



Unaudited business results

1/1 2024 - 31/12 2024

VALAMAR

ABOUT VALAMAR

Valamar is Croatia's tourism leader operating in prime destinations – Istria, the islands of Krk, Rab and Hvar, Makarska, Dubrovnik, and Obertauern in Austria.

Valamar's 36 hotels and resorts and 15 camping resorts with a capacity of about 21 thousand units, can accommodate around 58 thousand guests daily.

With investments of over a billion euros in the last 21 years, Valamar is one of the top regional investors. It is both Croatia's largest and highest rated employer in tourism.

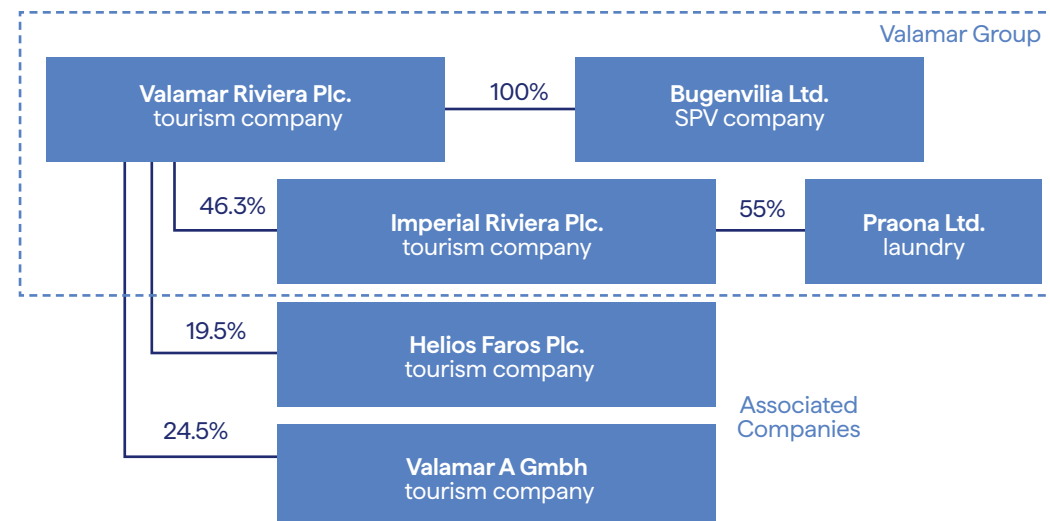
Valamar Riviera Group (the "Group" or "Valamar Group") consists of Valamar Riviera d.d. (the "Company") and two fully consolidated subsidiaries: Imperial Riviera d.d., Rab, (46.27% ownership), and Bugenvilia d.o.o., Dubrovnik, (100%). Imperial Riviera owns 55% and consolidates Praona d.o.o., Makarska a company engaged in laundry business.

Valamar Riviera has investments in two companies (the "Associated Companies"): Helios Faros d.d., Starigrad (19.54%) and Valamar A GmbH, Vienna, Austria (24.54%). We refer to Valamar Group and the Associated Companies together as "Valamar".

Tourism portfolio of Valamar



Valamar



KEY MESSAGES

Valamar Group experienced another significant year of growth and development in 2024, driven by increased revenues and operating profit, accompanied by strategic accomplishments. These include adopting a new business development strategy and the rollout of a new branding. We continue to focus on creating attractive working conditions and have just been voted Most desirable Employer in tourism in 2024, as the only tourism company on the list of the 20 best Croatian employers for the eighth year in a row. A new brand modernizes our visual identity, redefines our product brands and elevates guest experience. Market rollout began online in 2024 and property implementation will start in 2025. We have received numerous prestigious awards and remain steadfast in our commitment to ambitious ESG goals.

At the start of the year, we outlined key strategic goals and detailed them during Investor Day. Valamar plans to invest EUR 450 million by 2026 to enhance portfolio quality, aiming for double-digit annual business growth. Following the implementation of these strategic initiatives, the target operating profit (EBITDA) is projected to reach EUR 150 million, reflecting an average annual profit growth of approximately 11% from 2022 to 2026. The target dividend yield for the period is around 4%, with dividend payments contingent on the execution of annual business plans and market trends in share value.

All Valamar destinations delivered strong results, with Dubrovnik standing out as our last destination to recover to its pre-pandemic business volumes. This was driven by last year's investments in three hotels and Maro World, the largest children's entertainment complex in Croatia which were exceptionally well-received. Our properties in Dubrovnik saw remarkable growth in the family guest segment. To improve business efficiency, Valamar Riviera has entered into long-term hotel lease arrangements with Valamar Obertauern GmbH, Kesselspitze GmbH & Co KG, and Valamar Marietta GmbH, effective 1 November 2024. Valamar Riviera will continue to manage these hotels in Austria, transitioning from hotel management contracts to a standardised lease model.

2024: YEAR OF
GROWTH AND
DEVELOPMENT,
ACCOMPANIED
BY STRATEGIC
ACCOMPLISH-
MENTS

OPERATING
REVENUES + 12%
ADJ EBITDA +10%
EBITDA MARGIN
29%

The Group achieved operating revenues of EUR 417.0 million in 2024 (+12.0% compared to the previous year). This growth was driven by strong demand from key markets and prior investments in portfolio development, sales, marketing, and operational excellence. Accordingly, the premium segment of hotels and campsites delivered the best results. Operating costs rose by 16.3%, totalling EUR 291.2 million, largely due to sustained robust spending in employee compensation and benefits (labour costs increased by EUR 20.1 million or 15.9%). Operating profit (adjusted EBITDA) amounted to EUR 120.7 million, marking a 10.3% increase from 2023. The EBITDA margin stood at 28.9%, a slight decrease of 0.5 percentage points.

Direct sales amounted to EUR 211.0 million, accounting for 64% of board revenue. The guest structure remains stable, with guests from Germany and Austria comprising approximately half of total overnights. This makes our website and call centre both the largest and most profitable sales channel and plays a key role in customer retention.

As of 31 December 2024, the Group's net debt stood at EUR 276.3 million, reflecting a 26.9% increase during the reporting period, in line with our growth strategy. Net debt to Adj. EBITDA increased from 2.0 to 2.3 and is expected to return to its baseline level in the medium run.

The loan portfolio is predominantly composed of long-term loans with fixed interest rates or loans secured through interest rate swap (IRS) instruments to mitigate interest rate risk. In May 2024, a dividend of EUR 0.22 per share (yielding 4.7%) was distributed, amounting to a total payout of EUR 27 million.

Investments in the Group's hotels, resorts, and campsites for the 2023/2024 season, totalling EUR 83 million, were completed as planned. Valamar Riviera d.d. allocated EUR 8.9 million for the repositioning of the Allegro and Miramar hotels in Rabac into Sunny Rabac by Valamar 3*. Additionally, EUR 5.7 million was invested in the renovation of the Sunny Krk by Valamar 3* hotel on the island of Krk, further expanding the Sunny brand and enhancing the family offerings.

Valamar Riviera d.d.'s most significant investments are centered around the construction of the Pical Resort 5*, Valamar Collection in Poreč, the largest single investment in Croatian tourism, with total investment value of nearly EUR 200 million. The Pical resort will operate year-round, offering a wide range of amenities for various types of holidays, enhancing tourism in Poreč. Construction began on 18 March 2024, with an expected completion date in early 2026.

The most significant investment of Imperial Riviera d.d. the Arba Resort 4* Valamar Collection marking the largest investment in tourism on that island. This multi-phase project aims to establish the destination as one of the top family holiday destinations on the Adriatic. Additionally, the former Riviera Resort 2* has been upgraded and repositioned as the Sunny Makarska by Valamar 3*, further strengthening the Sunny brand in Dalmatia.

Valamar Group substantially increased employee salaries, training, and benefits raising the base salary for over 5,000 employees. During peak season, from June to August, salaries for professional positions, such as cooks, waiters, and receptionists, ranged from 1,400 to 2,000 euros net. Salaries for housekeeping staff, assistant cooks, assistant waiters, kitchen workers, and servers ranged from 1,000 to 1,300 euros net. The Group continued to invest in improving working conditions, employee training programmes, and reward initiatives to retain local employees, who accounted for 78% of the workforce in 2024, while a significant 53% of seasonal workers returned to Valamar. The Group also continued its various programmes to reward excellence, dedication, and performance improvement.

In 2024, Valamar continued to make significant investments in sustainability initiatives. Valamar's Amicor Green Resort on the island of Hvar received a gold pre-certification for sustainable construction of detached villas from

CONTINUED
STRONG INVESTMENTS IN STRATEGIC PROJECTS AND SUSTAINABILITY INITIATIVES

the Croatian Green Building Council, the national partner of the DGNB, the leading international green building certification system. This achievement marks Amicor as the first such resort in this part of Europe. Additionally, in June, Valamar was awarded the Annual Green Building Award by the Croatian Green Building Council in recognition of its contribution to the sustainability of the built environment. At the Annual Awards Ceremony for Green Building and Sustainable Built Environment in 2023, Valamar was named "Organisation of the Year" by the Croatian Green Building Council and the Croatian Association of Manufacturers of Thermal Facade Systems.



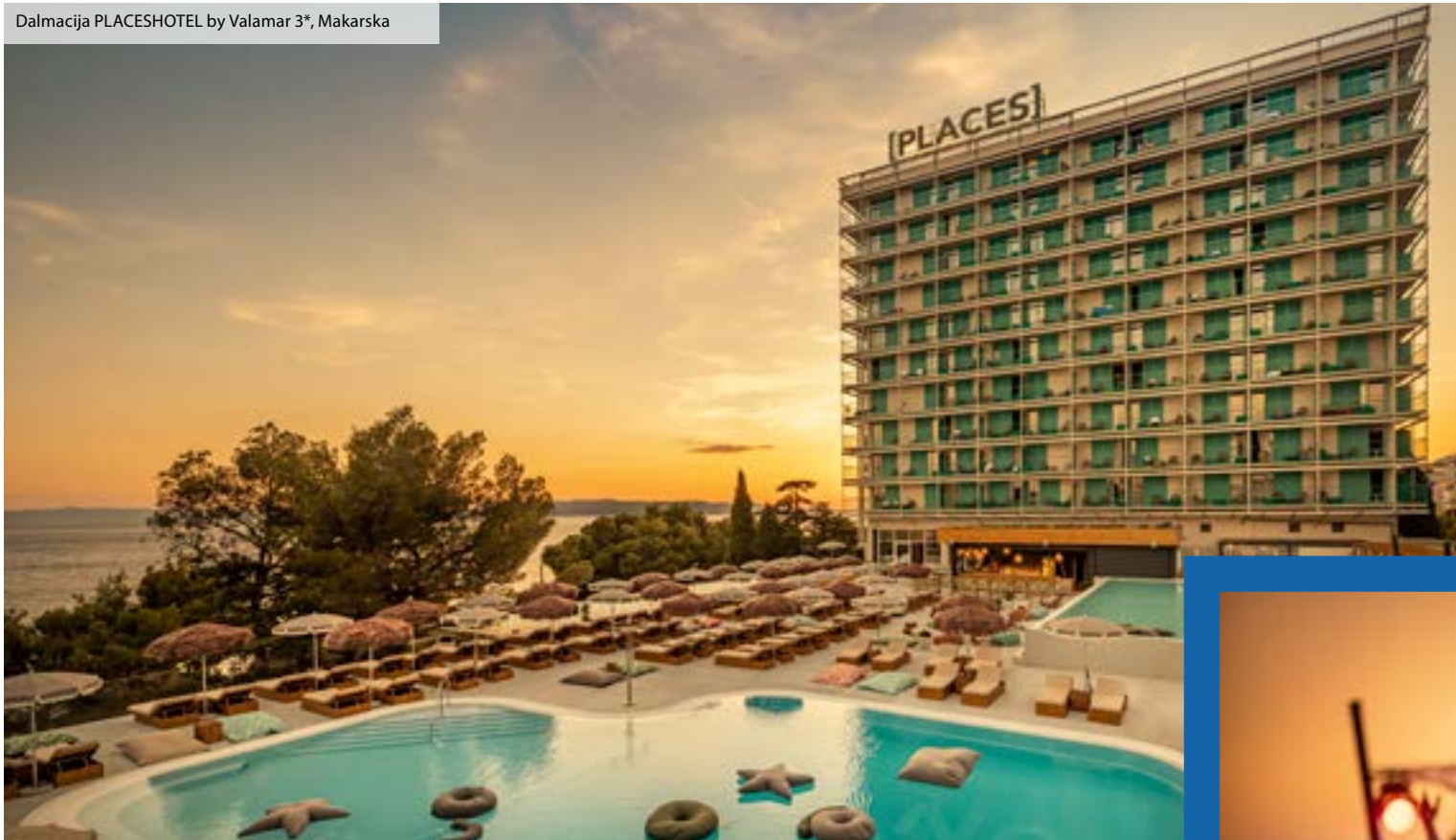
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Ježevac Premium Camping Resort 4*, Krk Island

Dalmacija PLACESHOTEL by Valamar 3*, Makarska



Significant Business Events

VALAMAR STRATEGIC GOALS

At the start of 2024, Valamar published its strategic goals for 2026, which were presented in detail at Investor Day. The Group's ambition for 2026 is to invest EUR 450 million to raise the quality of its managed portfolio, further elevate the quality of its hotels and campsites, expand internationally and invest in socially responsible and sustainable tourism.

We plan to achieve double-digit annual business growth and reach EUR 150 million operating earnings (EBITDA) by 2026. The target dividend yield for the upcoming period is approximately 4%, with dividend payments contingent on the execution of annual business plans and share value. The plan projects revenue growth to EUR 500 million, with 50% generated outside the peak tourist season and two-thirds derived from direct sales. Given the strong performance throughout 2024, Valamar reaffirms its outlook for 2026.

The plan is to further improve working conditions and raise salaries while focusing on year-round employment (over 50%) as well as retaining local (70%) and returning seasonal workers (60%). Valamar will remain committed to achieving exceptionally high guest satisfaction (with a quality score of 89% and an NPS of 65). Additionally, the goal is to expand the active marketing database to 1.6 million guests, with one in three guests returning. By 2026, Valamar aims to achieve a gold-tier ESG rating, further strengthening its leadership in sustainable tourism development in Croatia.

NEW BUSINESS MODEL IN AUSTRIA

In addition to managing the tourism assets in its ownership, Valamar Riviera also has a successful history of investing in "asset companies" together with investment partners. One such example is the management of three hotels in Austria through an "asset-light model," where Valamar Riviera holds a minority share in the ownership of the assets. Under this model, Valamar Riviera manages the operations of hotels to enhance the value of the assets and ensure a satisfactory return on investment for asset owners.

STRATEGIC GOALS
FOR 2026: REVENUE
OF EUR 500
MILLION; EBITDA OF
EUR 150 MILLION
(BASED ON
INVESTMENT OF
EUR 450 MILLION)

NEW BRAND
STRATEGY
INTRODUCED

To improve business efficiency, Valamar Riviera has entered into a long-term hotel leasing arrangement with Valamar Obertauern GmbH, Kesselspitze GmbH & Co KG, and Valamar Marietta GmbH, effective from 1 November 2024.

The Company will manage these operations directly through its Austrian subsidiary. We plan to make further investments in the development and improvement of our entire Austrian hotel portfolio, as well as to expand our presence in Austrian (and Italian) ski resorts.

VALAMAR RIVIERA'S GENERAL ASSEMBLY

The General Assembly was held on 24 April 2024 and it adopted the decision on the utilisation of profit realised in 2023, on approving actions of the members of the Management Board and Supervisory Board, approval of the report on the remuneration to members of the Management Board and Supervisory Board for 2023, and appointment of Ernst & Young d.o.o. za reviziju and UHY RUDAN d.o.o as the Company's auditors for 2024. Apart from the above decisions, it also adopted the Remuneration Policy for the upcoming four-year period, i.e. from 2024 to 2027, and passed the decision about the remuneration for the work of Supervisory Board members and the decision on authorization to acquire own shares.

The General Assembly also adopted the decision on dividend payment of EUR 0.22 per share (dividend yield of 4.7%), which was paid out on 24 May 2024 from the retained earnings realised in the years 2016, 2019 and 2021.

NEW BRAND STRATEGY

In 2024, Valamar adopted a new brand strategy to align with the Group's business objectives. Brand development aims to enhance the company's market position, elevate the guest experience, and modernise visual identity. As part of this initiative, some properties within the portfolio have been renamed.

A key change is the introduction of the new slogan, “Holiday As You Are,” which emphasises a personalised approach to each guest, focusing on authenticity and the freedom of choice.

Within the new brand architecture, there are five product brands under the umbrella Valamar brand: Valamar Collection, Valamar Hotels & Resorts, Valamar Camping, Places by Valamar and Sunny by Valamar.

- **Valamar Collection**, with the slogan “Stay original”, represents a curates selection of top-tier hotels and resorts which exude modern luxury.
- The **Valamar Hotels & Resorts** brand, with the slogan “A whole world of joy,” offers a large selection of hotels and resorts known for their comfort, a gastronomic offering with a focus on local cuisine and a wide range of activities for all ages.
- **Valamar Camping**, with the catchphrase “Your 5,000 star residence,” includes camping resorts offering a wide range of accommodation options and amenities, providing the perfect balance of relaxation in nature and exceptional comfort.
- **Places by Valamar** is synonymous with dynamic lifestyle and innovative digital amenities, an urban ambience and a vibrant atmosphere, all under the slogan “Good vibes”.
- **Sunny by Valamar** guarantees guests “Simply good holidays” in fun hotels offering outstanding value for money, with cheerful designs and fantastic locations near the beach.

Properties that do not currently meet the criteria for any of our brands and are awaiting investment are now being marketed as unbranded. This approach ensures that each Valamar brand has a clear purpose and position, further enhancing the distinctiveness and consistency of our overall market offering.





Valamar Meteor Hotel 4*, the beach, Makarska



Results of the Group



QUARTERLY FINANCIAL STATEMENTS

The Management Board hereby presents the unaudited quarterly financial statements for the fourth quarter and the year 2024.

The Group's profit and loss account for the period considered consolidates the data from the following companies: Valamar Riviera d.d. (Parent Company), Imperial Riviera d.d. (a subsidiary 46.27% owned by Valamar Riviera d.d. with its subsidiary Praona d.o.o.), Magične stijene d.o.o.* (100% owned until 3 August 2023) and Bugenvilia d.o.o. (100% owned).

The investments in the company Helios Faros d.d. (19.54% owned) and Valamar A GmbH (24.54% owned) are reported according to the equity method since Valamar Riviera d.d. does not exercise control but a significant influence over them.

* The company was deleted from the court register on 3 August 2023 based on the procedure for termination of the company by abbreviated procedure without liquidation.



*The Management Board presents
the unaudited quarterly financial
statements for the fourth quarter and the
year 2024*



Krk Premium Camping Resort 4*, Krk Island

KEY FINANCIAL INDICATORS¹

	2023	2024	24/23
Total revenues	375.333.157	420.253.776	12,0%
Operating income	372.208.414	417.029.033	12,0%
Sales revenues	365.719.180	411.321.821	12,5%
Board revenues (accommodation and board revenues) ²	304.258.117	340.992.701	12,1%
Operating costs ³	250.480.269	291.215.431	16,3%
EBITDA ⁴	108.216.451	119.347.406	10,3%
Extraordinary operations result and one-off items ⁵	1.171.512	1.304.075	11,3%
Adjusted EBITDA ⁶	109.387.963	120.651.481	10,3%
EBIT	42.401.589	50.409.133	18,9%
Adjusted EBIT ⁶	43.573.101	51.713.208	18,7%
EBT	33.440.643	36.985.063	10,6%
Net profit	33.667.326	32.818.226	-2,5%
EBT margin	9,0%	8,9%	-0,1pp
EBITDA margin	29,1%	28,6%	-0,5pp
Adjusted EBITDA margin ⁶	29,4%	28,9%	-0,5pp

	31/12/2023	31/12/2024	24/23
Net debt ⁷	217.762.850	340.593.618	56,4%
Net debt (liabilities for tourist land under IFRS 16 excluded)	217.762.850	276.296.796	26,9%
Net debt / Adjusted EBITDA	2,0	2,3	15,0%
Cash and cash equivalents	55.185.359	59.754.067	8,3%
Capital investments	58.603.851	116.955.199	99,6%
ROE ⁸	6,0%	5,8%	-0,3pp
Adjusted ROCE ⁹	6,3%	6,5%	0,1pp
Market capitalization ¹⁰	594.849.998	660.384.320	11,0%
EV ¹¹	951.166.260	1.140.875.759	19,9%
Share price	4,72	5,24	11,0%
EPS ¹²	0,22	0,21	-4,5%
DPS ¹³	0,20	0,22	10,0%

KEY BUSINESS INDICATORS¹⁴

	2023	2024	24/23
Number of accommodation units (capacity)	20.087	19.956	-0,7%
Number of beds	56.354	56.477	0,2%
Full occupancy days	127	124	29,1%
Annual occupancy (%)	34,88%	34,02%	-2,5%
Accommodation units sold	2.557.292	2.484.437	-2,8%
Overnights	6.482.614	6.358.966	-1,9%
ARR ¹⁵ (in HRK)	119	136	14,1%
RevPAR ¹⁶ (in HRK)	15.101	16.904	11,9%
EBITDA PAR	5.536	6.138	10,9%

1 Classified according to the Annual Financial Statement (GFI POD-RDG). EBIT, EBITDA and their adjusted values and respective margins 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). Non-commercial properties/data excluded.

3 Operating costs include material costs, staff costs, other costs, and other operating costs reduced by extraordinary expenses and one-off items.

4 EBITDA (eng. earnings before interest, taxes, depreciation and amortization) is calculated as: operating income - total operating costs + depreciation and amortisation + value adjustments.

5 Adjustments were made for (i) extraordinary income (in the amount of EUR 5.6 million in 2024, and EUR 11.6 million in 2023), (ii) extraordinary expenses (in the amount of EUR 6.4 million in 2024 and EUR 12.5 million in 2023), and (iii) termination benefit costs (in the amount of EUR 0.5 million in 2024, and EUR 0.3 million in 2023).

6 Adjusted by the result of extraordinary operations and one-off items.

7 Net debt: non-current and current liabilities to banks and other financial institutions + liabilities for loans, deposits and other + other liabilities according to IFRS 16 (leases) - cash and cash equivalents - long-term and short-term investments in securities - current loans given, deposits, etc.

8 ROE refers to return on equity; calculated as: profit for the period / (capital and reserves).

9 Adjusted ROCE refers to return on capital employed; calculated as: adjusted EBIT / (capital and reserves at the end of the period + noncurrent and current liabilities to banks and other financial institutions + other liabilities according to IFRS 16 (leases) - cash and cash equivalents - long-term and short-term investments in securities - loans given, deposits, etc.).

10 Market capitalization is calculated as the total number of shares multiplied by the last share price at the end of period.

11 EV refers to enterprise value; calculated as market capitalization + net debt + minority interest.

12 EPS refers to earnings per share calculated on the basis of net profit attributable to the owners of the parent company. Weighted average number of shares in 2022: 121,887,907. Weighted average number of shares in 2021: 121,887,907.

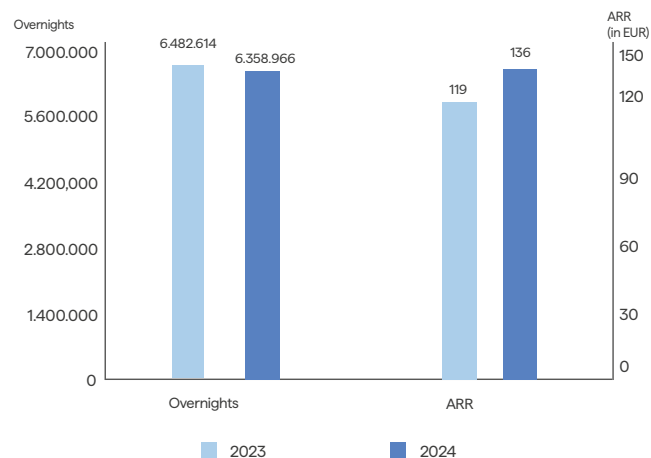
13 DPS refers to dividends per share.

14 Data for Helios Faros and Valamar A GmbH are not included. Non-commercial properties/data excluded.

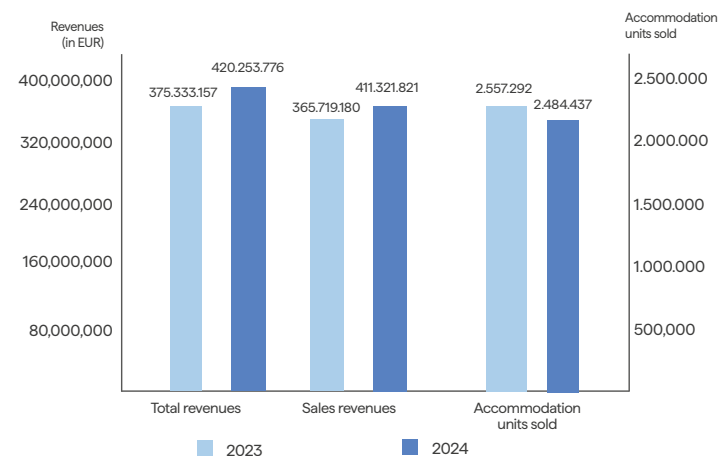
15 Average rate is recorded on the basis of cumulative board revenues (accommodation and board's food and beverage revenues).

16 Revenue per accommodation unit is recorded on the basis of cumulative board revenues (accommodation and board's food and beverage revenues).

