



LIBURNIA
HOTELS & VILLAS



Hotel Ičići 4*, Ičići

BUSINESS RESULTS 1/1/2022 - 31/12/2022

LIBURNIA RIVIERA HOTELI d.d.

Opatija, February 2023

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KEY MESSAGES

KEY FINANCIAL INDICATORS

(in HRK million)	2021	2022	'22/'21
Total revenues	249.3	384.1	54%
Operating revenues	248.5	380.5	53%
Sales revenues	216.0	361.3	67%
Board revenues	180.8	295.3	63%
Operating costs	216.6	282.6	30%
EBITDA	20.8	96.4	363%
Adjusted EBITDA	28.8	96.7	236%
Adjusted EBITDA margin	11.6%	25.4%	1,380bp
EBIT	-81.4	-5.4	93%
EBT	-87.3	-14.9	83%
	31/12/2021	31/12/2022	%
Net debt	350.2	318.3	-9%
Cash and cash equivalents	15.2	73.1	381%

KEY OPERATING INDICATORS

	2021	2022	22/'21
Number of acc. units (operating)	2,007	2,126	6%
Annual occupancy (%)	27.1%	40.3%	1,323bp
Accommodation units sold	198,308	312,724	58%
Overnights	387,040	605,350	56%
Average daily rate (in HRK)	912	944	4%
RevPAR (in HRK)	90,068	138,881	54%

Note: Details and explanations of indicators can be found on page 10 in the chapter "Company results"

During 2022, Liburnia Riviera continued the evolution of its business model, largely focusing on growth, development and long-term sustainability. The successful strategic development was primarily based on i) the optimal positioning, segmentation and development of our tourism portfolio while prioritizing year-round operations, ii) defining and executing long-term business targets, iii) optimizing corporate management, culture and environment, iv) the improvement of the brand and price management systems while simultaneously focusing on the direct sales channel, v) the digital business transformation through IT infrastructure upgrades, and vi) the overall management of human resources. Hence, the mentioned evolution approach encompasses active usage of the current and the creation of new expertise for optimum development of the tourism portfolio, as well as superior management of the tourism properties to create added value for all the stakeholders at the Company (owners, creditors, the local community and destinations, business partners and employees).

The successful implementation of the updated business model, along with the increase in tourist demand as a result of well-accepted promotion activities of our enhanced tourist offer on our major source markets, improved positioning and management of the tourist portfolio, and superior guest relations is evident in the strong business results achieved during 2022. Namely, the Company achieved a strong recovery of business operations, which ultimately resulted in the improvement of the EBITDA by HRK 76 million, reaching HRK 96 million.

Another recognition of a successful tourism portfolio positioning and development was the reward that Hotel Istria 3* received at this year's Days of Croatian Tourism. The unique "Active & Healthy" concept that makes Liburnia Hotels and Villas a trendsetter in the active holiday concept focusing on luscious Mediterranean landscapes, healthy food and wellness based on year-round operation was the reason Hotel Istria was awarded as the best 3-star Croatian hotel.

BUSINESS RESULTS OVERVIEW

During 2022, Liburnia's total revenues rose by 54% and totaled HRK 384 million versus 2021 comparable period. The HRK 135 million growth was mainly carried by sales revenues (HRK 361 million; +HRK 145 million) as a result of over 600 thousand overnights achieved (+56%), the 4% increase in the average daily rate and the 97% increase in the F&B outlet revenues. The significant soar in sales revenues, average daily rate and demand in tourism resulted also from the newly-defined strategic guidelines that included: i) optimization of the marketing and sales positioning of our tourism portfolio, ii) further upgrade of the activities and system of the daily rate management, iii) development of products, services and touristic offer as well as numerous value-added events for guests, and iv) focusing on the further development of the offering and upgrading the service quality in F&B outlets in order to prolong the tourist season and position Opatija as a year-long destination. However, other operating income decreased due to the one-off effect of the received government aids in 2021 totaling HRK 20 million.

Operating costs were HRK 283 million: despite the negative pressure, they showed controlled growth. The growth was mainly due to i) increased costs related to raw materials and goods as a result of a strong growth in business (+56% overnights) and reported inflationary pressures mainly related to food, expendables and energy sources because of the disrupted supply chains caused by the war in Ukraine and sanctions against Russia, and ii) increased staff costs whose share in the total operating expenses was successfully kept at a similar level vs. prior comparable period (2022: 30%; 2021: 29%) despite negative pressures. The increase in staff costs was mainly due to i) strong growth in business volumes and related increase in number of employees' working hours, ii) ensuring competitive salaries and other material and non-material work conditions, and iii) further strengthening of the management

and operational team to transform the business model and make Liburnia Riviera an internationally competitive company on the hotel market in the middle term.

52% increase in operating revenues coupled with the active management of operating efficiency and related optimization of operating costs at all company levels resulted in the following: the Company's EBITDA grew by 363% and was HRK 96 million (+HRK 76 million vs. 2021, or +HRK 95 million if we exclude the one-off effect of the received state aid in 2021), despite the increased costs of energy sources, raw material and labor costs.

INVESTMENTS AND HUMAN RESOURCES

In 2022 the investments amounted to HRK 55.5 million and were aimed to quality and efficiency upgrades in services and guest safety, as well as to essential works for properties' operation during the 2022 and upcoming season. The investments included the arrangement of the Hotel Kvarner beach, the façade renovation at Villa Slatina, as well as refurbishment and openings of F&B outlets: Garden Bar at Marina Hotel and Sladobar at Kristal Hotel. Investments were also made into properties used as accommodation for seasonal workers at all operating destinations. Other investments were mainly focused on software solutions for digital transformation and business efficiency optimization (change in the accounting programs, implementation of modern business intelligence solutions and other related solutions) and projects aimed at increasing energy efficiency and Wi-Fi coverage. Simultaneously, the projects focused on growing and developing Liburnia Riviera's tourism portfolio are being prepared further. The current priority is maximizing the free cash flow and lowering the net debt/ EBITDA ratio toward levels achieved in the periods preceding the COVID-19 crisis.

