



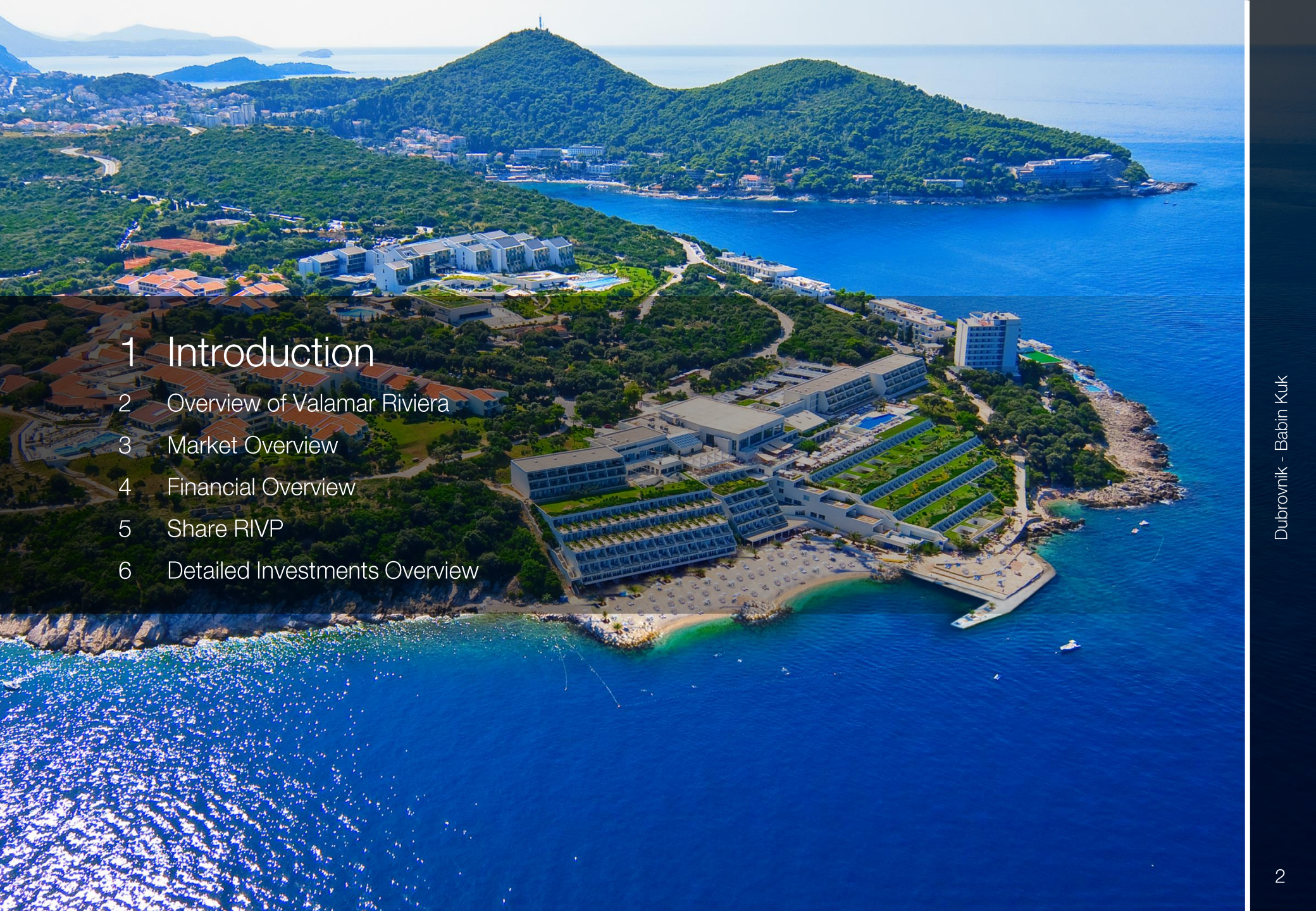
VALAMAR
All you can holiday

VALAMAR RIVIERA



Mediterranean Tourism Gem
April 2019

Valamar Marea Suites 5* - Poreč



1 Introduction

- 2 Overview of Valamar Riviera
- 3 Market Overview
- 4 Financial Overview
- 5 Share RIVP
- 6 Detailed Investments Overview

Leading tourism company in Croatia by revenues, capacities and number of destinations

Strongest Croatian hotel brand

12% of categorized capacities

Largest portfolio of camping in Croatia (15% of categorized camping in Croatia)

EUR 268mn (+12% yoy)
2018 operating income

EUR 95mn (+13% yoy)
2018 adjusted EBITDA

35,3%
2018 adjusted EBITDA margin

11% revenue and 22% EBITDA
10y CAGR (2009-2018)



Capacity of:*

≈ 58.000 guests
> 21.000 units

≈ 6,5mn
overnights
≈ 1,1mn
arrivals



EUR 675mn
investments in the past 15 years (incl. acquisitions)

EUR 765mn
balance sheet

2018 asset portfolio:
46% Premium & Upscale
35% Midscale

EUR 560mn
Mcap (Mar 2019)

≈ 22.000
shareholders

≈ 1.700 permanent employees
≈ 6.700 employees in peak season

3,09x
net debt/Adj. EBITDA

Attractive destinations:*

- Poreč, Rabac, Krk, Baška,
- Rab, Makarska, Dubrovnik,
- Obertauern



34
hotels and resorts*

15
camping resorts*

* incl. Hoteli Makarska Plc and Valamar Obertauern Hotel

Introduction

The largest
Croatian tourism
company and the
first Croatian
hotel brand

12%
of Croatian
categorised
accommodation
capacity

Major tourist
destinations
(Istria, Krk, Rab
Makarska, Dubrovnik
and Obertauern)

Increasing
profitability
and further
growth
potential

Share with the
highest liquidity
on ZSE (EUR 139k),
large free-float (49%),
and excellent IR
standards

Sustainable
dividend
potential

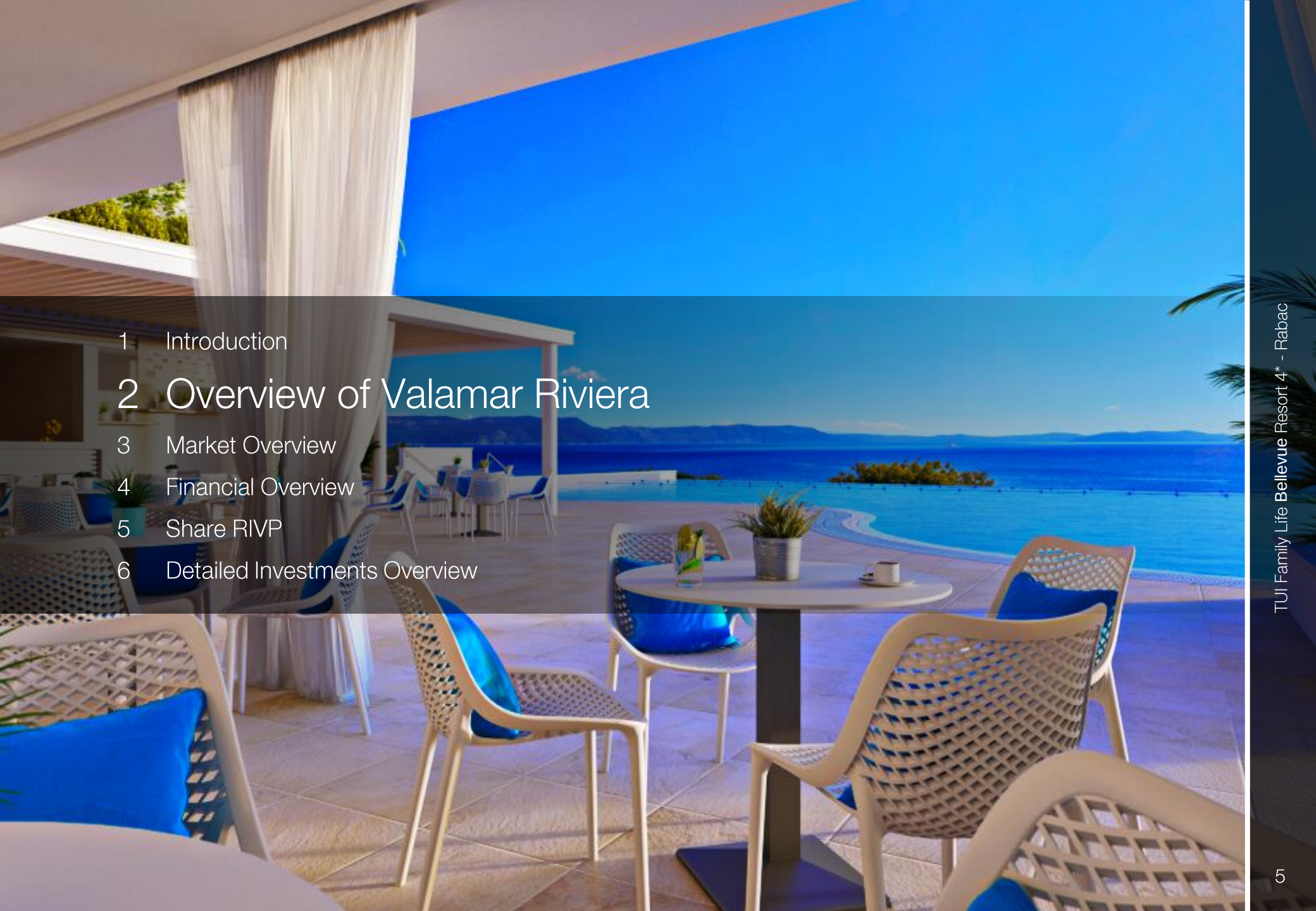
**VALAMAR RIVIERA IS THE LEADING TOURISM COMPANY IN CROATIA
AND ONE OF THE MOST ATTRACTIVE SHARES ON THE
CROATIAN CAPITAL MARKET**

Attractive
geographic
position on the
Mediterranean

Continuous
increase in
overnights and
arrivals in Croatia
(5% overnights CAGR
2010 – 2018)

Small share
of upscale/premium
hotel accommodation
capacities in
Croatia (4* and 5*)
(8% in 2017)

Stable
increase
in hospitality
sector revenues
(6% CAGR
2010 – 2018)



1 Introduction

2 Overview of Valamar Riviera

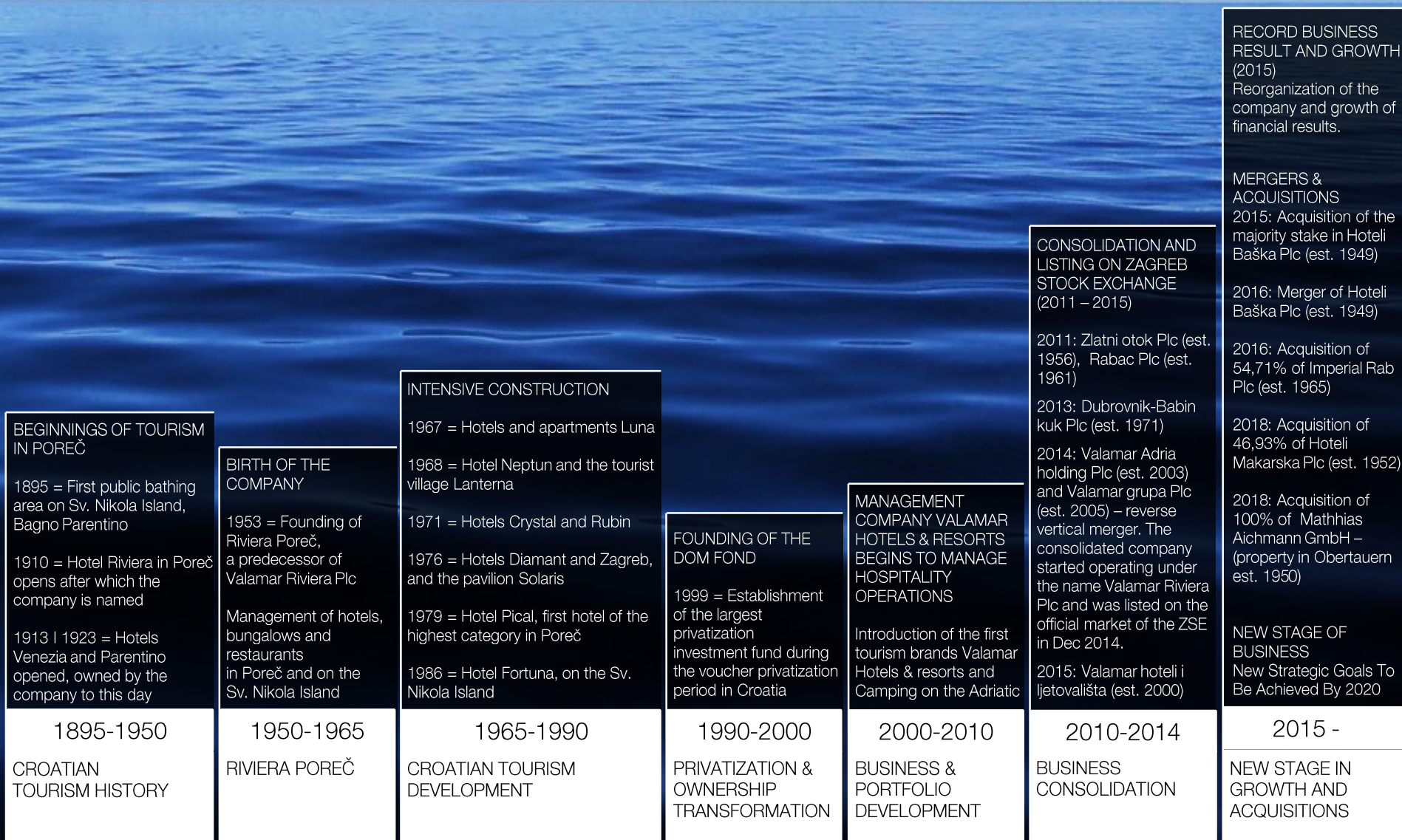
3 Market Overview

4 Financial Overview

5 Share RIVP

6 Detailed Investments Overview

History of Valamar Riviera



Our Mission, Vision and Core Values

MISSION



To create unforgettable guest experiences by using innovative services in leisure tourism.

To develop a stimulating corporate culture where guests and employees come first.

To deliver new value for shareholders through corporate responsibility by promoting sustainable development and supporting local communities.

VISION



To be the leader in leisure tourism and create authentic guest experiences in partnership with our destinations.



WELCOMING

We make our guests feel very welcome and highly appreciated.



PROUD

We take pride in our destinations and in being part of the Valamar family.



INNOVATIVE

We engage in collaborative innovation to improve our performance, stay alert and always remain open to change.



RESPONSIBLE

We are a responsible business partner, a caring employer, supportive towards the community and committed to preserving the environment.



AMBITIOUS

We set challenging goals and strive for excellence in everything we do.



Management of the Valamar Brand

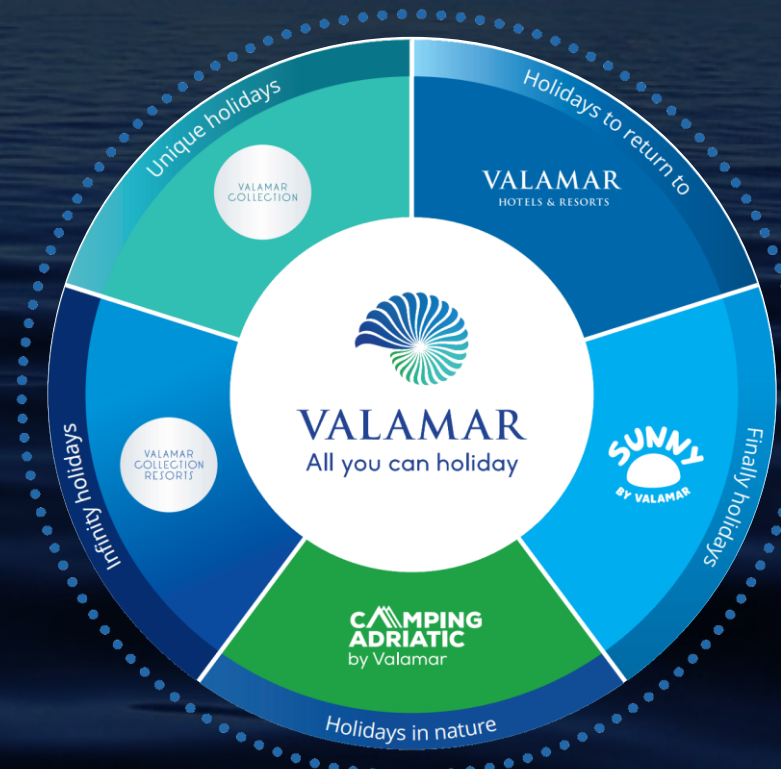
First Internationally Recognized Brand in Modern Croatian Tourism

- The Valamar Hotels & Resorts brand was introduced in 2004 and very soon it became the first internationally recognized brand in modern Croatian tourism
- Camping Adriatic by Valamar was introduced two years later
- Over time, the brand architecture was supplemented and modified, adapting to the changes within the company, and in 2016, the process of redefining the existing brand strategy began

2018 Key Brand Changes

- The existing Valamar brand architecture has moved from a system with two main product brands to a system with five main product brands closely linked to Valamar's core culture and values
- Each property in the portfolio is linked to one of the product brands and has had specific positioning, USPs, target markets and sales channels defined specifically for it
- Valamar Collection and Valamar Collection Resorts are brands of strategic importance and are the closest to Valamar's core values; they include the best products in the portfolio
- Valamar Hotels & Resorts is a brand covering the largest portion of the company's capacities and includes both upscale and midscale properties; specific labels will be introduced through this brand, depending on the special characteristics of each product
- Sunny by Valamar is the economy brand that includes both midscale and economy portions of the portfolios
- Camping Adriatic by Valamar will be lifted to a higher level and be more strongly linked to the Valamar brand; additionally, it has been divided into three categories – Premium Resorts, Resorts and Sunny

New Brand Identity



Valamar+Club

The Valamar loyalty program connects all the product brands in the system. It contributes to the distinctiveness of the umbrella brand and creates added value for returning guests.