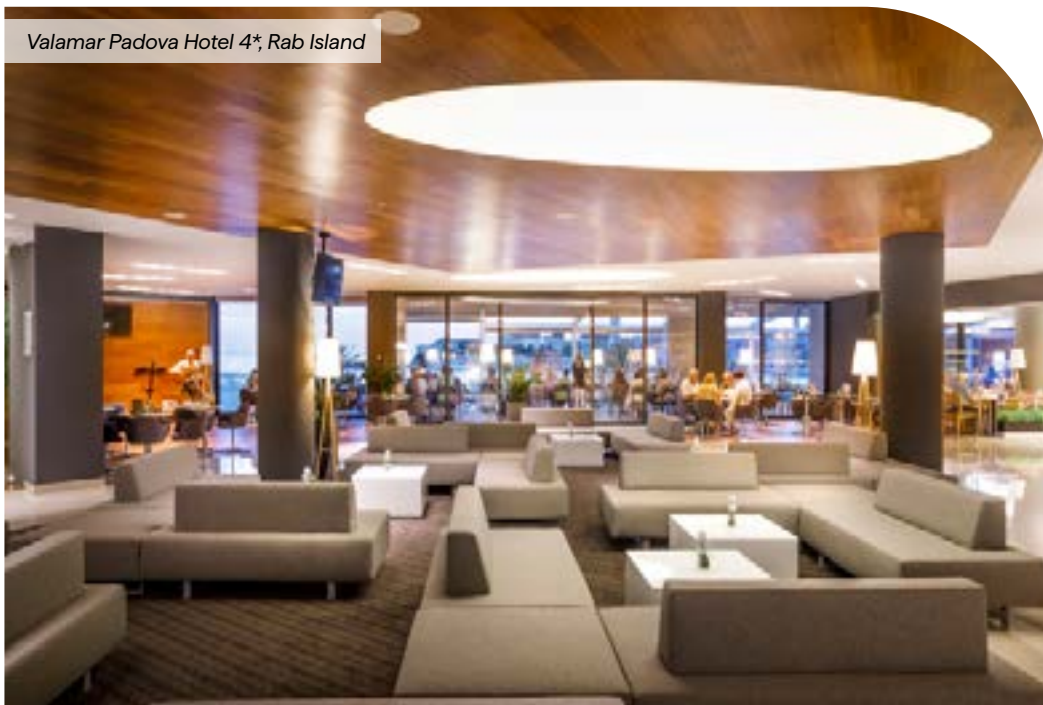
Overnights and ARR



Revenues and accommodation units sold



Valamar Padova Hotel 4*, Rab Island



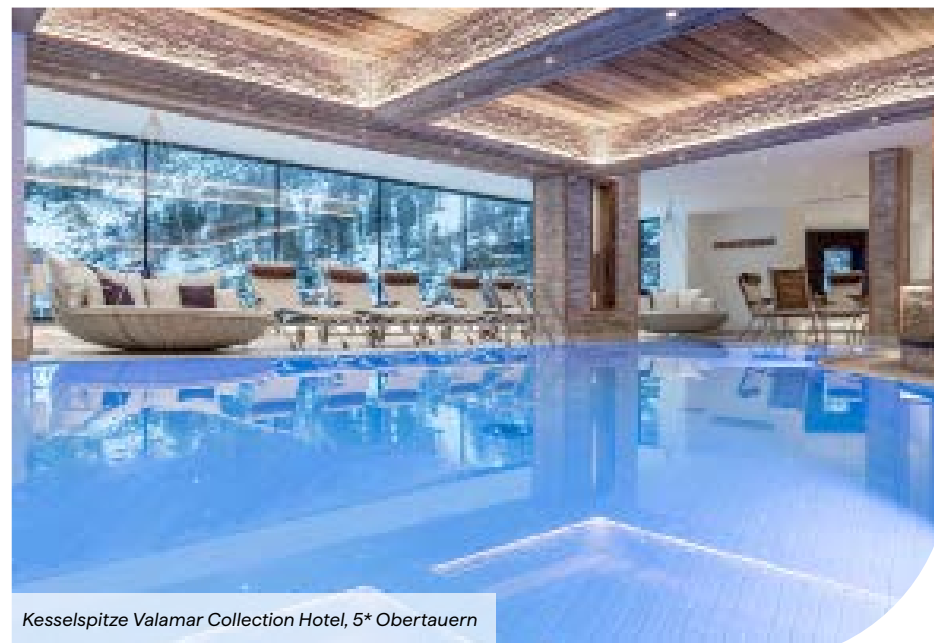
In 2024 Valamar Group's operating revenues amount to EUR 417.0 million. That's 12.0% more than last year and in line with the budget. Business growth was fuelled by strong demand from key markets and previous multi-year investments in portfolio development, sales, marketing, and operational excellence. Consequently, premium segment hotels and camping resorts recorded the best results.

All Valamar's destinations have shown very good performance, with Dubrovnik leading the way. The business volume in Dubrovnik has fully rebounded to pre-pandemic levels, both financially and in number of overnights.

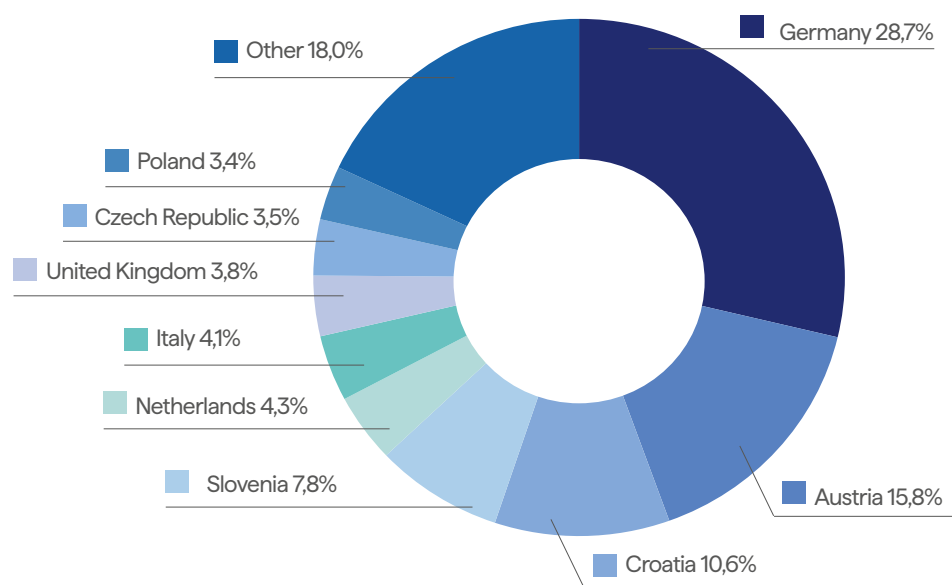
REVENUES

In 2024, total revenues amounted to EUR 420.3 million, an increase of 12.0% (EUR 44.8 million). Total generated revenues have been influenced by:

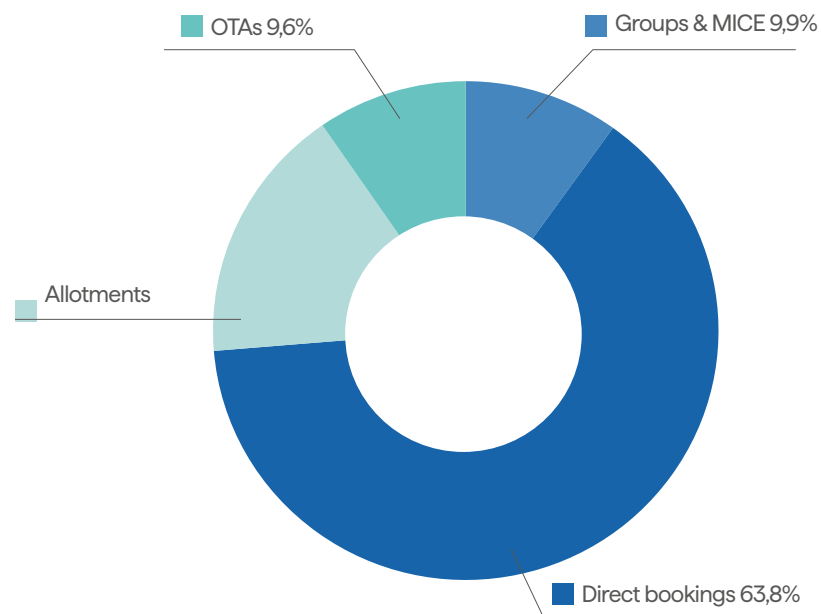
1. growth in sales revenue of 12.5% (EUR 45.6 million) to EUR 411.3 million, primarily consisting of board revenue (EUR 341.0 million). There was a slight change in the revenue structure: domestic sales amounted to EUR 49.6 million, with a share of 12.1% in sales revenue (11.3% in 2023), and was EUR 8.4 million higher compared to 2023. With a share of 87.9% in sales revenue (88.7% in 2023), sales revenue on foreign markets amounted to EUR 361.7 million, an increase of EUR 37.2 million.
2. decrease in other operating revenue by 12.4% to EUR 5.6 million mainly due to lower revenues from the cancellation of long-term provisions
3. financial income amounts to EUR 3.2 million and is slightly increased compared to last year (+3.2%) largely as a result of unrealized income from financial assets (based on the increase in the fair value of interest rate swaps)



OVERNIGHTS STRUCTURE IN 2024



DISTRIBUTION CHANNELS IN 2024 (BY REVENUES)



TOTAL OPERATING EXPENSES OF VALAMAR GROUP¹⁷

(in EUR)	2023	2024	24/23
Operating costs ¹⁸	250.480.269	291.215.431	16,3%
Total operating expenses	329.806.825	366.619.900	11,2%
Material costs	118.247.660	128.225.196	8,4%
Staff cost	104.577.058	118.792.828	13,6%
Depreciation and amortisation	65.778.289	68.874.368	4,7%
Other costs	36.168.890	44.964.593	24,3%
Provisions and value adjustments	1.593.802	1.225.823	-23,1%

¹⁷ Classified according to Annual Financial Statements standard (GFI POD-RDG).

¹⁸ Operating costs include material costs, staff costs, other costs, and other operating costs reduced by extraordinary expenses and

TOTAL OPERATING EXPENSES

In 2024, after two regulations defining the prices and the legal framework relating to tourist land were adopted in February 2024, Valamar Group did the following:

- assessed the value of the right-of-use assets and liabilities according to IFRS 16 as of 1 January 2024 in the amount of EUR 63 million for the Group (EUR 58 million for the Company) and booked the expenses on that basis as follows:
 - depreciation of EUR 1,363 thousand for the Group (Company: EUR 1,261 thousand)
 - interest expenses of EUR 3,524 thousand for the Group (Company: EUR 3,141 thousand)
- concerning the variable part of the lease (which is not capitalized but expensed in the profit and loss account), the Group booked the lease costs of EUR 873 thousand for the Group (EUR 873 thousand for the Company) under item Other External Costs within Material Costs.

As explained in detail in the 2023 Annual Report, following the adoption of regulations related to tourist land, in 2023 Valamar cancelled all provisions

from previous years (2020-2022). Valamar stated the amount of the lease expenses at new prices following the regulations, including the expenses

for 2023. The net effect of these transactions in 2023 amounts to EUR -4.7 million.

Total operating expenses in 2024 amount to EUR 367.5 million, an increase of 11.4% compared to the previous year. The development of operating expenses is as follows:

- material costs amount to EUR 128.2 million, an increase of 8.4%, mainly as a result of increased costs of raw materials and supplies, costs of goods sold, maintenance, cleaning, consumables, and costs of promotional activities and marketing. For the period from 1 June 2024 to 31 December 2024, an electricity supply contract with a lower price compared to the comparable period of the previous year was applied.
- personnel costs increased by 13.6% to EUR 118.8 million, after a higher average number of employees and increased employee salaries
- depreciation amounted to EUR 68.9 million, representing an increase of 4.7%, largely due to increased capital investments in 2023 and 2024 and depreciation related to tourist land

- other costs increased by 24.4% to EUR 45.0 million. The increase is mainly due to increased costs for food, accommodation and education of employees, employee bonuses, staffing agency fees, travel expenses, preparation of new projects and utility fees
- other operating expenses amount to EUR 4.5 million, which is an increase of EUR 1.1 million, mostly due to the recognition of costs from previous periods.

EBITDA AND PROFIT FOR THE PERIOD

Operating revenue in 2024 amounts to EUR 417.0 million, up 12.0% compared to 2023. On the other hand, operating expenses increased by 16.3% to EUR 291.2 million, primarily due to continued strong spending in employee payroll and compensation (labour costs increased by EUR 20.1 million or 15.9%). Operating profit (adjusted EBITDA) reached EUR 120.7 million, 10.3% higher than in 2023. Due to the previously mentioned significant increase in operating expenses, adjusted EBITDA margin decreased by 0.5 percentage points to 28.9%.

Following 4.7% increase in depreciation expenses and a slightly lower net financial result (explained in more detail in the next paragraph), earnings before tax (EBT) amounts to EUR 37.0 million, up 10.6% compared to the last year. The Group reported a tax expense of EUR 4.2 million, which is mostly a result of current tax. The Group's net profit for 2024 amounts to EUR 32.8 million.



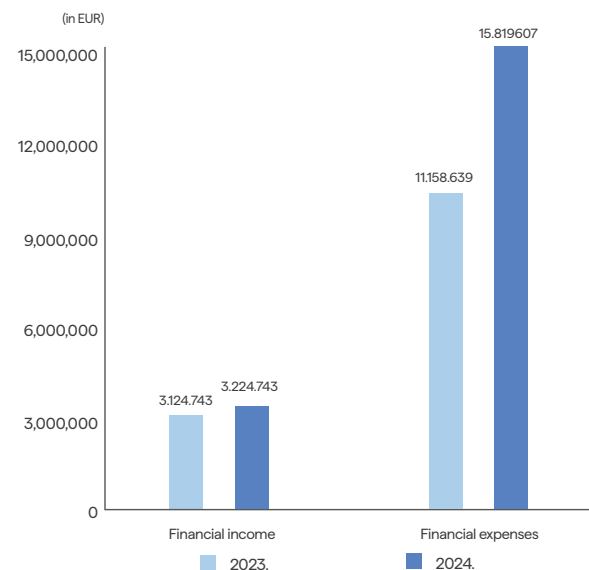
Valamar Carolina Hotel & Villas 4*, Krk Island

RESULT FROM FINANCIAL ACTIVITIES

The net financial result for 2024 amounts to EUR -12.6 million, which is EUR 4.6 million lower than in 2023, when it amounted to EUR -8.0 million.

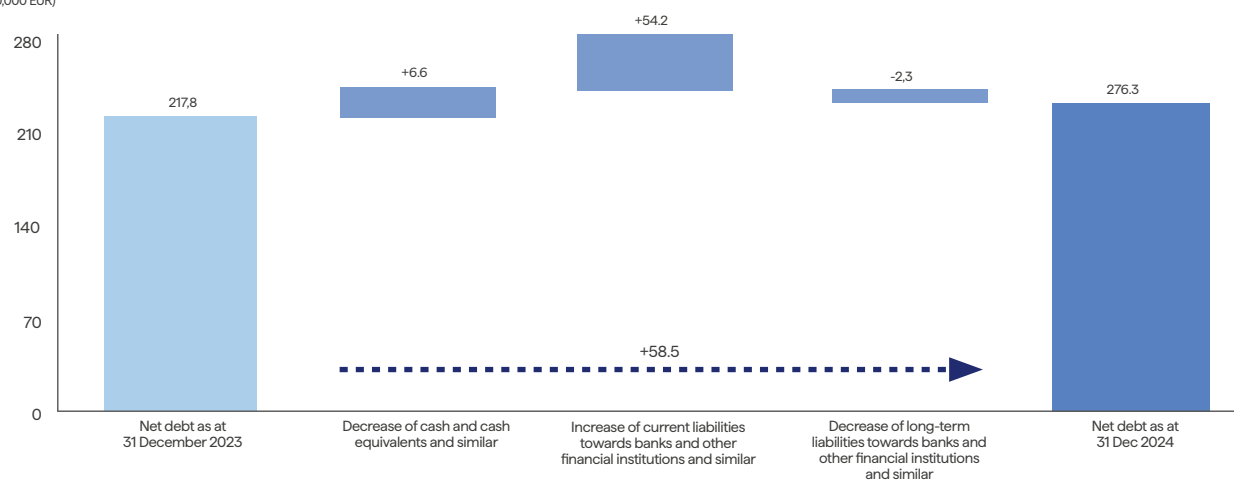
The deterioration of the net financial result was mainly influenced by the increase in interest expenses of 5.2 million euros compared to 2023, as a result of statutory default interest for a lost court cases in the amount of 2.5 million euros, and interest expenses under the liability item for IFRS 16 Rent of tourist land of EUR 3.5 million which are included in the balance sheet of the Company and the Group as of 1.1.2024 (explained in the chapter Operating expenses). The decrease in interest rates on deposits and the lower amount of available cash resulted in EUR 0.2 million lower other interest income. On the other hand, net unrealized gains (income) from financial assets were EUR 1.3 million higher than last year, due to the increase in the market value of interest rate swaps.

Financial income and expenses



Net debt ¹⁹

(in '000,000 EUR)



¹⁹ Net debt (liabilities for tourist land under IFRS 16 excluded): non-current and current liabilities to banks and other financial institutions + liabilities for loans, deposits and other + other liabilities according to IFRS 16 (leases) – cash and cash equivalents – long-term and short-term investments in securities – current loans given, deposits, etc.

ASSETS AND LIABILITIES

As of 31 December 2024, the total value of the Group's assets amounts to EUR 959.0 million, an increase of 16.1% compared to 31 December 2023. Total share capital and reserves amount to EUR 448.6 million and are higher by 0.4% as a result of the generated net profit for the period and the dividend paid.

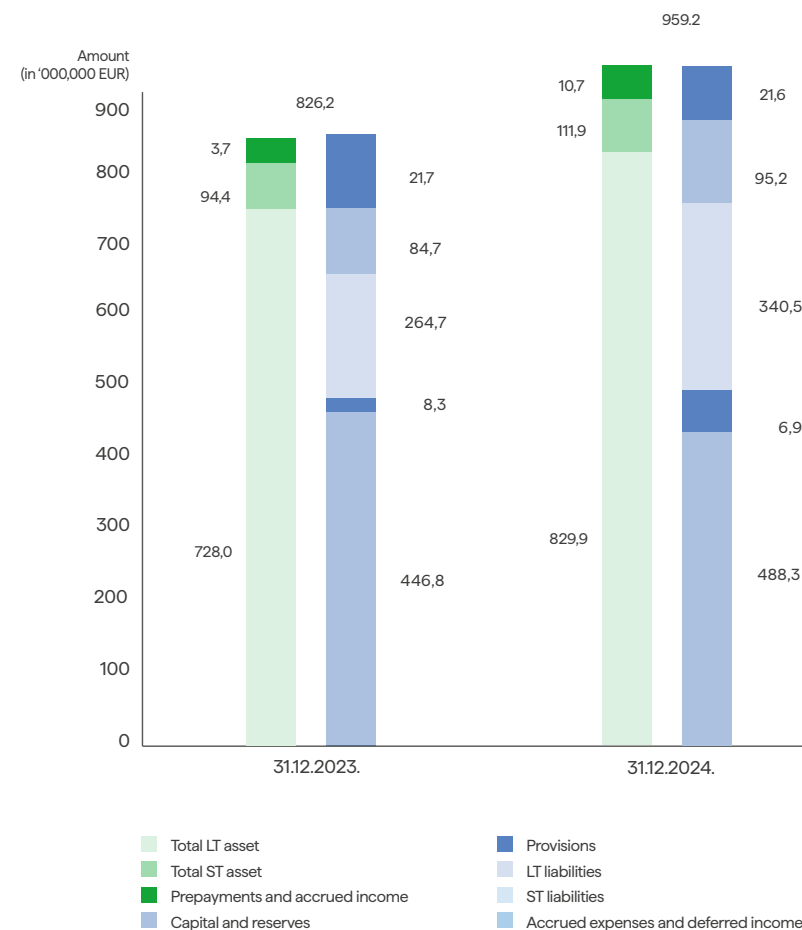
As explained in the chapter Total operating expenses, Valamar Group estimated the value of assets and liabilities with the right of use in accordance with IFRS 16 as of 1 January 2024 in the amount of EUR 63 million. By this, the balance sheet of the Group increased by the stated amount: assets in the position Land (within Tangible assets) and liabilities in the position Other long-term liabilities and Other short-term liabilities.

Total long-term and short-term liabilities to banks and other financial institutions on 31 December 2024, amount to EUR 333.8 million and are 13.5% higher than on 31 December 2023. This was a result of loans received related to the Group's executed investments and new development strategy. Net debt to Adj. EBITDA increased from 2.0 to 2.3 and is expected to return to its baseline level in the medium run.

Almost the entire portfolio of long-term loans consists of loans with a fixed interest rate, i.e. loans protected by derivative instruments (IRS) for the purpose of protection against interest rate risk. This largely eliminated the interest rate risk. Additionally, most of the Group's cash receipts are in EUR, as is the entire credit portfolio, which largely eliminates currency risk.



Assets and liabilities



On 31 December 2024, the Group's cash balance amounted to EUR 59.8 million, which represents an increase of 8.3% compared to 31 December 2023. High cash balance of the Group together with i) the contracted credit lines, ii) valuable tourism assets and iii) a strong operational business model made the Group's balance sheet position stable.

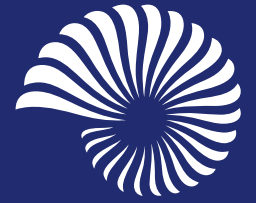
HOTELS AND RESORTS* OVERVIEW 2025

LOCATION		KEYS
Hotels and Resorts		8.920
VALAMAR COLLECTION		1.529
Marea Suites, Valamar Collection	5* Poreč	109
President Hotel, Valamar Collection	5* Dubrovnik	292
Isabella Island Resort, Valamar Collection	4*/ 5* Poreč	334
Girandella Resort, Valamar Collection	4*/ 5* Rabac	391
Imperial Heritage Hotel, Valamar Collection	4* Island Rab	116
Arba Resort, Valamar Collection	4* Island Rab	208
Kesselspitze Hotel & Chalet, Valamar Collection	4* Austria	67
Jadran Hotel, Valamar Collection	5* Poreč	12
VALAMAR HOTELS & RESORTS		3.811
Valamar Amicor Resort	4* Island Hvar	131
Valamar Parentino Hotel	4* Poreč	329
Valamar Diamant Hotel & Residence	3*/4* Poreč	372
Valamar Riviera Hotel & Residence	4* Poreč	149
Valamar Tamaris Resort	4* Poreč	506
Valamar Bellevue Resort	4* Rabac	372
Valamar Sanfior Hotel & Casa	4* Rabac	242
Valamar Atrium Residence & Villa Adria	4* / 5* Island Krk	92
Valamar Padova Hotel	4* Island Rab	175
Valamar Carolina Hotel & Villas	4* Island Rab	176
Valamar Meteor Hotel	4* Makarska	268
Valamar Argosy Hotel	4* Dubrovnik	308
Valamar Lacroma Hotel	4* Dubrovnik	401
Valamar Tirena Hotel	4* Dubrovnik	208
Valamar Obertauern Hotel	4* Austria	82
[PLACES] by Valamar		504
[PLACES] Hvar by Valamar	3* Island Hvar	194
[PLACES] Dalmacija by Valamar	3* Makarska	190
[PLACES] Obertauern by Valamar	4* Austria	120
SUNNY BY VALAMAR		1.731
Sunny Poreč by Valamar	4* Poreč	223
Sunny Baška by Valamar	4* Island Krk	426
Sunny Rabac by Valamar	3* Rabac	300
Sunny Krk by Valamar	3* Island Krk	194
Sunny Dubrovnik by Valamar	3* Dubrovnik	338
Sunny Makarska by Valamar	3* Makarska	250
UNBRANDED		1.345
Rubin Hotel	3* Poreč	155
Lanterna Resort	2* Poreč	578
San Marino Resort	3* Island Rab	466
Arkada Hotel	2* Island Hvar	146

LOCATION		KEYS
Camping resorts		11.681
VALAMAR CAMPING		7.200
Valamar Camping Lanterna	4* Poreč	2.948
Valamar Camping Istra	5* Poreč	963
Valamar Camping Krk	5* Island Krk	495
Valamar Camping Ježevac	4* Island Krk	632
Valamar Camping Marina	4* Rabac	332
Valamar Camping Baška	4* Island Krk	601
Valamar Camping Padova	4* Island Rab	419
Valamar Camping San Marino	4* Island Rab	810
UNBRANDED		4.481
Camping Bunculuka	4* Island Krk	414
Camping Orsera	3* Poreč	595
Camping Solaris	3* Poreč	1.851
Camping Solitudo	3* Dubrovnik	392
Camping Škrila	3* Island Krk	342
Camping Brioni	2* Pula	725
Camping Tunarica	2* Rabac	162

* owned and under management

Dubrovnik President Valamar Collection Hotel 5*, Dubrovnik



Results of the Company



In 2024, total revenues amount to EUR 331.0 million, an increase of 10.5% or EUR 31.5 million, compared to 2023, when they amounted to EUR 299.5 million. Sales revenues amount to EUR 319.1 million and are 10.0% higher than last year.

Material costs amounted to EUR 103.3 million, up 6.3% due to increased costs of raw materials and supplies, cost of goods sold, maintenance, cleaning, consumables and promotional and marketing costs. Personnel costs amounted to EUR 95.3 million, up 14.3% compared to the previous year, following a higher average number of employees and increased employee salaries. Depreciation amounted to EUR 49.0 million, up 3.8% compared to the previous year, mainly due to increased capital investments in 2023 and 2024 and depreciation related to tourism land (explained in the chapter Group's operating expenses). In 2024, the net financial result amounted to EUR -4.2 million (EUR -1.3 million in 2023). The decrease in net financial result was mainly influenced by the increase in interest expenses of EUR 5.1 million, mostly as a result of the interest expense under the liability item for IFRS 16 Rental of tourist land of EUR 3.1 million and statutory default interest for lost court disputes in the amount of EUR 2.4 million. On the other hand, the largest positive effect comes from the dividend received from Imperial Riviera d.d. (EUR 2.8 million).