To position Liburnia Riviera as a leader of year-long tourism on the Kvarner and ensure the necessary labor force to further upgrade service quality and guest satisfaction, the Company (in collaboration with trade unions) increased the material rights of workers and awards payments for seasonal and permanent workers starting from the second quarter of 2022. The said measures aim at valorizing the Company's key resources, i.e. its workers, since they secure long-term stability, quality and sustainability to the business. With its numerous activities on the labor market, the Company recruited a sufficient number of employees for the 2022 season and as at 31/12/2022, it employed 710 people, out of which 349 were permanent workers.

The company has been closely monitoring the course of the Russian-Ukrainian crisis and has been carrying out continuous assessments of all the possible negative influences on the business based on known facts, information and circumstances. Hence, it has been undertaking all the necessary steps to minimize the negative impacts on its business. Guests from the Russian and Ukrainian source market have been responsible for 1% of the total operating revenues achieved by the Company in 2022 (2021: 2%). Therefore, the war did not have a significant impact on sales revenues during 2022, as the absence of these source markets was compensated by arrivals from other source markets.

Given the growing global geopolitical tensions, the strategic focus of the Government of the Republic of Croatia on key resources and the encouragement of investments in tourism represents the crucial foundations for strengthening business sustainability, accelerating growth and increasing the competitiveness of the Croatian tourism sector in the coming period. Although the introduction of the EUR and Croatia's entry into the Schengen

area as of 1.1.2023 (on top of the previous positive impact on Croatia's credit rating) represent an additional impulse for Croatia as a tourist destination, one of the key determinants of the Government of the Republic of Croatia in defining the framework of the economy in 2023 must continue to be based on limiting inflationary pressures on the rise in the prices of basic products and energy products. This will enable the tourism sector, together with the entire economy, to accelerate business empowerment and ensure multiplier effects of recovery on other industrial branches as well, while encouraging investments in key business resources (primarily workforce and investments).



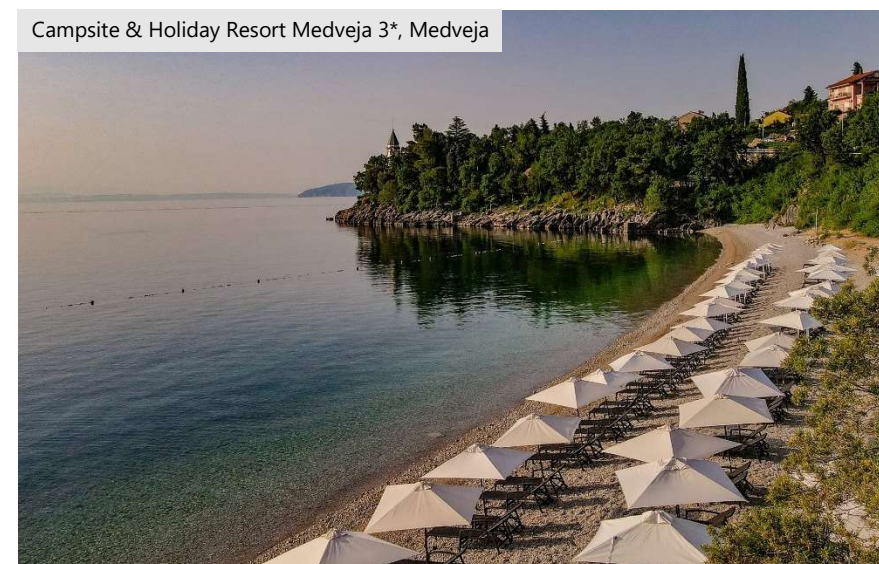
ABOUT LIBURNIA RIVIERA

Liburnia Riviera is one of the largest hospitality companies in the Republic of Croatia with revenues of almost HRK 400 million. 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 Opatija and surrounding municipalities as one of the best tourist destinations in the Mediterranean, destination Liburnia riviera 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 repositioning hotels and other premises during last 3 years (2020-2022). 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.



Cafe Strauss, Opatija



Campsite & Holiday Resort Medveja 3*, Medveja

SIGNIFICANT BUSINESS EVENTS

BUSINESS MANAGEMENT DURING THE COVID-19 PANDEMIC AND THE IMPACT OF THE RUSSIAN-UKRAINIAN CRISIS ON THE COMPANY'S BUSINESS

During 2022 the Company reported a significantly lower COVID-19 impact on its business. Due to the easing of previously imposed restrictions on movement and due to the increased desire of tourists to travel, Liburnia Riviera reported strong growth in demand in the observed period, thus resulting in a significant growth in sales numbers (overnights, rooms) and financial results (revenues, operating profit, average daily rate). Liburnia Riviera's great advantage is its partial natural protection from tourism disruptions due to the suitable geographical location of its destinations that can primarily be reached by guests travelling by car from our most important source markets (Germany, Austria, Hungary, Czech Republic, Slovenia, Italy, Serbia).

In its diversified portfolio, the Company still used the #WeCare sanitary program, despite the eased COVID-19 measures to secure a safe environment for guests, partners and employees. Also, to dynamically adapt to the impact of the pandemic and increase the demand for the Company's properties, the policy of active daily rates management was intensified, as well as the creation of packages with included additional services, which contributed to a significant increase in average daily rates.

Despite the positive development of the pandemic-related impacts, it is still too early to predict the booking pace in 2023, especially due to the strong "last minute" trend in bookings, but also due to the simpler cancellation policy. Also, the end of the Russian-Ukrainian crisis end is currently hard to predict, as well as the final potential impacts on the Company's business.

Guests from the Russian and Ukrainian source markets were responsible for 1% of the Company's total revenues in 2022 (2021: 2%), therefore the war did not have a significant impact on sales results during 2022 since their absence

was compensated with arrivals from other source markets. However, operating costs had a negative impact due to the cost increase of energy sources and other material costs and services. In order to rationalize operating costs, the Company continued its overall measures to decrease them, i.e. savings in energy sources costs, direct costs of food and beverages, maintenance costs as well as active negotiations with suppliers to have lower purchase prices and ensuring enough quantities for the season. Furthermore, the containment of the further growth of inflation by central banks (primarily the ECB) and the related increases in the rates of reference interest rates have a negative impact on the interest costs in loan arrangements with a variable interest rate. The Company has been closely monitoring the course of the Russian-Ukrainian crisis and has been carrying out continuous assessments of all the possible negative influences on the business based on known facts, information and circumstances. Hence, it has been undertaking all the necessary steps to minimize the negative impacts on its business.