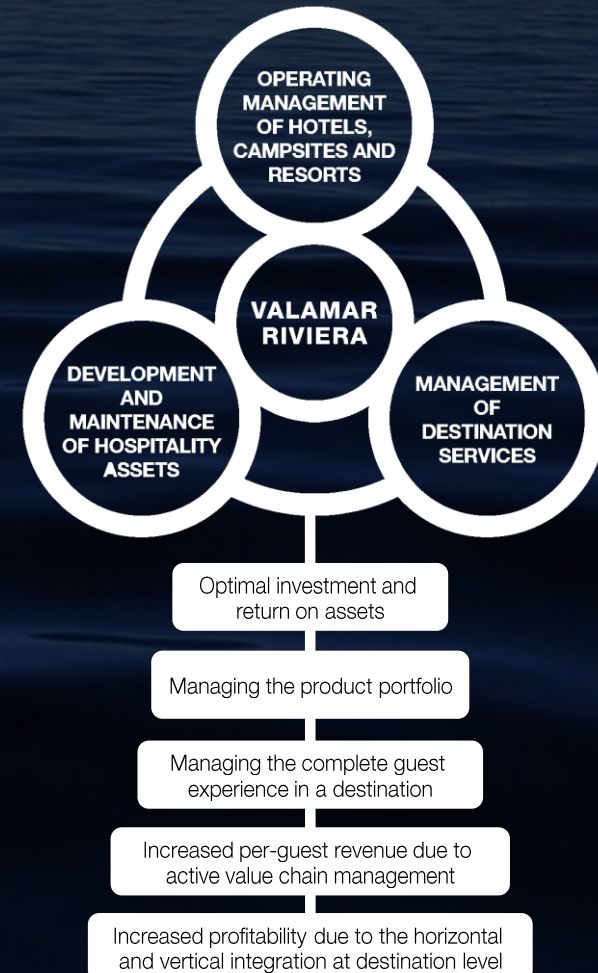
Awards & Recognitions and Business model

Awards & Recognitions

- On an annual basis, Valamar receives more than 50 international awards for quality, including most prestigious awards such as „World Travel Awards” as well as those given by Tripadvisor, ADAC, TUI, Zoover, Luxury Travel Guide and others



Business Model: Asset, Hospitality and Destination Management Company



2016-2020 Strategic Goals and Strategic Initiatives



OFFER ATTRACTIVE AND LONG-TERM SUSTAINABLE DIVIDENDS

- 2018: EUR 14,9mn; 2017: EUR 13,1mn; 2016: EUR 9,8mn; 2015: EUR 9,1mn; 2014: EUR 8,3mn



CREATE NEW VALUE FOR SHAREHOLDERS

- Significantly increase our market capitalization (2017&2018: +5%)



STEER A SUSTAINABLE AND SOCIALLY RESPONSIBLE DEVELOPMENT OF DESTINATIONS

- Invest up to 2,5% of revenues



GROW SIGNIFICANTLY

- double-digit EBITDA-CAGR growth (2015-2018: +23%)
- EBITDA margin 35%-38% (2017: 35%; 2018: 35%)



HEAVY INVESTMENTS

- Invest 200-265mn (2017&2018&P2019: 318mn)
- Premium returns while maintaining a solid balance sheet (2017: EUR 670mn; 2018: EUR 765mn) and a sustainable net debt/EBITDA ratio (2017: 2,85x; 2018: ≈3,09x)



STRENGTHEN DIRECT RELATIONSHIPS WITH GUESTS

- 50% of revenues from direct bookings (2016: 41%; 2017: 43%; 2018: 44%) and 30% of returning guests (2016: 24%; 2017: 24%; 2018: 24%)



EXPAND STRATEGIC PARTNERSHIPS

- With well-known international companies and key partners (2016&2017: TUI, Rewe,...)



BE RECOGNIZED AS THE MOST DESIRABLE EMPLOYER IN TOURISM

- 70% return rate of seasonal workers (2016: 63%; 2017: 56%; 2018: 57%) and develop >80% of our management internally (2016: 66%; 2017: 70%; 2018: 72%)

KEY STRATEGIC INITIATIVES TO REALIZE THE STRATEGIC GOALS:

- Focus on the guest -
- Caring for our employees -
- Growth strategy -
- Innovation and digitization -
- Development of our destinations and responsibility to the local community -
- Commitment to environmental sustainability -

Organizational and Ownership Structure

Organizational Structure

MANAGEMENT BOARD

DIVISION: Business Development, Quality and Corporate Affairs

DIVISION: Sales & Marketing

DIVISION: Asset Development, Maintenance & Technical service

DIVISION: Operations

Dubrovnik Region

SECTOR: Purchasing

SECTOR: IT & Application Support

SECTOR: Asset Management & General Affairs

SECTOR: Finance & Accounting

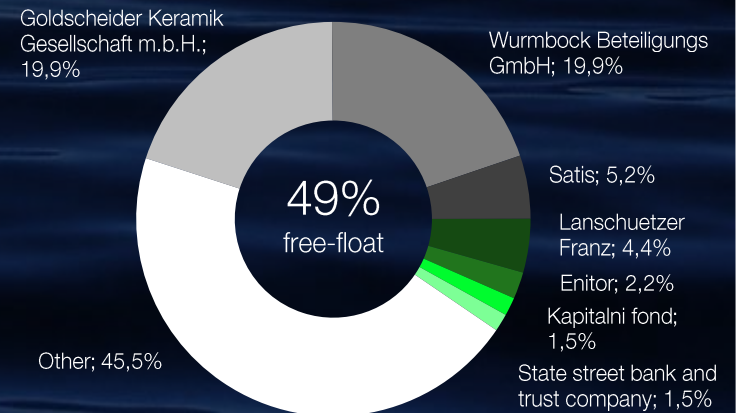
SECTOR: Strategic Planning & Controlling

SECTOR: Human Resources

Corporate Governance

- 1.718 full time employees (31/12/2018)
- KPMG auditor from 2012 to 2016; Ernst&Young from 2017
- The Supervisory Board has 7 members, including 2 independent members
- The Supervisory Board has 3 operating committees – Presidium / Audit / Investment

Ownership Structure (31/12/2018)



NB: free-float does not include treasury shares and shares in sole ownership over 4%

Management Board



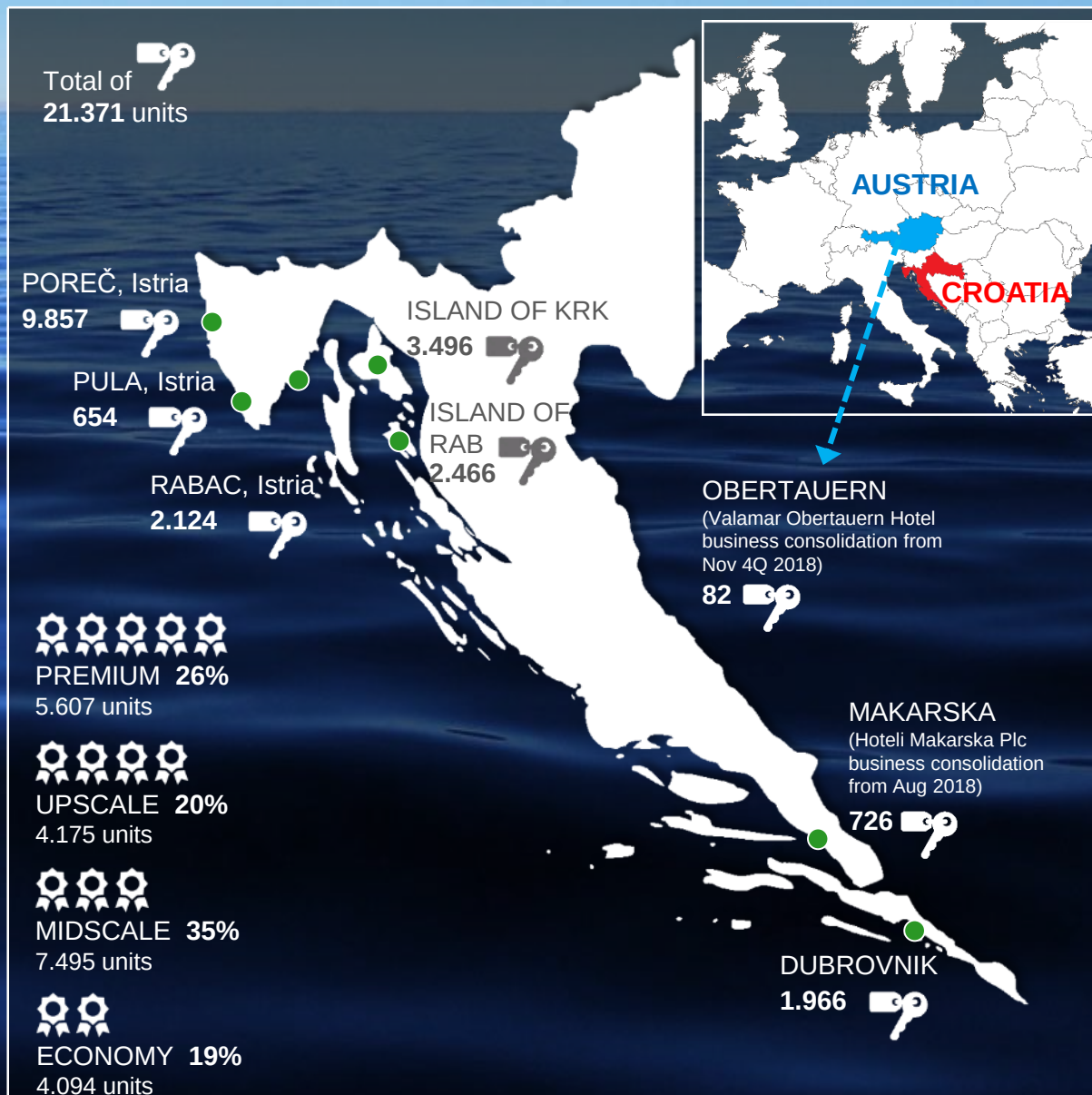
Željko Kukurin
President / CEO



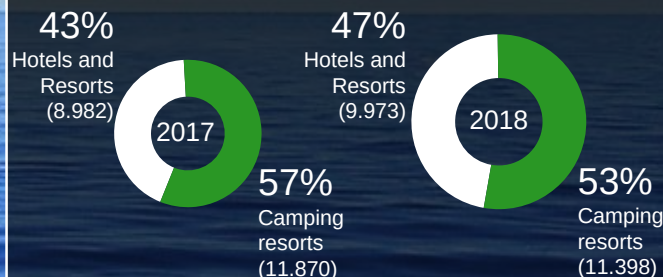
Marko Čižmek
Member / CFO

Asset Portfolio 2018 ⁽¹⁾

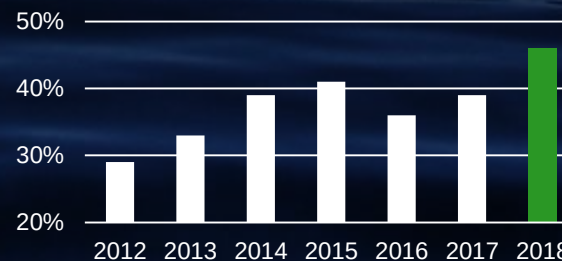
Note: All historical values have been converted from HRK to EUR according to the respective average yearly FX rate, while EUR/HRK = 7,5 was used from 2019 onwards.



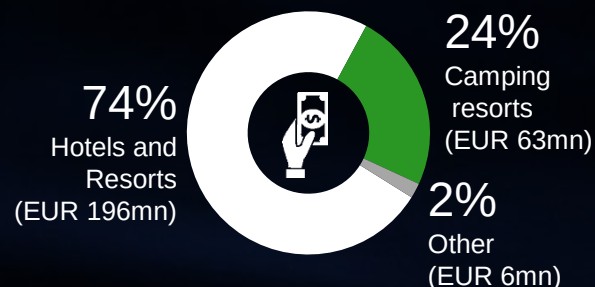
Units per Categorization



Share of Premium & Upscale Units



Net Operating Revenues (2018)



Asset Portfolio 2018 (2)

PREMIUM (5.607 units; 26% of total capacities)

	Valamar Collection Dubrovnik President Hotel 5*	(292 units)
	Valamar Collection Isabella Island Resort 4* & 5*	(334 units)
	Valamar Lacroma Dubrovnik Hotel 4*	(401 units)
	Valamar Collection Girandella Resort 4* & 5*	(391 units)
	Valamar Collection Imperial Hotel 4*	(136 units)
	Krk Premium Camping Resort by Valamar 5*	(500 units)
	Ježevac Premium Camping Resort by Valamar 4*	(683 units)
	Lanterna Premium Camping Resort by Valamar 4*	(2.870 units)

UPSCALE (4.175 units; 20% of total capacities)

	TUI Family Life Bellevue Resort 4*	(372 units)
	Valamar Tamaris Resort 4*	(507 units)
	Valamar Riviera Hotel & Suites 4*	(152 units)
	Valamar Zagreb Hotel 4*	(230 units)
	Valamar Sanfior Hotel & Casa 4*	(242 units)
	Valamar Argosy Hotel 4*	(308 units)
	Valamar Padova Hotel 4*	(175 units)
	Marina Camping Resort by Valamar 4*	(318 units)
	Bunculuka Camping Resort by Valamar 4*	(408 units)
	Zablaće Camping Resort by Valamar 4*	(654 units)
	San Marino Camping Resort by Valamar 4*	(809 units)

MIDSCALE (7.495 units; 35% of total capacities)

	Valamar Diamant Hotel & Residence 4*	(372 units)
	Valamar Crystal Hotel 4*	(223 units)
	Rubin Sunny Hotel by Valamar 3*	(253 units)
	Valamar Pinia Hotel & Residence 3*	(266 units)
	Allegro & Miramar Sunny Hotel by Valamar 3*	(358 units)
	Corinthia Baška Sunny Hotel by Valamar 3*	(456 units)

MIDSCALE (continued)

	Valamar Zvonimir Hotel 4*	(85 units)
	Valamar Atrium Baška Residence 4* & 5*	(64 units)
	Valamar Villa Adria 4*	(28 units)
	Valamar Koralj Hotel 3*	(274 units)
	Valamar Club Dubrovnik Hotel 3*	(338 units)
	Valamar Carolina Hotel & Villas 4*	(152 units)
	Valamar Meteor Hotel 4*	(278 units)
	Dalmacija Sunny Hotel by Valamar 3*	(190 units)
	Valamar Obertauern Hotel 4*	(82 units)
	San Marino Sunny Resort by Valamar 3*	(457 units)
	Orsera Camping Resort by Valamar 3*	(596 units)
	Škrila Sunny Camping by Valamar 3*	(344 units)
	Solitude Sunny Camping by Valamar 3*	(419 units)
	Padova Camping Resort by Valamar 3*	(453 units)
	Solaris Camping Resort by Valamar 3*	(1.807 units)

ECONOMY (4.094 units; 19% of total capacities)

	Pical Sunny Hotel by Valamar 2*	(359 units)
	Tirena Sunny Hotel by Valamar 3*	(208 units)
	Lanterna Sunny Resort by Valamar 2*	(881 units)
	Eva Sunny Hotel & Residence by Valamar 2*	(284 units)
	Riviera Sunny Resort by Valamar 2*	(258 units)
	Istra Sunny Camping by Valamar 2*	(1.007 units)
	Brioni Sunny Camping by Valamar 2*	(654 units)
	Tunarica Sunny Camping by Valamar 2*	(160 units)

Destinations and Asset Management

Note: All historical values have been converted from HRK to EUR according to the respective average yearly FX rate, while EUR/HRK = 7,5 was used from 2019 onwards.