In 2024, EBITDA amounted to EUR 84.3 million, which represents an increase of 3.5% compared to the EBITDA of EUR 81.4 million in 2023. This is primarily a result of the previously mentioned increased employee benefits and growth in other cost categories.

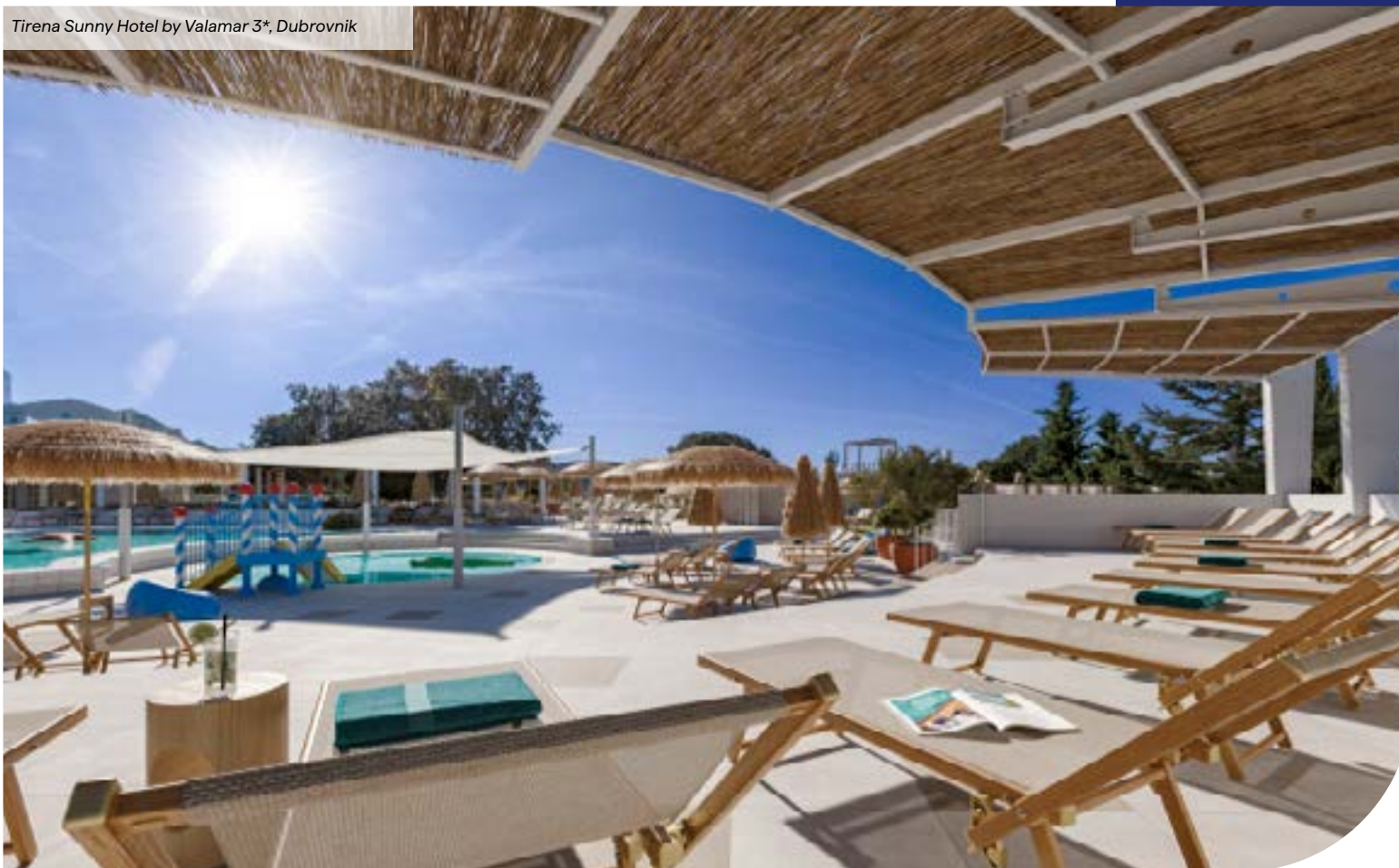
After 3.8% higher depreciation, somewhat lower net financial result and one-off costs related to court proceedings, earnings before tax (EBT) amount to EUR 31.0 million, which is 5.7% less than last year.

The Company reported a tax expense of EUR 5.1 million, which is mostly a result of current tax. The Company's net profit for 2024 amounts to EUR 25.9 million.

SALES REVENUE
INCREASED BY
10% TO EUR 319
MILLION

The total value of the Company's assets on 31 December 2024 amounts to EUR 782.4 million, an increase of 18.5% compared to 31 December 2023. Total share capital and reserves amount to EUR 408.2 million, which is at the same level as last year (+0.1%).

Tirena Sunny Hotel by Valamar 3*, Dubrovnik



Investment cycle 2023/24

The continued success and growth of the Valamar Group is driven by strategic investments in products, employees, and tourism destinations, with a strong focus on profitability, sustainable development, and corporate social responsibility. Particular emphasis is placed on reducing the Group's carbon footprint and ongoing investment in renewable energy sources. While enhancing the tourism offering, Valamar is simultaneously developing service concepts tailored to current market demands and guest expectations.

The planned portfolio development strategy includes the expansion of high-value-added offerings and services, with a particular focus on the premium resort and campsite segments. Concurrently, preparations are underway for new projects that will enable long-term growth and development, aimed at enhancing the overall tourism offering and increasing guest satisfaction.

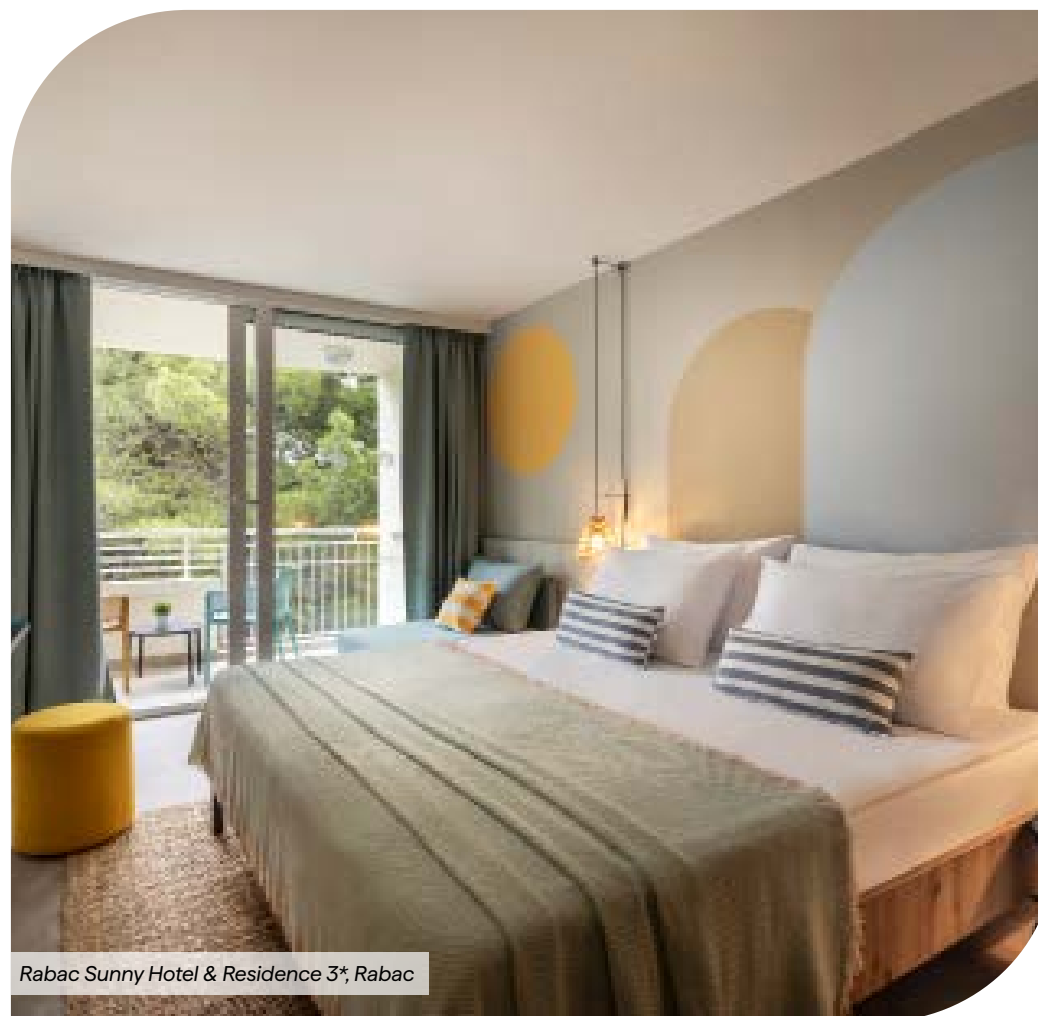
The 2023/2024 investment cycle primarily focused on implementing new projects designed to raise service quality and guest satisfaction levels, thereby creating conditions for achieving satisfactory financial returns.

The total approved investments at the Group level for this cycle amounted to EUR 84 million, with the majority allocated to the renovation of accommodation units in hotels and campsites. Additionally, Valamar made significant investments in environmental protection, energy efficiency, property security, as well as digitalisation and innovation, laying the foundation for a new phase of growth.

VALAMAR RIVIERA

Valamar Riviera d.d. successfully completed the 2023/2024 investment cycle, valued at EUR 45.6 million, in line with the plan. The investments realised were directed towards business improvements, upgrading the quality of facilities and services, optimising business processes, and increasing energy efficiency and digitalisation.

At the beginning of 2024, Valamar launched the most significant project in Croatian tourism – the construction of Hotel Pical 5*, Valamar Collection, scheduled to open in early 2026. This investment, spanning two investment cycles, the current and the next, is valued at EUR 139 million. The project will serve as a catalyst for economic growth, tourism development, and infrastructure improvements within the local community. Hotel Pical 5* will offer high-quality,



Rabac Sunny Hotel & Residence 3*, Rabac

year-round tourism, create over 700 new jobs, and contribute to the overall quality of life in Poreč. The investment in the Pical area will also enhance public tourism infrastructure, including promenades, cycling trails, a beach, indoor and outdoor pools, and a range of other amenities available to both tourists and the local population. Construction is progressing as planned, and upon completion, the Pical zone is set to become the most attractive tourism area in Croatia.

Hotel Pical 5* will feature 514 accommodation units and a range of facilities combining luxury, family-oriented holidays, and business tourism. Guests will be able to enjoy eight themed restaurants, with menus designed by Michelin-starred chefs, and ten bars offering a selection of beverages and signature cocktails inspired by the local gastronomic scene. The Balance Spa Centre, spanning an impressive 1,300 square metres, will provide top-tier relaxation and rejuvenation experiences. The hotel will offer state-of-the-art family holiday facilities, including playgrounds, kids' clubs, and Maro World, an educational play area covering over 1,200 square metres – the largest unstructured play area in the regional tourism sector.

The Pical resort will provide outstanding opportunities for active holidays and recreation, with investment directed towards beach development and public infrastructure such as the new Poreč Bike Centre, jogging and cycling trails, an indoor swimming pool for professional swimmers, and a water sports centre. All recreational and sports facilities, including promenades and Pical Beach, will be accessible to the wider public and local residents. This initiative will improve training conditions for children and local sports clubs while strengthening the sports infrastructure in Poreč.

With a capacity of approximately 1,200 attendees, the new conference centre within the Pical resort will be the largest in Istria, facilitating year-round business and social events and reinforcing the region's conference tourism sector. The expansion of this segment will contribute to extending the tourism season and attracting high-spending international guests. On 14 March 2024, an agreement was signed in Poreč between the investor, Valamar Riviera d.d., and the contractor, Kamgrad d.o.o., for the continuation of the resort's construction. The contract is valued at EUR 81.7 million.

The largest individual capital investment in the 2023/24 cycle was the transformation of Sunny Rabac by Valamar 3*, created through the merger of Allegro Sunny Hotel 3* and Miramar Sunny Hotel 3*. This EUR 9.6 million investment encompassed the renovation of accommodation units, the development of children's facilities, enhancements to the pool complex, and upgrades to food

IN 2023/24
CYCLE.
VALAMAR
RIVIERA'S
INVESTMENTS
WERE
EXECUTED IN
THE AMOUNT
OF 44.1 MILLION,
AND IMPERIAL
RIVIERA'S 38.4
MILLION

& beverage (F&B) offerings. As part of the F&B concept, guests can now enjoy Sunny Breakfast & Brunch and Sunny Dinner services. This unique Sunny brand offering provides accommodation in an outstanding location, with a particular focus on families.

Another major investment in this cycle was Sunny Krk by Valamar 3*, valued at EUR 6 million. The investment included the refurbishment of accommodation units, increasing the hotel's capacity by 120 beds. The ground floor now features enhanced children's facilities, including a new playroom, Multimedia Game Lounge, Family Lounge, and Maro Smart Play Rooms, while the Chill & Play Zone has been further upgraded.

At Isabella Island Resort, Valamar Collection 4/5** in Poreč, the Oliva Grill restaurant has been upgraded with an expanded outdoor terrace and kitchen, while the children's playground has also been refurbished.

In addition to hotel investments, Valamar continues to invest in the camping resorts. Given the increasing demand for camping tourism, more than EUR 2.4 million has been allocated in this investment cycle to expand accommodation capacity, enhance on-site facilities, and elevate service quality.

At Valamar Camping Lanterna 4* in Poreč, two markets were refurbished, and the quality of 27 pitches was improved. A total of 19 new mobile homes were installed at Valamar Camping Marina 4* in Rabac and Valamar Camping Baška 4*. Further investments in pitch quality were made at Camping Solaris 3* in Poreč, Camping Orsera 3*, Valamar Camping Istra 5*, and Camping Škrila 3* on the island of Krk.

Valamar Riviera remains committed to sustainable and socially responsible business practices. In line with this, more than EUR 1.1 million has been invested in energy efficiency projects, while EUR 3.5 million has been allocated to sustainability initiatives. These include the procurement of electric vehicles, tree planting, bio-waste reduction, and other environmental initiatives.

Key projects include the expansion of the Eco Corners initiative ("Eko korneri") at Valamar Camping Lanterna 4* and the launch of bio-waste composting projects at Lanterna Resort apartments, as well as at Valamar Diamant Hotel & Residence 3*/4* and President Hotel 5*, Valamar Collection.

Additionally, new heat pumps have been installed at Valamar Sanfior Hotel & Casa 4* and Girandella Resort 4*/5*, Valamar Collection, further enhancing energy efficiency.

Significant attention has been given to improving accommodation for seasonal employees. In Dubrovnik, the third phase of the accommodation enhancement project has been completed, including interior refurbishments and the furnishing of an additional 36 rooms (72 beds), representing an investment of EUR 924 thousand.

To drive continuous service improvements, Valamar has invested over EUR 5.8 million in digitalisation and innovation in this cycle. The most significant allocation — EUR 1.5 million — has been directed towards the development of Valamar.com, while EUR 1.7 million has been invested in IT maintenance.

Alongside environmental protection and energy efficiency, Valamar places great emphasis on the investment maintenance of all its destinations. These investments include regular property upkeep, enhancements to guest facilities, and improvements in safety standards. In the 2023/2024 investment cycle, approximately EUR 11.7 million has been allocated to investment maintenance.

IMPERIAL RIVIERA

Imperial Riviera d.d. has successfully completed the 2023/24 investment cycle, valued at EUR 38.4 million, with the objective of further enhancing the company's offerings across all destinations. The most significant investments were directed towards repositioning and improving service quality, digitalisation, green construction, sustainable energy sources, and tourism infrastructure.

One of the key projects in this cycle is the first phase of the reconstruction of the Suha Punta tourist resort on the island of Rab, as part of the future Arba Resort 4*/5*, Valamar Collection. This multi-phase project aims to firmly establish the destination among the leading family-friendly locations on the Adriatic. In early March 2024, a contract was signed with the main contractor, construction company Radnik d.d., and work is progressing according to schedule. The opening of Arba Resort is planned for May 2025.

Additionally, activities have commenced to obtain a concession for the development of beaches and accompanying facilities in the Suha Punta area,

including the first phase of investment in Suha Punta Beach, which will be renamed Val Sandy Beach.

The first phase of the refurbishment of the Rivijera Sunny Resort by Valamar has been completed, upgrading its category from 2* to 3* under the new name Sunny Makarska by Valamar 3*. This brand offers an affordable and simple holiday experience, ensuring excellent service quality and value for money.

A new Bike Centre has been built in Poreč, as part of the Valamar Parentino Hotel 4*. The entire project, funded through the National Recovery and Resilience Plan (NPOO), is set for completion in June 2025.

On the island of Rab, investments have been finalised in the Imperial Heritage Hotel 4*, Valamar Collection, as well as in the Brdo Zone at Valamar Camping Padova 4*, alongside additional enhancements to the Valamar Padova Hotel 4*. In Dubrovnik, investments have been made in upgrading the offerings at Valamar Lacroma Hotel 4* and in improvements at Camping Solitudo 3*.

Imperial Riviera d.d. continues with intensive preparations for project and spatial planning documentation for future investments, particularly in Rab, where the renovation of San Marino Resort 3* and further investments in Valamar Camping San Marino 4* are planned.

Tirena Sunny Hotel by Valamar 4*, Dubrovnik



Investment cycle 2024/25

The Valamar Group is continuing to implement its ambitious plans to enhance its tourism offerings, with a focus on high-quality premium segments within the hotel, resort, and camping categories. The investment cycle 2024/25 is key to further developing the portfolio, creating products and services with high added value to support continuous growth and long-term business sustainability. At the same time, Valamar is improving the service concepts, aligning the offerings with current market demands and trends to consistently elevate service quality and guest satisfaction. Through innovation and technological investments, Valamar is also working to enhance operational efficiency while maintaining its position as a recognised industry leader by adapting its offerings to meet the highest standards and provide exceptional value to guests. This approach will further strengthen Valamar's market position and contribute to the growth of tourism and sustainable development.

The total approved investments at the Valamar Group level for the 2024/25 investment cycle amount to EUR 161.2 million. The Group has continued adapting its products and developing digitalisation projects to enhance service quality and guest safety.

VALAMAR RIVIERA

Valamar Riviera d.d. has planned investments totalling EUR 101.1 million for the 2024/25 cycle. These investments aim to improve business processes, enhance operations, upgrade the quality of facilities and services, and increase energy efficiency and digitalisation.

The largest individual capital investment in this cycle is the continuation of the construction of Pical Resort 5* (a project detailed in the previous cycle), amounting to EUR 60 million.

A significant investment in this cycle is the reconstruction of Hotel Jadran, valued at EUR 5.3 million. This project includes the complete renovation and redesign of 24 existing accommodation units into 12 luxury rooms, along with the redesign of the reception area and common spaces. Additionally,

Istra Premium Camping Resort 5*, Poreč



the existing restaurant will be transformed into a new, more luxurious dining venue, creating a unique ambiance that reflects high culinary standards and an exceptional experience for visitors.

In addition to hotel investments, Valamar continues to invest in the camping resorts. Beyond hotel investments, Valamar is actively investing in its campsites. Given the growing demand for camping tourism, over EUR 700 thousand has been allocated in this investment cycle to expand and enhance the accommodation standards and associated amenities at Valamar Camping Lanterna 4* and Valamar Camping Krk 5*.

The company remains committed to sustainable and socially responsible business practices. Consequently, over EUR 500 thousand is being invested in various energy efficiency projects, alongside EUR 3.7 million in sustainability initiatives such as the procurement of electric vehicles, tree planting, landscaping, bio-waste recycling, installation of new heat pumps, and the acquisition of aerators and percolators, among other projects.

The advancement of digitalisation continues to play a key role in improving service quality. As a result, this investment cycle includes over EUR 6.2 million in digitalisation and innovation projects. In addition to digital investments, a further EUR 600 thousand is allocated for IT maintenance projects, and more than EUR 1.4 million for branding and signage improvements.

Alongside environmental protection and energy efficiency efforts, great attention is given to the maintenance of all destinations, with investments directed towards the regular upkeep of facilities and guest amenities, as well as safety enhancements within properties. In the 2024/25 investment cycle, approximately EUR 17.8 million is allocated for investment maintenance.

IMPERIAL RIVIERA

Imperial Riviera d.d. plans to invest EUR 60.1 million in the 2024/25 investment cycle to enhance the company's offerings.

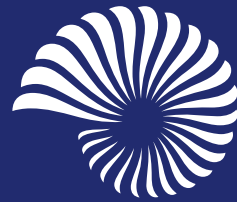
The investments focus on repositioning and improving service quality, digitalisation, green construction, sustainable energy sources, and tourism infrastructure across all destinations. The most significant project is the

IN 2024/25
CYCLE.
VALAMAR
RIVIERA'S
INVESTMENTS
WERE PLANNED
IN THE AMOUNT
OF 101 MILLION,
AND IMPERIAL
RIVIERA'S 60
MILLION

completion of the reconstruction of Arba Resort 4*, Valamar Collection, which is scheduled to open in May 2025.

Additionally, the second phase of the refurbishment of Sunny Makarska by Valamar 3* is planned. This phase includes the development of a pool complex with water slides, a sunbathing area, and an upgraded F&B offering, with an expected opening for the 2025 tourist season.

Further investments include the construction of staff accommodation for Arba Resort 4*, Valamar Collection, the development of a recycling centre on the island of Rab, modernisation of the administrative buildings in Rab and Makarska, as well as the refurbishment and upgrade of sanitary facilities at Valamar Camping San Marino 4*. As part of ongoing efforts to improve offerings, the company will continue enhancing beaches and preparing future projects.



ESG & Human resources

BUSINESS STRATEGY

At the beginning of 2024, Valamar adopted a Business Strategy until 2026, focused on holiday tourism that's good for destinations, residents, guests, and employees while creating new value for investors. Valamar's strategic goals include achieving double-digit annual business growth and company value and an investment plan amounting to EUR 450 million aimed at building Pical and Rab premium resorts. Valamar continues increasing the quality of hotels and campsites with continuous investments in sustainable tourism and socially responsible business, renewable green energy, waste and water management, local food, and sustainability in the supply chain. Special attention is given to taking care of employees, increasing their earnings, and developing their competencies. The focus is also on the continued development of tourist infrastructure that is open to the public and improving the quality of life for residents in the local communities where Valamar operates. By 2026, Valamar plans to achieve a gold-level ESG rating and strengthen the position as a leader in sustainable tourism development in Croatia. Valamar's sustainability strategy encompasses 12 key goals in the areas of Environment (E), Social (S), and Governance (G). Valamar is the first tourism company in Croatia to integrate sustainable development into business management and development and publish sustainability goals according to the ESG framework.

SUSTAINABILITY

EcoVadis, a global agency that evaluates a broad range of sustainability areas, awarded Valamar a silver ESG rating. The award confirms Valamar's success in the decarbonization domain, sustainable practices, social responsibility and management, and the success of the business model focused on sustainable tourism. Around EUR 2 million have been invested in renewable energy sources to reduce the carbon footprint, focusing on solar energy and electric vehicles, specifically decarbonizing in scopes 1 and 2. Since 2015, Valamar has continuously reduced greenhouse gas emissions per occupied accommodation unit. Over 80% of the supply chain procurement value comes from suppliers integrating sustainability criteria into their operations. The share of local food and beverages

CONTINUED
STRONG
INVESTMENTS
IN STRATEGIC
PROJECTS AND
SUSTAINABILITY
INITIATIVES

78% OF LOCAL
FOOD AND
BEVERAGE
PROCUREMENT

is 78%, achieved through successful cooperation with many local family farms (OPGs) and collaboration with WWF on sustainably sourced seafood.

In 2024, Valamar continued investments in employee development and rewards, including various education programs, development initiatives, and incentives for living in the destination. In all destinations, investments in tourist infrastructure were made, such as promenades, bike paths, playgrounds, and beaches, as well as in destination events, community support, and local socially responsible organizations. As a member of the UN Global Compact, Valamar continues to respect the Ten Principles that encompass fundamental business responsibilities in human rights, labour, environment, and anti-corruption.

ESG PROJECTS AND ACHIEVEMENTS

Environment

Valamar is reducing carbon footprint by using 100% renewable electricity, including the company's photovoltaic power plants, replacing fossil fuels with renewable electricity, installing LED lighting, heat pumps and other energy efficiency measures, and using electric vehicles. Other indirect measures are also used, such as waste sorting and food waste bio composting, collaborating with local suppliers and suppliers dedicated to decarbonization, and applying the highest green building standards when investing in tourist facilities and amenities. Valamar manages over 80.000 trees and runs the 'Easy as one, two, tree' initiative in its hotels and campsites. Through the initiative, Valamar invites guests to donate funds for planting new trees while the company donates an additional tree for each donated. Thanks to the excellent response from guests, 23.200 trees were planted from 2022 to February 2025. To help preserve biodiversity, 250 bird nesting boxes have been installed in Valamar's facilities in collaboration with the BIOM association, as well as 70 insect hotels, 90 bat houses, and 30 hedgehog houses, totalling over 400 habitats. The calculation of scope 1, 2, and 3 emissions for 2024 is underway. Measures planned to achieve decarbonization in scopes 1 and 2 by 2026 are included in investment and operational plans and costs.

In 2024, a high share of local food and beverage procurement was achieved, reaching 78%. Valfresco Direkt, an online platform that collaborates with around a

hundred family farms (OPGs), offers products from family farms and numerous producers from various parts of Croatia in one place, including ready-made and semi-prepared meals available to Valamar guests and residents of Istria and Kvarner. Eight Valfresco Markets are located in Valamar's campsites, providing guests with direct access to traditional local products, thus directly supporting the local community. Valamar premium campsites also offer delivery services from Valfresco Markets and other catering services to the campsite. Implementing a fully digitalized ordering system connected with external real-time inventory tracking systems enables efficient coordination between warehouses, suppliers, and delivery teams; the system ensures constant product availability and waste minimization.