It should be noted that in the reporting period there were no out-of-ordinary booking cancellations. It should also be noted that the current demand for the Company's properties is going strong, as evidenced by the almost two times higher number of bookings at the end of February compared to the same period last year.

FURTHER STRENGTHENING OF MEDIUM-TERM LIQUIDITY

The Company contracted a long-term revolving loan with Istarska kreditna banka d.d. Umag for the total amount of EUR 5.3 million to finance working capital and ensure medium-term liquidity of the Company. Besides, by the end of September 2022, the Company concluded an annex to the loan agreement with Erste&Steiermärkische Bank (EUR 11.4 million as nominal amount, maturity date in 2025) where the linear amortization of the principal was replaced by a modified repayment plan, so the largest portion of the liability

is repaid on the maturity date (soft bullet amortization). This served to additionally secure the flexible planning of the cash flow, while on the other hand it ensured the financing and management of a sufficient amount of working capital. The mentioned activities show that investors and financiers believe in Liburnia Riviera's further development and the further growth of Croatian tourism.

CHANGES IN THE SUPERVISORY BOARD

On 25 May 2022, Ms. Helena Masarić resigned from the Supervisory Board of Liburnia Riviera effective as of the date of resignation. According to the decision made by Nova Liburnija d.o.o., the Supervisory Board of the Company appointed Mr. Danijel Jerman to Ms. Masarić's position. Furthermore, 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 these changes, the Supervisory Board consists of the following members: Mr. Johannes Böck, president, members: Mr. Davor Žic, Ms. Ana Odak, Mr. Thomas Mayer, Mr. Philip Göth, Mr. Alexander Zinell, Mr. Danijel Jerman and Mr. Rikardo Gregov (employee representative).

LIBURNIA RIVIERA GENERAL ASSEMBLY

The following points were adopted at the General Assembly held on 11 August 2022:

- Approval of the 2021 Management and Supervisory Board Remuneration Report with the Report Audit
- The Company's achieved loss for 2021 totaling HRK 91,693,318 was allocated to the losses carried forward;
- Discharge was given to the members of the Management Board for the management of the Company's affairs in 2021 and to the members of the Supervisory Board for the supervision of the management of the Company's affairs in the year 2021;

- The appointed Liburnia Riviera's auditor in 2022 was Grant Thornton revizija d.o.o. from Zagreb
- Change in the provision of article 16 in the Statute giving right to Gitone Adriatic d.o.o. to name one Supervisory Board member if it consists of 9 members

INTRODUCING "LIRI" THE MASCOT

The development of Liburnia Riviera's offering is based on the improvement of a diverse range of services and products focused on families with children. To enrich children-focused products and services and enhance visibility, a mascot was designed and presented – LIRI, a mystical being that has the attributes of different animals (fox, bear, dog and cat) whose appearance appeals to both children and parents. With the introduction of LIRI, new entertainment concepts were designed and implemented by the animation team: LIRI parties, LIRI disco and LIRI playground, while the sale of plush toys and other merchandise began, resulting in great feedback from guests.



"LIRI" the mascot

HOTEL ISTRA 3* AWARD

At in October held Days of Croatian Tourism, the Istra 3* hotel was declared the best Croatian hotel in the three-star category. This is a great recognition of the profession for the unique year-round 'Active & Healthy' concept, in which the emphasis is placed on a healthy and active lifestyle with various sports activities (yoga programs, breathing exercises, walks and hiking) and thus an adapted offer of food and drinks (detox breakfast, herbal teas, local products). The award received certainly provides an additional incentive to continue creating new year-round products and enriching the tourist offer.



EVENTS AFTER THE BALANCE SHEET DATE

CHANGES IN THE SUPERVISORY BOARD

At the beginning of 2023, the Company's shareholder, the company GITONE Adriatic d.o.o. appointed Mr. Ante Barić as the ninth member of the Company's Supervisory Board. From Jan 3rd, 2023, the Supervisory Board is composed of Mr. Johannes Böck, the president, and its members: Mr. Davor Žic, Mrs. Ana Odak, Mr. Thomas Mayer, Mr. Philip Göth, Mr. Alexander Zinell, Mr. Danijel Jerman, Mr. Ante Barić and Mr. Rikardo Gregov (employee representative).

COMPANY RESULTS

KEY FINANCIAL INDICATORS ¹

(in HRK million)	2021	2022	'22/'21
Total revenues	249.3	384.1	54%
Operating revenues	248.5	380.5	53%
Sales revenues	216.0	361.3	67%
Board revenues ²	180.8	295.3	63%
Operating costs ³	216.6	282.6	30%
EBITDA ⁴	20.8	96.4	363%
Adjusted EBITDA ⁵	28.8	96.7	236%
Adjusted EBITDA margin	11.6%	25.4%	1,386bp
EBIT	-81.4	-5.4	93%
EBT	-87.3	-14.9	83%
	31/12/2021	31/12/2022	%
Net debt ⁶	350.2	318.3	-9%
Cash and cash equivalents	15.2	73.1	381%

KEY OPERATING INDICATORS

	2021	2022	22/'21
Number of acc. units (operating)	2,007	2,126	6%
Annual occupancy (%) ⁷	27.1%	40.3%	1,323 bp
Accommodation units sold	198,308	312,724	58%
Overnights	387,040	605,350	56%
Average daily rate (in HRK)	912	944	4%
RevPAR (in HRK) ⁶	78,527	119,267	52%

¹ Classified according to Annual Financial Statement standard (GFI POD-RDG) EBIT and EBITDA are recorded on the basis of operating income.

² 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.

³ Operating costs calculated according to the formula operating expenses - depreciation - value adjustment - provisions.

