	<b>033</b>		
3 Customer receivables	<b>034</b>		
4 Other receivables	<b>035</b>		
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	5.191.196	5.191.196
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	61.668.480	58.559.769
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	3.100.002	5.385.771
1 Raw materials and consumables	<b>039</b>	2.285.826	4.634.550
2 Work in progress	<b>040</b>		
3 Finished goods	<b>041</b>		
4 Merchandise	<b>042</b>	385.847	364.642
5 Advances for inventories	<b>043</b>	428.329	386.579
6 Fixed assets held for sale	<b>044</b>		
7 Biological assets	<b>045</b>		
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	7.963.763	28.286.787
1 Receivables from undertakings within the group	<b>047</b>		
2 Receivables from companies linked by virtue of participating interests	<b>048</b>		
3 Customer receivables	<b>049</b>	5.428.182	15.031.416
4 Receivables from employees and members of the undertaking	<b>050</b>	193.167	198.471
5 Receivables from government and other institutions	<b>051</b>	2.342.414	13.056.900
6 Other receivables	<b>052</b>		

<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	<b>37.515.800</b>	<b>15.800</b>
1 Investments in holdings (shares) of undertakings within the group	<b>054</b>		
2 Investments in other securities of undertakings within the group	<b>055</b>		
3 Loans, deposits, etc. to undertakings within the group	<b>056</b>		
4 Investments in holdings (shares) of companies linked by virtue of participating interests	<b>057</b>		
5 Investment in other securities of companies linked by virtue of participating interests	<b>058</b>		
6 Loans, deposits etc. to companies linked by virtue of participating interests	<b>059</b>	37.500.000	
7 Investments in securities	<b>060</b>	15.800	15.800
8 Loans, deposits, etc. given	<b>061</b>		
9 Other financial assets	<b>062</b>		
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	<b>13.088.915</b>	<b>24.871.411</b>
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	<b>1.007.522</b>	<b>759.268</b>
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	<b>935.679.298</b>	<b>1.053.508.889</b>
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	<b>4.452.613</b>	<b>4.452.613</b>