ISTRIA



- The most prominent tourist region in Croatia (30mn of overnights p.a.)
- Valamar's destinations: Poreč, Tar, Funtana, Vrsar, Pula-Brioni, Rabac
- 15 hotels and resorts and 7 camping resorts

ISLAND OF KRK



- The biggest and most populated island in Croatia (1mn of overnights p.a.)
- The key advantage is a bridge connection with the mainland and international airport
- 5 hotels and resorts and 5 camping resorts

ISLAND OF RAB



- 2mn of overnights, i.e. 230 thousand guests (50% of guests from GER and AUT)
- Imperial hospitality company has a dominant position in the island's hotel and campsite offer
- 5 hotels and resorts and 2 camping resorts

MAKARSKA



- One of the best-known tourist destinations on the Croatian coast that attracts visitors with its natural features and climate, diverse tourist offers and hospitable hosts (1,5mn of overnights, i.e. 159 thousand guests)
- 3 hotels and resorts

DUBROVNIK



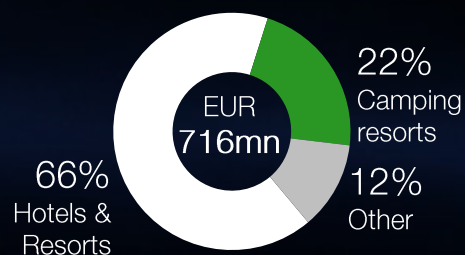
- UNESCO's World Heritage Site and picturesque coastal resort on the Adriatic make Dubrovnik the globally recognized tourist destination (6mn of overnights p.a.)
- 5 hotels and resorts and 1 camping resort

OBERTAUEARN



- Austria's snowiest winter sports destination at an altitude of 1.740 meters – „guarantee of snow“
- 950 thousand of overnights
- 1 hotel

LONG-TERM ASSET BOOK VALUE



MARITIME DOMAIN



INVESTMENT MAINTENANCE AND FF&E



5% of revenues

LAND SURFACE



Acquisition of Hoteli Makarska Plc 2018 (1)

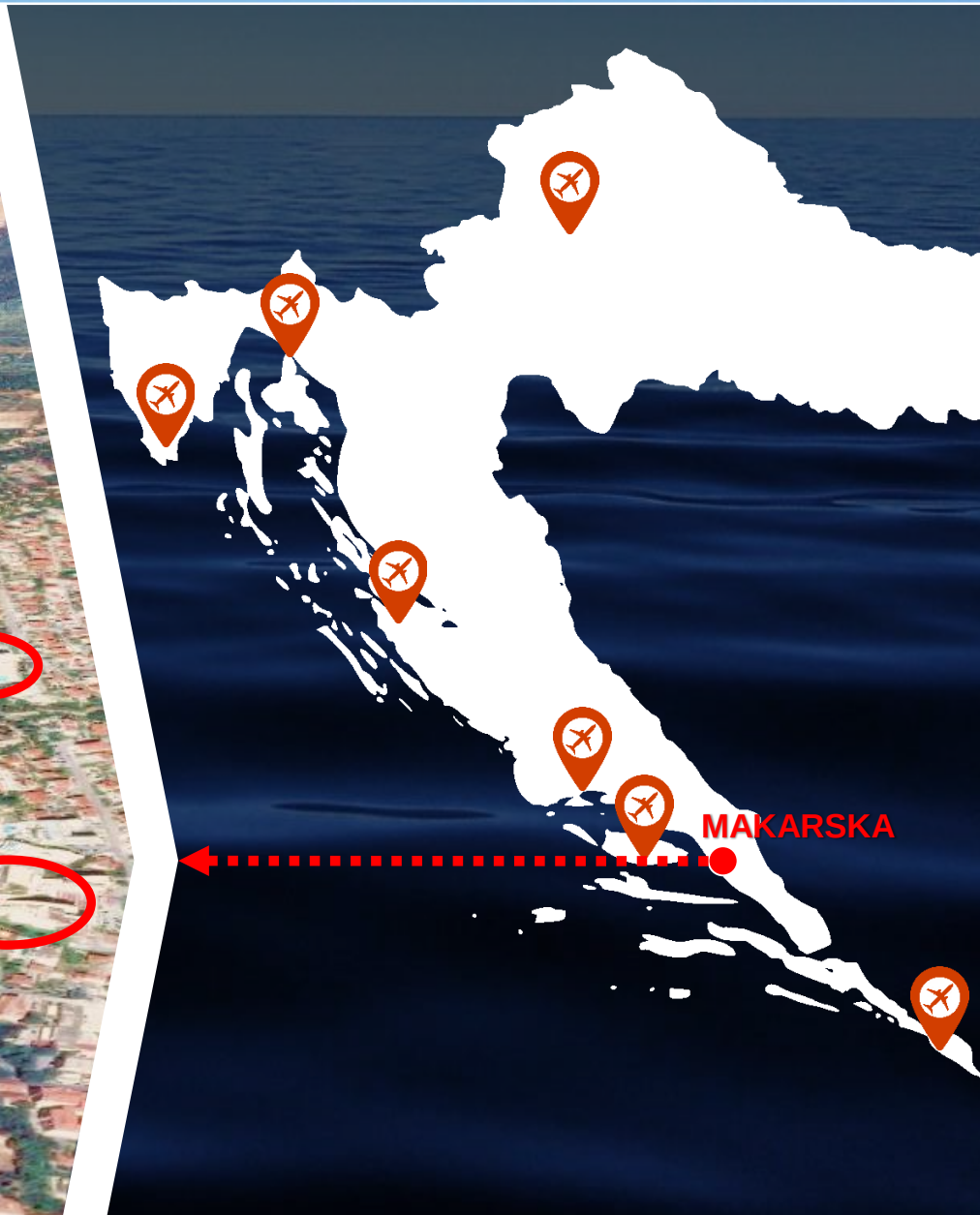
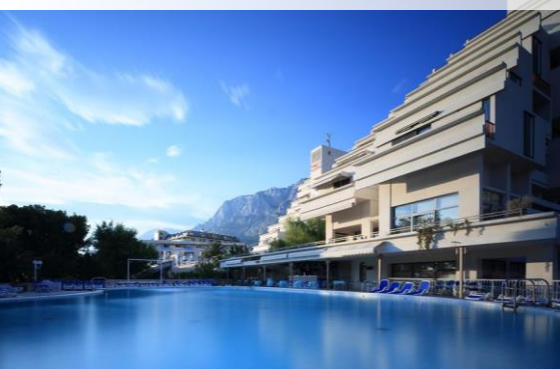
Hotel Rivijera 2* (258 units)



Hotel Dalmacija 3* (190 units)

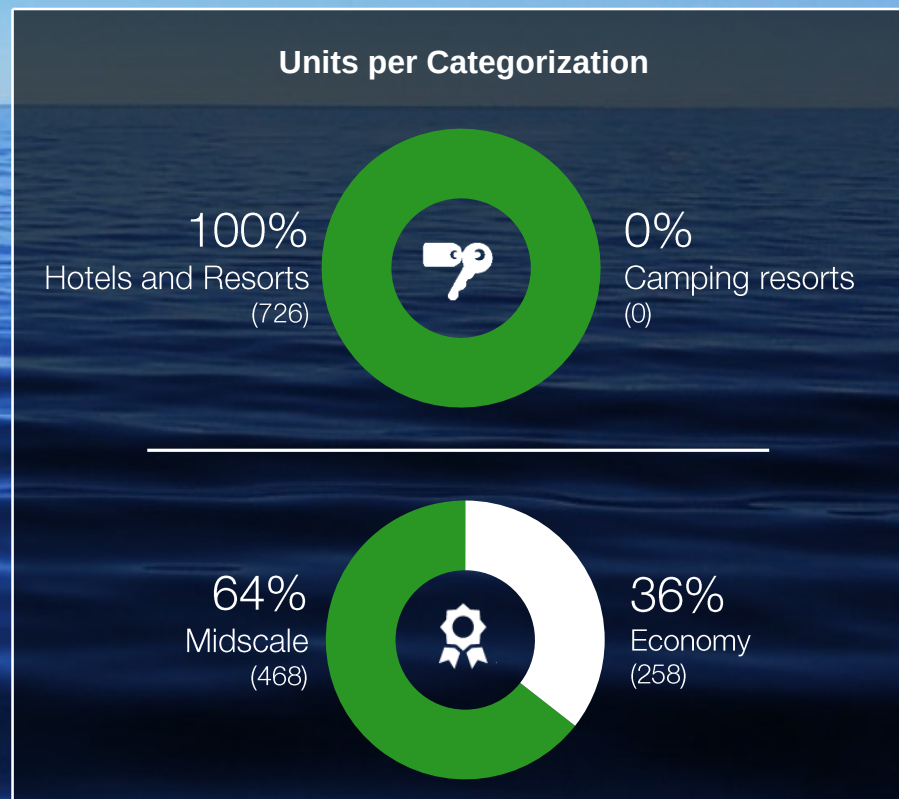


Hotel Meteor 4* (278 units)



Acquisition of Hoteli Makarska Plc 2018 (2)

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Acquisition of Hotel Petersbühel (Obertauern) 2018

Note: All historical values have been converted from HRK to EUR according to the respective average yearly FX rate, while EUR/HRK = 7,5 was used from 2019 onwards.



Valamar Obertauern Hotel 4* (82 units)



17.069
2017 Overnights

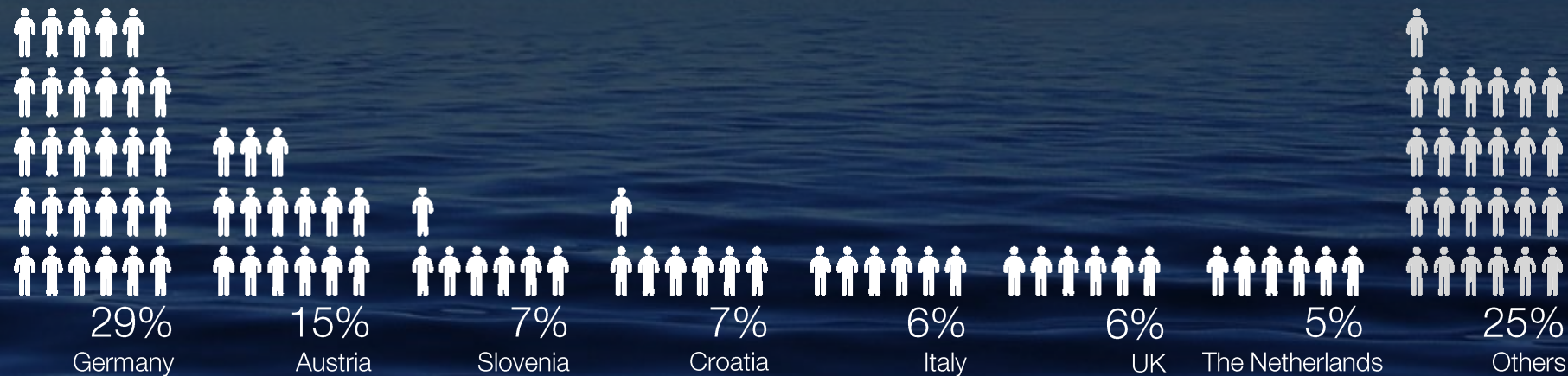
EUR
0,5mn
2017 EBITDA

EUR
2,1mn
2017 Operating income

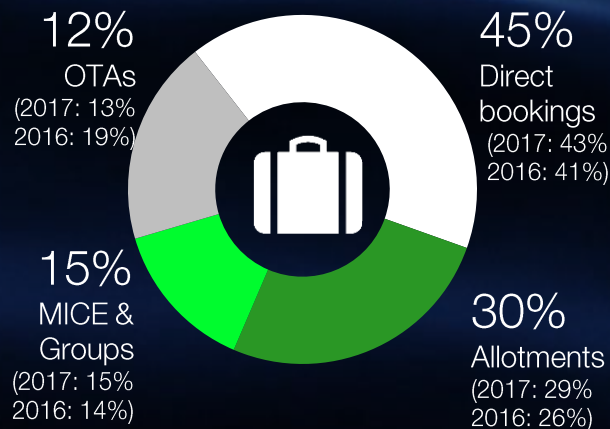
Revenues growth
SYNERGIES
Operating efficiency

Guests Structure

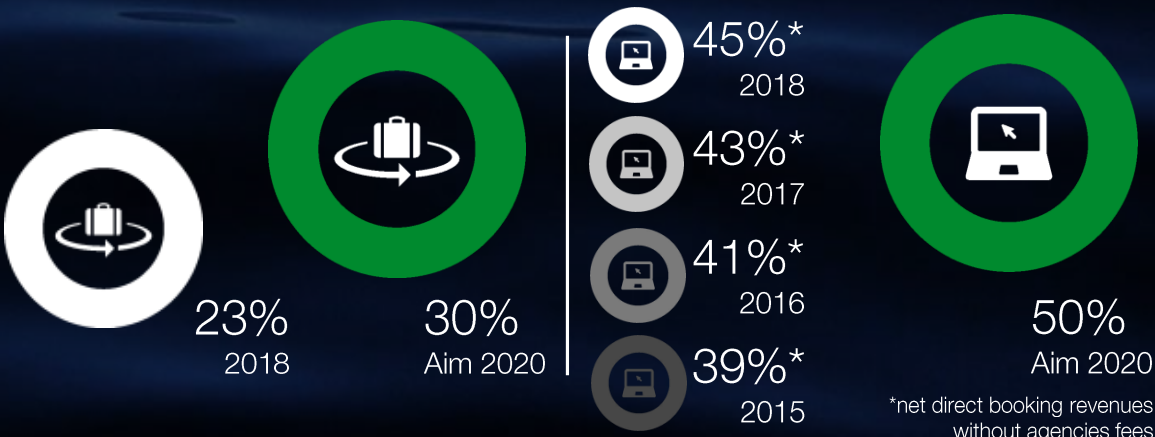
Source Markets (by overnights)



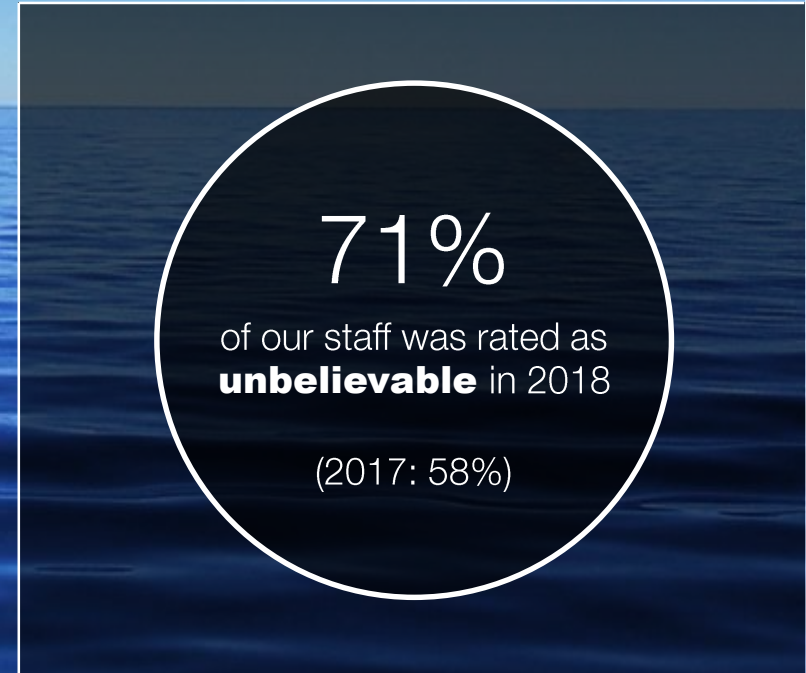
Distribution Channels (by revenues)



Share of Repeating Guests & Revenues from Direct Booking



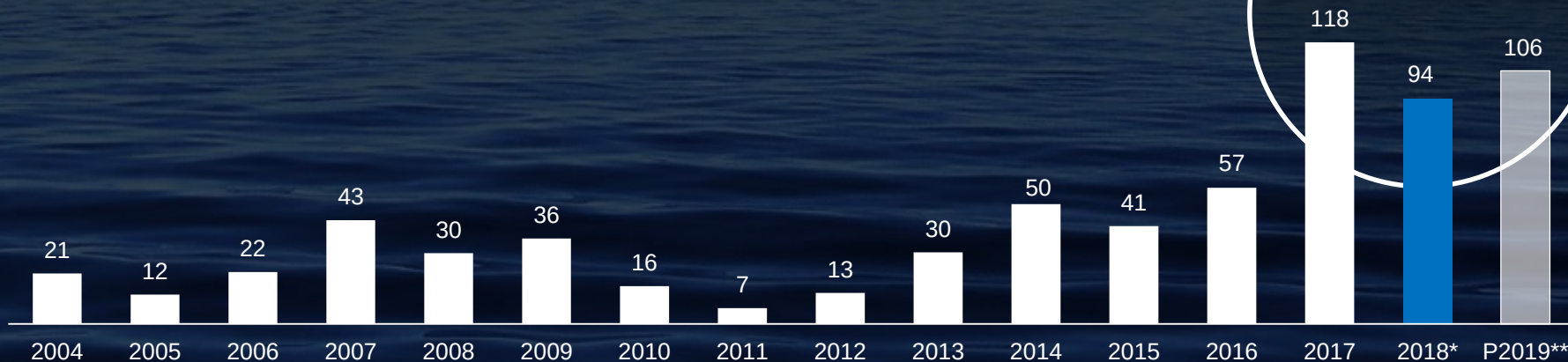
Market Segments and Guest Satisfaction



Investments

Note: All historical values have been converted from HRK to EUR according to the respective average yearly FX rate, while EUR/HRK = 7,5 was used from 2019 onwards.

Investment Cycle (EURmn)



*Valamar Riviera's 2017/18 investment cycle amounts to 84mn, while 10mn refers to Imperial investments.

** EUR 85mn refers to Valamar Riviera's 2018/19 investment cycle, while EUR 19mn to Hoteli Imperial and EUR 2mn to Hoteli Makarska.

Investments (2004 – 2018)



EUR 39mn



EUR 589mn

Depreciation (2004 – 2018)



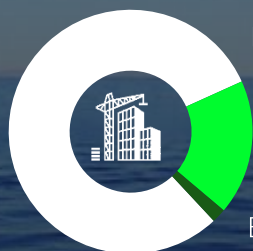
EUR 27mn



EUR 412mn

Key Portfolio Investments 2018/19

Note: All historical values have been converted from HRK to EUR according to the respective average yearly FX rate, while EUR/HRK = 7,5 was used from 2019 onwards.