REVENUES

During 2022 total revenues went up by 54% (+HRK 134.8 million) and were HRK 384.1 million. They were driven by:

- a) **sales revenues**, up by 67% (+HRK 145.3 million) and totaling HRK 361.3 million, mainly consisting of board revenues (+HRK 114.5 million; +63%). In the first quarter of 2022, board revenues grew strongly due to a significant increase in overnights (+41,526; 1,342%) and a 20% increase in the average daily rate reaching HRK 697 vs. last year's comparable period. Such a strong demand for Liburnia Riviera's portfolio was driven by: the active management of the strategic guideline to position Opatija as a year-long destination, the prolongation of the tourist season (Ambassador, Bellevue and Istra were the hotels that remained open throughout the first quarter) and the recovery of business and tourism-related activities unlike previous year's comparable period (marked by limited mobility to reduce the number of COVID-19 infections). The second quarter was marked by further demand along with a rise in the average daily rate (+15%), resulting in increased board revenues (+HRK 45.2 million, +172%), primarily in the individual, allotment and group marketing segments. In the third quarter, board revenues grew by substantial +HRK 34.3 million (+26%), while the average daily rate reached almost HRK 1,200. The growth trend continued during the fourth quarter, during which board revenues increased by 80% (+18.5 million kuna) compared to the same period last year due to a strong

⁴ EBITDA (earnings before interest, taxes, depreciation and amortization) is calculated according to the formula: operating income - operating expenses + depreciation + value adjustments.

⁵ Adjusted EBITDA was calculated according to the formula: EBITDA - extraordinary income + extraordinary expenses result (2022: HRK 12.0 million of extraordinary income and HRK 12.4 million of extraordinary expenses; 2021: HRK 7.2 million of extraordinary income and HRK 15.2 million of extraordinary expenditure)

⁶ 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.

⁷ Annual occupancy and RevPar calculated based on the number of operating accommodation units.

increase in the number of overnight stays (+73%) and an increase in the average daily rate by 4% primarily in the individual marketing segment. During the New Year holidays, 10 hotels were operating with excellent demand and occupancy thanks to a variety of events organized for guests (advent houses with a rich offer of food and drinks, concerts, SPA treatments...). The Company's newly defined strategic guidelines were a strong contributing factor to the achieved recored top-line results, as they were aimed at: i) the optimal marketing and sales positioning of the tourism portfolio, ii) the improvement of daily rate management system activities, and iii) the further development of product and service, as well as numerous added-value events for guests (such as the introduction of the LIRI mascot enriching the offering for the youngest guests, the Romantic Getaway for Valentine's Day, Active&Healthy at Istra hotel, the national Eurovision song contest - Dora, various concerts and events such as RetrOpatija, Sensual Summer Days, Chocolate Festival and others). The rise in sales revenues was also driven by the F&B outlet segment (+HRK 22.2 million, +97%) due to offer upgrades and improved F&B outlet quality, such as the newly renovated Imperial premium cafe that was opened by the end of last year;

- b) **other operating income** was HRK 19.3 million, showing a 41% decrease vs. 2021 comparable period. The decrease was due to the fact that the government aid to preserve jobs (HRK 4,000 per employee) and related tax and contribution exemptions were not used in 2022, while during 2021 the use of such measures resulted in HRK 19.7 million in income. Other operating income achieved in 2022 is mostly made up by rental income and income made from canceling long-term provisions;

- c) the achieved **financial income** totaling HRK 3.6 million (+HRK 0.8 million in the 2021 comparable period) is 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.

OPERATING EXPENSES

(in HRK million)	2021	2022	22'/21'
Total operating expenses	329.9	385.9	17%
Material costs	98.5	138.0	40%
Staff costs	95.8	115.6	21%
Depreciation and amortization	100.4	97.5	-3%
Provisions and value adjustments	12.9	5.8	-55%
Other operating expenses	22.3	28.9	30%

Total operating expenses during 2022 were HRK 385.9 million, up by 17% (+HRK 56.0 million). They consisted of:

- a) **material costs** representing 36% (30% in 2021). They grew by 40% (+HRK 39.5 million) and reached HRK 138.0 million mainly due to increased direct costs of raw materials driven by strong growth in business (+56% overnights) vs. previous comparable period and reported inflationary pressures;
- b) the share of **staff costs** within total operating expenses grew (30%) vs. last comparable period (29% in 2021). The 21% growth (+HRK 19.9 million) to HRK 115.6 million was due to: i) a strong growth in business and employees' working hours and ii) the further development of the management and operational teams aimed at transforming the

- business model of Liburnia Riviera to make it more competitive on the international hotel market in the medium term;
- c) **amortization** represented 25% of total operating expenses (30% in 2021). It fell by 3% (-HRK 2.9 million) to HRK 97.5 million because there were no large investment cycles carried out in 2020 and most of 2021 to maintain and manage liquidity rationally;
 - d) **provisions and value adjustments** were HRK 5.8 million, they grew by HRK 7.2 million vs. previous comparable period. Provisions and value adjustments in 2022 relate to: i) an increase in disputes related provisions in the amount of HRK 1.6 million and ii) a write-off of long-term tangible assets in the amount of HRK 4.2 million;
 - e) **other operating expenses** represented 7% of total expenses (7% in 2021). They grew by HRK 6.6 million and reached HRK 28.9 million.

EBITDA

Operating revenues increase by 53% to HRK 380.5 million (2021: HRK 248.5 million) and the active management of operating efficiency and related optimization of operating costs at all Company levels resulted in 363% EBITDA growth (+HRK 75.5 million compared to 2021). 2022 EBITDA grew to HRK 96.4 million despite the increased costs of energy sources, input raw material and goods costs, as well as staff costs. When comparing reporting periods, if we exclude the one-off influence of the received state aid for preserving jobs in 2021, EBITDA grew by HRK 95.2 million.

FINANCIAL RESULT

The financial result was -HRK 9.5 million (-HRK 5.9 million in 2021). The main reason for the HRK 3.6 million lower financial performance vs. previous comparable period was due to the following: i) an HRK 0.3 million net negative effect of exchange rate difference (primarily on debt) due to the depreciation of HRK towards EUR, ii) an HRK 4.7 million 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 and iii) decrease of other financial expenses by HRK 1.7 million.

