

Annual Report 2025

VALAMAR



Holiday
as you
are

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Management Report

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Letter from the Chair of the Supervisory Board of Valamar Riviera



Dr Franz Lanschützer,
Chair of the Supervisory Board
of Valamar Riviera d.d.

Dear Shareholders,

Performance and Market Leadership

2025 was a year of strong performance, sustained growth and further reinforcement of Valamar's leadership position, fully aligned with the objectives of our corporate strategy through 2026. Valamar strengthened its undisputed leadership in Croatian tourism, hosting 1.2 million guests and recording 6.5 million overnight stays. The company remains a clear market leader by total revenues, operating profit, and market capitalization, and stands unmatched in total investments, which have reached €1.4 billion to date.

Growth in 2025 reflects resilient demand from our key source markets, continued outperformance of the premium segment, successful consolidation of the Austrian portfolio and disciplined execution of investments completed in previous periods. Importantly, our sales and marketing performance is a result of successful execution of strategic priorities; particularly strengthening direct distribution and premium price positioning.

While demand remained robust, 2025 was also marked by elevated cost pressures. Labor costs increased by more than 16%, reflecting competitive dynamics within the EU labor market and minimum wage increases in Croatia. Inflationary pressures are gradually stabilizing; however, labor costs are expected to continue to rise across the sector.

2025 was also a strong year for our shareholders. Valamar's share price increased by nearly 25%, while dividend yield reached a record 4.6%, reflecting growing investor confidence in our strategy and long-term value creation model. Our share buy-back programs announced in 2024 and 2025 were fully executed, with EUR 5 million

invested in own shares, representing 0.6% of shareholder capital and demonstrating our confidence in the intrinsic value of the Company. We continue to align management incentives with shareholder interests through a share-based remuneration program tied to annual growth in market capitalization and business value. In 2025, 339,736 treasury shares were awarded to key management.

Our 2024 Annual Report was honored with the Building Public Trust Award by PwC and the Zagreb Stock Exchange, reaffirming our strong commitment to transparency and accountability. With this report, we hope to continue to uphold the highest standards of corporate reporting and open communication with all our stakeholders.

Investments, People, and Sustainability

In early summer, we successfully opened Arba Resort, on the island of Rab, further expanding the Valamar Collection portfolio and repositioning Rab as a premium family holiday destination. Rab achieved the highest revenue growth among all Valamar destinations in 2025.

The resort exemplifies how the Company's sustainable tourism development model delivers superior economic value by creating exceptional guest experiences. It operates efficiently on 100% renewable electricity, partly generated on-site, and was developed in full respect of the surrounding natural environment, creating a unique environment for guests. Green building standards aligned with EU taxonomy helped secure favorable financing conditions. A strong local supply chain — particularly in food and beverage — combined with predominantly local employment creates authenticity, strengthens community impact and supports premium price positioning.

In the coming weeks, we will open Pical Resort — a EUR 200 million investment and the largest single tourism project ever undertaken in Croatia. With more than 500 keys and significant accompanying public tourism infrastructure — including restaurants, beaches, promenades, pools and sports facilities — Pical will redefine Poreč as a year-round, sustainable destination. Our ambition is clear: Pical is designed to become the five-star flagship of Valamar's portfolio and one of the leading family resorts in the Mediterranean.

In 2026, total Group investments are planned at EUR 245 million. In addition to the completion of Pical, this includes development of the Brulo sports cluster in Poreč, the second phase of Arba Resort investments and key infrastructure projects such as staff accommodation, laundry and central kitchen facilities — all strengthening operational efficiency and long-term competitiveness.

Sustainability is embedded in our business model and increasingly recognized as a source of structural advantage. In 2025, 100% of Valamar's electricity consumption was secured from renewable sources, and we continued expanding our solar energy systems. Encouragingly, 80% of our suppliers have committed to sustainable business practices, reinforcing our value chain resilience.

Beyond environmental leadership, Valamar remains deeply committed to social responsibility. Through numerous initiatives, we support schools, sports clubs and community organizations across all our destinations — strengthening the social fabric that makes our destinations attractive and vibrant for visitors and inhabitants alike.

At the heart of Valamar's success, as always, are our employees. In 2025, we employed a record 8,690 employees, while employee satisfaction reached its highest level to date. Continuous investment in education, competitive remuneration, quality working conditions and comprehensive employee programs have resulted in high retention of domestic talent and further reinforced Valamar's position as the most desirable employer in Croatian tourism. In an increasingly competitive labor environment, our culture remains a decisive differentiator.