EUR 85mn - Valamar Riviera: Istra Premium Camping Resort - II phase, Valamar Collection Marea Suites 5*, staff Residence, Lanterna Premium Camping Resort 4*, Ježevac Premium Camping Resort 4*, other smart projects

EUR 19mn – Imperial: Valamar Carolina Hotel & Residence 4*, Padova Camping Resort 3*, other smart projects

EUR 2mn - Hoteli Makarska: Valamar Hotel Meteor 4*, other smart projects

Istra Premium Camping Resort by Valamar (II phase), Poreč



- Top-class camping resort with a wide range of amenities and excellent service
- New camping plots (83), new glamping tents (9), a variety of new camping homes (135), as well as new luxury camping homes (4) with private pools

Valamar Carolina Hotel & Residence 4*, Rab



- Repositioned to a family hotel under TUI Sensimar brand; the investment will comprise: capacity increase (22 new rooms), upgrade of accommodation, restaurant, lobby bar, public spaces, new adult swimming pool, wellness and fitness zone

Valamar Collection Marea Suites 5*, Poreč



- Designed for families with children where they will have an opportunity to enjoy V level service, luxury suites with a sea view (108 rooms), pools, sandy beach, restaurants, sport facilities and Maro amenities for children of all ages

Padova Camping Resort by Valamar 3*, Rab



- Further upgrade towards the upscale segment improving the accommodation facilities and investing in additional amenities

Lanterna Premium Camping Resort by Valamar 4*, Poreč



- Further developing of the premium camping by installing new camping homes with a sea view (12), rearranging three camping zones with new camping homes (136) and repositioning a part of the existing camping plots

Other investments and maintenance and FF&E



- Accommodation and services upgrade, staff residences, beach improvements, digitalization, bike products, safety & parking, project management, energy savings projects, etc.
- Investments maintenance and FF&E

Key Portfolio Investments 2017/18

Note: All historical values have been converted from HRK to EUR according to the respective average yearly FX rate, while EUR/HRK = 7,5 was used from 2019 onwards.

Valamar Collection Girandella Maro Resort Hotel 5*, Rabac



- EUR 15mn
- First Kinderhotel in Valamar's portfolio
- Family oriented hotel resort concept
- 149 new premium accommodation units

Ježevac Premium Camping Resort by Valamar 4*, Krk



- EUR 3mn
- Further development and finalization of Lungomare Premium village, expansion of the existing restaurant (Craft and Beer concept), new pools with waterslides, finalization of family beach, etc.

Valamar Argosy Hotel 4*, Dubrovnik



- EUR 8mn
- 308 units
- Repositioning to „adults friendly“
- Premium accommodation with new facilities and services

Zablaće Camping Resort by Valamar 4*, Krk



- EUR 3mn
- Upgrade to 4* camping by installing new Premium camping homes, building new sanitary unit and other facilities, further development of camping infrastructure, etc.

Lanterna Premium Camping Resort by Valamar 4*, Poreč



- EUR 9mn
- Further development of premium accommodation: camping homes&glamping tents, a new thematic Premium Maro Village, enlargement of existing Premium Marbello Village and finalisation of glamping tents village

Imperial investments



- Grand Hotel Imperial 4* repositioning = EUR 3mn
- Camping Padova 3* new MH zones = EUR 2mn
- San Marino Camping Resort 4* MH zone finalization = EUR 2mn
- Other investments = EUR 3mn

Istra Premium Camping Resort by Valamar (I phase), Poreč



- EUR 8mn
- I phase of Istra Camping Resort project: development of main infrastructure, new 117 plots, reconstruction of one sanitary unit and development of Family sandy beach (I phase)

Other investments and maintenance and FF&E



- Staff residences and offices projects, beach improvements, digitalization, bike products, safety & parking, branding & signage, project management, energy savings projects, etc. = EUR 29mn
- Investments maintenance and FF&E = EUR 9mn

Key Portfolio Investments 2016/17

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Valamar Collection Girandella Resort 4*, Rabac



- EUR 36mn
- 242 keys
- New service concepts: premium villas, „family-only” and „adult-only”
- Strategic partnership with DER Touristik Köln

Ježevac Premium Camping Resort by Valamar 4*, Krk



- EUR 4mn
- 712 units
- Upgrading to premium camping

TUI Family Life Bellevue Resort 4*, Rabac



- EUR 29mn
- 372 units
- Product specialized for families
- Strategic partnership with TUI Northern Europe Limited, TUI UK and TUI Nordic Holding AB

Administration building in Poreč & Dubrovnik



- EUR 4mn
- Expansion of the corporate building in Poreč and the construction of a staff residence in Dubrovnik in order to meet the needs of additional workspace

Lanterna Premium Camping Resort by Valamar 4*, Poreč



- EUR 13mn
- 2.966 units
- Premium camping

Small projects and other investments



- EUR 17mn
- Energy saving programs, investments in campings, investments in IT infrastructure, laundry, digitalization, beaches,...

Zablaće Camping Resort by Valamar 4*, Krk



- EUR 5mn
- 704 units
- Upgrading to upscale camping resort

Maintenance



- EUR 9mn
- Investments in maintenance, furniture and equipment and IT infrastructure maintenance and equipment

Key Portfolio Investments 2014 - 2016

Note: All historical values have been converted from HRK to EUR according to the respective average yearly FX rate, while EUR/HRK = 7,5 was used from 2019 onwards.

Valamar Collection Isabella Island Resort 4* & 5*, Poreč (2014 - 2016)



- EUR 40mn
- 334 units
- New service concepts: 270 units at 4* level and 64 units at 5*

Valamar Collection Dubrovnik President Hotel 5*, Dubrovnik (2014/15)



- EUR 20mn
- 292 units
- First 5* property in Valamar

Lanterna Premium Camping Resort by Valamar 4*, Poreč (2014 – 2016)



- EUR 17mn
- 2.966 units
- Premium camping

Valamar Zagreb Hotel 4*, Poreč (2013/14)



- EUR 7mn
- 230 units
- Resort focused on families in high season

Krk Premium Camping Resort by Valamar 5*, Krk (2014 – 2016)



- EUR 7mn
- 500 units
- Premium camping
- First 5* camping in Croatia

Valamar Argosy Hotel 4*, Dubrovnik (2013/14)

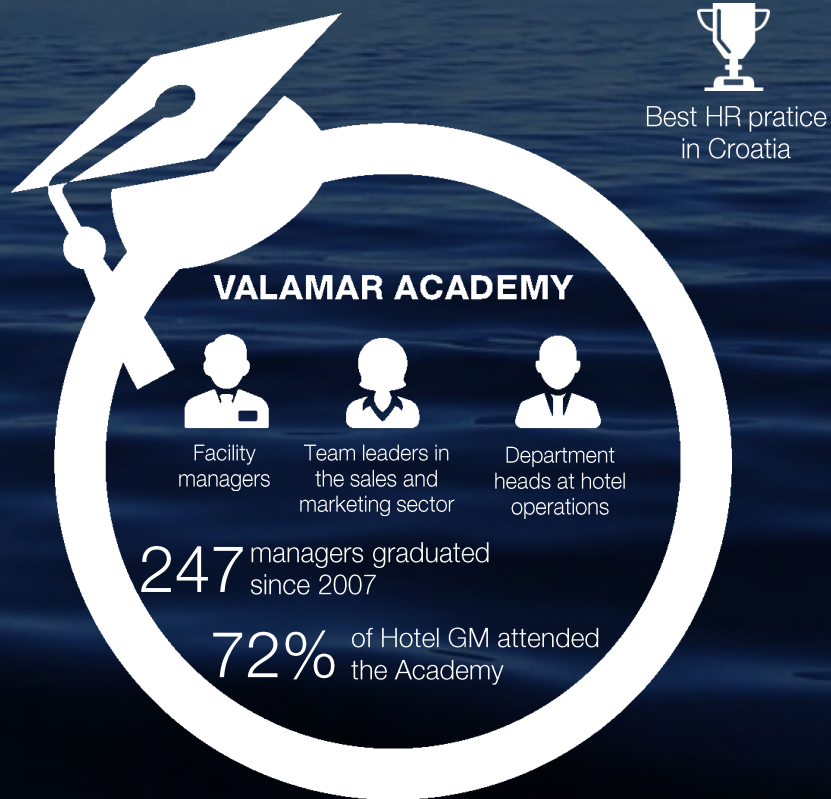


- EUR 5mn
- 308 units
- Mediterranean gardens around the resort and new outdoor infinity pool with sea view

Human Resources

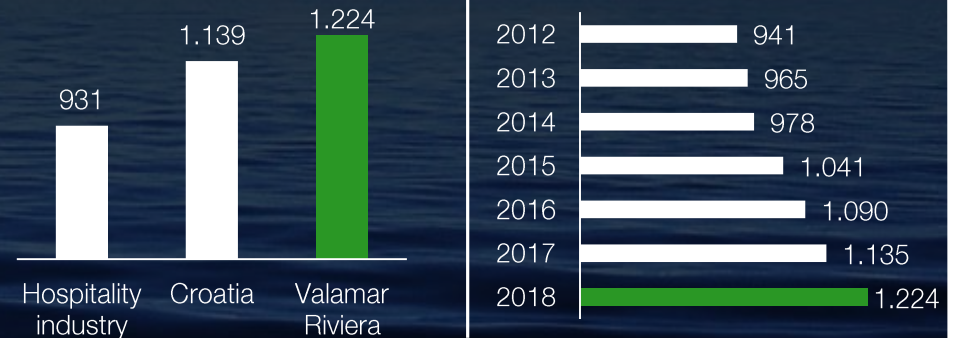
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Valamar Academy



- Motto: Talents today, managers tomorrow!
- Standardized program of education that combines best practices in hospitality industry, internal expertise and professional experiences
- 102 thousand hours of education and training in 2018

Average Gross Salary in 2018 (EUR)



21

different programs of rewarding employees)



5.618

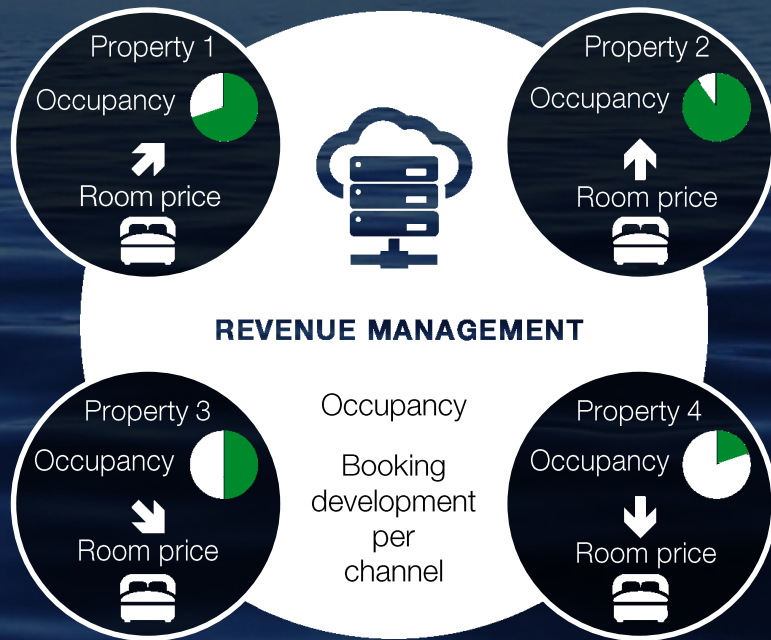
employees took part in various awards and recognitions programs*

*management excluded (motivated through annual bonus programs)

- TOP 5 „Employer Partner” in Croatia
- More than 6.700 employees (≈1.700 permanent and ≈5.500 seasonal)
- Best HR Practice: Uplifting Service
- 57% return rate of seasonal workers (increase to 70% until 2020)
- High corporate culture ratings

Sales & Marketing

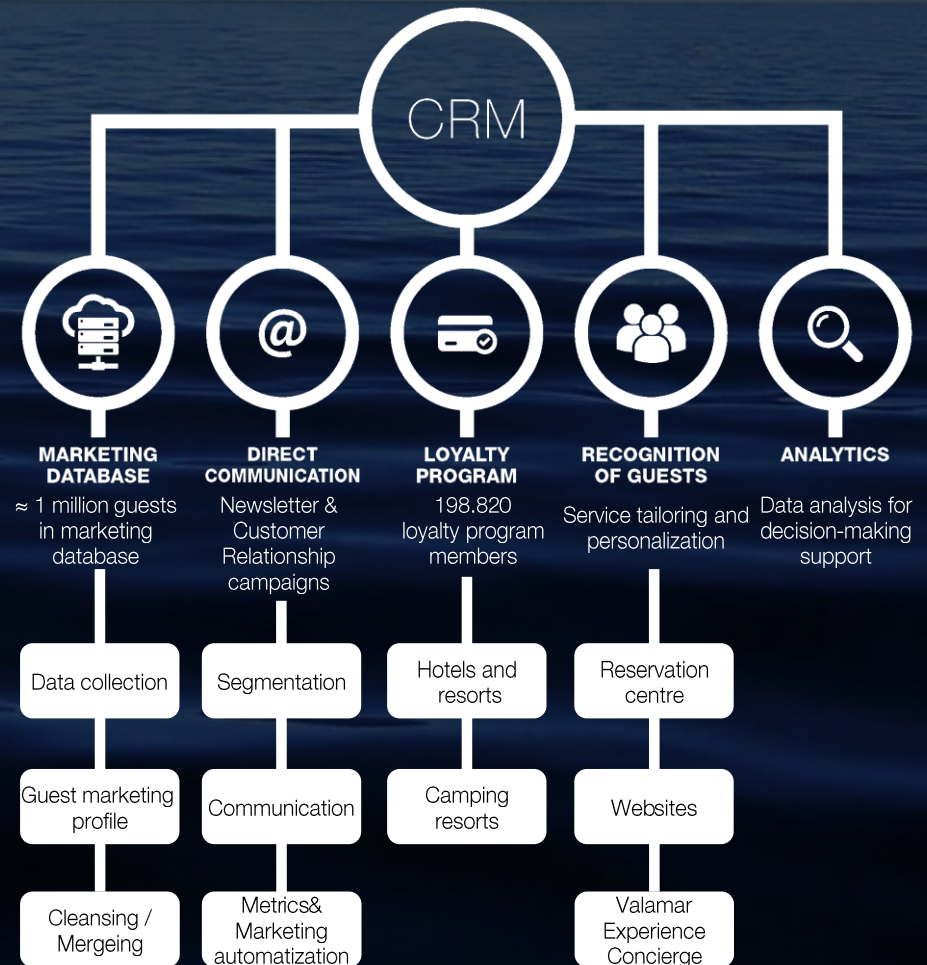
Revenue Management



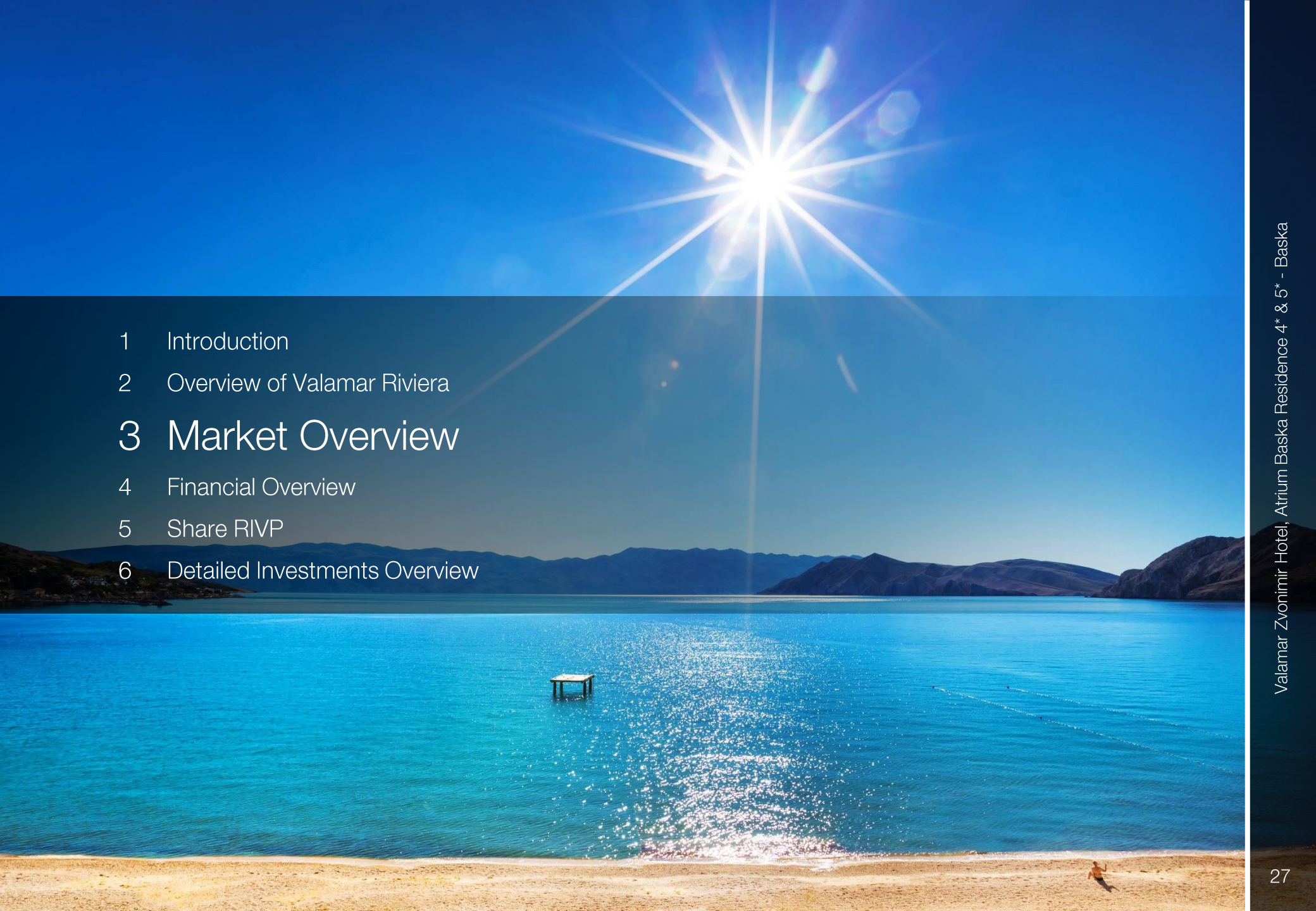
- Increase revenues by optimizing pricing, occupancy and distribution channels