GROSS PROFIT / (LOSS)

Loss before tax was decreased by HRK 72.0 million to HRK 14.9 million (-HRK 87.3 million in 2021) as a result of the tourism industry recovery and strongly improved business operations as earlier described.

ASSETS AND LIABILITIES

(in HRK million)	31/12/2021	31/12/2022	2022/2021
Fixed assets	906.3	869.7	-4%
Current assets	43.7	108.0	+147%
Prepaid expenses and accrued income	0.6	0.5	-19%
TOTAL ASSETS	950.6	978.1	+3%
Capital and reserves	517.0	512.9	-1%
Provisions	21.4	14.1	-34%
Long-term liabilities	297.1	324.8	+9%
Short term liabilities	112.3	119.5	+6%
Accruals and deferred income	2.8	6.9	+150%
TOTAL LIABILITIES	950.6	978.1	+3%

As of 31 December 2022, the total value of the Company's assets was HRK 978.1 million, up by 3% vs. 31 December 2021. Fixed assets were HRK 869.7 million, decreasing by HRK 36.6 million mostly because of the following: i) calculated amortization totaling HRK 97.5 million, ii) investments in maintaining and improving the quality of tourism products and services totaling HRK 55.0 million and iii) increase in deferred tax assets by HRK 10.7 million based on the recognition of tax losses from previous periods .

Total current assets grew by HRK 64.3 million and totaled HRK 108.0 million mainly due to a stronger cash position (HRK 73.1 million, +HRK 57.9 million vs. 31/12/2021), and higher inventory (+HRK 1.5 million) and receivables balances (+HRK 4.8 million). The higher balance of inventories and receivables is the result of a higher number of open hotels (2022: 10 hotels, 2021: 7 hotels) during the New Year holidays; receivables were paid to a greater extent during January 2023.

Total capital and reserves were HRK 512.9 million and they decreased by 1% due to a HRK 4.2 million loss during 2022.

Total long-term liabilities grew from HRK 297.1 million to HRK 324.8 million due to: i) the withdrawal of long-term credit lines to boost the Company's liquidity and ensure enough working capital and ii) change in the repayment plan for a loan agreed with Erste&Steiermärkische Bank d.d. in the nominal amount of EUR 11.4 million where the linear amortization of the principal was replaced by the modified repayment plan where most of the loan is repaid on its maturity date (soft bullet amortization).

Total short-term liabilities amount to HRK 119.5 million and are higher by 6% (+HRK 7.2 million) compared to 31 December 2021. The increase in short-term liabilities was primarily influenced by an increase in liabilities for advances (+HRK 4.4 million) and an increase in liabilities for taxes, contributions and similar payments (+HRK 2.2 million) due to a higher liability based on value added tax.

Accruals and deferred income grew by HRK 4.1 million due to calculated costs related to invoices from suppliers in 2022.

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) supervision 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 a 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 in 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. The introduction of the euro as the official currency in the Republic of Croatia from January 1, 2023. significantly affects the Company's exposure to currency risk, i.e. the Company will no longer be exposed to the greatest extent.

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. The Company continuously monitors tour operators and travel agencies with which it does regular business, 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 2022 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.

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.

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.

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.

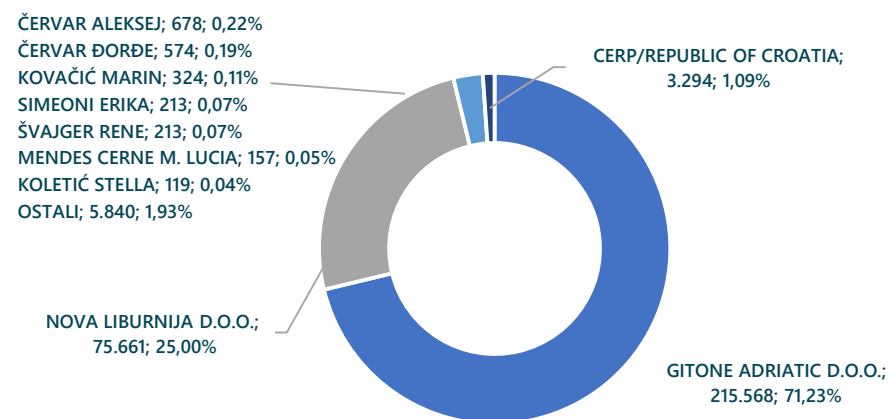
During 2022 for the most part, the Company has followed and applied the recommendations set out in the Code, disclosing all information as foreseen by the positive regulations and information beneficial for the interest of the Company's shareholders.

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 December 31, 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 31 December 2022, the Company holds 4 of its own shares, and in the first nine months 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 nine months 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 31 December 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.

NON-FINANCIAL REPORT

Pursuant to article 21.a (Official Gazette 78/15, 134/15, 120/16, 116/18, 42/20, 47/20, 114/22) of the Accounting Act, the Company publishes a non-financial report for the business year 2022.

Following the characteristics of the tourism activity performed by the Company, where, in addition to the social component and human resources, one of the most important resources is the environment, the Company pays special attention to the principles of socially responsible business operations. The Company's comprehensive approach to corporate social responsibility, in relation to key shareholders with whom the company maintains continuous communication, is part of the Company's strategy in which sustainable destination development and support to the local community, as well as environmental protection, employee and guest satisfaction are part of regular business. Therewith the Company sustainably develops the local community by enriching the tourist offer by expanding the tourist infrastructure and supporting cultural, gastronomic, educational and entertainment programs, projects and initiatives that improve the attractiveness and competitiveness of the destination and contribute to the prolongation of the tourist season and, thus, preserving its cultural identity and the value of the local community.

Ecology and sustainable development

Environmental responsibility is one of the biggest challenges of the future, actively monitored by the Company and in which it directs a large part of its resources in order to maintain a high level of competitiveness and sustainability. Tourism intensively applies environmentally responsible concepts as environmental protection contributes to economic growth, employment and increased competitiveness as well as comparative advantages. The entire business of the Company is based on ecologically sustainable systems and the Company pays special attention to the preservation and protection of the environment. The Company has a contract

for measuring the emission of pollutants into the air from stationary sources and has an ISO 50001:2018 energy certificate. The strategic goal of the Company is to continuously improve the quality of services, including continuous improvement and increase of energy efficiency (electricity, heating oil, gas, water) and procurement of energy-efficient products and services.