Valamar and WWF Adria, the regional branch of the World Wide Fund for Nature, presented the achievements of their joint initiative to preserve the Adriatic Sea and promote sustainable fishing, which began in 2023. The collaboration between Valamar and WWF Adria is the first of this kind in Croatia's tourism sector. In line with WWF Adria's recommendations, Valamar has completely excluded endangered species such as sharks, rays, and swordfish from its restaurant menus. Another significant collaboration was achieved with the local fishing cooperative from Komiža, from which Valamar obtained 20% of total procurement of sustainably caught hake. Thanks to this collaboration, the cooperative has attracted new fishermen and ensured the long-term sustainability of operations.

In 2024, Valamar was awarded the Croatian Sustainability Index (HRIO) award for environmental management, recognizing excellence in the environmental management category. The HRIO award is presented by HRPSOR, a prominent independent association that promotes sustainable business practices and aims to integrate sustainable development principles into decision-making processes.

Society

Valamar was once again named the most desirable employer in tourism and hospitality and remains the only tourism company ranked among the top 20 employers in Croatia, according to the latest research by MojPosao. The company continued to invest in improving working conditions, employee

VALAMAR WAS
AWARDED
THE CROATIAN
SUSTAINABILITY
INDEX (HRIO)
AWARD FOR
ENVIRONMENTAL
MANAGEMENT

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DESIRABLE
EMPLOYER IN
TOURISM

training programmes, and reward initiatives to retain local employees, who accounted for 78% of the workforce in 2024, while a significant 53% of seasonal workers returned to Valamar.

Valamar is the largest investor in Croatian tourism, having invested over one billion euros in the past two decades to develop high-quality, sustainable tourism with added value. For the eighth consecutive year, Valamar has been recognised as the most desirable employer in tourism. Investments in socially responsible business practices are primarily focused on employees, working conditions, and education, the development of destinations through investments in tourist infrastructure, such as promenades, bike paths, playgrounds, and beaches, and support for cultural and sports events, as well as numerous other initiatives aimed at enhancing the quality of life in local communities.

Education is part of Valamar's social responsibility, with an average of 49 hours of training per employee annually. Valamar actively collaborates with hospitality schools and universities. In cooperation with the Ministry of Tourism and Sports, Valamar runs a scholarship program that provides financial support to students during their education and opportunities for internships and acquiring new skills and knowledge. In the student scholarship program, a total of 254 students received Valamar scholarships in 2024.

Through the "Valamar brine za marende fine" (Valamar Cares for Fine Meals) competition, Valamar awarded 28 schools from Istria, Rijeka and the surrounding area, and the island of Krk with a Week of Local School Meals. Although the prize fund was intended for 10 schools, to provide as many children as possible with tasty and nutritionally balanced meals made from high-quality local ingredients, Valamar awarded prizes to all schools that applied. Valamar thus provided a week of local school meals for more than 6,600 students during the 2024/2025 school year. This is the second year Valamar has conducted the "Valamar brine za marende fine" (Valamar Cares for Fine Meals) competition. The great interest from schools confirms the project's success, which aims to raise awareness about the importance of healthy nutrition among children.

Valamar has introduced a new digital platform, Croatia Summer Camp by Valamar - an innovative, socially responsible initiative for sustainable family tourism that brings together sports, educational, and artistic camps. This platform is the first of its kind in Croatia and aims to enable residents, guests, and tourists to find

various activities for children and teenagers easily, as well as for local organizers to advertise for free and reach potential users of their services. The camps are divided into three main groups: sports, arts, and education. In its first year, the initiative brought together 55 camps and more than 3,000 children, offering a variety of activities from football and sailing to STEM education and music workshops.

In 2024, the third season of Valamar's donation initiative 'Easy as one, two, tree,' was carried out, ensuring more than 10,000 new trees were planted in Croatia. The initiative again broke all records and achieved its set goal a month earlier than planned. As in previous seasons, guests of Valamar's hotels and campsites had the opportunity to donate for Croatia's reforestation; for each donated tree, Valamar provided funds for planting another one. In this way, Valamar and its guests continued to contribute significantly to Croatia's reforestation. The traditional tree planting event, organized by the Croatian Scout Association, was held near Vrbovsko last autumn, and Valamar employees also contributed this time

In September, the traditional Tunalicious Festival took place in Poreč, with Valamar as the general sponsor. This year's edition attracted nearly 5,000 visitors and featured a diverse gastronomic programme, including Tuna Restaurant Week, the Tunalicious Street Food Festival, and the Spinnaker Gourmet Stage, alongside Tunlstra, a major international big-game fishing competition.

Governance

With the Silver Medal from EcoVadis, a global agency for assessing a wide range of business sustainability, Valamar has become the first and only Croatian tourism company whose sustainable practices have been recognized globally. EcoVadis evaluates impacts on the environment, labour and human rights, ethics, and sustainable procurement, and their rating is globally recognized by international institutions, investors, and banks. Only the top 15% of companies assessed by EcoVadis reach the silver level.

In 2024, Valamar continued collaborating with suppliers, focusing on data collection, and changing product packaging materials. The development of cooperation with selected suppliers includes collecting higher-quality data

THE 'BIKE
CENTRE POREČ',
THE LARGEST
CYCLING CENTRE
IN CROATIA, HAS
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THE GOAL IS TO
ACHIEVE THAT
80% OF THE
PROCUREMENT
VALUE
COMES FROM
RESPONSIBLE
AND
SUSTAINABLE
SUPPLIERS

for Scope 3 calculations. Based on the collected data, Valamar is developing criteria, policies, and collaborations to maintain 80% of procurement value from responsible and sustainable suppliers by 2025. Valamar applies a Supplier Code of Conduct that provides basic guidelines for the ethical behaviour of Valamar's partners to operate responsibly and contribute to achieving business goals from 2023.

Sustainability certification bodies and organizations have awarded Valamar Group companies and tourist facilities numerous certificates and labels, confirming Valamar's commitment to sustainability. Sustainability certificates are an independent confirmation that Valamar operates in accordance with high standards of environmental protection and social responsibility, considering ecology, health and safety protection, labour and human rights, and the local community in business decisions and daily operations. In 2024, Valamar certified all its facilities with ISO 9001 quality certificates, ISO 14001 environmental protection certificates, and ISO 50001 energy management certificates. 28 Valamar hotels were awarded Travelife sustainability certification, six campsites received EU Ecolabel, and 16 beaches got Blue Flag certificates.

Valamar continuously develops and operates in accordance with good corporate governance practices. Through business strategy, policies, key acts, and business practices, Valamar has established high standards of corporate governance, aiming to contribute to transparent and efficient operations and quality connections with the community in which it operates. In 2021, Valamar Riviera adopted a Code of Business Conduct with accompanying policies, aligning its internal corporate governance rules with the Corporate Governance Code of the Zagreb Stock Exchange and the Croatian Financial Services Supervisory Agency. The Company's Code of Business Conduct was updated in 2024. The Code is accompanied by the following Policies:

1. Conflict of Interest Management Policy,
2. Policies and Procedures for Approving and Disclosing Transactions with Related Parties,
3. Risk Management Policy,
4. Corporate Social Responsibility Policies:
 - 4.1. Quality and Sustainable Business Policy
 - 4.2. Health and Safety Policy,
 - 4.3. Food Safety Assurance Protocol,
 - 4.4. Diversity and Non-Discrimination Policy,

- 4.5. Procurement Policy,
- 4.6. Child Safety and Rights Protection Policy,
- 4.7. Working Conditions Policy,
- 4.8. Career Management Policy,
- 4.9. Environmental Protection Policy.

The Croatian Green Building Council, the national partner of the DGNB System for Croatia, which is the leading international green building certification system, awarded Valamar Amicor Green Resort on the island of Hvar a gold pre-certification for sustainable construction of standalone villas. The award makes Valamar the first tourism company on the path to a gold sustainability certificate and Valamar Amicor Green Resort the first such resort in this part of Europe.

Valamar continuously build trust with the public, employees, investors, institutions, and partners through open communication and responsible business practices. In 2024, Valamar conducted the first measurement of the reputation index through an independent market research agency. With a representative sample via telephone surveys using the CATI method, the research was conducted in the destinations where Valamar operates and at the national level in the Republic of Croatia.

CSRD REPORTING

Valamar has previously reported according to GRI standards, and starting from the 2024 financial year, it will report according to the new Corporate Sustainability Reporting Directive (CSRD). Valamar supports and embraces CSRD reporting, holding it as the right and responsible step for the company.

Double materiality (DMA) assessment is the first step in the CSRD reporting process. DMA introduces Impacts, Risks, and Opportunities (IROs), providing deeper insights into key sustainability issues. The process of defining double materiality was thorough and lengthy, with the final version approved by the Committees.

Following the DMA for 2024, along with the EU taxonomy, Valamar reports on:

- General information
- Climate change (GHG emissions, energy, water)
- Workforce
- Business conduct

VALAMAR
AMICOR GREEN
RESORT ON
ISLAND OF HVAR
WAS AWARDED
A GOLD PRE-
CERTIFICATION
FOR SUSTAINABLE
CONSTRUCTION

VALAMAR
GROUP
EMPLOYED
MORE
THAN 3,800
EMPLOYEES ON
31 DECEMBER
2024

In the sustainability report, Valamar has applied the requirements of the CSRD and European Sustainability Reporting Standards (ESRS). A more structured approach to reporting has been ensured by standardizing data collection and analysing information. The report will be published on April 15th as part of the Annual Report for 2024.

HUMAN RESOURCES

This year too, Valamar has hired the necessary workers for the season, and accommodation has been provided for all employees who come to work in our destinations. One of Valamar's goals is to effectively onboard new employees. ValamarGO! Programme has been held in all destinations to prepare the new employees for a successful start. Employees in the kitchen, restaurant, and reception had the opportunity to learn from the best mentors at Valamar and undergo intensive training over 5 days.

Valamar is one of the largest employers in Croatia. As of 31 December 2024, the Valamar Group employed a total of 3,814 employees, of which 2,799 permanent employees and an additional 643 employees with a fixed-term contract receiving year-round income through the Permanent Seasonal Employee measure. On that same day, the Company had 2,969 employees, of which 2,191 permanent employees and an additional 458 employees with year-round income.

Significant investments in Valamar's employees have continued. In agreement with its social partners, Valamar has increased the basic salary for more than 5,000 employees. The salaries for professional positions – chefs, waiters, receptionists and several other positions in hotels, campsites and resorts – have also increased and range from EUR 1,400 to 2,000 net in the high season. Housekeepers, assistant chefs, assistant waiters, kitchen staff, servers and other positions received between EUR 1,000 and 1,300 in the high season.

This year, Valamar has once again been recognised as the most desirable employer in the tourism and hospitality sector and is the only tourism company on the list of top 20 Croatian employers.

As was the case in the previous years, Valamar is continuing with a series of reward programs designed to reward excellence, dedication and outstanding results. Apart from salary increases, several initiatives have been launched to improve the working conditions in tourism and to adapt the jobs in Valamar to the new trends

and employee needs. As of this year, employees who live in our destinations as well as employees who permanently move to our destinations receive an additional EUR 400 net within the Live the Destination measure, whereby year-round local work and local employment is incentivised and a range of benefits is offered to Valamar's employees. This includes, e.g., the Roof Over Your Head programme, which offers to permanent employees and permanent seasonal employees in the V+3 programme the possibility to be eligible for an add-on of up to EUR 500 per month for rent as well as discounts in more than three hundred points of sale. In addition, Valamar employees can work during winter in Valamar hotels on ski resorts in Austria, and ensure a year-round income this way.

In the last 5 years, EUR 18.5 million has been invested in building high-quality accommodation for seasonal workers called Valamar House. Five such employee hotels are available to our seasonal employees at two locations in Poreč, and in Krk, Rabac and Dubrovnik. Throughout the years we have been investing in this project, improving our concept of providing modern high-quality accommodation and meals for seasonal employees during their stay in the destination where they work.

From the very beginning, Valamar has been involved in the Programme of Boosting the Education of Hospitality and Tourism Workforce, implemented by the Ministry of Tourism and Sports, which is used to co-finance the scholarships for students of vocational tourism and hospitality schools. Valamar is the largest provider of scholarships in Croatia. In the school year 2023/2024, Valamar has given scholarship to 156 high school students and 37 college students.

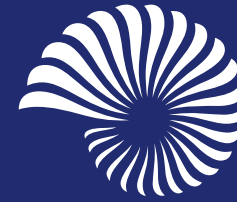
Valamar, as an employer, is involved in a wide range of activities aimed at motivating the current high school students and the current and future college students to pursue education for jobs in tourism. This includes presentations to students and showcasing career opportunities in tourism. Seven such meetings with elementary and high schools and nine with colleges have been held this year. In these types of presentation of the Company, all students have the chance to hear from Valamar employees directly what it is like to work in the biggest Croatian tourism company and learn everything about the benefits and career development at Valamar. Besides organising such presentations, the Company actively participates in improving the education quality itself, by having Valamar's specialists and mentors give lectures in schools. Students can also visit Valamar's hotels and campsites to gain firsthand knowledge about the actual needs and

VALAMAR
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SPECIFICALLY
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EXCELLENCE

working requirements. Valamar continues its business training programme in tourism and hospitality, the V-Executive, in collaboration with five Croatian higher education institutions: the Faculty of Economics and Business of the University of Zagreb, the Faculty of Economics and Tourism in Pula, the Faculty of Tourism and Hospitality Management in Opatija, the Faculty of Economics in Split and the University of Dubrovnik. The two-year business training programme V-Executive offers Valamar employees a comprehensive knowledge and skillset necessary for a successful career in the tourism and hospitality industry. The programme V-Executive started at the beginning of this year; 7 modules have been completed so far. The programme is designed with a total of 20 modules divided into 7 thematic units, and its goal is to familiarise the participants with new trends, enable new knowledge transfer about the industry and teach attendees how to apply innovations, all in line with an organisational culture focused on knowledge and progress.

The Company and the Group have been systematically and continuously investing in developing its human resources. This includes a comprehensive strategic approach to HR management, a transparent recruitment process, clear goals, measuring employee performance, investing in employee development and career advancement and encouraging two-way communication.

Bunculuka Camping Resort 4*, Krk Island



The Risks of the Company and the Group

The Company and the Group are exposed to numerous risks in everyday operations.

As the main risks, the Company and the Group have identified the following risks:

- **Business risks** – risks related to the way the Company business is conducted, business environment, competition, supply and demand, lack of workforce and continuous adjustment to market needs
- **Financial risks** – comprise financial variables that may cause difficulties in settling financial liabilities of the Company and the Group, impact liquidity, or complicate debt management
- **Operational risks** – related to inadequate use of information and procedures, IT systems and errors in operational management
- **Global risks** – include climate change, adverse weather and natural disasters, pandemics, food shortages, civil unrest, wars and other risks beyond the Company or the Group's (direct) control
- **Regulatory risks** – related to changes in laws, tax and other legislation governing the business operations of the Company and the Group

5 KEY STEPS IN RISK MANAGEMENT PROCESS

When monitoring and assessing risks, the Company and Group use a proactive approach. Risk management is considered a key factor of differentiation among competitors. Along with risk differentiation and mitigation, risk management aims to create sustainable value, thereby strengthening the trust of all stakeholders of the Company and Group. When defining our strategy, particular attention is paid to the short and mid-term risk impact to maintain business sustainability over time.

The risk management process comprises the following steps:

- Identifying potential risks in business operations
- Analysis and assessment of identified risks
- Determining actions and responsibilities for efficient risk management
- Monitoring and overseeing initiatives to prevent the occurrence of risk events and alleviating their consequences
- Exchanging information on risk management results

BUSINESS RISK

The Company and Group's business risks are seasonality, the often changing market demands, a lack of the workforce and lawsuits.

Tourism is a specific activity constantly in flux and going through quick trend changes. This requires tourist companies to continuously adapt to survive in the market for the long term. The Company and the Group are exposed to business risks connected with the stability of global tourist trends. The business operations of the Company and the Group are highly dependent on the results achieved during the high season, which generates around 55% of the total turnover. Tourist trends thus considerably depend on the weather during the summer months.

To mitigate these risks, the Company and the Group continuously invest in the expansion and quality enhancement of their accommodation capacities and in developing additional facilities. They are currently the largest investors in Croatian tourism. The development of new technologies considerably changes guest habits and how they plan their holiday and make reservations. The ever-present trend of simplicity of online reservations continues to strongly impact the dynamic of selecting the destination and accommodation. The Company and the Group realise 63.5% of their revenues via direct channels, including reservations via a direct distribution system – call centre, internet mobile platforms and the loyalty programme. The loyalty programme will continue to grow to create additional



value for our clients. Web pages, e-marketing and technology will also be further upgraded. The Company and the Group's development is impossible without a high-quality human resources management. The construction of new facilities and the refurbishment of existing accommodation capacities in Croatia increase the risk of a lack of a qualified workforce. Valamar Riviera is one of the most desirable employers in the country, continuously investing in attracting, training and developing employees. We constantly improve incentive and reward systems, employee career development, employees' wellbeing and accommodation and foster cooperation with education institutions throughout Croatia.

The Company is a defendant in a lawsuit from 2010 relating to the payment for the works on hotel Lacroma during its reconstruction and extension. In 2013, the Commercial Court issued a judgement that fully rejected the claims of the claimants. In 2020, the High Commercial Court of the Republic of Croatia overturned the first-instance judgement, and the case was returned for retrial. In the repeated proceedings, the Commercial Court, by its judgement from May 2023, largely accepted the claim and the Company was charged with the payment of the principal of EUR 2,264,861.17 as well as lawsuit costs in the amount of EUR 702,752.22 and the corresponding statutory default interest. On 31 January 2024, in the appellate procedure on the Company's appeal, the High Commercial Court of the Republic of Croatia delivered a final judgement in favour of the Company, whereby it varied the judgement of the Commercial Court of Dubrovnik from May 2023 and rejected all claims of the claimants as unfounded. The claimants submitted a motion for the permission to file a second appeal regarding the judgment of the High Commercial Court of the Republic of Croatia of 31 January 2024, to which the Company submitted its response. The Company has not yet made any provisions in its business ledgers or booked any costs for this lawsuit.

In 2023, the Company initiated an administrative dispute to annul the Resolution of the Ministry of the Sea, Transport and Infrastructure, adopted after an inspection of the commercial utilisation of the maritime domain in the area of the Ježevac camping on the island of Krk. This Resolution includes a prohibition on providing accommodation services on several cadastral parcels and a prohibition on providing anchoring services. In 2024, a non-final judgement was delivered against the Company, and the Company appealed to the competent court against this judgement. The Government of the Republic of Croatia, in its June 2024 Conclusion, charged the Ministry of the Sea, Transport and Infrastructure to urgently establish maritime domain boundaries for all campsites in front of which maritime domain boundaries have not been determined. It also ordered that the Customs Administration and the Maritime Safety Directorate of the Ministry of the Sea, Transport and Infrastructure stay inspection measures that prohibit the operation of campsites until resolving the unresolved property relations concerning the respective maritime domains, and to do it at the latest by 31 December 2025. Also, the Customs Administration will charge companies a fee for the undisputed area of the maritime domain that they utilise, starting

from 1 January 2019 until the respective property relations are resolved. In July 2024, the Ministry of the Sea, Transport and Infrastructure accepted the Company's proposal to reopen the proceedings and lifted the prohibition on providing accommodation services in the Ježevac camping. In 2023, the Company made provisions for this case amounting to EUR 130,0000 and will continue actively participating in the future legal proceedings.

Apart from the above-stated lawsuits, the Company is party to some other court proceedings and has made provisions in its business ledgers for all lawsuits amounting to EUR 2.1 million.

FINANCIAL RISKS

In its everyday business operations and activities, the Company and the Group are exposed to numerous financial risks, especially:

- interest rate risk
- credit risk
- liquidity risk
- inflation risk
- foreign exchange risk

Interest rate risk

The interest rate risk is a risk of change of an interest rate that may lead to a change in the amount of liabilities and interest rate on revenues.

To decrease interest rate risk, the Company and the Group regularly implement interest rate hedging using interest rate swaps (exchange of the variable interest rate with a fixed interest rate). This effectively converts variable interest rate loans to fixed interest rate loans. The impact of interest rate risk on business is limited since most of the Company's and Group's loan portfolios are long-term loans with an agreed fixed interest rate or loans insured with an interest rate swap.

The Company and Group have interest-bearing assets (cash assets and deposits) that generate revenues from interest rates, so their revenues and cash flows depend on changes in the market interest rates. This risk is especially pronounced in the high season when the Company and the Group have significant cash surpluses at their disposal. Cash placements are mainly done for the short term at market interest rate.

Credit risk

Credit risk can arise from cash assets, time deposits and receivables. According to the Company's and the Group's sales policy, business transactions are conducted only with customers with a suitable credit history, i.e. by agreeing on advance payments, bank securities and paying via credit cards. The Company and the Group continuously monitor their exposure to business partners and their creditworthiness to decrease credit risk. The Company and the Group obtain instruments for securing receivables, such as debentures, bank guarantees and mortgages, thus reducing the risks of inability to collect receivables.

Exposure to credit risk also arises due to cash and deposits with business banks. To diversify this risk, we have set a maximum exposure level for each bank, and the relevant qualitative and quantitative financial stability indicators of banks are continuously monitored.

Liquidity risk

The Company and the Group have a sound liquidity risk management. Sufficient funds for meeting liabilities are available at any moment through own funds, adequate amounts from contracted credit lines for investments and through working capital.

The repayment of credit lines is in line with the period of significant cash inflows from operating activities. The Company and the Group monitor the liquidity through daily cash and short-term and long-term debt reports. Surplus cash is invested in current accounts and time deposits. Only instruments with suitable maturity and sufficient liquidity are selected according to the forecasted needs for liquid funds.

Inflation risk

The Company and the Group are exposed to changes in purchase prices for energy products (especially electricity), food and beverages and consumables, and increase in the prices for construction works and purchase of assets. The Company and the Group have been continually investing in energy efficiency and renewables to mitigate the impact of increasing energy product prices and decrease dependence on suppliers. Where appropriate, when doing procurement, the practice is to enter into long-term contracts at fixed prices.

One of the ways how to mitigate the negative impact of inflation is a flexible management of sales prices. The Company and the Group have a very high share of direct and online sales channels, enabling dynamic sales price formation throughout the year.

According to the Croatian Bureau of Statistics, the forecasted inflation rate for January 2025 amounted to 4.0% compared to January 2024. According to the Croatian National Bank's report, the acceleration of the overall inflation was mainly driven by a noticeable

acceleration of energy prices (rising to 5.3 per cent in January from 2.4 per cent in December), primarily due to higher prices of oil derivatives and electricity. Additionally, the inflation rate for service prices rose to 8.2% (from 7.7% in December), while food price inflation accelerated only slightly to 5.4% (from 5.3% in December).

Foreign exchange risk

Judging from overnights realised in various source markets, the Company and the Group operate internationally. By the Republic of Croatia's entry into the eurozone on 1 January 2023, almost 100% of revenues and cash inflows are realised in euros. This nearly eliminates the foreign exchange risk (potential losses due to foreign exchange volatilities).

OPERATIONAL RISKS

Operational risks are connected with direct or indirect losses arising from inadequate or wrong internal or external processes within the Company and the Group. An organisation's complexity and size increase operational risks, which is why building quality processes is a key pillar when it comes to successfully managing these risks.

In today's digital age, cyber and information security have become the key domains of interest for any company that wishes to protect its key information assets. Information, as one of the most important currencies and the foundation of any business system, is often the target of attacks. The information security risks include unauthorised access, data theft, malicious attacks and technical malfunctions, while cyber security includes the protection of networks systems and data against digital threats. Timely recognition and management of these risks are of key importance for ensuring business continuity as well as the trust of our guests.

Being aware of the risks concerning the reliability of business IT solutions and cyber security, the Company and the Group have been continuously investing in improving, developing and implementing new technologies and protection mechanisms in their everyday business operations. A particular focus is placed on ensuring sufficient resources for developing and implementing new ICT technologies, data protection projects and improving the existing and the development of new robust business systems. Over the years, Valamar has implemented several projects and made several investments to increase its ICT infrastructure's security, stability and efficiency. The Company has ensured an efficient infrastructure and data protection by optimising

its incident management process, implementing a 24 hours monitoring system and consolidating all platforms into a single ICT platform.

In case of personal data violation incidents, the Company and the Group may be significantly fined, which can also have a detrimental effect on the Company's reputation. The Company has been continuously working on training its employees and raising their awareness about the importance of personal data protection and information security. The Company will continue developing and implementing new technologies to continuously boost the resilience of its business processes against the threats posed by cyber and information security.

GLOBAL RISKS

Despite improved security and political conditions, Croatian tourism continues to face challenges, such as:

- Periods of global economic and financial crises which reduce the purchasing power of the population from our key source markets and the Republic of Croatia
- Security and political issues related to local and global terrorism threats
- Global crises due to war zones

Results of the Company and the Group may be influenced by various environmental impacts, such as:

- Climate change, such as global warming, long draught or rain periods
- Natural disasters and calamities (earthquakes, fires, floods, severe storms, etc.)
- Air and soil pollution
- Deterioration of quality and pollution of the sea and coast

All these factors may directly impact the number and duration of overnights of our guests in hotels and campsites, as well as increase the costs of our business operations. Health pandemics also represent a global risk, causing financial and operational

disruptions in the global economy, and they significantly impact tourism as a very sensitive industry branch. Health risks represent an incredibly challenging risk management segment since the possibilities of the Company and the Group in these cases are limited to risk monitoring and undertaking activities in accordance with internal and external rules and following recommendations in case of a contagious disease outbreak.

REGULATORY RISKS

Changes in laws, taxes and other regulations also represent a significant risk for the Company and the Group. Changes in relevant regulations often enter into force after the business plans for future periods have already been adopted and commercial conditions with business partners have already been agreed upon. This can significantly adversely affect the financial position of the Company and the Group, endanger the planned investment and weaken investor trust.