- Leverage our market leadership for strategic partnerships with other markets and knowledge leaders along the entire value-chain
- Prolong the season by introducing new programs and defining tailored actions in a joint effort with destinations and partners
- Brand recognition
- Proactive distribution strategy favouring own channels
- High and growing proportion of online and direct sales

Customer Relationship Management



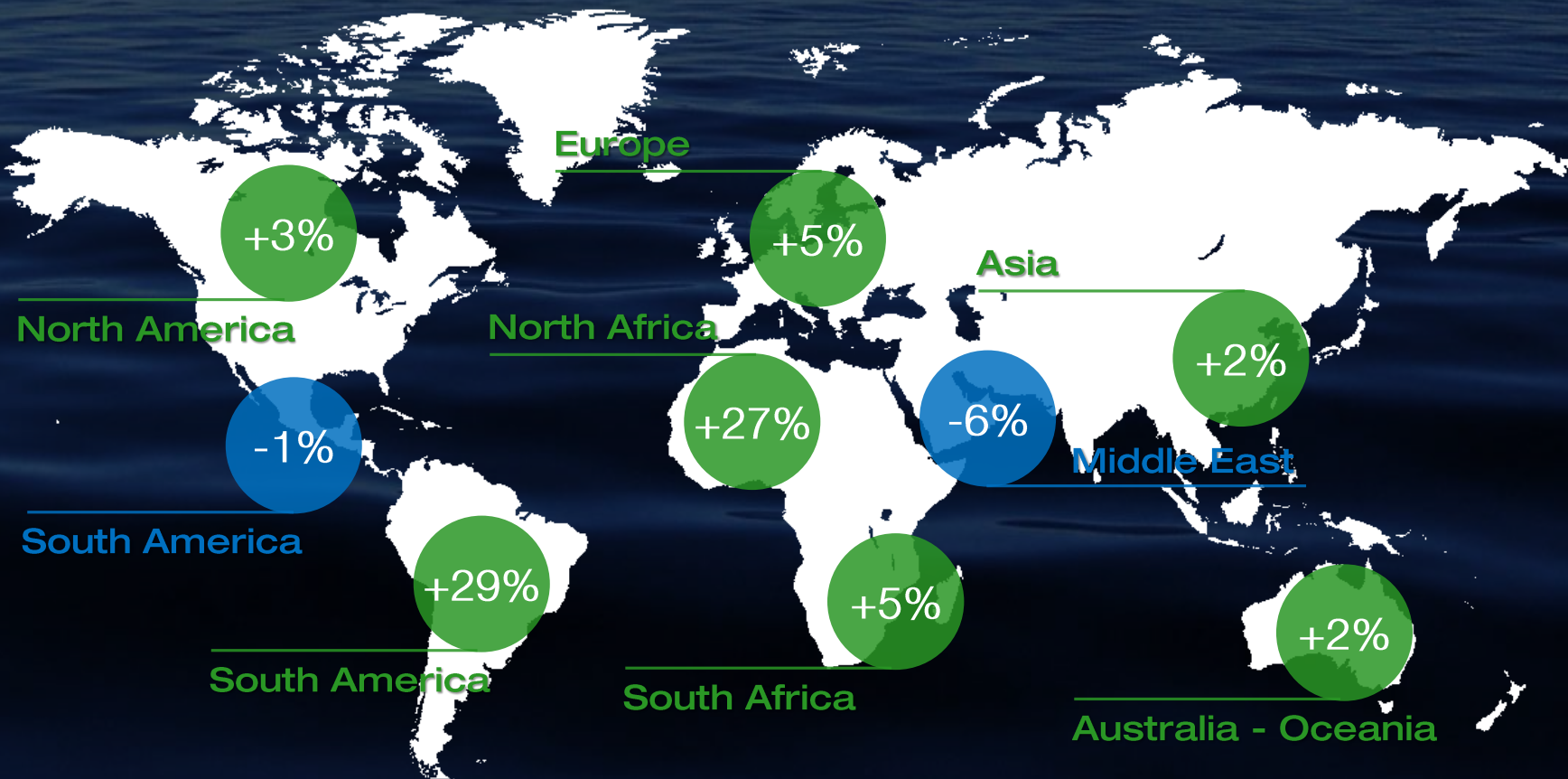
- Gain exceptional guest knowledge and establish individual contact points throughout the year to increase guest loyalty and satisfaction

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Overview of Global Tourism Market (1)

Note: All historical values have been converted from HRK to EUR according to the respective average yearly FX rate, while EUR/HRK = 7,5 was used from 2019 onwards.
Sources: Horwath HTL.

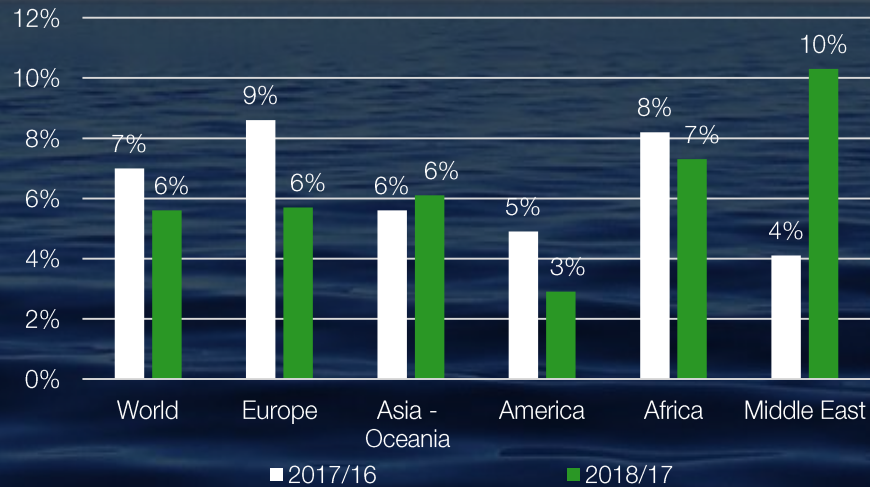
2018 Global Hotel Industry RevPAR Growth Rates (%)



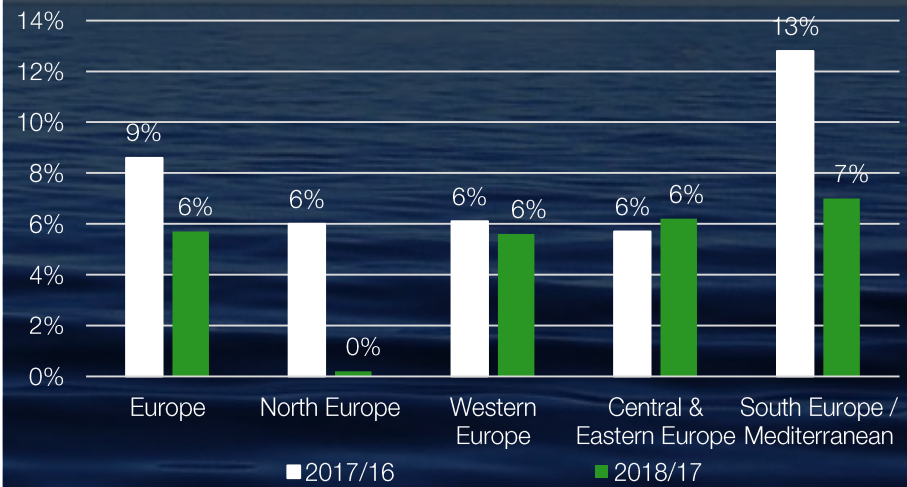
Overview of Global Tourism Market (2)

Note: All historical values have been converted from HRK to EUR according to the respective average yearly FX rate, while EUR/HRK = 7,5 was used from 2019 onwards.
Sources: Horwath HTL.

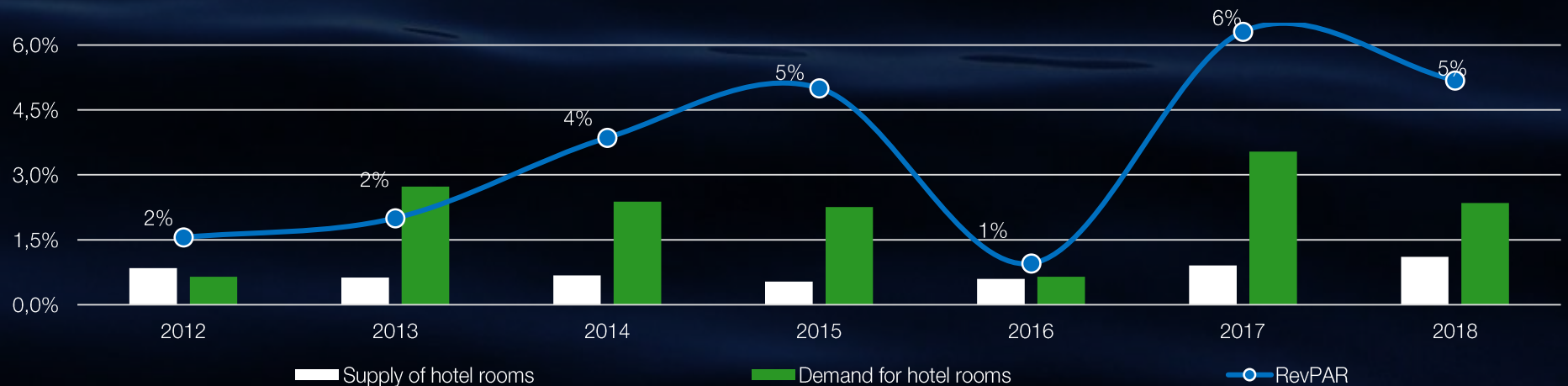
International Tourist Arrivals Growth Rates (%)



International Tourist Arrivals Growth Rates by European Regions (%)



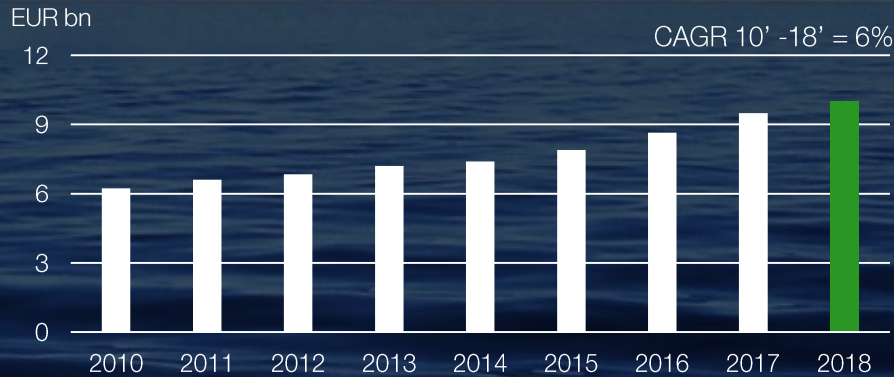
Hotel Industry in Europe – Annual Changes of Supply, Demand & RevPAR (%)



Overview of Croatian Tourism Market (1)

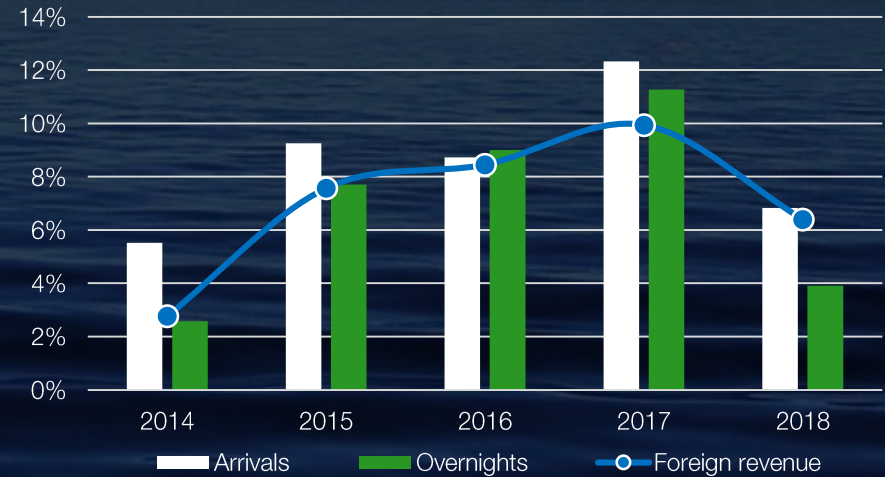
Note: All historical values have been converted from HRK to EUR according to the respective average yearly FX rate, while EUR/HRK = 7,5 was used from 2019 onwards.
Sources: National Bureau of Statistics, Horwath HTL.

Tourism Revenues

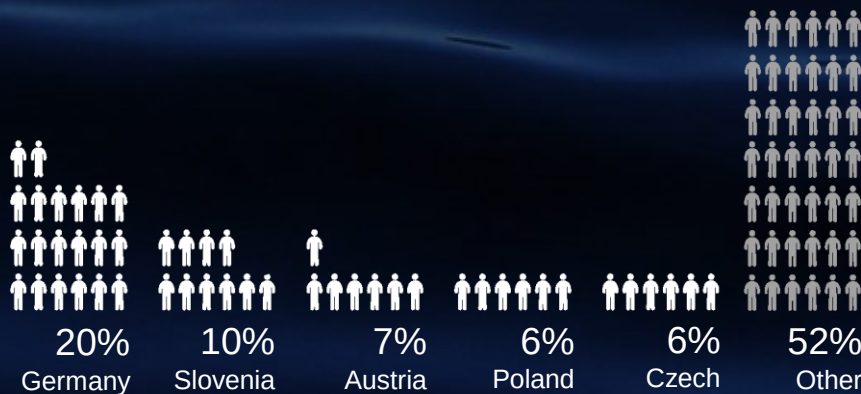


- Unlike other sectors of the local economy, tourism has shown growth over the last 8 years and is returning to pre-crisis levels

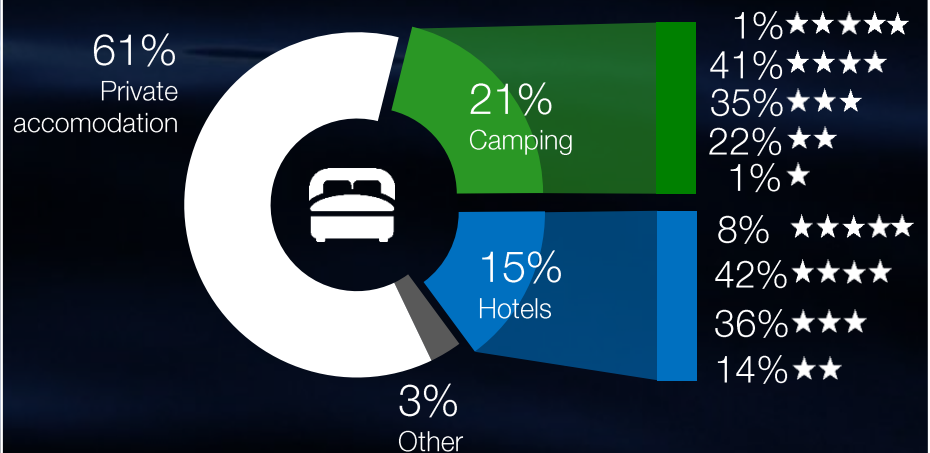
Foreign Arrivals, Overnights and Tourism Revenue Growth Rates (%)



Guest Structure per Overnights



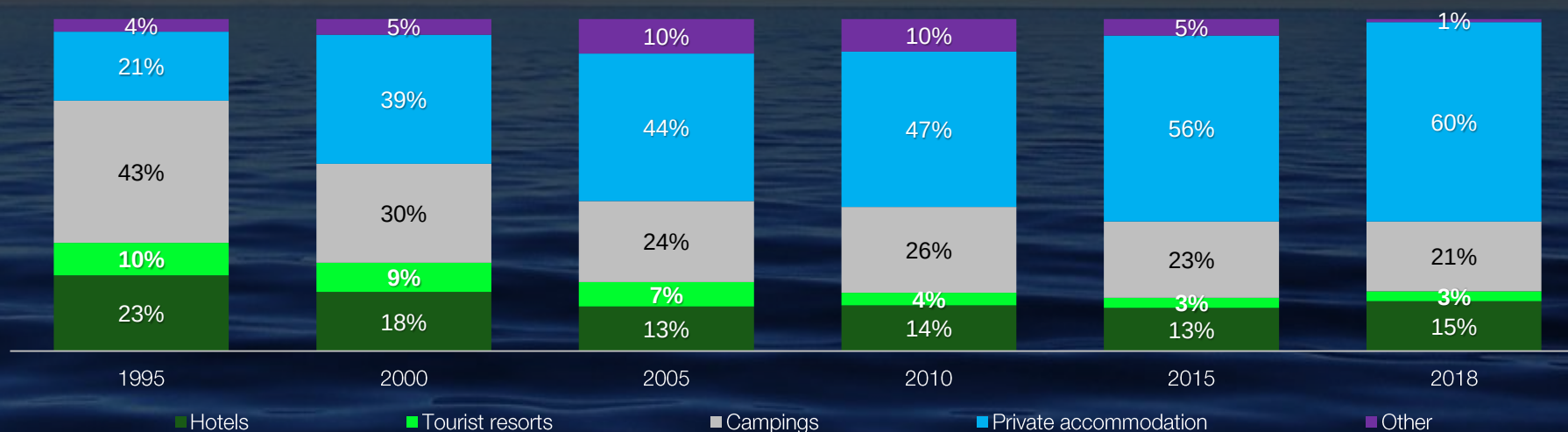
Structure of Beds in Croatia (2017)



Overview of Croatian Tourism Market (2)

Note: All historical values have been converted from HRK to EUR according to the respective average yearly FX rate, while EUR/HRK = 7,5 was used from 2019 onwards.
Sources: National Bureau of Statistics, Horwath HTL.