Water conservation, as one of the most important natural resources, and its rational use in the Company's business is achieved by controlling and optimizing water consumption, as well as informing guests about the importance of conscious water use. In order to increase energy savings, the Company uses energy-saving devices and high-energy efficiency equipment. The selection of non-hazardous from hazardous waste, at the place of its generation, increases the amount of secondary raw materials that can be recycled and reduces the amount of waste that is permanently disposed of in landfills. Waste disposal is performed by companies authorized for the disposal of certain types of waste and acting in accordance with the principles of environmental protection.

The Company also regularly disposes of organic waste (e.g. food leftovers from the kitchen) in an environmentally and legally prescribed manner, which favours the development of bacteria.

Employment and ensuring workers' rights

The Company achieves the highest employment in the high tourist season, i.e., in the period from June to September. As of 31 August 2022, the Company employed 985 employees, of which 317 for an indefinite period of time and 668 for a definite period of time. The Company reaches its lowest employment outside the tourist season, in February. As of 28 February 2022, the Company employed 531 employees, of which 332 for an indefinite period of time and 199 for a definite period of time. During 2022, average employment increased compared to 2021 due to the recovery of tourist and business activities, especially in the high season due to strong demand for tourist

accommodation in the Republic of Croatia and consequently increased need for seasonal employment.

Investment and comprehensive care of human resources are one of the primary business objectives of the Company, which ensures employee satisfaction with material working and accommodation conditions, and consequently a high level of quality service to guests. In addition to its commitment to complying with all legal requirements and internal health and safety standards of its employees, contractual partners and guests, providing additional benefits to employees (e.g., hot meals for all employees), talent management and career development, the Company continuously invests in accommodation facilities for its seasonal workers at locations from Opatija to Medveja.

The formal legal relations with employees are regulated by sources that regulate employment relations and respect the provisions of the Labour Act, the Collective Agreement for Hotel and Catering Business, the Collective Agreement concluded by the Company with trade union branches operating in the Company, which include the Istria, Kvarner and Dalmatia Trade Union and the Trade Union for tourism and services of Croatia, as well as employment contracts of each individual worker. Negotiations with the Trade Unions are renewed every year and are conducted in good faith, so there is a continuous agreement on the rights of workers and the obligations of the employer, as well as the obligations of workers to the employer. The Workers' Council was established in the Company in accordance with the provisions of the Labour Act. Communication with the Workers' Council and the representatives of the Trade Union takes place directly in all situations prescribed by the sources of labour law. The employer informs the representatives of workers and trade unions about the situation in the Company, business results and other issues that are important for workers.

Respecting human rights

In accordance with the provisions of the Labour Act, the Company fulfils its obligations based on the protection of the dignity, life, health and privacy of employees as well as the protection of personal data. When recruiting and promoting, the Company provides candidates with equal opportunities and treatment. Attention is also paid to guests and all guests are approached equally regardless of nation, religion, skin colour or gender. Direct or indirect discrimination against a job applicant and the person employed, on the basis of race or ethnicity or colour, gender, language, religion, national or social origin, property status, education, social status, marital or family status, age, health status, disability, genetic inheritance, expression or sexual orientation is not permitted.

The Company protects the dignity of employees during the performance of work by ensuring working conditions in which they will not be exposed to harassment by superiors, associates or persons with whom the employee regularly comes into contact in the performance of their duties.

The Company organizes work in a way that ensures the health and life of workers, as well as protective clothing and footwear in accordance with regulations on safety at work.

Anti-corruption policy

The Company applies high ethical standards in its business, implements a policy of zero tolerance towards corruption and promotes the same in relations with partners. High business standards are set forbidding to accept or give bribes in order to gain an advantage for oneself or the Company.

Personal data protection

The Company values the protection of the privacy of employees, guests and partners. Their personal data are protected, and special attention was paid to the harmonization of personal data protection procedures with the provisions

of the General Regulation and the Act on the Implementation of the General Regulation on Data Protection. Rules and procedures have been adopted, and in the implementation of the solution based on the provisions of the General Regulation, increased attention has been paid to the collection of personal data of website visitors and guests at the receptions of facilities. Technical measures have been taken to more effectively protect personal data. Personal data are systematized in accordance with the General Regulation and internal regulations, and procedures for access to personal data are provided. The Company carries out the implemented policies and procedures and continuously improves the data protection system of data processed.

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

Opatija, February 27th, 2023

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.

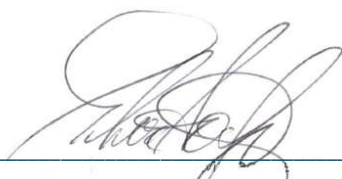
The Management Board is also responsible for the preparation and content of management reports, statements on the application of the Code of corporate governance and non-financial report, in accordance with the Croatian Accounting Act. The management report, report of the corporate governance code and non-financial report for the period from 1.1.2022 to 31.12.2022 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:

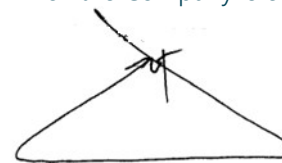
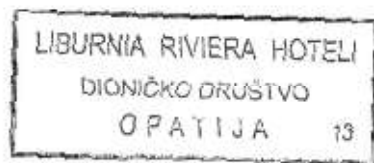
Interim unaudited unconsolidated financial statements of Liburnia Riviera Hoteli d.d. have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Croatian Accounting Act.

The unaudited unconsolidated financial statements for the period from 1 January to 31 December 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.



Mr. Karl Eckerstorfer,
Management Board President



Mr. Dušan Mandič,
Management Board Member

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1.1.2022

to

31.12.2022

Year:

2022

Quarter:

4.