Recent changes in the regulations relating to the utilisation of the maritime domain, concessions, concession permits and fees for the utilisation of the maritime domain still represent an area that is not fully regulated and has a significant impact on business operations and future development. The regulatory risks are one of the most challenging risk management segments, where the possibilities of the Company and the Group are limited.

Valamar Collection Imperial Hotel 4*, Rab Island



Corporate Governance



The Company and the Group continuously strive to develop and operate according to good corporate governance practices. The business strategy, corporate policy, key corporate by-laws and business practice have set a high standard of corporate governance and are all geared towards creating a transparent and efficient business operation while forging solid bonds with the local community. The Management Board fully complies with the provisions of the adopted corporate governance acts. After the company was listed on the regulated market of the Zagreb Stock Exchange, the Company also complied with the Zagreb Stock Exchange Corporate Governance Code.

The Company complies with and implements the corporate governance measures, as reported in more detail in the annual questionnaire published on the Zagreb Stock Exchange and Valamar Riviera websites as prescribed (2023 questionnaire available at <https://valamar-riviera.com/media/482338/corporate-governance-code-compliance-questionnaire-2023-pdf.pdf>). The Company adopted its Code of Business Conduct and policies which is available at the Company's corporate website (<https://valamar-riviera.com/media/479268/code-of-business-conduct-valamar-riviera-dd-october-24-2023.pdf>).

According to the data from the Central Depository and Clearing Company, significant direct holders of the Company's shares and the holders of shares who are also members of the Management Board and members of the Supervisory Board of the Company on 31 December 2024 are the following persons: Supervisory Board Chairman Mr. Franz Lanschützer, who is the holder of 4,450,000 shares; Deputy Chairman of the Supervisory Board Mr. Mladen Markoč, who is the holder of 65,078 shares; member of the Supervisory Board Mr. Gustav Wurmböck, who is the holder of a 100% stake in the company Wurmböck Beteiligungs GmbH, which is the holder of 25,078,700 shares; member of the Supervisory Board Mr. Georg Eltz, who is the holder of a total of 6,630,511 shares, of which he directly holds 20,463 shares, and indirectly, through a stake in the company Satis d.o.o., 6,610,048 shares; member of the Supervisory Board Mr. Boris Galić, who is the holder of 10,000 shares; member of the Supervisory Board Mr. Ivan Ergović, who is the holder of 3,579 shares; member of the Supervisory Board, Ms. Gudrun Kuffner, who is holder of 3,000 shares; President of the Management Board Mr. Željko Kukurin, who is the holder of 209,192 shares; member of the Management Board Mr. Marko Čižmek, who is the holder of 111,035 shares; and member of the Management Board Ms. Ivana Budin Arhanić, who is the holder of 77,991 shares.

The Company defined the process of preparing and publishing its financial statements in a detailed internal document. Within this document, the

THE GROUP HAS
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TRANSPARENTLY
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financial reporting procedure is set within a system of internal review and risk management. Additionally, in order to monitor and mitigate the financial reporting risk, the Company uses the measures described in the chapter 'The Risks of the Company and the Group'.

The Companies Act and the Company's Articles of Association define the General Assembly's authority and prescribe how it meets and works. The meeting invitation, proposals and the adopted resolutions are made public according to the provisions of the Companies Act, Capital Market Act and the Zagreb Stock Exchange Rules. There is a time limit related to the voting right at the General Assembly: according to the provisions of the Croatian Companies Act, shareholders are required to register their participation within the prescribed time limit in order to attend the General Assembly. Under no circumstances can the financial right arising from securities be separated from holding the securities. There are no securities with special control rights nor are there any limitations to voting rights at the Company (one share, one vote).

The Company's Articles of Association comply with the Croatian Companies Act and the provisions of the Procedure of Appointment, i.e. the Election and Profile of the Management Board and the Supervisory Board and they define the procedure of appointing and recalling members of the Management Board and Supervisory Board. There are no limitations based on gender, age, education, profession or similar. The Companies Act determines any amendments to the Company's Articles of Association, without any additional limitations. The Management Board members' authority fully complies with the provisions referred to in the Companies Act and it is defined in more detail by the provisions of the Articles of Association and the By-Laws on the Work of the Management Board.

The Company has the option to acquire its treasury shares based on and following the conditions set out by the General Meeting's resolution on the acquisition of treasury shares dated 9 May 2019 which is in effect until 17 November 2024, and by the new General Meeting's resolution dated 24 April 2024 which be in effect as of 18 November 2024. The Company does not have a share-buyback programme or an employee share ownership plan. The Company holds and acquires treasury shares as a form of rewarding management and key managers pursuant to the Company by-laws regulating rewarding plans and to make possibly dividend pay-out in rights, i.e. to give the Company's shares to equity holders. Based on the authority granted by the General Meeting, Valamar Riviera d.d. intends to acquire its treasury shares on the regulated market of the Zagreb Stock Exchange by the end of this year, primarily for its Long-Term Incentive Plan for remuneration in shares, predictably up to a value equivalent to EUR 2 million.

Following the adopted long-term plan for rewarding key management by giving them treasury shares in the period from 2023 to 2026, which is aimed at increasing loyalty, focusing on business targets' achievement and shareholder value increase, key managers were rewarded with treasury shares on 12 March 2024. In order to make the payout of this reward to key managers, a total of 426,160 treasury shares were disposed of. After making this disposal of treasury shares in the first nine months, the Company now holds 2,990,862 treasury shares in total, which makes 2.3732% of the Company's share capital.

THE COMPANY'S CORPORATE BODIES ARE:

The Management Board: Mr. Željko Kukurin, CEO, and Mr. Marko Čižmek and Ms. Ivana Budin Arhanić, members.

The Company appointed senior executives, who are the Company's key management, in accordance with the provisions of the Capital Markets Acts and the EU Regulation No. 596/2014. The Company's senior executives are members of the Supervisory Board, the Management Board and key management – 3 Senior Vice Presidents: Alen Benković, Davor Brenko and David Poropat; 2 Vice Presidents: Ines Damjanić and Sebastian Palma; and 26 Sector Directors and Heads: Tomislav Dumančić, Mauro Teković, Bruno Radoš, Sandi Sinožić, Andrea Štifanić, Željko Jurcan, Ivan Karlić, Mario Skopljaković, Dario Kinkela, Mile Pavlica, Tomislav Poljuha, Dragan Vlahović, Flavio Gregorović, Martina Šolić, Vedrana Ambrosi Barbalić, Mirella Premeru, Ivica Vrkić, Giorgio Cadum, Vlastimir Ivančić, Lea Sošić, Roberto Gobo, Ivan Polak, Karmela Višković, Denis Prevolshek, Marko Vusić, Vlatka Kocijan, Antonio Beg and Ivana Tubaković Laković.

The Supervisory Board: Mr. Franz Lanschützer, Chairman, Mr. Mladen Markoč, Deputy Chairman, Mr. Daniel Goldscheider, Deputy Chairman, and members Mr. Gustav Wurmböck, Ms. Gudrun Kuffner, Ms. Petra Stolba, Mr. George Eltz, Mr. Boris Galić, and Mr. Ivan Ergović (workers' representative). In order to perform its functions more efficiently, as well as to perform the tasks prescribed by the provisions of the Audit Act and the Corporate Governance Code, the Supervisory Board appointed the following bodies:

The **Praesidium** comprised of Mr. Franz Lanschützer, Chairman, and Mr. Mladen Markoč and Mr. Daniel Goldscheider, Deputy Chairmen.

The **Audit Committee** comprised of Ms. Gudrun Kuffner, Chairwoman, and Mr. Georg Eltz, Mr. Gustav Wurmböck, Mr. Mladen Markoč and Mr. Boris Galić, members.

The **Investment Committee** comprised of Mr. Daniel Goldscheider, Chairman, and Mr. Franz Lanschützer and Ms. Gudrun Kuffner, members.

The **Digitalisation and Sustainability Committee**, comprised of: Ms. Petra Stolba, Chairwoman, Mr. Franz Lanschützer and Mr. Daniel Goldscheider, members.

Compliant with applicable regulations and Company by-laws, the Management and Supervisory Board primarily act through meetings and by correspondence in their decision-making. The Company has concluded employment contracts with the President and members of the Management Board for the duration of their term of office (from 1 January 2022 to 31 December 2026), and only one member of the Supervisory Board, who is a workers' representative, has an employment contract for an indefinite period.

OWN SHARES AND SHARE BUYBACK PROGRAM

The Company has the ability to acquire own shares based on and in accordance with the conditions set forth in the General Assembly resolution on the acquisition of own shares dated 9 May 2019, which remained in effect until 17 November 2024, as well as the General Assembly resolution dated 24 April 2024, which has been in effect since 18 November 2024.

Pursuant to the aforementioned resolutions, on 14 November 2024, the Company's Management Board adopted a resolution approving the Own Shares Buyback Program (<https://valamar-riviera.com/media/493963/notification-of-adopting-an-own-share-buy-back-programme-1-107-24.pdf>). The Company holds and acquires own shares for the purpose of rewarding the management and key executives in accordance with the Company's remuneration policies and for the potential payment of a portion of the dividend in the form of share-based rights. In accordance with the Program, the Company plans to acquire its own shares on the regulated market of the Zagreb Stock Exchange d.d. up to a maximum amount of EUR 2 million.

In accordance with the adopted long-term share-based reward plan for key executives for the period from 2023 to 2026, which aims to promote loyalty, focus on achieving business objectives, and increased shareholder value, a total of 426,160 own shares were released on 12 March 2024 by the Company.

In 2024, the Company acquired 110,674 of its own shares on the Zagreb Stock Exchange at an average price of EUR 5.24.

Following the disposal and acquisition of own shares during the year, the Company holds a total of 3,101,536 own shares on 31 December 2024, which represents 2.46% of the Company's share capital.



Hvar [PLACESHOTEL] by Valamar 3*, Hvar Island

Valamar Share



Performance of Valamar Riviera's share and Zagreb Stock Exchange and travel and leisure indices in 2024



During 2024, the highest achieved share price in regular trading on the regulated market was EUR 5.30, and the lowest EUR 4.55. On 31 Dec 2024 the price was EUR 5.24 which represents an increase of 11.0% compared to the last price in 2023. With a total turnover of EUR 20.1 million²⁰ Valamar Riviera share was the seventh share on the Zagreb Stock Exchange in terms of turnover during 2024.

In addition to the Zagreb Stock Exchange index, the joint stock index of the Zagreb and Ljubljana stock exchanges ADRIaprime, the stock is also a component of the Vienna Stock Exchange index (CROX²¹ and SETX²²) and the Warsaw Stock Exchange (CEEplus²³), the SEE Link regional platform index (SEELinX and SEELinX EWI)²⁴ and the MSCI Frontier Markets Index²⁵.

²⁰ Block transactions are excluded from the calculation.

²¹ Croatian Traded Index (CROX) is a capitalization-weighted price index and is made up of 12 most liquid and highest capitalized shares of Zagreb Stock Exchange.

²² South-East Europe Traded Index (SETX) is a capitalization-weighted price index consisting of blue chip stocks traded on stock exchanges in the region of South-eastern Europe (shares listed in Bucharest, Ljubljana, Sofia, Belgrade and Zagreb).

²³ CEEplus is a stock index that comprise the most liquid stocks listed on stock exchanges in the Visegrad Group countries (Poland, Czech Republic, Slovakia, Hungary) and Croatia, Romania and Slovenia.

²⁴ SEE Link is a regional platform for securities trading. It was founded by Bulgarian, Macedonian, and Zagreb Stock Exchange. SEE LinX and SEE LinX EWI are two "blue chip" regional indices composed of ten most liquid regional companies listed on three Stock Exchanges: five from Croatia, three from Bulgaria, and two from Macedonia.

²⁵ The MSCI Frontier Markets Index captures large and mid-cap representation across 29 Frontier Markets countries

Zagrebačka banka d.d. and Interkapital vrijednosni papiri d.o.o. perform the activities of market makers with ordinary shares of Valamar Riviera listed on the Leading Market of the Zagreb Stock Exchange d.d.

Valamar Riviera actively holds meetings and conference calls with domestic and foreign investors, as well as presentations for investors, providing support for the highest possible level of transparency, creating additional liquidity, increasing share value and involving new investors. By continuing to actively represent Valamar Riviera, we will strive to contribute to further growth in

7th

MOST ACTIVELY
TRADED SHARE
BY REGULAR
TURNOVER ON THE
ZAGREB STOCK
EXCHANGE IN 2024

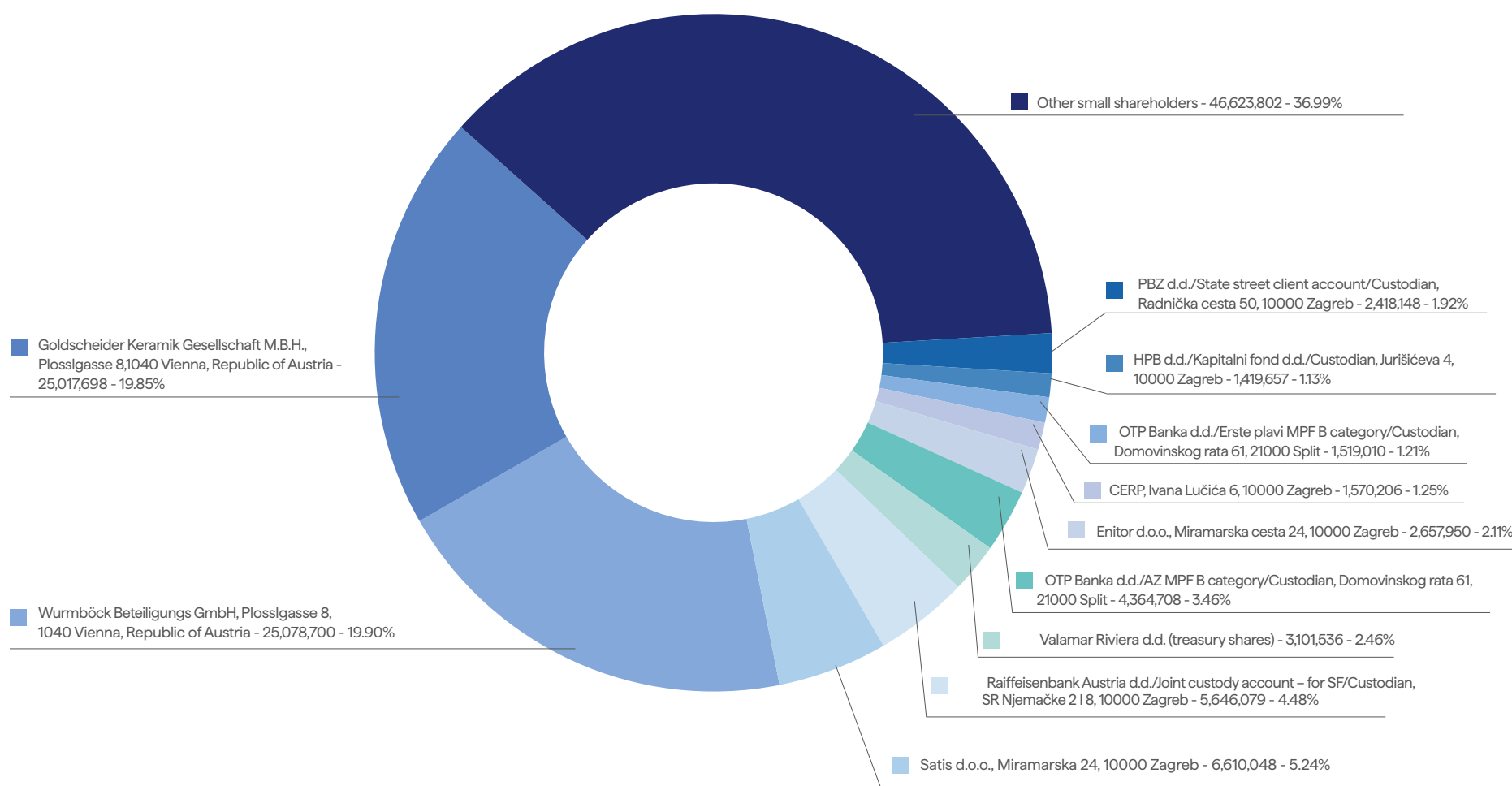
value for all stakeholders with the intention of recognizing the Company's share as one of the leaders on the Croatian capital market and one of the leaders in the CEE region.

Analytical coverage of Valamar Riviera is provided by: 1) ERSTE bank d.d., Zagreb; 2) Interkapital vrijednosni papiri d.o.o., Zagreb; 3) Zagrebačka banka d.d., Zagreb and 4) Ipopema, Warsaw.

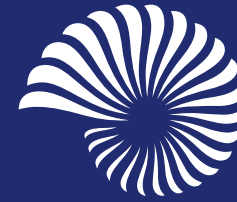


Lanterna Premium Camping Resort 4*, Poreč

OVERVIEW OF MAJOR SHAREHOLDERS AS AT 31 DECEMBER 2024:



Hotel Kesselspitze 5*, Obertauern



Additional Information



Marea Valamar Collection Suites 5*, Poreč



The Management and Supervisory Boards express their gratitude to all shareholders, business partners, and guests for their support and trust, and particularly to all employees for their contribution.

ADDITIONAL INFORMATION

In the course of 2024 the Company's Management Board performed the actions provided by law and the Articles of Association and regarding the management and representation of the Company and planned a business policy that was implemented with prudent care. The Company's Management Board will continue to undertake all the necessary measures in order to ensure sustainability and business growth.

The quarterly separate and consolidated financial statements for 2024 were adopted by the Management Board on 28 February 2025.

The Management Board expresses its gratitude to all shareholders, business partners, and guests for their support and trust, and particularly to all employees for their contribution.

Management Board of the Company

Željko Kukurin
Management Board
President

Marko Čižmek
Management Board
Member

Ivana Budin Arhanić
Management Board
Member

Valamar Collection Girandella Resort 4*/5*, Rabac



Disclaimer



This report may contain certain outlook based on currently available facts, findings and circumstances and estimates in this regard. Our outlook is based including, but no limited on a) results achieved in 2024; b) operating results achieved by 21 Feb 2025; c) current booking status; d) 2025 year end business results forecast; e) the absence of further significant negative effects of the risks to which the Company and the Group are exposed.

Outlook statements are based on currently available information, current assumptions, forward-looking expectations and projections. This outlook is not a guarantee of future results and is subject to future events, risks, and uncertainties, many of which are beyond the control of, or currently unknown to Valamar Riviera, as well as potentially incorrect assumptions that could cause the actual results to materially differ from the said expectations and forecasts. Risks and uncertainties include, but are not limited to those described in the chapter “Risks of the Company and the Group”. Materially significant deviations from the outlook may arise from changes in circumstances, assumptions not being realized, as well as other risks, uncertainties, and factors, including, but no limited to:

- Macro-economic trends in the Republic of Croatia and in the source markets, including currency exchange rates fluctuations and prices of goods and services, deflation and inflation, unemployment, trends in the gross domestic product and industrial production, as well as other trends having a direct or indirect impact on the purchasing power of Valamar Riviera’s guests;
- Economic conditions, security and political conditions, trends and events in the capital markets of the Republic of Croatia and Valamar Riviera’s source markets;
- Spending and disposable income of guests, as well as guests’ preferences, trust in and satisfaction with Valamar Riviera’s products and services;
- Trends in the number of overnights, bookings, and average daily rates of accommodation at Valamar Riviera’s properties;
- Change in market interest rates and the price of equity securities, and other financial risks to which Valamar Riviera is exposed;
- Labor force availability and costs, transport, energy, and utilities costs,

selling prices of energy sources and other goods and services, as well as supply chain disruptions;

- Changes in accounting policies and findings of financial report audits, as well as findings of tax and other business audits;
- Outcomes and costs of judicial proceedings to which Valamar Riviera is a party;
- Loss of competitive strength and reduced demand for products and services of Croatian tourism and Valamar Riviera under the impact of weather conditions and seasonal movements;
- Reliability of IT business solutions and cyber security of Valamar Riviera’s business operations, as well as related costs;
- Changes of tax and other regulations and laws, trade restrictions, and rates of customs duty;
- Adverse climatic events, environmental risks, disease outbreaks and pandemics.
- Regional and global geopolitical uncertainties and wars.

Should materially significant changes to the stated outlook occur, Valamar Riviera shall immediately inform the public thereof, in compliance with Article 459 of the Capital Market Act. The given outlook statements are not an outright recommendation to buy, hold or sell Valamar Riviera’s shares.

RESPONSIBILITY FOR THE QUARTERLY FINANCIAL STATEMENTS

In Poreč, 28 February 2025

In accordance with provisions of Law on Capital Market, Marko Čižmek, Management board member and CFO, and Vedrana Ambrosi Barbalić, director of Department of Finance and Accounting, procurator, together as persons responsible for the preparation of quarterly financial reports of the company VALAMAR RIVIERA d.d. seated in Poreč, Stancija Kaligari 1, OIB 36201212847 (hereinafter: Company), hereby make the following

S T A T E M E N T

According to our best knowledge:

- Unaudited consolidated and unconsolidated financial statements for the 2024 are prepared in accordance with applicable standards of financial reporting and give true and fair view of the assets and liabilities, profit and loss, financial position and operations of the Company and the companies included in consolidation (Group);
- Report of the Company's Management board for the period from 1 January to 31 December 2024 contains the true presentation of development, results and position of the Company and companies included in the consolidation, with description of significant risks and uncertainties which the Company and companies included in consolidation are exposed. Financial statements for the period from 1 January to 31 December 2024 were not audited.

Marko Čižmek
Management Board Member

Vedrana Ambrosi Barbalić
Director of Department of
Finance and Accounting /
Procurator

VALAMAR
VALAMAR RIVIERA D.D.
POREČ (4)

Reporting period: from 01.01.2024 to 31.12.2024

Quarterly financial statements

Year:	2024	
Quarter:	4	
Registration number (MB):	3474771	Issuer's home Member State code: HR
Entity's registration number (MBS):	40020883	
Personal identification number (OIB):	36201212847	LEI: 529900DUWS1DGNEK4C68
Institution code:	30577	
Name of the issuer:	Valamar Riviera d.d.	
Postcode and town:	52440	Poreč
Street and house number:	Stancija Kaligari 1	
E-mail address:	uprava@riviera.hr	
Web address:	www.valamar-riviera.com	
Number of employees (end of the reporting period):	3814	
Consolidated report:	KD	(KN-not consolidated/KD-consolidated)
Audited:	RN	(RN-not audited/RD-audited)
Names of subsidiaries (according to IFRS):	Registered office:	MB:
Magične stijene d.o.o.	Dubrovnik	2315211
Bugenvilia d.o.o.	Dubrovnik	2006120
Imperial Riviera d.d.	Rab	3044572
Bookkeeping firm:	No	
Contact person:	Sopta Anka	
	(only name and surname of the contact person)	
Telephone:	052 408 188	
E-mail address:	anka.sopta@riviera.hr	
Audit firm:		
	(name of the audit firm)	
Certified auditor:		
	(name and surname)	

John S. Jendrya

(authorized representative's signature)

VALAMAR
VALAMAR RIVIERA D.D.
POREČ (4)

L.S.