Development of Croatian Accommodation Offer



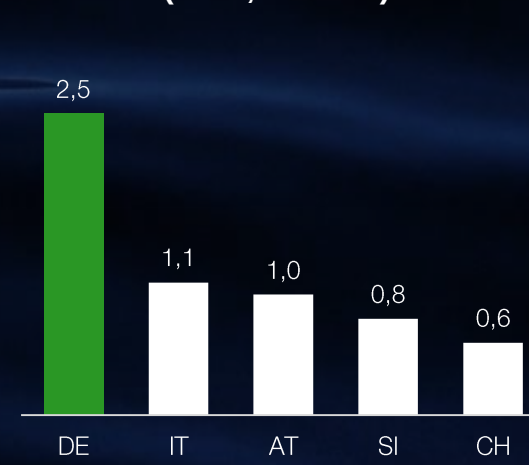
Foreign Revenue per Guest (EUR)



Investments in Tourism (EUR mn)



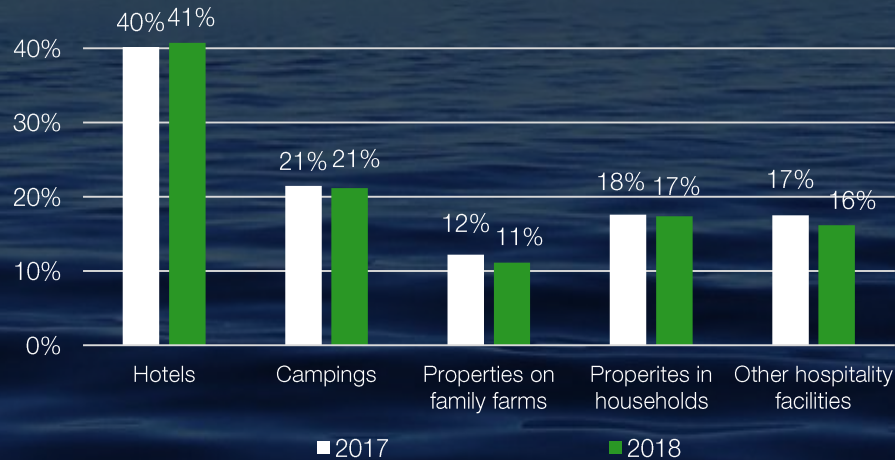
Main Tourism Export Markets (2017; EUR bn)



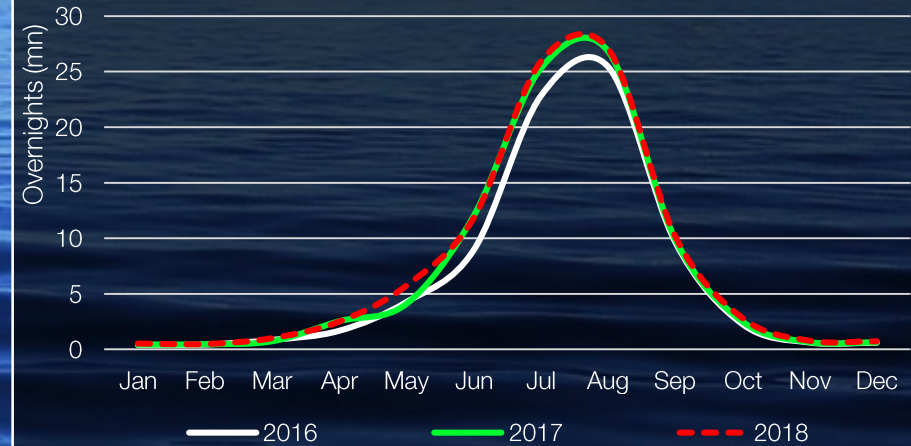
Overview of Croatian Tourism Market (3)

Note: All historical values have been converted from HRK to EUR according to the respective average yearly FX rate, while EUR/HRK = 7,5 was used from 2019 onwards.
Sources: National Bureau of Statistics, Horwath HTL.

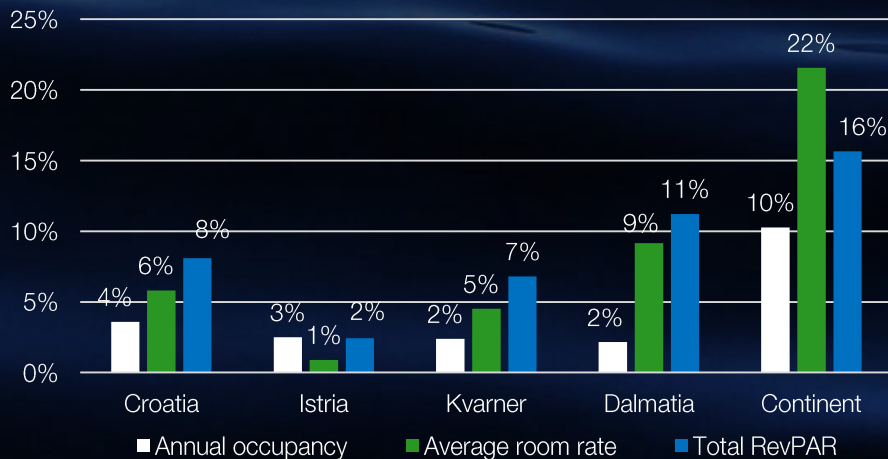
Annual Occupancy by Accommodation Type



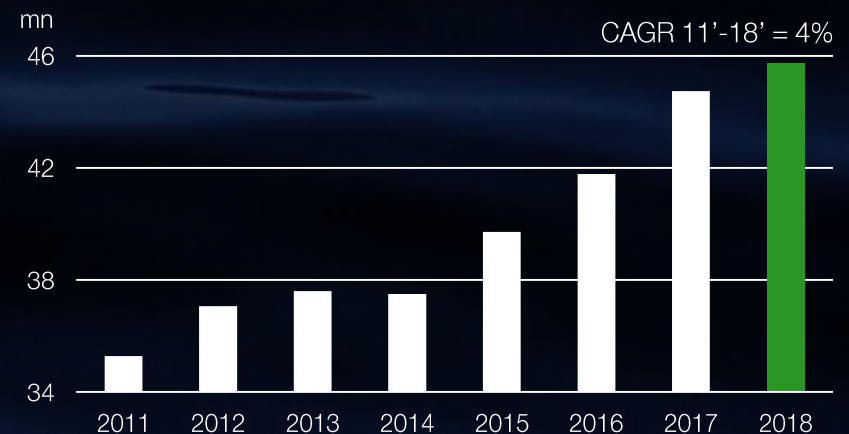
Sesonality of the Croatian Tourism Industry based on Overnights



Hotel Industry Key Ratios Growth Rates by Regions (%; 2018/17)



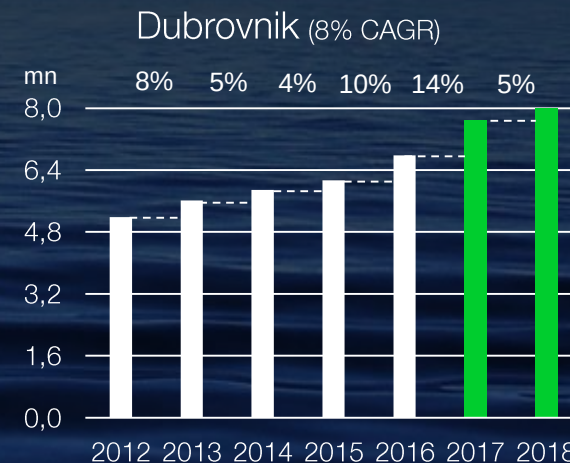
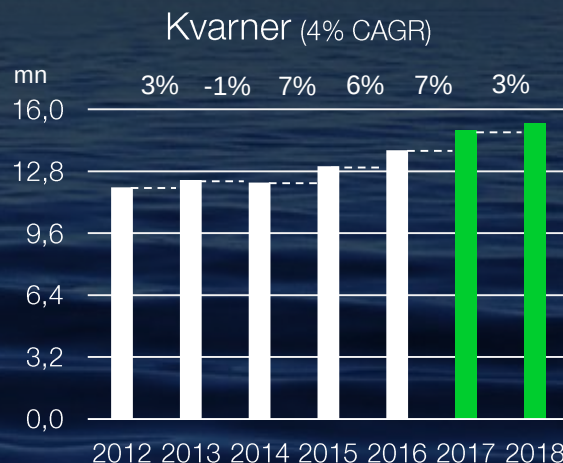
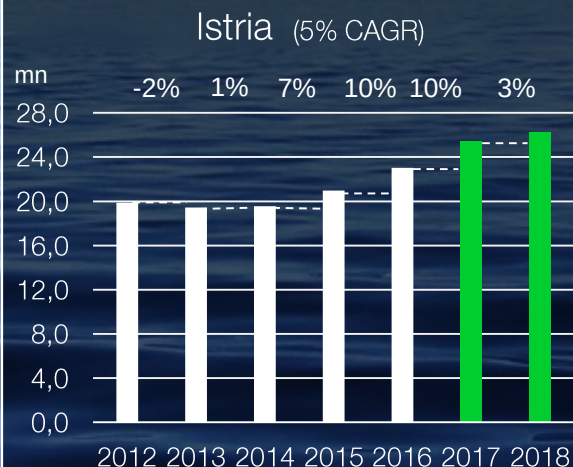
Overnights in Hotels & Camping Resorts



Overview of Croatian Tourism Market (4)

Note: All historical values have been converted from HRK to EUR according to the respective average yearly FX rate, while EUR/HRK = 7,5 was used from 2019 onwards.
Sources: National Bureau of Statistics, Eurostat, Ministry of Tourism.

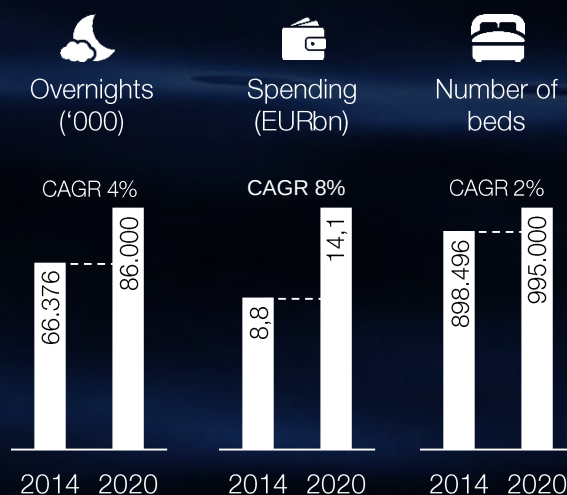
Level and Growth of Overnight Stays in Valamar's Regions



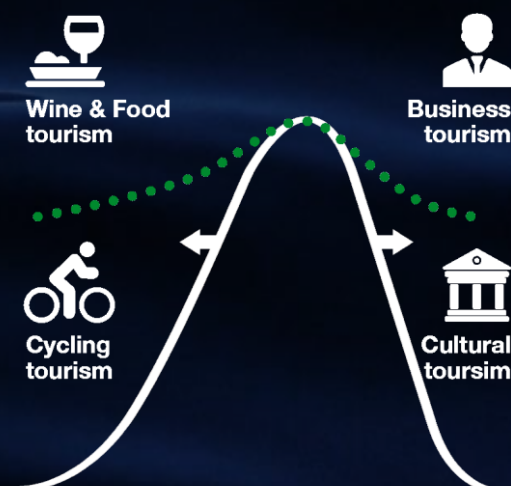
Overnights CAGR (10'-E18')

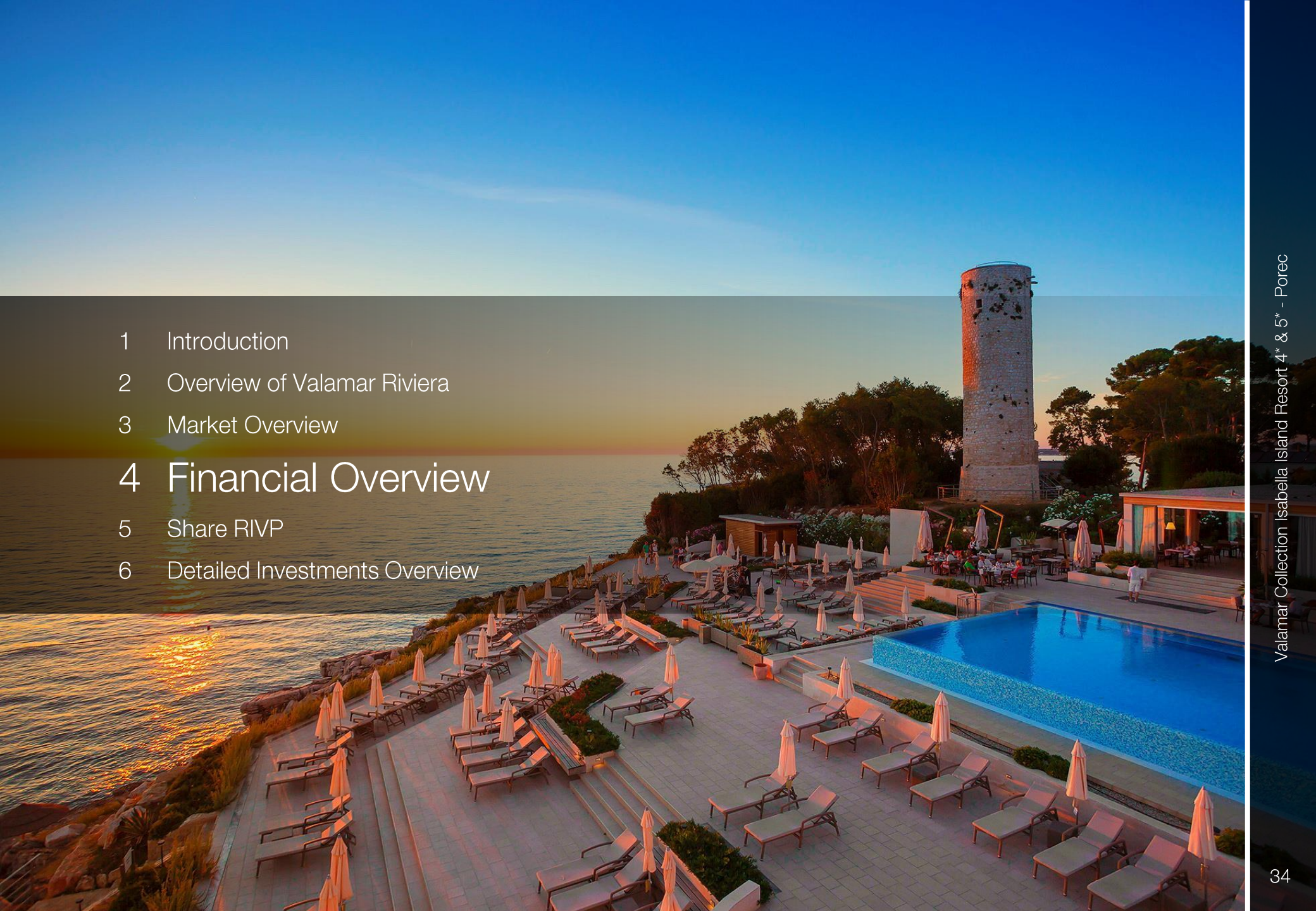


Croatian Tourism Outlook



Season Prolongation Initiatives



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2018 Growth Drivers

Note: All historical values have been converted from HRK to EUR according to the respective average yearly FX rate, while EUR/HRK = 7,5 was used from 2019 onwards.