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

710

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:

Laković Alen

(only name and surname of the contact person)

Telephone:

+ 385 (0)51 710-347

E-mail address:

alen.lakovic@liburnia.hr

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

BALANCE SHEET
balance as at 31.12.2022

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
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001		
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	906.289.511	869.717.106
I INTANGIBLE ASSETS (ADP 004 to 009)	003	19.101.960	19.403.094
1 Research and development	004	501.975	1.226.294
2 Concessions, patents, licences, trademarks, software and other rights	005	9.218.145	7.798.157
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	1.861.687
6 Other intangible assets	009	9.381.840	8.516.956
II TANGIBLE ASSETS (ADP 011 to 019)	010	853.865.609	806.259.800
1 Land	011	122.286.155	122.444.608
2 Buildings	012	547.135.981	520.179.550
3 Plant and equipment	013	23.255.373	22.732.216
4 Tools, working inventory and transportation assets	014	113.269.312	96.267.377
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	22.208.256	19.010.217
7 Tangible assets in preparation	017	21.824.422	21.739.722
8 Other tangible assets	018	3.886.110	3.886.110
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	24.310.192	24.322.640
1 Investments in holdings (shares) of undertakings within the group	021	24.310.192	24.322.640
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	0	0
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	0	0
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	0	0
V DEFERRED TAX ASSETS	036	9.011.750	19.731.572
C) CURRENT ASSETS (ADP 038+046+053+063)	037	43.715.916	107.961.828
I INVENTORIES (ADP 039 to 045)	038	4.079.833	5.555.744
1 Raw materials and consumables	039	2.885.896	4.913.568
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	101.643	336.978
5 Advances for inventories	043	1.092.294	305.198
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	24.425.819	29.266.422
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	13.662.122	14.314.791
3 Customer receivables	049	6.751.014	13.265.653
4 Receivables from employees and members of the undertaking	050	53.276	155.965
5 Receivables from government and other institutions	051	3.926.853	1.289.266
6 Other receivables	052	32.554	240.747
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	0	4.800
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	4.800

8 Loans, deposits, etc. given	061	0	0
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	15.210.264	73.134.862
D) PREPAID EXPENSES AND ACCRUED INCOME	064	572.024	465.503
E) TOTAL ASSETS (ADP 001+002+037+064)	065	950.577.451	978.144.437
OFF-BALANCE SHEET ITEMS	066	251.939	53.480
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	517.032.099	512.863.095
I INITIAL (SUBSCRIBED) CAPITAL	068	696.074.300	696.074.300
II CAPITAL RESERVES	069	0	0
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	0	0
5 Other reserves	075	1.495.083	1.495.083
IV REVALUATION RESERVES	076	0	0
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	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	-133.862.731	-225.556.049
1 Retained profit	084	0	0
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	-4.169.004
1 Profit for the business year	087	0	0
2 Loss for the business year	088	91.693.318	4.169.004
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	21.397.957	14.084.764
1 Provisions for pensions, termination benefits and similar obligations	091	2.033.432	1.823.066
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	19.364.525	12.261.698
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	0	0
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	297.130.786	324.839.159
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities to banks and other financial institutions	103	287.539.871	316.464.310
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	9.590.915	8.374.849
11 Deferred tax liability	108	0	0
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	112.263.765	119.470.524
1 Liabilities to undertakings within the group	110	433.630	1.549.537
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities to banks and other financial institutions	115	67.016.623	65.354.793
7 Liabilities for advance payments	116	6.560.349	10.912.928
8 Liabilities to suppliers	117	15.274.634	13.676.794
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	15.473.863	17.316.520
11 Taxes, contributions and similar liabilities	120	3.678.408	5.915.796
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	3.826.258	4.744.156
E) ACCRUALS AND DEFERRED INCOME	124	2.752.844	6.886.895
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	950.577.451	978.144.437
G) OFF-BALANCE SHEET ITEMS	126	251.939	53.480

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2022 to 31.12.2022

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
I OPERATING INCOME (ADP 002 to 006)	001	248.511.285	35.838.622	380.502.733	60.918.658
1 Income from sales with undertakings within the group	002	1.062.642	414.778	502.768	251.999
2 Income from sales (outside group)	003	214.986.404	29.704.388	360.775.240	53.795.482
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	540	540	133.428	117.035
5 Other operating income (outside the group)	006	32.461.699	5.718.916	19.091.297	6.754.142
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	329.927.086	97.484.710	385.893.224	111.110.633
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	98.521.446	19.723.513	138.042.441	34.429.900
a) Costs of raw materials and consumables	010	41.024.528	8.806.178	67.979.620	16.169.229
b) Costs of goods sold	011	0	0	9.576	1.232
c) Other external costs	012	57.496.918	10.917.335	70.053.245	18.259.439
3 Staff costs (ADP 014 to 016)	013	95.758.270	34.125.194	115.630.585	37.354.907
a) Net salaries and wages	014	66.688.726	24.919.215	78.422.865	25.405.944
b) Tax and contributions from salary costs	015	17.783.644	5.271.177	24.151.740	7.974.135
c) Contributions on salaries	016	11.285.900	3.934.802	13.055.980	3.974.828
4 Depreciation	017	100.430.911	25.150.827	97.548.519	25.598.403
5 Other costs	018	0	0	0	0
6 Value adjustments (ADP 020+021)	019	1.793.208	1.743.194	4.194.107	3.795.638
a) fixed assets other than financial assets	020	1.793.208	1.743.194	3.940.766	3.542.297
b) current assets other than financial assets	021	0	0	253.341	253.341
7 Provisions (ADP 023 to 028)	022	11.152.159	11.152.159	1.597.846	1.597.846
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	11.152.159	11.152.159	1.597.846	1.597.846
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	22.271.092	5.589.823	28.879.726	8.333.939
III FINANCIAL INCOME (ADP 031 to 040)	030	834.696	773.106	3.551.790	631.835
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	187.217	187.217	355.328	89.591
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	0	0
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	552	522	3.803	2.788
8 Exchange rate differences and other financial income	038	646.927	585.367	3.192.659	539.456
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	0	0
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	6.723.610	2.935.048	13.050.125	3.786.920
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0
3 Interest expenses and similar expenses	044	4.844.887	1.747.239	9.564.951	3.372.890
4 Exchange rate differences and other expenses	045	140.225	67.748	3.409.173	409.991
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	1.738.498	1.120.061	76.001	4.039
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	249.345.981	36.611.728	384.054.523	61.550.493
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	336.650.696	100.419.758	398.943.349	114.897.553
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	-87.304.715	-63.808.030	-14.888.826	-53.347.060