<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to</b>	<b>067</b>	<b>758.993.151</b>	<b>734.745.142</b>
I INITIAL (SUBSCRIBED) CAPITAL	<b>068</b>	696.074.300	696.074.300
II CAPITAL RESERVES	<b>069</b>		
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	<b>070</b>	<b>46.529.648</b>	<b>46.529.648</b>
1 Legal reserves	<b>071</b>	45.018.765	45.018.765
2 Reserves for treasury shares	<b>072</b>		
3 Treasury shares and holdings (deductible item)	<b>073</b>		
4 Statutory reserves	<b>074</b>		
5 Other reserves	<b>075</b>	1.510.883	1.510.883
IV REVALUATION RESERVES	<b>076</b>		
V FAIR VALUE RESERVES (ADP 078 to 080)	<b>077</b>	<b>0</b>	<b>0</b>
1 Fair value of financial assets available for sale	<b>078</b>		
2 Cash flow hedge - effective portion	<b>079</b>		
3 Hedge of a net investment in a foreign operation - effective portion	<b>080</b>		
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	<b>081</b>	<b>29.327.912</b>	<b>16.389.203</b>
1 Retained profit	<b>082</b>	29.327.912	16.389.203
2 Loss brought forward	<b>083</b>		
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	<b>084</b>	<b>-12.938.709</b>	<b>-24.248.009</b>
1 Profit for the business year	<b>085</b>		
2 Loss for the business year	<b>086</b>	12.938.709	24.248.009
VIII MINORITY (NON-CONTROLLING) INTEREST	<b>087</b>		
<b>B) PROVISIONS (ADP 089 to 094)</b>	<b>088</b>	<b>3.941.081</b>	<b>3.941.081</b>
1 Provisions for pensions, termination benefits and similar obligations	<b>089</b>	542.855	542.855
2 Provisions for tax liabilities	<b>090</b>		
3 Provisions for ongoing legal cases	<b>091</b>	3.398.226	3.398.226
4 Provisions for renewal of natural resources	<b>092</b>		
5 Provisions for warranty obligations	<b>093</b>		
6 Other provisions	<b>094</b>		
<b>C) LONG-TERM LIABILITIES (ADP 096 to 106)</b>	<b>095</b>	<b>101.595.187</b>	<b>200.595.187</b>
1 Liabilities to undertakings within the group	<b>096</b>		
2 Liabilities for loans, deposits, etc. of undertakings within the group	<b>097</b>		
3 Liabilities to companies linked by virtue of participating interests	<b>098</b>		
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	<b>099</b>		
5 Liabilities for loans, deposits etc.	<b>100</b>		
6 Liabilities to banks and other financial institutions	<b>101</b>	101.595.187	200.595.187
7 Liabilities for advance payments	<b>102</b>		
8 Liabilities to suppliers	<b>103</b>		
9 Liabilities for securities	<b>104</b>		
10 Other long-term liabilities	<b>105</b>		
11 Deferred tax liability	<b>106</b>		
<b>D) SHORT-TERM LIABILITIES (ADP 108 to 121)</b>	<b>107</b>	<b>69.320.047</b>	<b>109.663.872</b>
1 Liabilities to undertakings within the group	<b>108</b>		
2 Liabilities for loans, deposits, etc. of undertakings within the group	<b>109</b>		
3 Liabilities to companies linked by virtue of participating interests	<b>110</b>		
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	<b>111</b>		
5 Liabilities for loans, deposits etc.	<b>112</b>		
6 Liabilities to banks and other financial institutions	<b>113</b>	29.525.441	26.177.520
7 Liabilities for advance payments	<b>114</b>	7.552.063	32.719.758
8 Liabilities to suppliers	<b>115</b>	11.059.779	26.571.089
9 Liabilities for securities	<b>116</b>		
10 Liabilities to employees	<b>117</b>	7.355.329	6.910.364
11 Taxes, contributions and similar liabilities	<b>118</b>	1.794.613	5.998.351
12 Liabilities arising from the share in the result	<b>119</b>		
13 Liabilities arising from fixed assets held for sale	<b>120</b>		
14 Other short-term liabilities	<b>121</b>	12.032.822	11.286.790
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>122</b>	<b>1.829.832</b>	<b>4.563.607</b>
<b>F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)</b>	<b>123</b>	<b>935.679.298</b>	<b>1.053.508.889</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>124</b>	<b>4.452.613</b>	<b>4.452.613</b>

**STATEMENT OF PROFIT OR LOSS**  
for the period 01.01.2019. to 30.06.2019.

in HRK

Submitter: LIBURNIA RIVIERA HOTELI d.d.