BALANCE SHEET (balance as at 31.12.2024)
Submitter: Valamar Riviera d.d.

in EUR			
Item 1	ADP code 2	Last day of the preceding business year 3	At the reporting date of the current period 4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001		
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	728.032.913	862.393.774
I. INTANGIBLE ASSETS (ADP 004 to 009)	003	7.113.034	8.805.704
1 Research and Development	004		
2 Concessions, patents, licences, trademarks, software and other rights	005	5.327.241	7.017.105
3 Goodwill	006	871.672	871.672
4 Advance payments for purchase of intangible assets	007		
5 Intangible assets in preparation	008	914.121	916.927
6 Other intangible assets	009		
II. TANGIBLE ASSETS (ADP 011 to 019)	010	662.329.502	792.216.731
1 Land	011	129.883.886	191.149.147
2 Buildings	012	412.109.694	411.037.030
3 Plants and equipment	013	57.687.356	61.428.951
4 Tools, working inventory and transportation assets	014	14.412.117	17.740.167
5 Biological asset	015		
6 Advance payments for purchase of tangible assets	016	117.031	14.792.164
7 Tangible assets in preparation	017	41.738.408	89.842.314
8 Other tangible assets	018	6.032.708	5.915.533
9 Investments property	019	348.302	311.425
III. FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	18.469.932	20.599.969
1 Investments in holdings (shares) of undertakings within the group	021		
2 Investments in other securities of undertakings within the group	022		
3 Loans, deposits etc given to undertakings in a Group	023		
4 Investments in holdings (shares) of companies linked by virtue of participating interest	024	16.254.440	16.108.372
5 Investment in other securities of companies linked by virtue of participating interest	025		
6 Loans, deposits etc. given to companies linked by virtue of participating interest	026	795.420	3.643.444
7 Investments in securities	027	135.827	224
8 Loans, deposits, etc. given	028	590.532	613.367
9 Other investments accounted for using the equity method	029		
10 Other fixed financial assets	030	693.713	234.562
IV. RECEIVABLES (ADP 032 to 035)	031		
1 Receivables from undertakings within the group	032		
2 Receivables from companies linked by virtue of participating interests	033		
3 Customer receivables	034		
4 Other receivables	035		
V. DEFERRED TAX ASSETS	036	40.120.445	40.771.370
C) CURENT ASSETS (ADP 038+046+053+063)	037	94.414.531	91.820.402
I. INVENTORIES (ADP 039 to 045)	038	7.386.812	10.177.867
1 Raw materials	039	6.971.251	9.833.231
2 Work in progress	040		
3 Finished goods	041		
4 Merchandise	042	412.423	339.835
5 Advance payments for inventories	043	3.138	4.801
6 Fixed assets held for sale	044		
7 Biological asset	045		
II. RECEIVABLES (ADP 047 to 052)	046	6.200.436	8.328.541
1 Receivables from undertakings within the group	047		
2 Receivables from companies linked by virtue of participating interest	048	1.373.496	415.736
3 Customer receivables	049	2.436.265	2.945.305
4 Receivables from employees and members of the undertaking	050	109.278	1.589.196
5 Receivables from government and other institutions	051	1.942.981	2.506.983
6 Other receivables	052	338.416	871.321
III. SHORT-TERM FINANCIAL ASSETS (ADP 054 to 062)	053	25.641.924	13.559.927
1 Investments in holdings (shares) of undertakings within the group	054		
2 Investments in other securities of undertakings within the group	055		
3 Loans, deposits, etc. to undertakings within the group	056		
4 Investments in holdings (shares) of companies linked by virtue of participating interest	057		
5 Investment in other securities of companies linked by virtue of participating interest	058		
6 Loans, deposits etc. given to companies linked by virtue of participating interest	059		
7 Investments in securities	060		
8 Loans, deposits, etc. given	061	24.035.528	12.954.510
9 Other financial assets	062	1.606.396	605.417
IV. CASH AT BANK AND IN HAND	063	55.185.359	59.754.067
D) PREPAID EXPENSES AND ACCRUED INCOME	064	3.763.787	4.730.568
E) TOTAL ASSETS (ADP 001+002+037+064)	065	826.211.231	958.944.744
F) OFF-BALANCE SHEET ITEMS	066	7.179.343	7.170.190

BALANCE SHEET (balance as at 31.12.2024) (continued)**Submitter: Valamar Riviera d.d.**

Item 1	ADP code 2	in EUR	
		Last day of the preceding business year 3	At the reporting date of the current period 4
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	067	446.821.035	448.613.607
I. INITIAL (SUBSCRIBED) CAPITAL	068	221.915.350	221.915.350
II. CAPITAL RESERVES	069	1.218.381	1.550.786
III. RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	15.901.347	17.013.933
1 Legal reserves	071	11.095.768	11.095.768
2 Reserves for treasury share	072	18.158.509	18.158.509
3 Treasury shares and holdings (deductible item)	073	-13.743.570	-12.624.875
4 Statutory reserves	074		
5 Other reserves	075	390.640	384.531
IV. REVALUATION RESERVES	076		
V. FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	39.878	
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	39.878	
2 Cash flow hedge - effective portion	079		
3 Hedge of a net investment in a foreign operation - effective portion	080		
4 Other fair value reserves	081		
5 Exchange differences arising from the translation of foreign operations (consolidation)	082		
VI. RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	42.165.052	42.432.256
1 Retained profit	084	42.165.052	42.432.256
2 Loss brought forward	085		
VII. PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	27.027.615	25.803.461
1 Profit for the business year	087	27.027.615	25.803.461
2 Loss for the business year	088		
VIII. MINORITY (NON-CONTROLLING) INTEREST	089	138.553.412	139.897.821
B) PROVISIONS (ADP 091 to 096)	090	8.330.408	6.602.040
1 Provisions for pensions, termination benefits and similar obligations	091	4.156.621	4.125.118
2 Provisions for tax liabilities	092		
3 Provisions for ongoing legal cases	093	4.102.327	2.429.282
4 Provisions for renewal of natural resources	094		
5 Provision for warranty obligations	095		
6 Other provisions	096	71.460	47.640
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	264.707.353	319.962.162
1 Liabilities towards undertakings within the group	098		
2 Liabilities for loans, deposits, etc. to companies within the group	099		
3 Liabilities towards companies linked by virtue of participating interest	100		
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	101		
5 Liabilities for loans, deposits etc.	102		
6 Liabilities towards banks and other financial institutions	103	244.200.777	232.030.522
7 Liabilities for advance payments	104		
8 Liabilities towards suppliers	105		436.876
9 Liabilities for securities	106		
10 Other long-term liabilities	107	14.787.692	82.348.815
11 Deferred tax liability	108	5.718.884	5.145.949
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	84.649.099	164.473.726
1 Liabilities towards undertakings within the group	110		
2 Liabilities for loans, deposits, etc. to companies within the group	111		
3 Liabilities towards companies linked by virtue of participating interest	112	31.800	99.060
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	113		
5 Liabilities for loans, deposits etc.	114		
6 Liabilities towards banks and other financial institutions	115	49.774.765	101.722.030
7 Liabilities for advance payments	116	6.573.592	15.255.638
8 Liabilities towards suppliers	117	16.924.444	26.711.139
9 Liabilities for securities	118		
10 Liabilities towards employees	119	4.789.942	6.101.809
11 Taxes, contributions and similar liabilities	120	4.624.581	6.412.646
12 Liabilities arising from the share in the result	121	49.388	49.388
13 Liabilities arising from fixed assets held for sale	122		
14 Other short-term liabilities	123	1.880.587	8.122.016
E) ACCRUALS AND DEFERRED INCOME	124	21.703.336	19.293.209
F) TOTAL - LIABILITIES (ADP 067+090+097+109+124)	125	826.211.231	958.944.744
G) OFF-BALANCE SHEET ITEMS	126	7.179.343	7.170.190

STATEMENT OF PROFIT OR LOSS (for the period 01.01.2024 to 31.12.2024)**Submitter: Valamar Riviera d.d.**

in EUR

Item	ADP code	Same period of the previous year		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (ADP 002 to 006)	001	372.208.414	24.383.780	417.029.033	26.924.479
1 Income from sales with undertakings within the group	002				
2 Income from sales (outside group)	003	365.719.180	19.846.531	411.321.821	25.334.943
3 Income from the use of own products, goods and services	004	83.740	21.992	95.465	29.674
4 Other operating income with undertakings within the group	005				
5 Other operating income (outside the group)	006	6.405.494	4.515.257	5.611.747	1.559.862
II. OPERATING EXPENSES (ADP 008+009+013+017+018+019+022+029)	007	329.806.825	73.184.303	366.619.900	71.626.052
1 Changes in inventories of work in progress and finished goods	008				
2 Material costs (ADP 010 to 012)	009	118.247.660	20.599.230	128.225.196	19.371.682
a) Costs of raw material	010	69.301.049	7.825.326	73.658.599	7.871.420
b) Costs of goods sold	011	2.690.545	451.684	4.529.361	464.517
c) Other external costs	012	46.256.066	12.322.220	50.037.236	11.035.745
3 Staff costs (ADP 014 to 016)	013	104.577.058	22.253.732	118.792.828	23.776.560
a) Net salaries and wages	014	65.192.504	13.747.430	73.993.907	15.744.385
b) Tax and contributions from salaries expenses	015	25.746.359	5.638.460	29.249.357	4.998.778
c) Contributions on salaries	016	13.638.195	2.867.842	15.549.564	3.033.397
4 Depreciation	017	65.778.289	16.767.340	68.874.368	16.873.244
5. Other expenses	018	36.168.890	10.537.015	44.964.593	9.748.666
6. Value adjustments (ADP 020+021)	019	36.573	36.573	63.905	63.905
a) fixed assets other than financial assets	020				
b) current assets other than financial assets	021	36.573	36.573	63.905	63.905
7 Provisions (ADP 023 to 028)	022	1.557.229	1.552.744	1.161.918	1.160.632
a) Provisions for pensions, termination benefits and similar obligations	023	1.294.383	1.289.898	1.097.369	1.096.083
b) Provisions for tax liabilities	024				
c) Provisions for ongoing legal cases	025	262.846	262.846	64.549	64.549
d) Provisions for renewal of natural resources	026				
e) Provisions for warranty obligations	027				
f) Other provisions	028				
8 Other operating expenses	029	3.441.126	1.437.669	4.537.092	631.363
III. FINANCIAL INCOME (ADP 031 to 040)	030	3.124.743	1.379.951	3.224.743	1.069.684
1 Income from investments in holdings (shares) of undertakings within the group	031				
2 Income from investments in holdings (shares) of companies linked by virtue of participating interest	032				
3 Income from other long-term financial investment and loans granted to undertakings within the group	033				
4 Other interest income from operations with undertakings within the group	034				
5 Exchange rate differences and other financial income from operations with undertakings within the group	035				
6 Income from other long-term financial investments and loans	036			8.672	8.672
7 Other interest income	037	2.381.463	1.196.960	2.144.521	851.799
8 Exchange rate differences and other financial income	038	2.873		4.910	7.910
9 Unrealised gains (income) from financial assets	039			192.728	
10 Other financial income	040	740.407	182.991	873.912	201.303
IV. FINANCIAL EXPENDITURE (ADP 042 to 048)	041	11.158.639	4.126.784	15.819.607	3.307.931
1 Interest expenses and similar expenses with undertakings within the group	042				
2 Exchange rate differences and other expenses from operations with undertakings within the group	043				
3 Interest expenses and similar expenses	044	8.621.199	1.952.890	13.789.832	2.569.249
4 Exchange rate differences and other expenses	045		57		
5 Unrealised losses (expenses) from financial assets	046	1.145.636	1.700.761		134.212
6 Value adjustments of financial assets (net)	047				
7 Other financial expenses	048	1.391.804	473.076	2.029.775	604.470
V. SHARE IN PROFIT FROM COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	049				
VI. SHARE IN PROFIT FROM JOINT VENTURES	050				
VII. SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	927.050	880.297	829.206	783.079
VIII. SHARE IN LOSS OF JOINT VENTURES	052				
IX. TOTAL INCOME (ADP 001+030+049 +050)	053	375.333.157	25.763.731	420.253.776	27.994.163
X. TOTAL EXPENDITURE (ADP 007+041+051+052)	054	341.892.514	78.191.384	383.268.713	75.717.062
XI. PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	33.440.643	-52.427.653	36.985.063	-47.722.899
1 Pre-tax profit (ADP 053-054)	056	33.440.643		36.985.063	
2 Pre-tax loss (ADP 054-053)	057		-52.427.653		-47.722.899
XII. INCOME TAX	058	-226.683	-10.316.169	4.166.837	-8.187.868
XIII. PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	33.667.326	-42.111.484	32.818.226	-39.535.031
1 Profit for the period (ADP 055-059)	060	33.667.326		32.818.226	
2 Loss for the period (ADP 059-055)	061		-42.111.484		-39.535.031

STATEMENT OF PROFIT OR LOSS (for the period 01.01.2024 to 31.12.2024) (continued)
Submitter: Valamar Riviera d.d.

in EUR

Item	ADP code	Same period of the previous year		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
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				
1 Pre-tax profit from discontinued operations	063				
2 Pre-tax loss on discontinued operations	064				
XV. INCOME TAX OF DISCONTINUED OPERATIONS	065				
1 Discontinued operations profit for the period (ADP 062-065)	066				
2 Discontinued operations loss for the period (ADP 065-062)	067				
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				
1 Pre-tax profit (ADP 068)	069				
2 Pre-tax loss (ADP 068)	070				
XVII. INCOME TAX (ADP 058+065)	071				
XVIII. PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072				
1 Profit for the period (ADP 068-071)	073				
2 Loss for the period (ADP 071-068)	074				
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	33.667.326	-42.111.484	32.818.226	-39.535.031
1 Attributable to owners of the parent	076	27.027.615	-37.940.929	25.803.461	-34.096.645
2 Attributable to minority (non-controlling) interest	077	6.639.711	-4.170.555	7.014.765	-5.438.386
STATEMENT OF OTHER COMPRHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I. PROFIT OR LOSS FOR THE PERIOD	078	33.667.326	-42.111.484	32.818.226	-39.535.031
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 080 to 087)	079	39.065	39.489	-47.554	
III. ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (ADP 081 to 085)	080	39.065	39.489	-47.554	
1 Changes in revaluation reserves of fixed tangible and intangible assets	081				
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	39.065	39.489	-47.554	
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083				
4 Actuarial gains/losses on the defined benefit obligation	084				
5 Other items that will not be reclassified	085				
6 Income tax relating to items that will not be reclassified	086	7.032	7.108	-7.676	
IV. ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS (ADP 088 to 095)	087				
1 Exchange rate differences from translation of foreign operations	088				
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089				
3 Profit or loss arising from effective cash flow hedging	090				
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091				
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092				
6 Changes in fair value of the time value of option	093				
7 Changes in fair value of forward elements of forward contracts	094				
8 Other items that may be reclassified to profit or loss	095				
9 Income tax relating to items that may be reclassified to profit or loss	096				
V. NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086-096)	097	32.033	32.381	-39.878	
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	33.699.359	-42.079.103	32.778.348	-39.535.031
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VII. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	33.699.359	-42.079.103	32.778.348	-39.535.031
1 Attributable to owners of the parent	100	27.059.648	-37.908.548	25.763.583	-34.096.645
2 Attributable to minority (non-controlling) interest	101	6.639.711	-4.170.555	7.014.765	-5.438.386

STATEMENT OF CASH FLOWS - indirect method (for the period 01.01.2024 to 31.12.2024)
Submitter: Valamar Riviera d.d.

in EUR			
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	33.440.643	36.985.063
2 Adjustments (ADP 003 to 010)	002	69.731.646	82.392.501
a) Depreciation	003	65.778.289	68.874.368
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	960.281	1.097.033
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005		-11.934
d) Interest and dividend income	006	-2.379.352	-2.150.768
e) Interest expenses	007	8.832.617	13.975.039
f) Provisions	008	-6.410.463	-1.728.368
g) Exchange rate differences (unrealised)	009		
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	2.950.274	2.337.131
I. Cash flow increase or decrease before changes in the working capital (ADP 001+002)	011	103.172.289	119.377.564
3 Changes in the working capital (ADP 013 to 016)	012	18.458.416	3.406.642
a) Increase or decrease in short-term liabilities	013	23.220.896	6.792.722
b) Increase or decrease in short-term receivables	014	-2.874.035	-595.025
c) Increase or decrease in inventories	015	-1.888.445	-2.791.055
d) Other increase or decrease in the working capital	016		
II. Cash from operations (ADP 011+012)	017	121.630.705	122.784.206
4 Interest paid	018	-8.342.406	-12.485.337
5 Income tax paid	019	-1.085	-4.795.601
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	113.287.214	105.503.268
CASH FLOW FROM INVESTMENT ACTIVITIES			
1 Cash receipts from sales of fixed tangible and intangible assets	021	180.068	291.775
2 Cash receipts from sales of financial instruments	022	536.796	560.732
3 Interest received	023	1.858.239	2.493.096
4 Dividends received	024	2.160	
5 Cash receipts from repayment of loans and deposit	025		11.200.000
6 Other cash receipts from investment activities	026		968.400
III. Total cash receipts from investment activities (ADP 021 to 026)	027	2.577.263	15.514.003
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-58.603.851	-116.955.199
2 Cash payments for the acquisition of financial instruments	029		
3 Cash payments for loans and deposits for the period	030	-7.200.000	-4.028.012
4 Acquisition of a subsidiary, net of cash acquired	031		
5 Other cash payments from investment activities	032	-3.022.425	-687.120
IV. Total cash payments from investment activities (ADP 028 to 032)	033	-68.826.276	-121.670.331
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027+033)	034	-66.249.013	-106.156.328
CASH FLOW FROM FINANCING ACTIVITIES			
1 Cash receipts from the increase of initial (subscribed) capital	035		
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036		
3 Cash receipts from credit principals, loans and other borrowings	037	17.370.731	90.217.867
4 Other cash receipts from financing activities	038	336.793	370.286
V. Total cash receipts from financing activities (ADP 035 to 038)	039	17.707.524	90.588.153
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-69.465.794	-50.252.299
2 Dividends paid	041	-26.912.708	-32.739.429
3 Cash payments for finance lease	042	-5.470	-3.728
4 Cash payments for the redemption of treasury shares and decrease of initial (subscribed) capital	043	-1.772.315	-598.730
5 Other cash payments from financing activities	044	-703.661	-1.772.199
VI. Total cash payments from financing activities (ADP 040 to 044)	045	-98.859.948	-85.366.385
C) NET CASH FLOW FROM FINANCIAL ACTIVITIES (ADP 039+045)	046	-81.152.424	5.221.768
1 Unrealised exchange rate differences in cash and cash equivalents	047		
D) NET INCREASE OR DECREASE OF CASH FLOWS (ADP 020+034+046+047)	048	-34.114.223	4.568.708
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	049	89.299.582	55.185.359
F) CASH AND CASH EQUIVALENTS AT THE END OF PERIOD (ADP 048+049)	050	55.185.359	59.754.067

STATEMENT OF CHANGES IN EQUITY (for the period 01.01.2024 to 31.12.2024)
Submitter: Valamar Riviera d.d.

in EUR																			
Item	ADP code	Attributable to owners of the parent																	
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	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	221.915.351	693.268	11.095.768	18.158.509	16.513.142		5.114.288		7.845					46.604.740	19.601.100	306.677.727	134.448.828	441.126.555
2 Changes in accounting policies	02																		
3 Correction of errors	03																		
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	221.915.351	693.268	11.095.768	18.158.509	16.513.142		5.114.288		7.845					46.604.740	19.601.100	306.677.727	134.448.828	441.126.555
5 Profit/loss of the period	05														0	27.027.615	27.027.615	6.639.711	33.667.326
6 Exchange rate differences from translation of foreign operations	06																		
7 Changes in revaluation reserves of fixed tangible and intangible assets	07																		
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08									39.065							39.065		39.065
9 Profit or loss arising from effective cash flow hedge	09																		
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10																		
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11																		
12 Actuarial gains/losses on the defined benefit obligation	12																		
13 Other changes in equity unrelated to owners	13																		
14 Tax on transactions recognised directly in equity	14									-7.032							-7.032		-7.032
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	-1	1																
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16																		
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17																		
18 Redemption of treasury shares/holdings	18					1.772.315											-1.772.315		-1.772.315
19 Payments from members/shareholders	19																		
20 Payment of share in profit/dividend	20														-24.377.581		-24.377.581	-2.535.127	-26.912.708
21 Other distributions and payments to members/shareholders	21		525.112			-4.541.887		-4.723.648							336.793		680.144		680.144
22 Transfer to reserves according to the annual schedule	22														19.601.100	-19.601.100			
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23																		
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	221.915.350	1.218.381	11.095.768	18.158.509	13.743.570		390.640		39.878					42.165.052	27.027.615	308.267.623	138.553.412	446.821.035
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									32.033							32.033		32.033
II. COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05 to 25)	26									32.033						27.027.615	27.059.648	6.639.711	33.699.359
III. TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	-1	525.113			-2.769.572		-4.723.648							-4.439.688	-19.601.100	-25.469.752	-2.535.127	-28.004.879
Current period																			
1. Balance on the first day of the previous business year	28	221.915.350	1.218.381	11.095.768	18.158.509	13.743.570		390.640		39.878					42.165.052	27.027.615	308.267.623	138.553.412	446.821.035
2 Changes in accounting policies	29																		
3 Correction of errors	30																		
4 Balance on the first day of the current business year (restated) (ADP 28 to 30)	31	221.915.350	1.218.381	11.095.768	18.158.509	13.743.570		390.640		39.878					42.165.052	27.027.615	308.267.623	138.553.412	446.821.035
5 Profit/loss of the period	32															25.803.461	25.803.461	7.014.765	32.818.226
6 Exchange rate differences from translation of foreign operations	33																		
7 Changes in revaluation reserves of fixed tangible and intangible assets	34																		
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35									-47.554					-61.624		-109.178		-109.178
9 Profit or loss arising from effective cash flow hedge	36																		
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37																		
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38																		
12 Actuarial gains/losses on the defined benefit obligation	39																		
13 Other changes in equity unrelated to owners	40																		
14 Tax on transactions recognised directly in equity	41									7.676							7.676		7.676
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42																		
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43																		
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44																		
18 Redemption of treasury shares/holdings	45					598.730											-598.730		-598.730
19 Payments from members/shareholders	46																		
20 Payment of share in profit/dividend	47														-27.069.073		-27.069.073	-5.670.356	-32.739.429
21 Other distributions and payments to members/shareholders	48		332.405			-1.717.425		-6.109							370.286		2.414.007		2.414.007
22 Carryforward per annual plane	49														27.027.615	-27.027.615			
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50																		
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	51	221.915.350	1.550.786	11.095.768	18.158.509	12.624.875		384.531							42.432.256	25.803.461	308.715.786	139.897.821	448.613.607
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									-39.878					-61.624		-101.502		-101.502
II. COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53									-39.878					-61.624	25.803.461	25.701.959	7.014.765	32.716.724
III. TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54		332.405			-1.118.695		-6.109							328.828	-27.027.615	-25.253.796	-5.670.356	-30.924.152

NOTES TO FINANCIAL STATEMENTS - TFI

(drawn up for quarterly reporting periods)

Name of the issuer:

Valamar Riviera d.d.

Personal identification

number OIB: **36201212847**

Reporting period:

01.01.2024 to 31.12.2024

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)
- 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
- 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)
- 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)
- e) other comments prescribed by IAS 34 - Interim financial reporting
- 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
 2. adopted accounting policies (only an indication of whether there has been a change from the previous period)
 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
 4. the amount and nature of individual items of income or expenditure which are of exceptional size or incidence
 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
 6. average number of employees during the financial year
 7. where, in accordance with the regulations, the undertaking capitalised 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 capitalised 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
 8. where a provision for deferred tax is recognised 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
 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

NOTES TO FINANCIAL STATEMENTS - TFI (continued)

(drawn up for quarterly reporting periods)

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

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
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
12. the name, registered office and legal form of each of the undertakings of which the undertaking is a member having unlimited liability
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
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
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
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
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.

Notes to financial statements for the three month period together with detailed information on financial performance and events relevant to understanding changes in financial statements are available in PDF document „Business results 1/1/2024 – 31/12/2024“ which has been simultaneously published with this document on HANFA (Croatian Financial Services Supervisory Agency), Zagreb Stock Exchange and Issuers web pages.

Reporting period: from 01.01.2024 to 31.12.2024

Quarterly financial statements

[illegible]

Indira

(authorized representative's signature)

VALAMAR
VALAMAR RIVIERA D.D.
POREČ (4)

L.S.

BALANCE SHEET (balance as at 31.12.2024)**Submitter: Valamar Riviera d.d.**

in EUR			
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	597.799.951	703.490.535
I. INTANGIBLE ASSETS (ADP 004 to 009)	003	6.565.018	8.336.873
1 Research and Development	004		
2 Concessions, patents, licences, trademarks, software and other rights	005	4.779.225	6.548.274
3 Goodwill	006	871.672	871.672
4 Advance payments for purchase of intangible assets	007		
5 Intangible assets in preparation	008	914.121	916.927
6 Other intangible assets	009		
II. TANGIBLE ASSETS (ADP 011 to 019)	010	446.642.084	547.412.609
1 Land	011	70.644.262	127.172.259
2 Buildings	012	287.897.269	288.789.056
3 Plants and equipment	013	38.770.695	40.741.520
4 Tools, working inventory and transportation assets	014	7.487.134	9.268.096
5 Biological asset	015		
6 Advance payments for purchase of tangible assets	016	69.958	14.608.527
7 Tangible assets in preparation	017	36.238.653	61.705.707
8 Other tangible assets	018	5.185.811	4.816.018
9 Investments property	019	348.302	311.426
III. FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	143.056.928	146.084.631
1 Investments in holdings (shares) of undertakings within the group	021	124.258.659	124.258.659
2 Investments in other securities of undertakings within the group	022		
3 Loans, deposits etc given to undertakings in a Group	023		
4 Investments in holdings (shares) of companies linked by virtue of participating interest	024	16.816.257	17.503.377
5 Investment in other securities of companies linked by virtue of participating interest	025		
6 Loans, deposits etc. given to companies linked by virtue of participating interest	026	795.420	3.643.444
7 Investments in securities	027	135.603	
8 Loans, deposits, etc. given	028	590.532	613.367
9 Other investments accounted for using the equity method	029		
10 Other fixed financial assets	030	460.457	65.784
IV. RECEIVABLES (ADP 032 to 035)	031		
1 Receivables from undertakings within the group	032		
2 Receivables from companies linked by virtue of participating interests	033		
3 Customer receivables	034		
4 Other receivables	035		
V. DEFERRED TAX ASSETS	036	1.535.921	1.656.422
C) CURENT ASSETS (ADP 038+046+053+063)	037	59.905.492	75.555.864
I. INVENTORIES (ADP 039 to 045)	038	5.945.539	8.580.962
1 Raw materials	039	5.587.078	8.296.206
2 Work in progress	040		
3 Finished goods	041		
4 Merchandise	042	358.461	284.756
5 Advance payments for inventories	043		
6 Fixed assets held for sale	044		
7 Biological asset	045		
II. RECEIVABLES (ADP 047 to 052)	046	6.851.328	13.317.840
1 Receivables from undertakings within the group	047	2.340.631	7.559.683
2 Receivables from companies linked by virtue of participating interest	048	1.373.496	415.736
3 Customer receivables	049	1.909.335	2.318.899
4 Receivables from employees and members of the undertaking	050	88.956	1.561.948
5 Receivables from government and other institutions	051	893.990	634.436
6 Other receivables	052	244.920	827.138
III. SHORT-TERM FINANCIAL ASSETS (ADP 054 to 062)	053	821.086	426.683
1 Investments in holdings (shares) of undertakings within the group	054		
2 Investments in other securities of undertakings within the group	055		
3 Loans, deposits, etc. to undertakings within the group	056		
4 Investments in holdings (shares) of companies linked by virtue of participating interest	057		
5 Investment in other securities of companies linked by virtue of participating interest	058		
6 Loans, deposits etc. given to companies linked by virtue of participating interest	059		
7 Investments in securities	060		
8 Loans, deposits, etc. given	061	35.528	154.210
9 Other financial assets	062	785.558	272.473
IV. CASH AT BANK AND IN HAND	063	46.287.539	53.230.379
D) PREPAID EXPENSES AND ACCRUED INCOME	064	2.611.402	3.376.303
E) TOTAL ASSETS (ADP 001+002+037+064)	065	660.316.845	782.422.702
F) OFF-BALANCE SHEET ITEMS	066	7.179.343	7.170.190