Better
occupancy &
higher demand
(optimization of
channels and
ADR)

Intensive
investment
cycle

Solid
1H 2018
operating
results

Value-
added
destination
products

Active
management
of operational
efficiency

Hoteli
Makarska
acquisition

STRONG 2018
BUSINESS RESULTS

+12%

Sales revenues

+10%

Operating expenses

35,3%

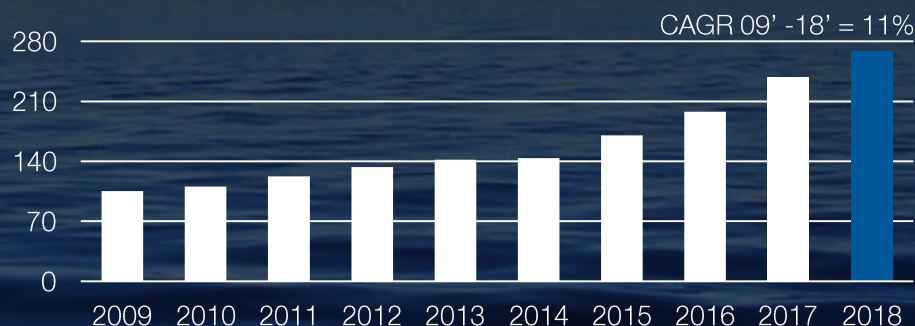
Realized adjusted
EBITDA margin
(+30 bp)

EUR 95mn
Adjusted EBIDTA

Revenues and EBITDA

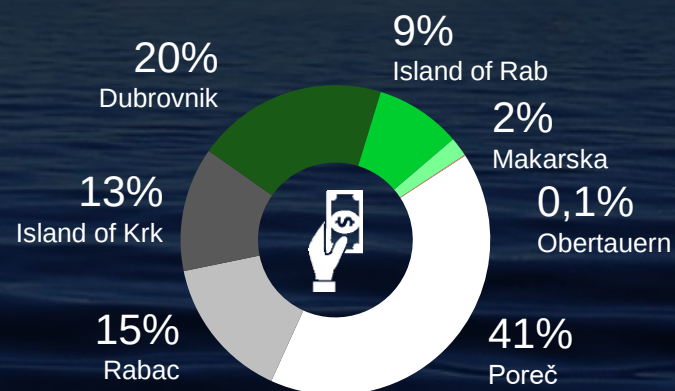
Note: Financial information until 2014 refers to Valamar Grupa's consolidated statements; thereafter refers to Valamar Riviera's consolidated statements. All historical values have been converted from HRK to EUR according to the respective average yearly FX rate, while EUR/HRK = 7,5 was used from 2019 onwards.

Revenues Trend (EURmn)

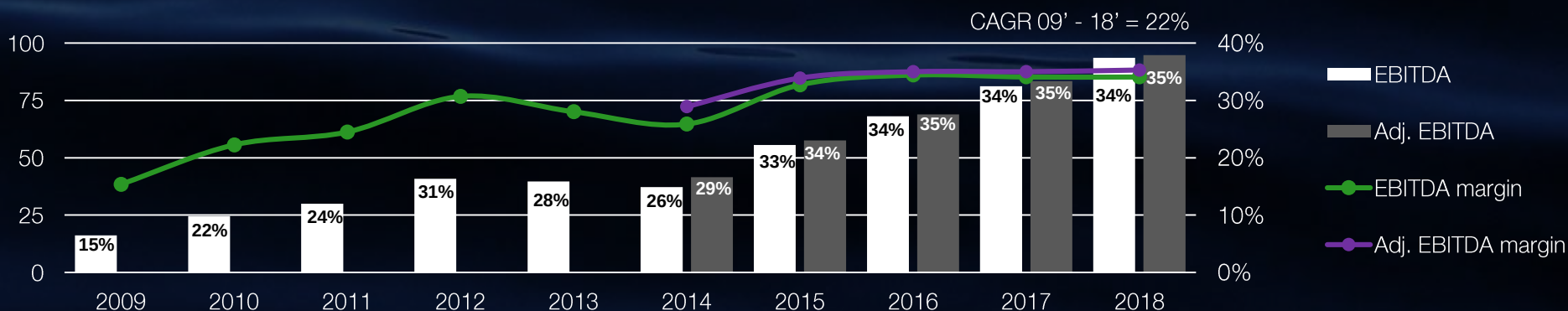


- Continuous top line growth due to premium locations, intense targeted investment in portfolio, revenue management, acquisitions and overall growth of tourist arrivals in Croatia

Revenue Structure per Location



EBITDA and EBITDA Margin Trend (EURmn; %)

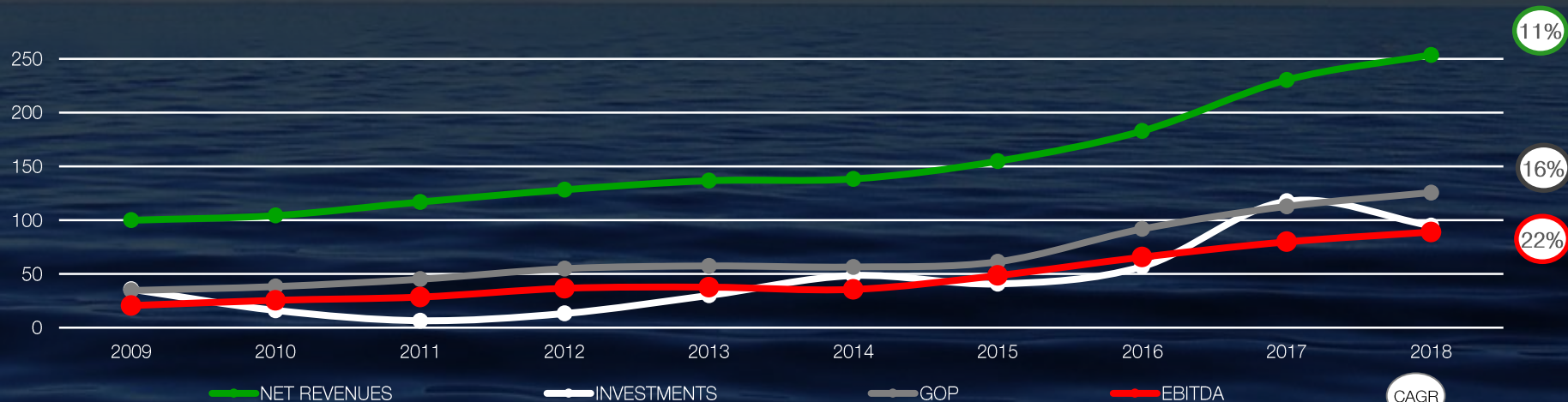


- Additional EBITDA growth came as a result of positive returns from investment cycle, realized cost savings and business efficiency and acquisition of hospitality companies

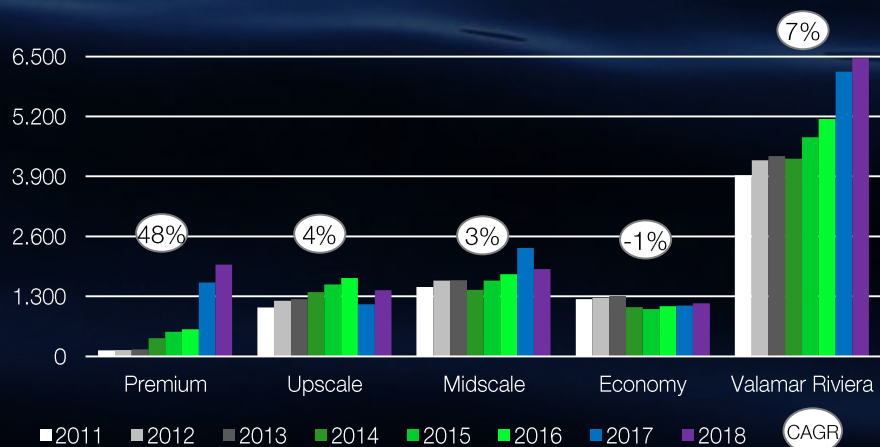
Key Operational Indicators

Note: Financial information until 2014 refers to Valamar Grupa's consolidated statements; thereafter refers to Valamar Riviera's consolidated statements. All historical values have been converted from HRK to EUR according to the respective average yearly FX rate, while EUR/HRK = 7,5 was used from 2019 onwards.

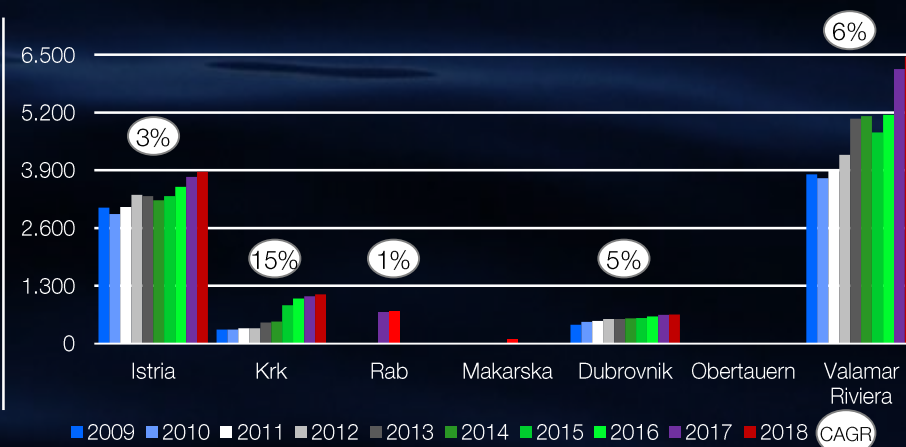
Trend Analysis of Key Business Indicators (EURmn)

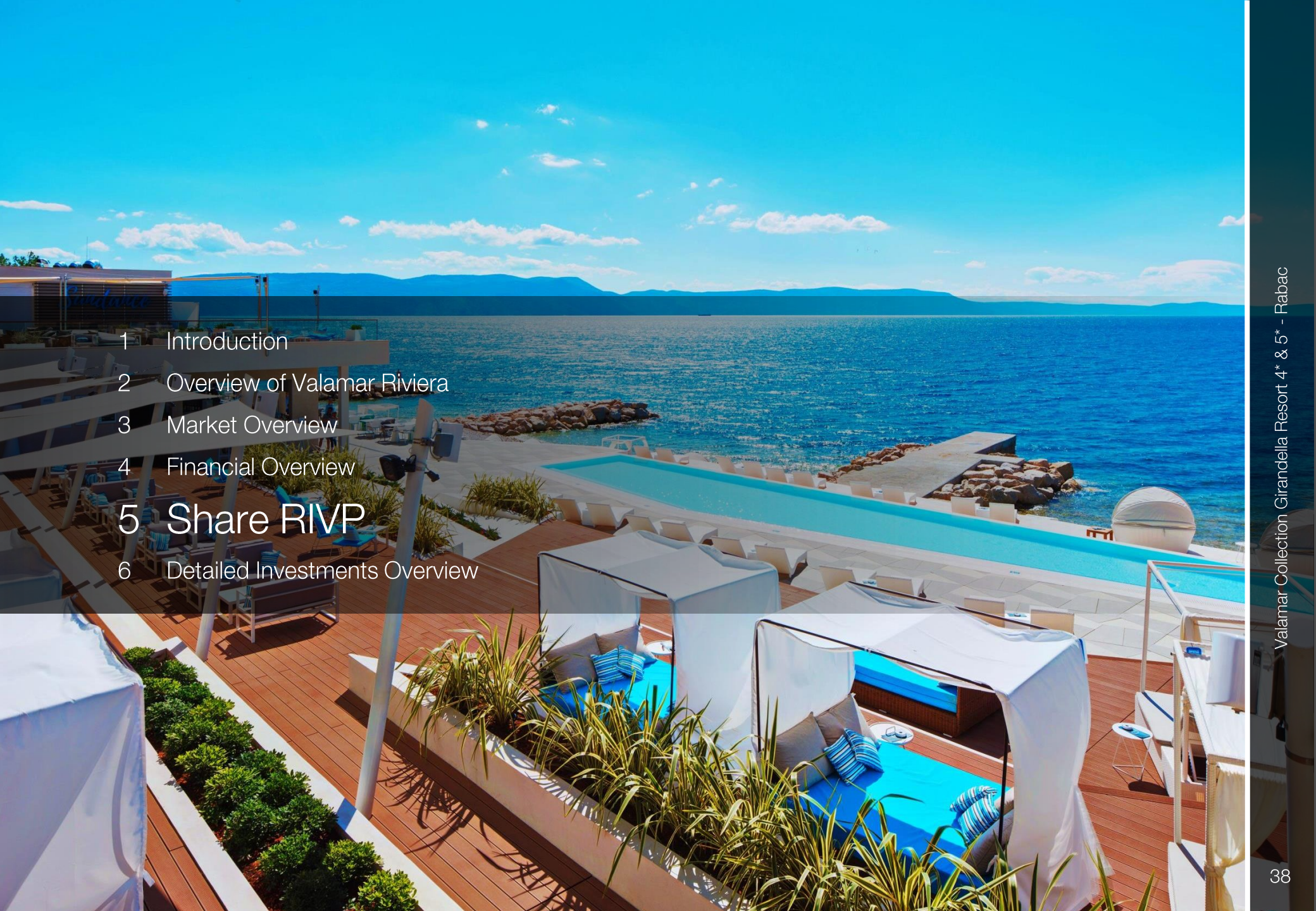


Overnights per Product (thousands)



Overnights per Destination (thousands)



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Overview

Note: All historical values have been converted from HRK to EUR according to the respective average yearly FX rate, while EUR/HRK = 7,5 was used from 2019 onwards.

No.
1

Most active traded
share on ZSE

EUR
560mn

Market
capitalization

EUR
275mn

Free float

IN TOP
10

Shares with the
largest mcap

**VALAMAR RIVIERA IS THE ONLY PUBLICLY LISTED COMPANY IN CROATIA
OFFERING INVESTORS SIGNIFICANT EXPOSURE TO AN ATTRACTIVE AND
GROWING ACCOMODATION SEGMENT OF THE CROATIAN TOURISM MARKET**



ZAGREBAČKA BURZA
THE ZAGREB STOCK EXCHANGE
Poslovni dnevnik

AWARD: Best Investor
Relations in
2015&2017



ZAGREBAČKA BURZA
THE ZAGREB STOCK EXCHANGE

AWARD: Share of the
year in 2018 for the
seventh consecutive
year



ZAGREBAČKA BURZA
THE ZAGREB STOCK EXCHANGE

AWARD: Most liquid
share on ZSE in
2017&2018



ZAGREBAČKA BURZA
THE ZAGREB STOCK EXCHANGE

AWARD: Share with the
highest volume
increase on ZSE
in 2015

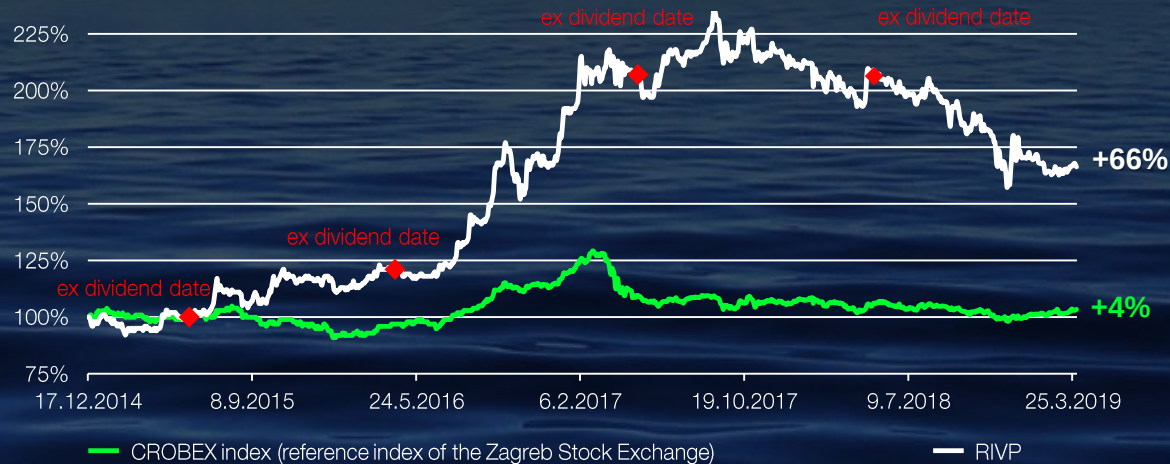


AWARD: Best managed
company in the leisure
sector in CEE
region

Performance on the Croatian Capital Market

Note: All historical values have been converted from HRK to EUR according to the respective average yearly FX rate, while EUR/HRK = 7,5 was used from 2019 onwards.

Share Price Performance

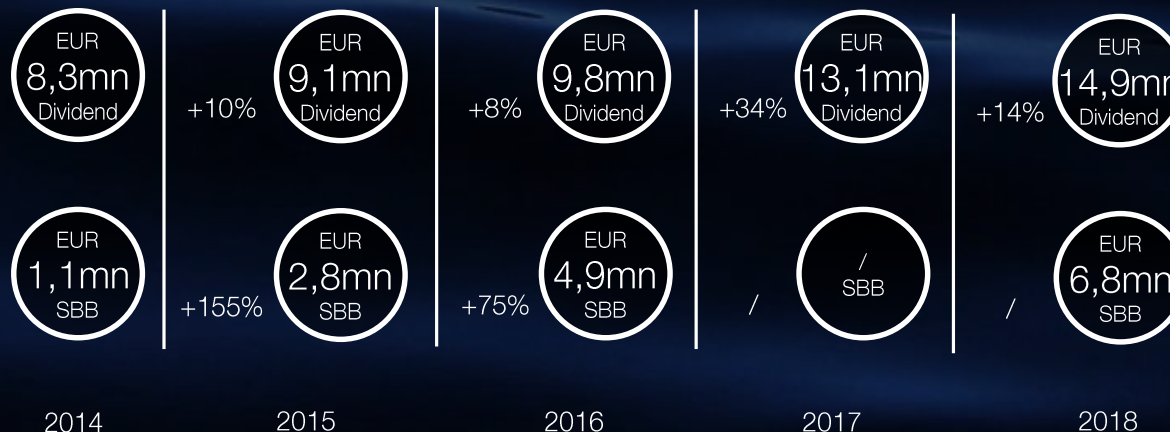


Average Daily Turnover (EURk)

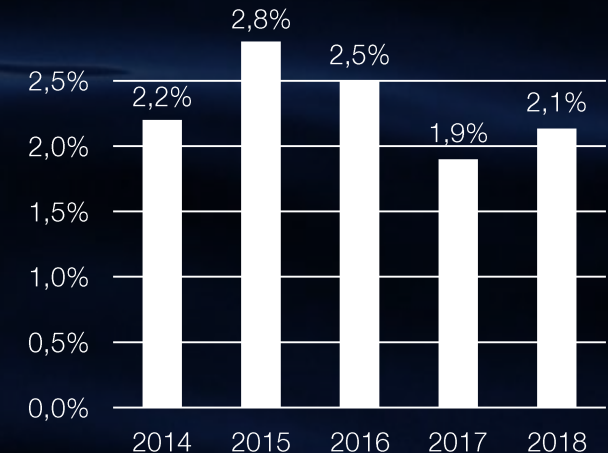
1) Valamar Riviera (RIVP)	139
2) Hrvatski telekom (HT)	121
3) Adris (ADRS & ADRS2)	91
4) Podravka (PODR)	57
5) Atlantic grupa (ATGR)	40
6) Arena Hospitality Group (ARNT)	35
7) Zagrebačka banka (ZABA)	32
8) Atlantska plovodba (ATPL)	31

NB: Period: Jan 2018 – Feb 2019
Block transactions (over EUR 265k) are not included.