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I OPERATING INCOME (ADP 126 to 130)</b>	<b>125</b>	<b>110.999.774</b>	<b>92.868.197</b>	<b>107.921.757</b>	<b>91.825.259</b>
1 Income from sales with undertakings within the group	126				
2 Income from sales (outside group)	127	104.775.717	88.985.363	100.311.813	86.670.105
3 Income from the use of own products, goods and services	128				
4 Other operating income with undertakings within the group	129				
5 Other operating income (outside the group)	130	6.224.057	3.882.834	7.609.944	5.155.154
<b>II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)</b>	<b>131</b>	<b>158.611.937</b>	<b>107.700.850</b>	<b>131.270.862</b>	<b>82.550.205</b>
1 Changes in inventories of work in progress and finished goods	132				
2 Material costs (ADP 134 to 136)	133	32.837.178	24.223.446	31.695.250	23.982.777
a) Costs of raw materials and consumables	134	12.973.165	10.538.469	12.526.508	10.349.549
b) Costs of goods sold	135	148.844	112.125	91.764	78.833
c) Other external costs	136	19.715.169	13.572.852	19.076.978	13.554.395
3 Staff costs (ADP 138 to 140)	137	62.136.106	49.784.611	32.391.486	21.348.991
a) Net salaries and wages	138	35.034.912	27.583.539	19.991.669	13.171.373
b) Tax and contributions from salary costs	139	17.871.932	14.949.682	7.906.278	5.207.668
c) Contributions on salaries	140	9.229.262	7.251.390	4.493.539	2.969.950
4 Depreciation	141	47.553.906	24.064.158	48.830.674	24.558.650
5 Other costs	142	14.910.507	9.311.720	15.383.483	11.190.378
6 Value adjustments (ADP 144+145)	143	1.174.240	316.915	2.969.969	1.469.409
a) fixed assets other than financial assets	144	973.656	233.613	2.933.066	1.469.409
b) current assets other than financial assets	145	200.584	83.302	36.903	
7 Provisions (ADP 147 to 152)	146	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	147				
b) Provisions for tax liabilities	148				
c) Provisions for ongoing legal cases	149				
d) Provisions for renewal of natural resources	150				
e) Provisions for warranty obligations	151				
f) Other provisions	152				
8 Other operating expenses	153				
<b>III FINANCIAL INCOME (ADP 155 to 164)</b>	<b>154</b>	<b>424.815</b>	<b>355.158</b>	<b>305.897</b>	<b>45.943</b>
1 Income from investments in holdings (shares) of undertakings within the group	155				
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156				
3 Income from other long-term financial investment and loans granted to undertakings within the group	157				
4 Other interest income from operations with undertakings within the group	158				
5 Exchange rate differences and other financial income from operations with undertakings within the group	159				
6 Income from other long-term financial investments and loans	160				
7 Other interest income	161	306.005	274.320	254.476	1.472
8 Exchange rate differences and other financial income	162	118.810	80.838	51.421	44.471
9 Unrealised gains (income) from financial assets	163				
10 Other financial income	164				
<b>IV FINANCIAL EXPENSES (ADP 166 to 172)</b>	<b>165</b>	<b>2.162.384</b>	<b>1.731.842</b>	<b>1.204.801</b>	<b>691.072</b>
1 Interest expenses and similar expenses with undertakings within the group	166				
2 Exchange rate differences and other expenses from operations with undertakings within the group	167				
3 Interest expenses and similar expenses	168	1.638.186	1.307.713	1.123.748	629.136
4 Exchange rate differences and other expenses	169	524.198	424.129	81.053	61.936
5 Unrealised losses (expenses) from financial assets	170				
6 Value adjustments of financial assets (net)	171				
7 Other financial expenses	172				
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>173</b>				
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>174</b>				
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>175</b>				
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>176</b>				
<b>IX TOTAL INCOME (ADP 125+154+173 + 174)</b>	<b>177</b>	<b>111.424.589</b>	<b>93.223.355</b>	<b>108.227.654</b>	<b>91.871.202</b>
<b>X TOTAL EXPENDITURE (ADP 131+165+175 + 176)</b>	<b>178</b>	<b>160.774.321</b>	<b>109.432.692</b>	<b>132.475.663</b>	<b>83.241.277</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 177-178)</b>	<b>179</b>	<b>-49.349.732</b>	<b>-16.209.337</b>	<b>-24.248.009</b>	<b>8.629.925</b>
1 Pre-tax profit (ADP 177-178)	180	0	0	0	8.629.925
2 Pre-tax loss (ADP 178-177)	181	-49.349.732	-16.209.337	-24.248.009	0