BALANCE SHEET (balance as at 31.12.2024) (continued)**Submitter: Valamar Riviera d.d.**

Item 1	ADP code 2	in EUR	
		Last day of the preceding business year 3	At the reporting date of the current period 4
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	067	407.623.536	408.200.934
I. INITIAL (SUBSCRIBED) CAPITAL	068	221.915.350	221.915.350
II. CAPITAL RESERVES	069	1.283.035	1.615.440
III. RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	15.901.347	17.013.933
1 Legal reserves	071	11.095.768	11.095.768
2 Reserves for treasury share	072	18.158.509	18.158.509
3 Treasury shares and holdings (deductible item)	073	-13.743.570	-12.624.875
4 Statutory reserves	074		
5 Other reserves	075	390.640	384.531
IV. REVALUATION RESERVES	076		
V. FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	39.878	
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	39.878	
2 Cash flow hedge - effective portion	079		
3 Hedge of a net investment in a foreign operation - effective portion	080		
4 Other fair value reserves	081		
5 Exchange differences arising from the translation of foreign operations (consolidation)	082		
VI. RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	143.538.707	141.723.515
1 Retained profit	084	143.538.707	141.723.515
2 Loss brought forward	085		
VII. PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	24.945.219	25.932.696
1 Profit for the business year	087	24.945.219	25.932.696
2 Loss for the business year	088		
VIII. MINORITY (NON-CONTROLLING) INTEREST	089		
B) PROVISIONS (ADP 091 to 096)	090	6.284.948	5.379.063
1 Provisions for pensions, termination benefits and similar obligations	091	3.342.017	3.281.683
2 Provisions for tax liabilities	092		
3 Provisions for ongoing legal cases	093	2.942.931	2.097.380
4 Provisions for renewal of natural resources	094		
5 Provision for warranty obligations	095		
6 Other provisions	096		
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	166.870.642	218.344.029
1 Liabilities towards undertakings within the group	098		
2 Liabilities for loans, deposits, etc. to companies within the group	099		
3 Liabilities towards companies linked by virtue of participating interest	100		
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	101		
5 Liabilities for loans, deposits etc.	102		
6 Liabilities towards banks and other financial institutions	103	151.652.565	139.704.743
7 Liabilities for advance payments	104		
8 Liabilities towards suppliers	105		
9 Liabilities for securities	106		
10 Other long-term liabilities	107	13.789.397	77.331.291
11 Deferred tax liability	108	1.428.680	1.307.995
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	61.443.224	136.287.661
1 Liabilities towards undertakings within the group	110	48.042	57.055
2 Liabilities for loans, deposits, etc. to companies within the group	111		
3 Liabilities towards companies linked by virtue of participating interest	112	31.800	99.060
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	113		
5 Liabilities for loans, deposits etc.	114		
6 Liabilities towards banks and other financial institutions	115	33.001.611	84.527.014
7 Liabilities for advance payments	116	5.060.911	12.488.044
8 Liabilities towards suppliers	117	13.335.698	20.983.225
9 Liabilities for securities	118		
10 Liabilities towards employees	119	3.834.829	4.805.383
11 Taxes, contributions and similar liabilities	120	4.232.394	5.884.813
12 Liabilities arising from the share in the result	121		
13 Liabilities arising from fixed assets held for sale	122		
14 Other short-term liabilities	123	1.897.939	7.443.067
E) ACCRUALS AND DEFERRED INCOME	124	18.094.495	14.211.015
F) TOTAL - LIABILITIES (ADP 067+090+097+109+124)	125	660.316.845	782.422.702
G) OFF-BALANCE SHEET ITEMS	126	7.179.343	7.170.190

STATEMENT OF PROFIT OR LOSS (for the period 01.01.2024 to 31.12.2024)**Submitter: Valamar Riviera d.d.**

in EUR

Item	ADP code	Same period of the previous year		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (ADP 002 to 006)	001	294.475.295	19.238.485	324.026.872	25.302.426
1 Income from sales with undertakings within the group	002	13.266.380	3.218.741	18.450.009	6.639.420
2 Income from sales (outside group)	003	276.816.723	13.326.753	300.617.817	16.311.885
3 Income from the use of own products, goods and services	004	81.930	21.655	88.369	27.856
4 Other operating income with undertakings within the group	005	219.627	88.905	244.174	89.741
5 Other operating income (outside the group)	006	4.090.635	2.582.431	4.626.503	2.233.524
II. OPERATING EXPENSES (ADP 008+009+013+017+018+019+022+029)	007	260.298.742	58.862.899	288.775.101	58.994.783
1 Changes in inventories of work in progress and finished goods	008				
2 Material costs (ADP 010 to 012)	009	97.191.203	19.231.049	103.317.180	15.680.287
a) Costs of raw materials and consumables	010	54.197.430	5.980.147	55.891.305	5.458.474
b) Costs of goods sold	011	2.592.001	446.896	4.406.140	447.346
c) Other external costs	012	40.401.772	12.804.006	43.019.735	9.774.467
3 Staff costs (ADP 014 to 016)	013	83.363.542	18.263.807	95.325.693	20.917.156
a) Net salaries and wages	014	51.949.966	11.348.869	59.566.760	14.028.875
b) Tax and contributions from salary costs	015	20.616.001	4.573.712	23.331.358	4.209.926
c) Contributions on salaries	016	10.797.575	2.341.226	12.427.575	2.678.355
4 Depreciation	017	47.224.180	11.796.937	49.038.816	12.132.574
5. Other costs	018	29.359.538	7.067.314	36.415.772	7.980.841
6. Value adjustments (ADP 020+021)	019	36.573	36.573	32.756	32.756
a) fixed assets other than financial assets	020				
b) current assets other than financial assets	021	36.573	36.573	32.756	32.756
7 Provisions (ADP 023 to 028)	022	1.324.721	1.320.236	1.115.114	1.114.483
a) Provisions for pensions, termination benefits and similar obligations	023	1.097.855	1.093.370	1.068.539	1.067.908
b) Provisions for tax liabilities	024				
c) Provisions for ongoing legal cases	025	226.866	226.866	46.575	46.575
d) Provisions for renewal of natural resources	026				
e) Provisions for warranty obligations	027				
f) Other provisions	028				
8 Other operating expenses	029	1.798.985	1.146.983	3.529.770	1.136.686
III. FINANCIAL INCOME (ADP 031 to 040)	030	5.013.112	762.271	6.982.513	371.783
1 Income from investments in holdings (shares) of undertakings within the group	031	2.183.287		4.978.422	
2 Income from investments in holdings (shares) of companies linked by virtue of participating interest	032				
3 Income from other long-term financial investment and loans granted to undertakings within the group	033				
4 Other interest income from operations with undertakings within the group	034				
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	178.578	41.911	47.137	
6 Income from other long-term financial investments and loans	036			8.672	8.672
7 Other interest income	037	1.655.236	538.477	1.102.843	159.615
8 Exchange rate differences and other financial income	038	2.160		3.341	5.035
9 Unrealised gains (income) from financial assets	039				
10 Other financial income	040	993.851	181.883	842.098	198.461
IV. FINANCIAL EXPENDITURE (ADP 042 to 048)	041	6.287.039	1.780.540	11.217.315	2.261.594
1 Interest expenses and similar expenses with undertakings within the group	042				
2 Exchange rate differences and other expenses from operations with undertakings within the group	043				
3 Interest expenses and similar expenses	044	4.882.765	938.193	9.977.181	1.666.702
4 Exchange rate differences and other expenses	045	2.609	1.234		
5 Unrealised losses (expenses) from financial assets	046	299.425	507.116	133.909	203.405
6 Value adjustments of financial assets (net)	047				
7 Other financial expenses	048	1.102.240	333.997	1.106.225	391.487
V. SHARE IN PROFIT FROM COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	049				
VI. SHARE IN PROFIT FROM JOINT VENTURES	050				
VII. SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051				
VIII. SHARE IN LOSS OF JOINT VENTURES	052				
IX. TOTAL INCOME (ADP 001+030+049 +050)	053	299.488.407	20.000.756	331.009.385	25.674.209
X. TOTAL EXPENDITURE (ADP 007+041+051+052)	054	266.585.781	60.643.439	299.992.416	61.256.377
XI. PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	32.902.626	-40.642.683	31.016.969	-35.582.168
1 Pre-tax profit (ADP 053-054)	056	32.902.626		31.016.969	
2 Pre-tax loss (ADP 054-053)	057		-40.642.683		-35.582.168
XII. INCOME TAX	058	7.957.407	-7.316.902	5.084.273	-6.953.436
XIII. PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	24.945.219	-33.325.781	25.932.696	-28.628.732
1 Profit for the period (ADP 055-059)	060	24.945.219		25.932.696	
2 Loss for the period (ADP 059-055)	061		-33.325.781		-28.628.732

STATEMENT OF PROFIT OR LOSS (for the period 01.01.2024 to 31.12.2024) (continued)

Submitter: Valamar Riviera d.d.

in EUR

Item	ADP code	Same period of the previous year		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
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				
1 Pre-tax profit from discontinued operations	063				
2 Pre-tax loss on discontinued operations	064				
XV. INCOME TAX OF DISCONTINUED OPERATIONS	065				
1 Discontinued operations profit for the period (ADP 062-065)	066				
2 Discontinued operations loss for the period (ADP 065-062)	067				
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				
1 Pre-tax profit (ADP 068)	069				
2 Pre-tax loss (ADP 068)	070				
XVII. INCOME TAX (ADP 058+065)	071				
XVIII. PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072				
1 Profit for the period (ADP 068-071)	073				
2 Loss for the period (ADP 071-068)	074				
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				
1 Attributable to owners of the parent	076				
2 Attributable to minority (non-controlling) interest	077				
STATEMENT OF OTHER COMPRHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I. PROFIT OR LOSS FOR THE PERIOD	078	24.945.219	-33.325.781	25.932.696	-28.628.732
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 080+087)	079	39.065	39.489	-47.554	
III. ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (ADP 081 to 085)	080	39.065	39.489	-47.554	
1 Changes in revaluation reserves of fixed tangible and intangible assets	081				
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	39.065	39.489	-47.554	
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083				
4 Actuarial gains/losses on the defined benefit obligation	084				
5 Other items that will not be reclassified	085				
6 Income tax relating to items that will not be reclassified	086	7.032	7.108	-7.676	
IV. ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS (ADP 088 to 095)	087				
1 Exchange rate differences from translation of foreign operations	088				
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089				
3 Profit or loss arising from effective cash flow hedging	090				
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091				
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092				
6 Changes in fair value of the time value of option	093				
7 Changes in fair value of forward elements of forward contracts	094				
8 Other items that may be reclassified to profit or loss	095				
9 Income tax relating to items that may be reclassified to profit or loss	096				
V. NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086-096)	097	32.033	32.381	-39.878	
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	24.977.252	-33.293.400	25.892.818	-28.628.732
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VII. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099				
1 Attributable to owners of the parent	100				
2 Attributable to minority (non-controlling) interest	101				

STATEMENT OF CASH FLOWS - indirect method (for the period 01.01.2024 to 31.12.2024)
Submitter: Valamar Riviera d.d.

in EUR			
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	32.902.626	31.016.969
2 Adjustments (ADP 003 to 010)	002	44.192.553	53.955.947
a) Depreciation	003	47.224.180	49.038.816
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	734.727	876.012
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005		-11.934
d) Interest and dividend income	006	-3.836.412	-6.087.516
e) Interest expenses	007	5.034.255	10.121.830
f) Provisions	008	-5.626.693	-905.885
g) Exchange rate differences (unrealised)	009		
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	662.496	924.624
I. Cash flow increase or decrease before changes in the working capital (ADP 001+002)	011	77.095.179	84.972.916
3 Changes in the working capital (ADP 013 to 016)	012	17.814.562	-4.262.118
a) Increase or decrease in short-term liabilities	013	21.576.758	4.897.200
b) Increase or decrease in short-term receivables	014	-2.108.775	-6.523.896
c) Increase or decrease in inventories	015	-1.653.421	-2.635.422
d) Other increase or decrease in the working capital	016		
II. Cash from operations (ADP 011+012)	017	94.909.741	80.710.798
4 Interest paid	018	-4.790.078	-8.680.034
5 Income tax paid	019		-4.786.302
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	90.119.663	67.244.462
CASH FLOW FROM INVESTMENT ACTIVITIES			
1 Cash receipts from sales of fixed tangible and intangible assets	021	123.976	242.882
2 Cash receipts from sales of financial instruments	022	536.796	560.732
3 Interest received	023	1.353.426	1.399.122
4 Dividends received	024	2.185.447	4.978.422
5 Cash receipts from repayment of loans and deposit	025		
6 Other cash receipts from investment activities	026	1.011.673	968.400
III. Total cash receipts from investment activities (ADP 021 to 026)	027	5.211.318	8.149.558
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-27.368.385	-74.276.960
2 Cash payments for the acquisition of financial instruments	029		
3 Cash payments for loans and deposits for the period	030		-4.028.012
4 Acquisition of a subsidiary, net of cash acquired	031		
5 Other cash payments from investment activities	032	-3.022.425	-687.120
IV. Total cash payments from investment activities (ADP 028 to 032)	033	-30.390.810	-78.992.092
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027+033)	034	-25.179.492	-70.842.534
CASH FLOW FROM FINANCING ACTIVITIES			
1 Cash receipts from the increase of initial (subscribed) capital	035		
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036		
3 Cash receipts from credit principals, loans and other borrowings	037		73.207.884
4 Other cash receipts from financing activities	038	336.793	370.286
V. Total cash receipts from financing activities (ADP 035 to 038)	039	336.793	73.578.170
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-51.286.806	-33.429.146
2 Dividends paid	041	-24.377.582	-27.069.073
3 Cash payments for finance lease	042		
4 Cash payments for the redemption of treasury shares and decrease of initial (subscribed) capital	043	-1.772.315	-598.730
5 Other cash payments from financing activities	044	-821.194	-1.940.309
VI. Total cash payments from financing activities (ADP 040 to 044)	045	-78.257.897	-63.037.258
C) NET CASH FLOW FROM FINANCIAL ACTIVITIES (ADP 039+045)	046	-77.921.104	10.540.912
1 Unrealised exchange rate differences in cash and cash equivalents	047		
D) NET INCREASE OR DECREASE OF CASH FLOWS (ADP 020+034+046+047)	048	-12.980.933	6.942.840
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	049	59.268.472	46.287.539
F) CASH AND CASH EQUIVALENTS AT THE END OF PERIOD (ADP 048+049)	050	46.287.539	53.230.379

STATEMENT OF CHANGES IN EQUITY (for the period 01.01.2024 to 31.12.2024)
Submitter: Valamar Riviera d.d.

in EUR																			
Item	ADP code	Attributable to owners of the parent																	
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	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	221.915.351	757.922	11.095.768	18.158.509	16.513.142		5.114.288		7.845					93.163.896	74.415.600	408.116.037		408.116.037
2 Changes in accounting policies	02																		
3 Correction of errors	03																		
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	221.915.351	757.922	11.095.768	18.158.509	16.513.142		5.114.288		7.845					93.163.896	74.415.600	408.116.037		408.116.037
5 Profit/loss of the period	05															24.945.219	24.945.219		24.945.219
6 Exchange rate differences from translation of foreign operations	06																		
7 Changes in revaluation reserves of fixed tangible and intangible assets	07																		
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08									39.065							39.065		39.065
9 Profit or loss arising from effective cash flow hedge	09																		
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10																		
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11																		
12 Actuarial gains/losses on the defined benefit obligation	12																		
13 Other changes in equity unrelated to owners	13																		
14 Tax on transactions recognised directly in equity	14									-7.032							-7.032		-7.032
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	-1	1																
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16																		
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17																		
18 Redemption of treasury shares/holdings	18					1.772.315											-1.772.315		-1.772.315
19 Payments from members/shareholders	19																		
20 Payment of share in profit/dividend	20														-24.377.582		-24.377.582		-24.377.582
21 Other distributions and payments to members/shareholders	21		525.112			-4.541.887		-4.723.648							336.793		680.144		680.144
22 Transfer to reserves according to the annual schedule	22														74.415.600	-74.415.600			
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23																		
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	221.915.350	1.283.035	11.095.768	18.158.509	13.743.570		390.640		39.878					143.538.707	24.945.219	407.623.536		407.623.536
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									32.033							32.033		32.033
II. COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05 to 25)	26									32.033						24.945.219	24.977.252		24.977.252
III. TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	-1	525.113			-2.769.572		-4.723.648							50.374.811	-74.415.600	-25.469.753		-25.469.753
Current period																			
1. Balance on the first day of the previous business year	28	221.915.350	1.283.035	11.095.768	18.158.509	13.743.570		390.640		39.878					143.538.707	24.945.219	407.623.536		407.623.536
2 Changes in accounting policies	29																		
3 Correction of errors	30																		
4 Balance on the first day of the current business year (restated) (ADP 28 to 30)	31	221.915.350	1.283.035	11.095.768	18.158.509	13.743.570		390.640		39.878					143.538.707	24.945.219	407.623.536		407.623.536
5 Profit/loss of the period	32															25.932.696	25.932.696		25.932.696
6 Exchange rate differences from translation of foreign operations	33																		
7 Changes in revaluation reserves of fixed tangible and intangible assets	34																		
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35									-47.554					-61.624		-109.178		-109.178
9 Profit or loss arising from effective cash flow hedge	36																		
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37																		
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38																		
12 Actuarial gains/losses on the defined benefit obligation	39																		
13 Other changes in equity unrelated to owners	40																		
14 Tax on transactions recognised directly in equity	41									7.676							7.676		7.676
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42																		
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43																		
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44																		
18 Redemption of treasury shares/holdings	45					598.730											-598.730		-598.730
19 Payments from members/shareholders	46																		
20 Payment of share in profit/dividend	47														-27.069.073		-27.069.073		-27.069.073
21 Other distributions and payments to members/shareholders	48		332.405			-1.717.425		-6.109							370.286		2.414.007		2.414.007
22 Carryforward per annual plane	49														24.945.219	-24.945.219			
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50																		
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	51	221.915.350	1.615.440	11.095.768	18.158.509	12.624.875		384.531							141.723.515	25.932.696	408.200.934		408.200.934
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									-39.878					-61.624		-101.502		-101.502
II. COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53									-39.878					-61.624	25.932.696	25.831.194		25.831.194
III. TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54		332.405			-1.118.695		-6.109							-1.753.568	-24.945.219	-25.253.796		-25.253.796

NOTES TO FINANCIAL STATEMENTS - TFI

(drawn up for quarterly reporting periods)

Name of the issuer:

Valamar Riviera d.d.

Personal identification

number OIB: **36201212847**

Reporting period:

01.01.2024 to 31.12.2024

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)
- 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
- 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)
- 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)
- e) other comments prescribed by IAS 34 - Interim financial reporting
- 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
 2. adopted accounting policies (only an indication of whether there has been a change from the previous period)
 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
 4. the amount and nature of individual items of income or expenditure which are of exceptional size or incidence
 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
 6. average number of employees during the financial year
 7. where, in accordance with the regulations, the undertaking capitalised 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 capitalised 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
 8. where a provision for deferred tax is recognised 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
 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

NOTES TO FINANCIAL STATEMENTS - TFI (continued)

(drawn up for quarterly reporting periods)

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

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
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
12. the name, registered office and legal form of each of the undertakings of which the undertaking is a member having unlimited liability
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
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
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
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
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.

Notes to financial statements for the three month period together with detailed information on financial performance and events relevant to understanding changes in financial statements are available in PDF document „Business results 1/1/2024 – 31/12/2024“ which has been simultaneously published with this document on HANFA (Croatian Financial Services Supervisory Agency), Zagreb Stock Exchange and Issuers web pages.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

NOTE 1 – GENERAL INFORMATION

Valamar Riviera d.d., Poreč ("the Company") has been established and registered in accordance with laws and regulations of the Republic of Croatia. The Company is registered with the Commercial Court in Pazin. The principle activity of the Company is the provision of accommodation in hotels, resorts and campsites, food preparation and catering services as well as the preparation and serving of beverages. Company's business is of seasonal character. Company's registration number (MBS) is: 040020883, while the Company's personal identification number (OIB) is: 36201212847. The registered office of the Company is in Poreč, Stancija Kaligari 1.

The Company's shares were listed on the Prime market of the Zagreb Stock Exchange d.d., and were traded in 2024 in accordance with the relevant regulations on the organized market.

Valamar Riviera Group ("the Group") consists of Valamar Riviera d.d., joint-stock company for tourism services, Poreč (the Company) and its subsidiaries:

- Magične stijene d.o.o., Dubrovnik, 100% ownership, until 3 August 2023, when the company Magične stijene d.o.o. was deleted from the court register;
- Bugenvilia d.o.o., Dubrovnik, 100% ownership;
- Imperial Riviera d.d., Rab, 46.27% ownership with the subsidiary Praona d.o.o., Makarska.

Associated companies are:

- Helios Faros d.d., Stari Grad, 19.54% ownership (20% ownership until 15 November 2024, when the increase in share capital was entered in the court register, which was carried out in the Central Depository & Clearing Company Inc. in 2025);
- Valamar A GmbH, Vienna, Austria, 24.54% ownership with subsidiaries WBVR Beteiligungs GmbH, Vienna, Austria, Valamar Marietta GmbH, Obertauern, Austria, Kesselspitze GmbH, Obertauern, Austria and Kesselspitze GmbH & Co KG, Obertauern, Austria;

- Valamar Obertauern GmbH, Obertauern, 10% direct ownership and 22.08% indirect ownership.

On 28 June 2022, a branch of the Company was established in Austria under the name Valamar Riviera d.d., Zweigniederlassung Austria.

In accordance with the decision of the General Assembly of the company Helios Faros d.d. held on 12 October 2023 the share capital of the company Helios Faros d.d. is increased by issuing new shares with stakes in cash with partial exclusion of priority rights for existing shareholders was made by investor PBZ Croatia osiguranje d.d. in the total amount of EUR 6,435,303 for 4,838,574 shares and Valamar Riviera d.d. in the amount of EUR 1,608,825 for 1,209,643 shares.

Members of the company Valamar A GmbH in 2023 made a payment in the amount of EUR 4,000,000 in capital reserves of the company Valamar A GmbH in proportion to the following business shares: the Company paid the amount of EUR 981,600 and Wurmböck Beteiligungs GmbH EUR the amount of EUR 3,018,400.

In 2024 according to the decision of the members of the company Valamar A GmbH, the company's capital reserves have increased by a total of EUR 2,800,000 in proportion to the following business shares: the Company paid the amount of EUR 687,120 and Wurmböck Beteiligungs GmbH the amount of EUR 2,112,880. In June 2024, the members of the company approved the provision of a subordinated loan to Valamar A GmbH in the amount of EUR 3,200,000. The Company and Wurmböck Beteiligungs GmbH are participating with an equal amount of EUR 1,600,000.

The Company's Supervisory Board approved in October 2024 a new form of business cooperation in Austria, by which the previous hotel management contracts with Valamar Obertauern GmbH, Kesselspitze GmbH & Co KG and Valamar Marietta GmbH were terminated as of 31 October 2024. The Company continued to manage, through the new lease business model, the operational business activities of hotels Valamar

NOTE 1 – GENERAL INFORMATION / CONTINUED

Obertauern Hotel, Kesselspitze Hotel & Chalet, Valamar Collection and [PLACES] Obertauern by Valamar through its subsidiary in Austria.

Based on the decisions of the General Assembly on the acquisition of own shares from 9 May 2019 and 24 April 2024, the Management Board of the Company adopted the Program for the repurchase of own shares on 14 November 2024 in the amount up to EUR 2 million. From the basis of the Program, the Company intends to acquire its own shares through the investment company on the regulated market of the Zagreb Stock Exchange d.d. by the end of 2025 primarily for the purpose of fulfilling the obligations for

the Company that arise regarding the allocation of shares to key employees and members of the Management Board, and in accordance with the long-term reward program.

According to the decision of the General Assembly on 24 April 2024, the Company paid a dividend in the amount of EUR 0.22 per share, in the total amount of EUR 27,068,070.

The consolidated and unconsolidated financial statements for the fourth quarter ended 31 December 2024 were approved by the Management Board of the Company on 28 February 2025.

NOTE 2 – SUMMARY OF MATERIAL INFORMATION ON THE ACCOUNTING POLICIES AND ESTIMATES

2.1 Basis of preparation

The Company's and Group's financial statements for the fourth quarter ended 31 December 2024 have been prepared in accordance with International Accounting Standard (IAS) 34 – Interim Financial Reporting. The financial statements have been prepared under the historical cost method, except for the financial assets at fair value through profit or loss and financial assets. The consolidated and unconsolidated financial statements for the fourth quarter do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's and Group's annual financial statements as at 31 December 2023 which are available on HANFA (Croatian Financial Services Supervisory Agency), Zagreb Stock Exchange and Company's web page.

2.2 Going concern

Company's and Group's fourth quarter financial statements have been prepared on a going concern basis. Based on current expectations Management believes that the geopolitical situation will not have a significant negative impact on the Company's and

Group's ability to fulfil its obligations nor prolonged impact on Company's and Group's revenues and overall business which can affect the Company's and Group's ability to continue as a going concern in the foreseeable future.

2.3 Significant accounting policies

The accounting policies adopted in the preparation of the financial statements for the fourth quarter ended 31 December 2024 are consistent with those followed in the preparation of the Company's and Group's annual financial statements for the year ended 31 December 2023.

2.4 Critical accounting estimates

During the preparation of the financial statements for the fourth quarter ended 31 December 2024, there were no changes in the key accounting estimates compared to the estimates used in the preparation of the annual financial statements for the year ended 31 December 2023.

