

Valamar Riviera d.d. Stancija Kaligari 1 / 52440 Poreč / Croatia T +385 52 408 000 F +385 52 451 608 www.valamar.com E info@valamar.com



HANFA- Croatian Financial Services Supervisory Agency 24b Miramarska ulica 10000 ZAGREB

HANFA – Official Registry of Regulated Information

Zagreb Stock Exchange 2a Ivana Lučića 10000 ZAGREB

HINA – Croatian News Agency ots@hina.hr

Poreč, 16/5/2017 File no: 17-41/17

Subject: Notification of the submitted offer for the investment and recapitalization of the company HELIOS FAROS d.d. u stečaju

We hereby notify that the company Valamar Riviera d.d. with registered office in Poreč, 1 Stancija Kaligari, registered at the Commercial Court in Pazin with the following number (MBS) 040020883, personal identification number (OIB) 36201212847 (hereinafter: the Company or Valamar Riviera) established a cooperation with the company PBZ Croatia osiguranje dioničko društvo za upravljanje obveznim mirovinskim fondovima, with registered office in Zagreb, 44 Radnička cesta (hereinafter: PBZ CO), which acts in its own name and on behalf of PBZ CROATIA OSIGURANJE obvezni mirovinski fond kategorije A (obligatory pension fund category A) and PBZ CROATIA OSIGURANJE obvezni mirovinski fond kategorije B (obligatory pension fund category B), and that on 15 May 2017 they submitted a joint offer for the investment and recapitalization of the company HELIOS FAROS dioničko društvo za ugostiteljstvo u stečaju, with registered office in Stari Grad, Priko bb (island of Hvar).

In this offer, PBZ CO and Valamar Riviera propose a restructuring plan as well as a five-year investment plan worth HRK 650 million for investments in hospitality assets. The total renovation and construction of two premium resorts containing around 700 accommodation units would reposition the Helios Faros d.d. portfolio as premium accommodation, thus turning Stari Grad into an attractive and well-known destination. According to this plan, Helios Faros would employ 500 people after the renovation of the two hotels, Arkada and Lavanda.

The two companies, PBZ Croatia osiguranje d.d. and Valamar Riviera d.d., see this project as a confirmation of synergies from the joint activity of a large institutional investor and a strategic tourism investor contributing with its business expertise and results. Consequently, Valamar Riviera would manage Helios Faros' development and business operations through a model contract related to the management of facilities.

PBZ Croatia osiguranje d.d. and Valamar Riviera d.d. intend to develop further the business operations of Helios Faros d.d. in partnership with the destination, Stari Grad, in order to bring prosperity to the whole island of Hvar. If the bankruptcy creditors accept the joint offer made by PBZ CO and Valamar Riviera, the offerors will prepare a detailed Bankruptcy plan for Helios Faros, which would enable the company to emerge from bankruptcy and continue its business operations.

Valamar Riviera d.d.

Commercial Court in Pazin, Company Registry Number 040020883, VAT identification number HR36201212847; Company: Valamar Riviera Joint Stock Company for Tourism; shortened company name: Valamar Riviera d.d.: HRK 1.672.021.210,00 of shared capital, fully paid, 126.027.542 shares; Registry Number 3474771; Accounts: ADDIKO BANK d.d. Zagreb IBAN: HR 2625000091101024767, SWIFT: HAABHR22; ZAGREBAČKA BANKA d.d. Zagreb IBAN: HR 4123600001101319202, SWIFT: ZABAHR2X; ERSTE & STEIENÄRKISCHE BANK d.d. Rijeka IBAN: HR 0624020061100389454, SWIFT: ESBCHR22; PRIVREDNA BANKA d.d. Zagreb IBAN: HR 4723400091100153498, SWIFT: PBZGHR2X; RAIFFEISEN BANK AUSTRIA d.d. Zagreb IBAN: HR 1624840081102134625, SWIFT: RZBHHR2X; SOCIETE GENERALE – SPLITSKA BANKA d.d. Split IBAN: HR 4023300031100321684, SWIFT: SOGEHR22; SBERBANK d.d. Zagreb IBAN: HR 9025030071100039991, SWIFT: VBCRHR22; ISTARSKA KREDITNA BANKA UMAG d.d. Umag IBAN: HR 7424800061110009020, SWIFT: ISKBHR2X; OTP BANKA d.d. Zadar IBAN: HR 472407001100365752, SWIFT: OTPVHR2X; CROATIA BANKA d.d. Zagreb IBAN: HR 74288000611100284295, SWIFT: CROAHR2X; President of the Management Board: Željko Kukurin, Member of the Management Board: Marko Čižmek; President of the Supervisory Board: Gustav Wurmböck.