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HANFA- Croatian Financial Services Supervisory Agency
Franje Račkoga 6
10000 Zagreb

HANFA-Official Registry of Regulated Information

Zagreb Stock Exchange
Ivana Lučića 2a
10000 Zagreb

HINA – Croatian News Agency
ots@hina.hr

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Subject: Notification on adopted sustainable business development strategy of Valamar Group and approved investments in capital projects
(Inside information)

Valamar Riviera d.d. with registered office in Poreč, Stancija Kaligari 1, personal identification number (PIN): 36201212847 (hereinafter: the Company or Valamar), hereby announces that on February 28, 2024, its Supervisory Board has adopted **Valamar Group's business strategy until 2026**. The strategy is based on the investment plan amounting to EUR 450 million, aimed at building Pical and Rab premium resorts, raising the quality of hotels and campsites, internationalizing, and investing in socially responsible and sustainable tourism projects.

Valamar's strategic goals include achieving **double-digit business and company value growth** based on comparable multiples valuation approach. After implementing the strategic initiatives, **expected operating results (EBITDA) will amount to EUR 150 million**, i.e., an average annual earnings growth of about 11% compared to 2022 is predicted. For the coming period, an aimed dividend yield for Valamar shareholders amounts to around 4%, and the dividend payment will depend on the realization of annual business plans and share value market movements.

The company plans to increase revenue to EUR 500 million, with 50% generated in shoulder seasons and as much as two-thirds of revenue coming from direct sales. The plan is to improve working conditions further, raise wages, focus on creating jobs with year-round income (over 50%), retain local employees (70%) and attract seasonal returnees (60%). Valamar will continue to focus on achieving exceptionally

high guest satisfaction (guest satisfaction goal 89% and NPS 65) and expanding its active marketing database to 1.6 million guests, of which every third guest is a returnee. The company will continue investing in raising portfolio quality to achieve growth in revenues per available accommodation unit: to EUR 32,500 in hotels and EUR 12,200 in campsites.

The new strategy focuses on holiday tourism, good for destinations, residents, guests, and employees while creating new value for investors. Valamar will continue to invest in sustainable tourism and socially responsible business - in renewable green energy, waste management, local food and sustainability in the supply chain. Special attention will be paid to continuing the development of tourist infrastructure open to the public and improving the quality of life for residents in local communities where Valamar operates. By 2026, Valamar plans to reach a gold level ESG rating and to strengthen its position as a leader in sustainable tourism development in Croatia.

Following the notice on restarting investments in the Pical zone in Poreč from June 28, 2023, and in accordance with the adopted strategy, The Company Supervisory Board also gave the **final approval on continuation of investment in Pical Resort 5*, Valamar Collection in Poreč, the largest investment in Croatian tourism, worth EUR 139 million**, as well as its consent regarding investment financing.

Hotel Pical 5* will be open year-round. It will have 513 accommodation units, 10 themed restaurants and bars, a wellness center, managed beaches and beach clubs, outdoor and indoor swimming pools, and amenities for various types of holidays. For families, Pical will offer Maro World, an educational playroom featuring more than 1,200 m², Maro Clubs, children's playgrounds and a family-friendly entertainment program. A range of activities for active holidays will be offered - the new Parenzana Bike Center, outdoor jogging tracks, water sports, and a 25-meter indoor swimming pool. All sports and entertainment services, indoor swimming pool, beaches, promenades and other recreational facilities will be open to the general public, i.e., available to guests, visitors and residents alike. Pical resort will also boast one of the best congress centers in Croatia, with a multifunctional hall and a capacity of up to 1,200 participants. Final completion is scheduled for the end of 2025, while pre-sales, employment, and employee training will begin this year.

The second strategic project is the first phase of **Rab Resort 4/5* construction in Suha Punta, worth EUR 54 million**, approved by Imperial Riviera's Supervisory Board at its meeting held on February 27, 2024. Construction will begin this year, with planned opening in the summer of 2025. The resort will firmly position the island of Rab among the best destinations for family holidays on the Adriatic. Rab Resort will offer an all-inclusive service for families, with numerous amenities for children of all ages in an area of 1,000 m², including Maro Smart Play, Maro Club for children aged 3 - 12, multimedia space, indoor and outdoor children's playgrounds, as well as indoor and outdoor pools. The first phase of investment includes a complete reconstruction of all 190 accommodation units of the former Hotel Eva and the addition of 24 new family rooms.

The above-mentioned strategic goals represent the intention and expectations of the Company and are based on currently available information, current assumptions, and forward-looking expectations and projections. Strategic goals do not guarantee future results and are subject to future events, risks, and uncertainties, many of which are beyond the control of or currently unknown to the Company.

The Company will report on realizing the strategic goals and adapt strategic plans to business conditions annually.

Valamar's business strategy until 2026 will be presented to the investment public in more detail after the shareholders' General Assembly.

Valamar Riviera d.d.