NOTE 2 – SUMMARY OF MATERIAL INFORMATION ON THE ACCOUNTING POLICIES AND ESTIMATES / CONTINUED**The Company and the Group as lessees of tourist land**

Due to the transition from public to private ownership, e.g. in the transformation and privatisation process and the fact that the properties of the Company and the Group that were used in the transformation process were appraised in the share capital of the Company, and a part was not appraised, there are proceedings regarding the ownership of a part of the land within the majority of tourist companies, as well as for the Company and the Group. According to the Act on Tourist and Other Construction Land not appraised in the transformation and privatisation process ("the ZOTZ"), which entered into force on August 1, 2010, a concession fee for the use of tourist land with an area of 3.29 mn m² was calculated for the Company and 3.47 mn m² for the Group. With the entry into force of the Act on unappraised land ("the ZNGZ") on 2 May 2020, the ZOTZ ceased to be valid.

The ZNGZ prescribes the obligation to determine and form buildings on appraised parts of campsites, hotels, tourist resorts and other construction land as ownership of the Company and the Group and buildings on unappraised parts of campsites, hotels, tourist resorts and other construction land as ownership of Republic of Croatia or local governments. For parts of a land owned by the Republic of Croatia or local governments, the Company and the Group currently do not have lease agreements in place. However, they are actively working on preparing such agreements, with the lease term set for 50 years, starting from 2 May 2020.

From the entry into force of the ZNGZ until the day of signing the lease agreement, the rent will be paid according to the area of the tourist land for which the concession fee has been calculated based on the ZOTZ, in the amount of 50% of the fee until the final resolution of property legal relations. The unit amount of rent and the method and terms of payment is determined by Regulations from Government.

On 8 February 2024, the Government of the Republic of Croatia adopted two Regulations on tourist lands: (1) the Regulation on the method of determining the unit of lease for tourist land on which the hotel has been built and the tourist estate, the method of calculation for lease and other fees and mandatory content of the lease agreement and (2) the Regulation on determining the initial amount of the unit price of the lease for the tourist land in camp, the method of calculation of lease and other fees and mandatory content of the lease agreement (hereinafter: the Regulations).

After the adopted Regulations, the Company and the Group revised the areas of tourist

land and estimated that in the future the Company will use 2.6 mn m² and the Group 2.8 mn m². After the adoption of the Regulations, the Company and the Group in 2023 cancelled all provisions from the previous years (2020-2022), posted the amount of the rental cost for new areas and prices in accordance with the provisions of the Regulations, including the cost related to the year 2023, and corrected obligation for concessions for new areas for the period 2010-2020.

The accounting treatment of leases by lessees, including the rent of tourist land according to the provisions of the ZNGZ, should be viewed in the context of provisions of IFRS 16 Leases. However, when analyzing the effects of the Act and Regulations and the actual application of the relevant standard, significant evaluations of the criteria for the application of IFRS 16 are required.

According to the Regulations lease fees are determined as an indexed unit price per square meter up to a maximum of 4% of the tourist facility income of the previous period. The Company and the Group made detailed analysis of fees for each individual tourist facility.

For tourist facilities for which it is estimated that the variable income limit will be reached in most years, the payments are considered variable and as such are excluded from the lease liability, i.e. the criteria for applying IFRS 16 are not met. Variable lease payments are recognized in the statement of comprehensive income for the period.

For tourist facilities for which the variable income threshold is estimated to be unlikely (very low probability) to ever be exceeded, the payments are basically fixed and the indexed unit price per square meter is included in the calculation of the rental obligation.

According to the prescribed unit rent prices from the Regulations and the determined discount rate of 5.42% to 7.96% for the Group, an initial assessment of the value of assets and liabilities with the right of use was carried out in accordance with IFRS 16 on 1 January 2024 and amounts to EUR 58 million for the Company and EUR 62.8 million for the Group.

The estimated initial annual amount of rent for tourist land amounts to EUR 4 million for the Company and EUR 4.4 million for the Group. On the basis of the fixed part of the rent, with the application of IFRS 16, depreciation expense in the amount of EUR 1,261 thousand for the Company and EUR 1,363 thousand for the Group and interest expense in the amount of EUR 3,141 thousand for the Company and EUR 3,524 thousand for the Group was shown. On the basis of the variable part of the rent, the operating cost for the Company and the Group was shown in the amount of EUR 873 thousand.

NOTE 3 – FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

In their day-to-day business activities, the Company and the Group face a number of financial risks, especially market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company and the Group have a proactive approach in mitigating the interest rate risks by using available market instruments. Internal risk management goals and policies aim at protecting partial interest hedging of the principal loan amount.

3.2 Capital management

The Company's and Group's objectives when managing capital are to safeguard the Company's and Group's ability to continue as a going concern in order to provide returns for the owner and to maintain an optimum capital structure to reduce the cost of capital.

3.3 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company and the Group is the current bid price. The fair value of financial instruments that are not traded in the active market is determined by using valuation techniques. The Company and the Group use a variety of methods and make assumptions that are based on market conditions existing at each reporting date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

Quoted market prices for similar instruments are used for long-term debt. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company and the Group for similar financial instruments.

Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTE 3 – FINANCIAL RISK MANAGEMENT / CONTINUED

The following table presents assets measured at fair value as at:

GROUP

(in thousands of EUR)

	Level 1	Level 2	Level 3	Total
As at 31 December 2023				
Assets measured at fair value				
Financial assets - equity securities	158	-	-	158
Derivative financial instruments	-	2,282	-	2,282
Total assets measured at fair value	158	2,282	-	2,440
As at 31 December 2024				
Assets measured at fair value				
Financial assets - equity securities	-	23	-	23
Derivative financial instruments	-	817	-	817
Total assets measured at fair value	-	840	-	840

COMPANY

(in thousands of EUR)

	Level 1	Level 2	Level 3	Total
As at 31 December 2023				
Assets measured at fair value				
Financial assets - equity securities	154	-	-	154
Derivative financial instruments	-	1,227	-	1,227
Total assets measured at fair value	154	1,227	-	1,381
As at 31 December 2024				
Assets measured at fair value				
Financial assets - equity securities	-	19	-	19
Derivative financial instruments	-	319	-	319
Total assets measured at fair value	-	338	-	338

NOTE 4 – SEGMENT INFORMATION

Following the management approach of IFRS 8, operating segments are reported in accordance with the internal reporting provided to the Group's Management (the chief operating decision-makers) who are responsible for allocating resources to the reportable segments and assessing its performance.

The Group records operating revenues and expenses by types of services rendered in three basic segments: hotels and apartments, camping and other business segments.

Revenue was divided between segments according to the organizational principle, where all of the income generated from camping profit centres was reported in the camping segment, and all of the income generated from hotel and apartment profit centres was reported in that segment. Other business segments include revenue from laundry services, other rentals of properties, revenue generated from the central services and central kitchens, revenue from retail, agency revenue and revenue from the accommodation of employees.

The segment information related to reportable segments for the fourth quarter ended 31 December 2023 is as follows:

GROUP				
(in thousands of EUR)	Hotels and apartments	Campsites	Other business segments	Total
Revenue from segments	239,363	111,105	46,677	397,145
Inter-segment revenue	(1,284)	(86)	(30,056)	(31,426)
Sales revenue	238,079	111,019	16,621	365,719
Depreciation and amortisation	40,138	17,619	8,021	65,778
Net finance income/(expense)	(6,780)	(1,392)	138	(8,034)
Write-off of fixed assets	514	167	397	1,078
Profit/(loss) of segment	110,614	71,213	(59,524)	122,303

All hotels, apartments and campsites (operating assets) are located in the Republic of Croatia.

NOTE 4 – SEGMENT INFORMATION / CONTINUED

The segment information related to reportable segments for the fourth quarter ended 31 December 2024 is as follows:

GROUP				
(in thousands of EUR)	Hotels and apartments	Campsites	Other business segments	Total
Revenue from segments	275,653	116,335	58,319	450,307
Inter-segment revenue	(1,857)	(128)	(37,000)	(38,985)
Sales revenue	273,796	116,207	21,319	411,322
Depreciation and amortisation	41,047	19,050	8,777	68,874
Net finance income/(expense)	(7,644)	(3,894)	(1,057)	(12,595)
Write-off of fixed assets	530	129	573	1,232
Profit/(loss) of segment	127,998	72,698	(68,570)	132,126

All hotels, apartments and camps (operating assets) are located in the Republic of Croatia, except for three rented hotels operating in Austria as part of the Subsidiary of the Valamar Riviera d.d., Zweigniederlassung Austria. The Subsidiary has leased hotels since 1 November 2024.

The segment information related to total assets and liabilities by reportable segments are as follows:

GROUP				
(in thousands of EUR)	Hotels and apartments	Campsites	Other business segments	Total
As at 31 December 2023				
Assets by segments	409,330	178,780	92,620	680,730
Liabilities by segments	227,543	92,153	32,425	352,121
As at 31 December 2024				
Assets by segments	497,985	220,098	97,016	815,099
Liabilities by segments	278,223	124,223	76,393	478,839

NOTE 4 – SEGMENT INFORMATION / CONTINUED

Reconciliation of the profit per segment with profit before tax is as follows:

GROUP		
(in thousands of EUR)	January - December 2023	January - December 2024
Revenue		
Revenue from segments	397,145	450,307
Inter-segment revenue	(31,426)	(38,985)
Sales revenue	365,719	411,322
Profit		
Profit from segments	122,303	132,126
Other unallocated expenses	(79,239)	(80,997)
Profit/(loss) from financial and extraordinary activities	(9,623)	(14,144)
Total profit/(loss) before tax	33,441	36,985

NOTE 4 – SEGMENT INFORMATION / CONTINUED

The reconciliation of segment assets and liabilities with the Group's assets and liabilities is as follows:

GROUP

(in thousands of EUR)

	As at 31 December 2023		As at 31 December 2024	
	Assets	Liabilities	Assets	Liabilities
Segment as-sets/liabilities	680,730	352,121	815,099	478,839
Hotels and apartments segment	409,330	227,543	497,985	278,223
Campsites segment	178,780	92,153	220,098	124,223
Other business segment	92,620	32,425	97,016	76,393
Unallocated	145,481	27,269	143,846	31,492
Investments in associate	16,250	-	16,108	-
Other financial assets	158	-	23	-
Loans and deposits	25,422	-	17,212	-
Cash and cash equivalents	55,185	-	59,754	-
Other receivables	6,065	-	9,161	-
Deferred tax assets/liabilities	40,120	5,719	40,771	5,146
Other liabilities	-	17,376	-	23,869
Derivative financial assets/ liabilities	2,281	-	817	-
Provisions	-	4,174	-	2,477
Total	826,211	379,390	958,945	510,331

NOTE 4 – SEGMENT INFORMATION / CONTINUED

The Group's hospitality services are provided in Croatia and Austria from 1 November 2024 to domestic and foreign customers. The Group's sales revenues are classified according to the customers' origin.

(in thousands of EUR)	GROUP			
	January - December 2023	%	January - December 2024	%
Revenue from sales to domestic customers	41,276	11.29	49,641	12.07
Revenue from sales to foreign customers	324,443	88.71	361,681	87.93
	365,719	100.00	411,322	100.00

Foreign sales revenues can be classified according to the number of overnights based on the customers' origin, as follows:

(in thousands of EUR)	GROUP			
	January - December 2023	%	January - December 2024	%
EU members	270,012	83.22	290,752	80.39
Other	54,431	16.78	70,929	19.61
	324,443	100.00	361,681	100.00

NOTE 5 – STAFF COSTS

The following table shows the information of the total cost of employees during the period:

(in thousands of EUR)	GROUP		COMPANY	
	January - December 2023	January - December 2024	January - December 2023	January - December 2024
Net salaries	65,193	73,995	51,950	59,567
Tax and contributions from salary costs	25,746	29,249	20,616	23,331
Contributions on salaries	13,638	15,550	10,798	12,428
Total	104,577	118,794	83,364	95,326

For the fourth quarter ended 31 December 2024 Company's average number of employees is 3,809 (31 December 2023: 3,628), while the Group's average number of employees is 4,983 (31 December 2023: 4,776).

On behalf of building of fixed assets, the Group and the Company capitalize salary costs.

The Group capitalised net salaries cost in the amount of EUR 1,365 thousand (31 December 2023: EUR 1,150 thousand), cost of contributions and tax from salaries in the amount of EUR 572 thousand (31 December 2023: EUR 482 thousand) and cost of contributions on salaries in the amount of EUR 302 thousand (31 December 2023: EUR 232 thousand). The Company capitalised net salaries cost in the amount of EUR 1,039 thousand (31 December 2023: EUR 813 thousand), cost of contributions and tax from salaries in the amount of EUR 436 thousand (31 December 2023: EUR 338 thousand) and cost of contributions on salaries in the amount of EUR 226 thousand (31 December 2023: EUR 154 thousand).

NOTE 6 - INCOME TAX

The Company and the Group calculated income tax using the legal income tax rate of 18% in the Republic of Croatia.
Established branch Valamar Riviera d.d., Zweigniederlassung Austria is an Austrian taxpayer with income tax rate of 25%.

Income tax comprise:

(in thousands of EUR)	GROUP		COMPANY	
	January - December 2023	January - December 2024	January - December 2023	January - December 2024
Current tax	2,878	5,383	2,872	5,318
Deferred tax	(3,105)	(1,216)	5,086	(234)
Tax (income)/expense	(227)	4,167	7,958	5,084

For the year ending 31 December 2024, in accordance with the provisions of IAS 34, the Company and the Group determined tax expense which is largely the result of current tax in the amount of EUR 5.3 million for the Company and EUR 5.4 million for the Group.

Movement overview of deferred tax assets and liabilities in 2024:

DEFERRED TAX ASSET

(in thousands of EUR)	GROUP	COMPANY
As at 1 January 2024	40,120	1,536
Credited/(debited) to the income	651	120
As at 31 December 2024	40,771	1,656

DEFERRED TAX LIABILITIES

(in thousands of EUR)	GROUP	COMPANY
As at 1 January 2024	5,719	1,429
Credited/(debited) to the income	(563)	(113)
Credited/(debited) to the other comprehensive income	(10)	(8)
As at 31 December 2024	5,146	1,308

NOTE 7 – EARNINGS/(LOSS) PER SHARE

Basic

Basic earnings/(loss) per share are calculated by dividing the profit/(loss) for the year of the Group by the weighted average number of shares ordinary in issue during the period, excluding the ordinary shares purchased by the Company and held as treasury shares.

Diluted

Diluted earnings/(loss) per share are equal to basic, since the Group did not have any convertible instruments and share options outstanding during both periods.

GROUP

	January - December 2023	January - December 2024
Profit/(loss) attributable to equity holders (in thousands of EUR)	27,028	25,803
Weighted average number of shares	122,714,818	122,946,270
Basic/diluted earnings/(loss) per share (in EUR)	0.22	0.21

NOTE 8 – CHANGES IN SHAREHOLDER'S EQUITY

During 2024, the Company acquired and disposed of its own shares. During 2024, the Company acquired 110,674 shares with a value of EUR 599 thousand which represents 0.09% of the share capital. Following the adopted long-term plan for rewarding key management by giving them treasury shares in the period from 2023 to 2026, which is aimed at increasing loyalty, focusing on business targets' achievement and shareholder value increase, key managers were rewarded with treasury shares on 12 March 2024.

In order to make the payout of this reward to key managers, a total of 426,160 treasury shares were disposed of which represents 0.34% of the share capital.

As of 31 December 2024, the Company holds 3,101,536 of its own shares, representing 2.46% of the Company's share capital.

According to the decision of the General Assembly on 24 April 2024, the Company paid a dividend in the amount of EUR 0.22 per share, in the total amount of EUR 27,068 thousand.

NOTE 9 – NON-CURRENT TANGIBLE AND INTANGIBLE ASSETS

During the year ending 31 December 2024, the Group acquired assets in the amount of EUR 124,742 thousand (31 December 2023: EUR 59,680 thousand), while the Company acquired assets in the amount of EUR 80,020 thousand (31 December 2023: EUR 27,447 thousand).

During the year ending 31 December 2024, the Group disposed the assets with a net book value of EUR 157 thousand (31 December 2023: EUR 56 thousand), resulting in a

net gain on disposal of EUR 135 thousand (31 December 2023: EUR 118 thousand).

During the year ending 31 December 2024, the Company disposed the assets with a net book value of EUR 130 thousand (31 December 2023: EUR 34 thousand), resulting in a net gain on disposal of EUR 113 thousand (31 December 2023: net gain EUR 90 thousand).

NOTE 10 – LIABILITIES FOR BORROWINGS AND LEASES UNDER IFRS 16

The following table shows bank borrowings and lease liabilities (IFRS 16) by maturity:

(in thousands of EUR)	GROUP		COMPANY	
	Total liabilities on 31 December 2024	Maturity over 5 years	Total liabilities on 31 December 2024	Maturity over 5 years
Bank borrowings	333,752	86,715	224,232	62,089
Lease liabilities under IFRS 16	79,550	60,732	74,723	57,207
Total	413,302	147,447	298,955	119,296

As at 31 December 2024 non-current and current bank borrowings of the Group amounted EUR 333,752 thousand, of which EUR 284,743 thousand are pledge over Company's property facilities and movable property, while the remaining loan in the amount of EUR 49,009 thousand is secured by promissory notes.

As at 31 December 2024 non-current and current bank borrowings of the Company amounted EUR 224,232 thousand, of which EUR 175,223 thousand are pledge over Company's property facilities and movable property, while the remaining loan in the amount of EUR 49,009 thousand is secured by promissory notes.

As at 31 December 2024 lease liabilities under IFRS 16 of the Group amounted EUR 79,550 thousand, of which the most significant item is the rental of tourist land in the amount of EUR 64,297 thousand.

As at 31 December 2024 lease liabilities under IFRS 16 of the Company amounted EUR 74,723 thousand, of which the most significant item is the rental of tourist land in the amount of EUR 59,364 thousand.

Detailed explanation of tourist land leases liabilities in Note 2.4 *Critical accounting estimates*.

NOTE 11 – CONTINGENCIES AND COMMITMENTS

The contracted capital commitments of the Company in respect to investments in tourism facilities at 31 December 2024 amount to EUR 80,934 thousand (31 December 2023: EUR 73,743 thousand). The contracted capital commitments of the Group in respect to investments in tourism facilities at 31 December 2024 amount to EUR 112,379 thousand (31 December 2023: EUR 84,299 thousand).

The Company is the guarantor of the bank loan of related-party Valamar Obertauern GmbH. The estimated maximum amount of the guarantee that can be realized is EUR 5,427 thousand. The loan of the related-party is secured by mortgages on the real estate of Valamar Obertauern GmbH. The Company estimates the very low probability of incurring an actual obligation under the guarantee.

The Company was the guarantor of the loan of related-party Imperial Riviera d.d. in the amount EUR 48,889 thousand, and to secure the claim a pledge over Imperial Riviera's property facilities was established in the amount of the claim. On 15 April, 2024, the Company concluded agreements with OTP banka d.d. on the termination of the loan guarantee agreement with the related party Imperial Riviera d.d. Following the termination of the guarantee agreement on 16 April, 2024, the Company signed an agreement with the related-party Imperial Riviera d.d. on the termination of the insurance of the guarantee agreement and approved the deletion of the lien on the real estate of Imperial Riviera d.d.

In 2023, the Company initiated an administrative dispute to annul the Decision of the Ministry of the Sea, Transport and Infrastructure, adopted after inspection supervision of economic use of the maritime domain in the area of the Ježevac camping on the island of Krk. This Decision includes a ban on the provision of accommodation services on several cadastral parcels and a ban on the provision of anchoring services. In 2024, a non-final judgment was delivered against the Company, and the Company appealed against this judgment to the competent court. The Government of the Republic of Croatia in its Conclusion from June 2024, gave the task to the Ministry of the Sea, Transport and Infrastructure to determine the boundary of the maritime domain for all camps in front of which the border of the maritime domain has not been determined, and order that the Customs Administration and the Ministry of Sea, Transport and Infrastructure, the Navigation Safety Administration stop with the inspection measures banning the operation of camps until the property relations on the maritime domain are resolved, by

31 December 2025 at latest. In July, the Ministry of the Sea, Transport and Infrastructure accepted the Company's proposal to renew the procedure and removed the ban on providing accommodation in Ježevac camping. Regarding the same subject, at the beginning of February, 2024, a notice of tax inspection was received from the Ministry of Finance which began on 27 February, 2024. In 2023, the Company has made a reservation in the amount of EUR 130 thousand and will actively participate in the ongoing procedure.

The Company is the defendant in a lawsuit from 2010 related to the payment for works on the Lacroma Hotel during its reconstruction and expansion. The Commercial Court issued a judgment in 2013, rejecting the plaintiff's claims in full. In 2020, the High Commercial Court of Croatia overturned the first instance ruling, and the case was sent back for a retrial. In the repeated proceedings, the Commercial Court in its judgement of May 2023, for the most part upheld the claim and the Company is held liable for the payment of principal in the amount of EUR 2,264,861.17 and litigation costs in the amount of EUR 702,752.22 and the corresponding statutory default interest. On 31 January 2024, the High Commercial Court of the Republic of Croatia issued a final judgment in favour of the Company, reversing the judgment of the Commercial Court in Dubrovnik from May 2023 and rejecting as unfounded all of the claims of the plaintiff. The plaintiffs filed a motion for leave to revise against the judgment of the High Commercial Court of the Republic of Croatia from 31 January 2024, to which the Company sent its response. So far, the Company has not made a reservation or booked costs for the said dispute in its books.

The Company was also a defendant in a lawsuit from 2012, which is related to the payment for work on Lacroma Hotel. The Commercial Court's first-instance ruling from 2015, which was upheld by the High Commercial Court in 2019, rejected the plaintiff's claim. However, on 4 July 2023 the Supreme Court of the Republic of Croatia annulled the rulings of the Commercial Court and the High Commercial Court, and remanded the case for retrial.

Based on the claims in the lawsuit, the principal amount in this case was EUR 1,498,608.42. In the retrial, the Commercial Court in Dubrovnik issued a first instance judgment in favour of the Company in February 2024. In the appeal procedure, following the plaintiff's appeal, the High Commercial Court of the Republic of Croatia issued a final ruling on 26 March 2024, unfavourable for the Company, overturning the Commercial Court in Dubrovnik judgment from February 2024 and accepting the plaintiff's claims. On 23 May 2024, based

NOTE 11 – CONTINGENCIES AND COMMITMENTS / CONTINUED

on the final judgment of the High Commercial Court, funds were transferred from the Company's account. On 28 May 2024, the Company filed a motion for permission to review the judgment of the High Commercial Court of the Republic of Croatia. In September 2024, the Supreme Court of the Republic of Croatia issued a decision rejecting the Company's motion for permission to file a proposal against the High Commercial Court's judgment. In 2024, the Company recorded expenses in the amount of EUR 4.1 million for the principal

amount and default interest related to this legal dispute. The Company has filed within a timely manner a Administrative Complaint with the Administrative Court of the Republic of Croatia against the decision of the Supreme Court of the Republic of Croatia which rejected the permission for revision.

In 2024, the Company abolished provisions for legal disputes in the amount of EUR 893 thousand.

NOTE 12 – ASSOCIATES

The following table shows total capital and reserves and profit or loss for the last business year of associates as at 31 December 2023:

(in thousands of EUR)				
ASSOCIATES	OWNERSHIP	Ownership	Total capital and reserves	Profit/loss for the year /ii/
Helios Faros d.d., Stari Grad	Croatia	20%	52,511	(1,419)
Valamar A GmbH, Wien /i/	Austria	24.54%	20,116	(524)
Valamar Obertauern GmbH, Obertauern /i/	Austria	10% directly/ 22.08% indirectly	3,640	(267)
WBVR Beteiligungs GmbH, Wien /i/	Austria	24.54% indirectly	4,057	(4)
Valamar Marietta GmbH, Obertauern /i/	Austria	24.54% indirectly	1,770	(848)
Kesselspitze GmbH, Obertauern /i/	Austria	24.54% indirectly	33	(1)
Kesselspitze GmbH & Co KG, Obertauern /i/	Austria	24.54% indirectly	10,727	(806)

/i/ Explained detailed in Note 1 – *General information*.

/ii/ The share in the result consists of the share in the result of Valamar Obertauern GmbH (reduced by 10% for minority interest) and in the result of Valamar A GmbH determined based on the preliminary financial statements. Associated Austrian companies are not subject to audit. The business year of mentioned companies lasts from 1 November to 31 October, but for the purposes of financial reporting, it was adjusted to the duration of the Group's business year.

NOTE 13 – RELATED PARTY TRANSACTIONS

Related party transactions were as follows:

GROUP

(in thousands of EUR)

	January - December 2023	January - December 2024
Sale of services		
Associate with participating interest	2,835	2,573
	2,835	2,573
Purchase of services		
Associate with participating interest	194	1,139
Other related parties	38	115
	232	1,254
	As at 31 December 2023	As at 31 December 2024
Trade and other receivable		
Associate with participating interest	1,374	416
	1,374	416
Liabilities		
Associate with participating interest	32	99
Other related parties	16	13
	48	112
Loans and deposits given		
Associate with participating interest	968	4,028
	968	4,028

NOTE 13 – RELATED PARTY TRANSACTIONS / CONTINUED**COMPANY**

(in thousands of EUR)	January - December 2023	January - December 2024
Sale of services		
Subsidiaries	14,215	19,535
Associate with participating interest	2,835	2,573
	17,050	22,108
Purchase of services		
Subsidiaries	1,941	2,309
Associate with participating interest	194	1,139
Other related parties	32	97
	2,167	3,545
Dividend income		
Subsidiaries	2,183	4,978
	2,183	4,978
	As at 31 December 2023	As at 31 December 2024
Trade and other receivable		
Subsidiaries	2,341	7,560
Associate with participating interest	1,373	416
	3,714	7,976
Trade and other payables		
Subsidiaries	48	57
Associate with participating interest	32	99
Other related parties	10	13
	90	169
Loans and deposits given		
Associate with participating interest	968	4,028
	968	4,028

NOTE 14 – SUBSEQUENT EVENTS

After the data of the financial statements, there have been no events that require adjustments or disclosure in the financial statements.

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