<b>XII INCOME TAX</b>	<b>182</b>				
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)</b>	<b>183</b>	<b>-49.349.732</b>	<b>-16.209.337</b>	<b>-24.248.009</b>	<b>8.629.925</b>
1 Profit for the period (ADP 179-182)	184	0	0	0	8.629.925
2 Loss for the period (ADP 182-179)	185	-49.349.732	-16.209.337	-24.248.009	0
<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 187-188)</b>	<b>186</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit from discontinued operations	187				
2 Pre-tax loss on discontinued operations	188				
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>189</b>				
1 Discontinued operations profit for the period (ADP 186-189)	190				
2 Discontinued operations loss for the period (ADP 189-186)	191				
<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 179+186)</b>	<b>192</b>				
1 Pre-tax profit (ADP 192)	193				
2 Pre-tax loss (ADP 192)	194	-49.349.732	-16.209.337	-24.248.009	8.629.925
<b>XVII INCOME TAX (ADP 182+189)</b>	<b>195</b>				
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)</b>	<b>196</b>				
1 Profit for the period (ADP 192-195)	197				
2 Loss for the period (ADP 195-192)	198				
<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 200+201)</b>	<b>199</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Attributable to owners of the parent	200				
2 Attributable to minority (non-controlling) interest	201				
<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>202</b>	<b>-49.349.732</b>	<b>-16.209.337</b>	<b>-24.248.009</b>	<b>8.629.925</b>
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)</b>	<b>203</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Exchange rate differences from translation of foreign operations	204				
2 Changes in revaluation reserves of fixed tangible and intangible assets	205				
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206				
4 Profit or loss arising from effective cash flow hedging	207				
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208				
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209				
7 Actuarial gains/losses on the defined benefit obligation	210				
8 Other changes in equity unrelated to owners	211				
<b>III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>212</b>				
<b>IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)</b>	<b>213</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)</b>	<b>214</b>	<b>-49.349.732</b>	<b>-16.209.337</b>	<b>-24.248.009</b>	<b>8.629.925</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 216+217)</b>	<b>215</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Attributable to owners of the parent	216				
2 Attributable to minority (non-controlling) interest	217				

**STATEMENT OF CASH FLOWS - indirect method**  
for the period 01.01.2019. to 30.06.2019.

in HRK

Submitter: LIBURNIA RIVIERA HOTELI d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>Cash flow from operating activities</b>			
1 Pre-tax profit	001	-49.349.732	-24.248.009
2 Adjustments (ADP 003 to 010):	002	47.553.906	48.830.674
a) Depreciation	003	47.553.906	48.830.674
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004		
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005		
d) Interest and dividend income	006		
e) Interest expenses	007		
f) Provisions	008		
g) Exchange rate differences (unrealised)	009		
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>-1.795.826</b>	<b>24.582.665</b>
3 Changes in the working capital (ADP 013 to 016)	012	19.296.227	30.665.453
a) Increase or decrease in short-term liabilities	013	24.526.220	40.678.205
b) Increase or decrease in short-term receivables	014	-4.450.072	-7.601.236
c) Increase or decrease in inventories	015	-779.921	-2.411.516
d) Other increase or decrease in working capital	016		
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>17.500.401</b>	<b>55.248.118</b>
4 Interest paid	018	-736.886	-992.683
5 Income tax paid	019	-749.958	-1.080.862
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>16.013.557</b>	<b>53.174.573</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021	85.118	132.068
2 Cash receipts from sales of financial instruments	022		
3 Interest received	023	305.654	254.476
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>390.772</b>	<b>386.544</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-107.368.478	-174.817.518
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>-107.368.478</b>	<b>-174.817.518</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-106.977.706</b>	<b>-174.430.974</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	69.072.406	110.000.000
4 Other cash receipts from financing activities	038	24.000.000	37.500.000
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>93.072.406</b>	<b>147.500.000</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-12.017.108	-14.461.103
2 Cash payments for dividends	041		
3 Cash payments for finance lease	042		
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043		
5 Other cash payments from financing activities	044	-27.500.000	
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>-39.517.108</b>	<b>-14.461.103</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>53.555.298</b>	<b>133.038.897</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>-37.408.851</b>	<b>11.782.496</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>43.762.449</b>	<b>13.088.915</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)</b>	<b>050</b>	<b>6.353.598</b>	<b>24.871.411</b>







## **Management Board Report on the state of Liburnia Riviera Hoteli d.d. for the period January-June 2019**

The operating results of Liburnia Riviera Hoteli d.d. for the period January-June 2019 show that the Company is achieving its primary objectives. In the period January-June 2019, the Company had c. 5% less overnight stays than in the same period of 2018. Operating income, which also includes extraordinary income (in the attached report), decreased by c. 3% 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 (that is, without extraordinary income), decreased by 4% compared to the last year's, while GOP (gross operating profit), according to the USALI report, increased compared to the last year's by 601% or 28.2 million kn (this year it was 33.9 million kn, while in the last year it was 5.6 million kn due to the payment of a bonus in June 2018).