Dividend and Share Buy-Back (SBB)



Dividend Yield



Valamar Riviera Share

Ticker	Zagreb Stock Exchange = RIVP
ISIN code:	HRRIVPRA0000
Number of issued shares:	126.027.542
PPS (on 29 Mar 2018)	EUR 4,5
Date of listing (ZSE):	15 December 2014 (126.027.542 shares)
Zagreb Stock Exchange indices in which Valamar Riviera's share is included:	CROBEX (portion 10,0%) CROBEXtr (portion 10,0%) CROBEX10 (portion 13,7%) CROBEXplus CROBEXtulist
Vienna Stock Exchange indices in which Valamar Riviera's share is included:	SETX (portion 4,3%) CROX (portion 14,7%)
MSCI indicex:	MSCI Frontier Markets Indexes

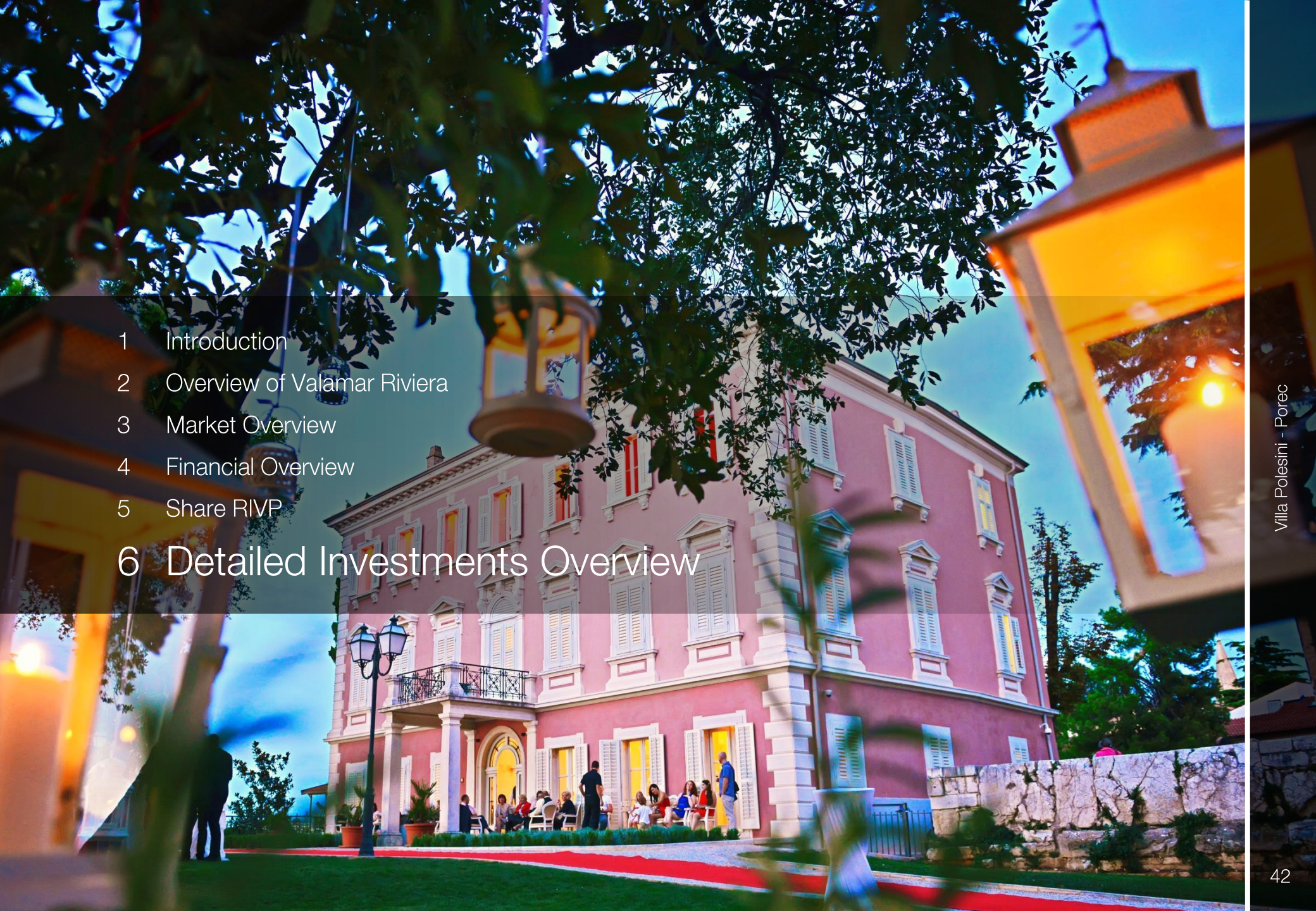
- Valamar Riviera will, in line with the ZSE rules, publish financial results on a quarterly basis, as well as organize presentations for investors, road shows and conference calls
- The management has committed to a minimum of EUR 0,066 per share annual dividend

High corporate
governance
standards

High
transparency
standards

High
investors
relations
standards

Analytical
coverages

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Investments in 2017/18 (1)

Valamar Girandella Maro Resort 5* (149 units) EUR 15mn

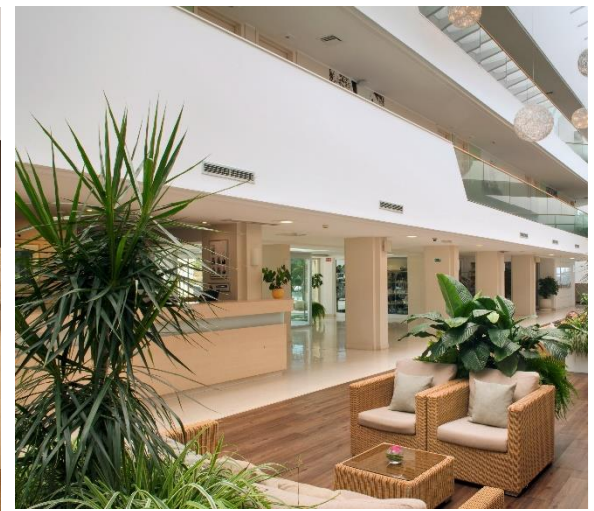
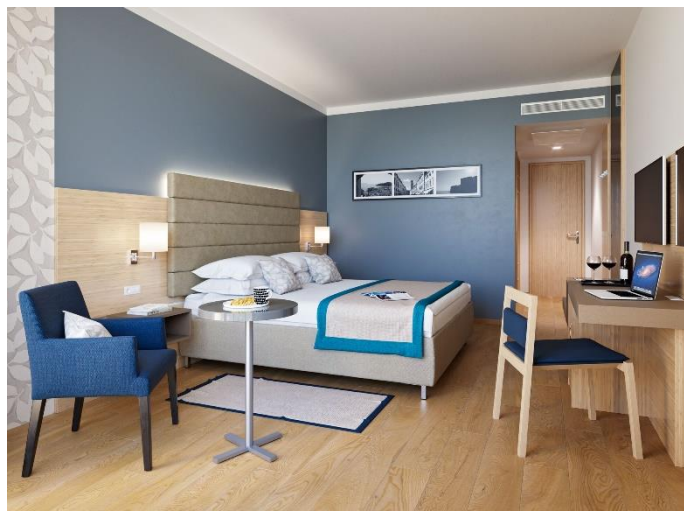
- First Kinderhotel in Valamar's portfolio; Kinderhotels Europa is a marketing association that brings together high-quality premium family hotels under the Austrian "Kinderhotels" brand
- Valamar Girandella Maro Resort Hotel 5* is a premium hotel offering 149 keys, with services and design tailored according to the needs of families with children of various age groups
- The concept of the lobby, restaurant and pool complex as well as the interior design of hotel accommodation is centered around the idea of family holidays



Investments in 2017/18 (2)

Valamar Argosy Hotel 4* (308 units) EUR 8mn

- Investments are earmarked to improve the quality of accommodation and develop new facilities and services for an “adult friendly” premium product
- Investments will include complete renovation of rooms and bathrooms; enlargement of outdoor pool and sunbathing area; other improvements of the product (main restaurant and kitchen, lobby & reception, lounge and library area, horticulture and other)



Investments in 2017/18 (3)

Camping Lanterna Resort 4* (2.870 units) EUR 9mn

- The resort will feature a new premium camping home zone designed according to the “Maro” brand standards and two new swimming pools
- “Maro” is a Valamar brand that is family-oriented and includes child-friendly services and facilities
- The glamping zone will be completed, the sports zone will be renovated and will feature new facilities and services.



Investments in 2017/18 (4)

Camping Ježevac 4* (683 units) EUR 3mn

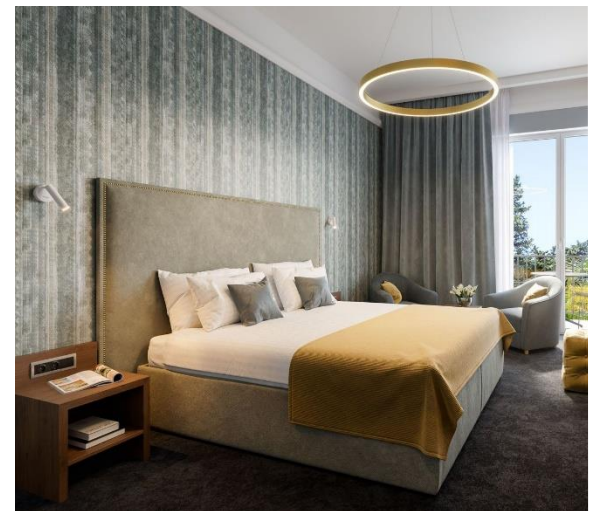
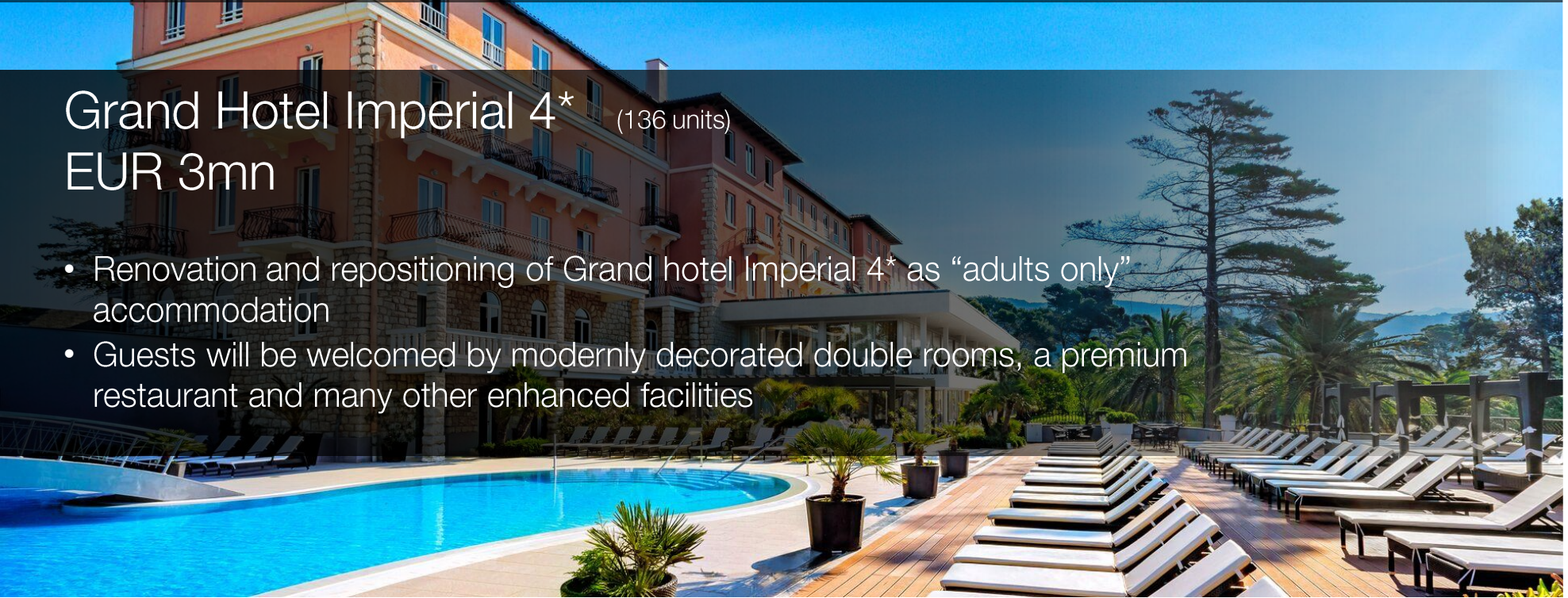
- Investments are focused on improving services and upgrading the campsite from 3* to 4* with new high-quality camping homes, further development and finalisation of Lungomare Premium village, new pools with waterslides, finalisation of family beach, expanding the offer by enlarging existing restaurant, infrastructure and other technical requirements



Investments in 2017/18 (5)

Grand Hotel Imperial 4* (136 units) EUR 3mn

- Renovation and repositioning of Grand hotel Imperial 4* as “adults only” accommodation
- Guests will be welcomed by modernly decorated double rooms, a premium restaurant and many other enhanced facilities



Investments in 2016/17 ⁽¹⁾

Bellevue Family Life Resort 4* ^(372 units) EUR 29mn

- Strategic partnership with TUI Northern Europe Limited, TUI UK and TUI Nordic Holding AB for a three-year period (seasons: 2017, 2018 and 2019 with occupancy guarantee)
- With a 154 day flight program and through new source markets, TUI plans 76.000 arrivals in the next three years
- Product specialized for families



Investments in 2016/17 ⁽²⁾

Valamar Girandella Resort 4* ^(242 units) EUR 36mn

- New service concepts:
 - premium villas with personalized service
 - „family-only” part
 - „adult-only” part
- Strategic partnership with DER Touristik Köln for a three-year period (seasons: 2017, 2018 and 2019 with occupancy guarantee; a total of 25.000 arrivals planned)
- Part of the strategic development plan of repositioning the Rabac destination as a 4* holiday destination



Investments in 2016/17 ⁽³⁾

Other investments EUR 52mn

- Almost 25% of the total amount will be invested in improving the quality of campsites: Krk 5*, Lanterna 4*, Ježevac 4*, Marina 4*, Zablaće 3* and Škrila 3* (237 new camping homes in total)
- A range of other projects to create new facilities and amenities, improve the existing ones and considerably increase the experience quality for all the destinations

Campsite Lanterna 4*



Campsite Zablaće 3*



Campsite Ježevac 4*



Campsite Krk 5*

Key Portfolio Investments in 2014 - 2016 ⁽¹⁾

Valamar Isabella Island Resort 4* & 5* ^(334 units) EUR 40mn

- The largest single investment of Valamar Riviera
- New service concepts (64 units at 5* level and 270 units at 4* level;
„V level” personalised service for 5* guests)
- First ★★★★★ Valamar Riviera's property in Istria

years
2015-
2016



Key Portfolio Investments in 2014 - 2016 ⁽²⁾

Camping Lanterna 4* (2.870 units) EUR 17mn

- The largest single investment in the camping segment
- No.1 EBITDA in Valamar Riviera (EUR 7,3mn)
- Premium campsite resort (755 camping homes in total, o/w 195 premium ones with personalized service; 25% of campsite area is covered by camping homes)

years
2014-
2016



Key Portfolio Investments in 2014 - 2016 ⁽³⁾

Camping Krk 5* ^(500 units) EUR 7mn

- No. 1 RevPAR in Valamar Riviera's camping resorts (EUR 6k)
- Premium campsite resort with personalized service for guests (124 camping homes in total, o/w 63 premium ones with personalized service; 30% of campsite area is covered by camping homes)

years
2014-
2016



Key Portfolio Investments in 2014 - 2016 ⁽⁴⁾

Valamar Dubrovnik President 5* ^(292 units) EUR 20mn

- Upgrade from ★★★★★ to ★★★★★ hotel resort
- First ★★★★★ property in Valamar Riviera
- Premium Valamar service concepts
- Indulging experience

year
2014



Key Portfolio Investments in 2014 - 2016 ⁽⁵⁾

Valamar Zagreb Hotel 4* ^(230 units) EUR 7mn

- Upgrade from ★★★ to ★★★★★ hotel resort
- Resort focused on families in high season
- Additional value to the portfolio by increasing service quality and financial performance

year
2014



Key Portfolio Investments in 2014 - 2016 ⁽⁶⁾

Valamar Argosy Hotel 4* ^(308 units) EUR 5mn

- Upgrade from ★★★ to ★★★★★ hotel resort
- Mediterranean gardens around the resort and new outdoor infinity pool with sea view
- Attractive beach Cava

year
2014



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Notes (1)

Notes

Notes (2)

Notes