1 Pre-tax profit (ADP 053-054)	056	0	0	0	0
2 Pre-tax loss (ADP 054-053)	057	-87.304.715	-63.808.030	-14.888.826	-53.347.060
XII INCOME TAX	058	4.388.603	4.388.603	-10.719.822	-10.582.075
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	-91.693.318	-68.196.633	-4.169.004	-42.764.985
1 Profit for the period (ADP 055-059)	060	0	0	0	0
2 Loss for the period (ADP 059-055)	061	-91.693.318	-68.196.633	-4.169.004	-42.764.985
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055+062)	068	0	0	0	0
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0	0	0
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	075	0	0	0	0
1 Attributable to owners of the parent	076	0	0	0	0
2 Attributable to minority (non-controlling) interest	077	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	-91.693.318	-68.196.633	-4.169.004	-42.764.985
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	0	0	0	0
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	0	0	0	0
1 Exchange rate differences from translation of foreign operations	088	0	0	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087- 086 - 096)	097	0	0	0	0
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	-91.693.318	-68.196.633	-4.169.004	-42.764.985
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	0	0	0	0
1 Attributable to owners of the parent	100	0	0	0	0
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2022 to 31.12.2022

in HRK

Submitter: LIBURNIA RIVIERA HOTELI d.d. OPATIJA			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	-87.304.715	-14.888.826
2 Adjustments (ADP 003 to 010):	002	116.783.677	104.172.124
a) Depreciation	003	100.430.911	97.548.519
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	1.729.459	3.940.766
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	-184.760	-253.340
d) Interest and dividend income	006	-187.769	-351.525
e) Interest expenses	007	4.844.887	9.564.951
f) Provisions	008	8.920.964	-7.313.193
g) Exchange rate differences (unrealised)	009	-431.413	471.223
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	1.661.398	564.723
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	29.478.962	89.283.298
3 Changes in the working capital (ADP 013 to 016)	012	7.019.215	6.803.852
a) Increase or decrease in short-term liabilities	013	13.204.031	13.018.644
b) Increase or decrease in short-term receivables	014	-5.344.621	-4.738.881
c) Increase or decrease in inventories	015	-840.195	-1.475.911
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	36.498.177	96.087.150
4 Interest paid	018	-3.500.527	-8.234.552
5 Income tax paid	019	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	32.997.650	87.852.598
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	63.749	1.286.631
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	552	3.803
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	64.301	1.290.434
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-81.822.558	-55.477.663
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	-27.372.666	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-109.195.224	-55.477.663
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-109.130.923	-54.187.229
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	106.442.878	118.907.950
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	106.442.878	118.907.950
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-25.472.327	-93.416.650
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	-1.688.683	-1.232.071
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	0	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	-27.161.010	-94.648.721
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	79.281.868	24.259.229
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	3.148.595	57.924.598
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	12.061.669	15.210.264
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)	050	15.210.264	73.134.862

STATEMENT OF CHANGES IN EQUITY																				
for the period from 1.1.2022 to 31.12.2022																				
Item	ADP code	Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Attributable to owners of the parent							in HRK				
									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 do 6 - 7 + 8 do 17)	19	20 (18+19)	
Previous period																				
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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	-91.693.318	-91.693.318	0	-91.693.318	
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	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	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	0	
9 Gains or losses on efficient cash flow hedging	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10 Gains or losses 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	0	
11 Share in other comprehensive income/loss of companies linked by virtue of participating interest	11	0	0	0	0	0	0	0	0	0	0	0	0	0	418.050	418.050	418.050	0	418.050	
12 Actuarial gains/losses on defined benefit plans	12	0	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	9.200	9.200	-16.320	0	0	0	0	0	0	0	0	-16.320	0	-16.320	
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	0	
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15	0	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	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	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	0	
19 Payments from members/shareholders	19	0	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	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	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	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	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	9.200	9.200	0	1.495.083	0	0	0	0	0	0	-133.862.731	-91.693.318	517.032.099	0	517.032.099	
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																				
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	9.200	9.200	0	-16.320	0	0	0	0	0	0	418.050	0	401.730	0	401.730	
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	9.200	9.200	0	-16.320	0	0	0	0	0	0	418.050	-91.693.318	-91.291.588	0	-91.291.588	
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	
Current period																				
1 Balance on the first day of the current business year	28	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	
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3 Correction of errors	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
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	-4.169.004	-4.169.004	0	-4.169.004	
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	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	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	0	
9 Gains or losses on efficient cash flow hedging	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10 Gains or losses 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	0	
11 Share in other comprehensive income/loss of companies linked by virtue of participating interest	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12 Actuarial gains/losses on defined remuneration plans	39	0	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	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	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	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	0	
17 Increase of initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	44	0	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	0	
19 Payments from members/shareholders	46	0	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	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	0	
22 Carryforward per annual plan	49	0	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	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	-4.169.004	512.863.095	0	512.863.095	
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																				
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 do 52)	53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-4.169.004	-4.169.004	0	-4.169.004	
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 31.12.2022

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 31.12.2022" 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 31.12.2022" 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, www.hanfa.hr, 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 31.12.2022 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 31.12.2022" 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, www.hanfa.hr, 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 31.12.2022" which is available on the website of the Zagreb Stock Exchange and on the Company's website (www.liburnia.hr, www.hanfa.hr, 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 31.12.2022."

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 31.12.2022 long-term and short-term loans liabilities and liabilities under leasing contracts of the Company amounted to HRK 391,484,778 of which HRK 70,112,613 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 31 December 2022, based on signed concession agreements, amount to HRK 8,415,255, of which HRK 5,089,434 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 31.12.2022 was 616.

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 31.12.2022, the Company capitalized the cost of salaries in the amount of HRK 238,535.

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 19,731,572 and is higher by HRK 10,717,822 primarily based on the recognition of tax losses from previous periods.

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 31st 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 December 31, 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.