The renovated Remisens Premium Hotel Ambassador was opened on 1 June 2019. After the completion of the investment, the associated villa became part of the 5-star hotel with a new increase in quality concerning its services and facilities. The renovated Remisens Hotel Admiral and Smart Selection Hotel Istra in Opatija as well as the Remisens Hotel Marina and Smart Selection Hotel Mediteran in Mošćenička Draga were also opened in the period January-June 2019. The goal of these investments is to keep the existing hotel category and improve the quality of service.

In the period January-June 2019, according to the USALI report, the difference between extraordinary income and expenses was negative to the amount of c. -1.9 million kn, while in the same period last year net extraordinary income was c. 827,000 kn. The extraordinary and one-off expenses in the observed period of 2019 are for the most part the result of write-offs of end-of-life capital assets and other property assets that were included in investments, while the amount of c. 2.5 million kn refers to costs from previous years, of which 2.2 million kn relates to the Marina Admiral. On 23 May 2019, the Company received the Decision of the Rijeka Customs Office of the Ministry of Finance Customs Administration with regard to the inspection procedure of the Marina Admiral, as a result of which the Company is required to pay the concession fee for the period 22/07/2017-31/12/2017 to the amount of 127,843.41 with interest, and also the same fee for the period 01/01/2018-30/06/2018 to the amount of 130,711.06 kn with interest, as well as proceeds from assets acquired from illegal activity in the period 22/07/2017-30/06/2018 to the amount of 2,157,968.87 kn, which makes a total of 2,416,523.34 kn in fees and proceeds from acquired assets, all in accordance with the Concessions Act. The mentioned amount was paid in line with the Decision within 8 days of receipt of the said Decision, which was issued without the right to appeal in accordance with the Concessions Act, though there is the possibility of filing a lawsuit with the Administrative Court.

The extraordinary and one-off revenues in the observed period of 2019 are for the most part the result of a refund of the fee for the use of the maritime domain to the amount of c. 2.3 million kn. On 5 July 2019, the Company received the judgement of the High Administrative Court of the Republic of Croatia No.: Usž-1429/19-2, which confirmed the judgement of the Administrative Court in Rijeka of 6 November 2018 that annulled the decision of the Ministry of Finance Independent Sector for Second Instance and Administrative Proceedings of 7 May 2018, and also the decision of the Rijeka Customs Office of the Ministry of Finance Customs Administration of 18 January 2019. Under this judgement, the Ministry of Finance

was required to refund to the Company, within 60 days of receipt, the paid amount of 2,256,529.47 kn with statutory default interest. The annulled decision had illegally imposed the obligation to pay the mentioned concession fee for the use of the Marina Admiral in Opatija on the Company even though no concession contract had been concluded.

In accordance with the negotiations with trade unions of January 2019, a non-taxable amount of 1,000.00 kn was paid in June 2019 to permanent staff. In addition, a non-taxable amount of 1,000.00 kn for seasonal staff was calculated, which will be paid as a one-off sum to the amount of 4,000.00 kn at the end of the four-month period of work together with the salary for September.

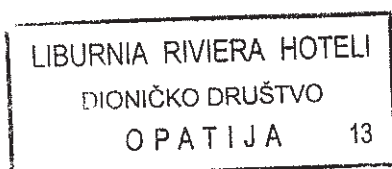
A decision of the Management Board of 2 July 2019 approved the payment of a non-taxable bonus of 1,000.00 kn for the results achieved in June and the period January-June 2019, together with the salary for June, to all employees who have concluded a contract on mutual obligations, rights and responsibilities (so-called management contracts), except for members of the Management Board and sector directors.

In the period January-June 2019, Liburnia Riviera Hoteli d.d. had a loss of c. 24.2 million kn, while in the same period last year the loss was c. 49.3 million kn. In the observed period of this year, according to the USALI report, the total financial result – EBITDA (gross profit + amortisation + interests) was 25.7 million kn, while the last year's financial result was negative to the amount of 955,000 kn.

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

Chairman of the Management Board

Giorgio Cadum



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Opatija, 22/07/2019

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 30 June 2019.

Giorgio Cadum,  
Chairman of the Management Board