Outlook and Governance

Looking ahead, we expect demand for premium travel experiences to remain strong. Consumers increasingly prioritize quality, authenticity and sustainability — areas where Valamar holds clear competitive advantages.

On behalf of the Supervisory Board, I would like to thank our management, employees, partners, shareholders and local communities for their dedication and contribution to our shared success.

Valamar enters 2026 from a position of strength, with a clear strategic direction, a robust investment pipeline, focus on growth and strong confidence in our ability to deliver sustainable long-term value. Our strategy is consistent: develop high-quality destinations, strengthen direct distribution, invest in our people and embed sustainability as a core business principle. Going forward, Valamar remains committed to shaping tourism that delivers lasting value for employees, guests, destinations and investors alike.

Letter from the CEO of the Management Board of Valamar Riviera



Dr. Željko Kukurin,
CEO of the Management Board
of Valamar Riviera d.d.

Another strong year is behind us in the successful implementation of Valamar's strategic plan – a year marked by the stabilisation of growth and the achievement of almost all objectives set out in Strategy 2026.

We delivered double-digit business growth, further strengthened our position as the leading tourism group in the region, and continued to execute key investments in Pical Hotel in Poreč and Arba Resort on Rab. In parallel, we enhanced portfolio quality, human capital management and sustainable business practices, reaffirming Valamar's status as the best employer and the largest investor in Croatian tourism.

Valamar group generated EUR 461 million in operating revenues, representing growth of 10.6%, while operating profit amounted to EUR 132 million, an increase of 9.1%. These results confirm the strength of our business model and the quality of our portfolio, as well as the Company's resilience in a challenging environment. The achieved financial performance contributed to an increase in share value and a dividend yield of 4.6%, exceeding the targeted annual return of 4% for our shareholders. Today, Valamar Riviera has more than 20,000 shareholders, pays dividends on a regular basis and consistently delivers on the objectives agreed with its key strategic investors.

Once again, the strongest results were recorded in premium-segment hotels and campsites, while all Valamar

destinations achieved very good results. Rab stood out in particular, recording growth of 34%, while Dubrovnik, following last year's record performance, achieved an additional 1% growth, confirming the long-term success of investments in quality and the family segment.

In 2025, we continued our intensive investment cycle. Arba Resort 4* on Rab – an EUR 83 million investment and the largest to date in that destination – opened during the year and has already been recognised as a new standard in family tourism. In its very first operating season, Arba Resort was named Best Family Hotel in Croatia at the Croatian Tourism Days, confirming our ambition to raise the quality bar of tourism on Rab.

At the same time, we are approaching the opening of Pical Hotel, the most significant project in Croatian tourism, which will welcome its first guests in March 2026. This investment, valued at over EUR 200 million, represents a key step in the transformation of Poreč and Istria towards a model of year-round, sustainable and high-quality tourism. In addition to the luxury resort, the project includes the development of new public tourism infrastructure, further enhancing both the overall quality of the destination and the quality of

life of the local community. Pical Resort 5* will be the flagship of Valamar's portfolio and a new symbol of luxury holidays in Croatia, developed in cooperation with globally renowned partners and in line with the highest standards of sustainability, design and service.

Human resources management remains one of our key strategic priorities. In cooperation with our social partners, we further improved remuneration and working conditions and increased salaries by 10% to 15%. We continued to implement reward, housing and employee support programmes, with the results reflected in a high level of employee satisfaction, achieving an average score of 4.03.

This year, Valamar once again confirmed its position as a leader in sustainable tourism in Croatia. In June 2025, we were awarded the EcoVadis Gold Medal, the leading international sustainability assessment platform, placing Valamar among the top 5% of best-rated companies globally. According to research conducted by the Croatian Chamber of Economy, Valamar ranked first in the tourism sector with a "very high ESG rating", further confirming the success of our business model in the area of environmental, social and governance responsibility.

We are particularly proud of the recognitions received for our contribution to local communities. Valamar is the recipient of the Croatian Sustainability Index (HRIO) Award in the Community Relations category, which recognises excellence in integrating social responsibility into business processes and delivering a long-term contribution to the development of local communities. This prestigious recognition confirms our long-standing commitment to sustainable tourism development, partnership with destinations and the creation of additional value for the communities in which we operate.

In conclusion, I would like to emphasise that there can be no long-term sustainability without business operations that are good for our guests, destinations and employees, while at the same time creating value for shareholders and partners. Sustainable growth will remain our fundamental priority in the new development cycle, guided by Strategy 2026, with a strong focus on quality, people and responsible management.

Group Profile

About Valamar

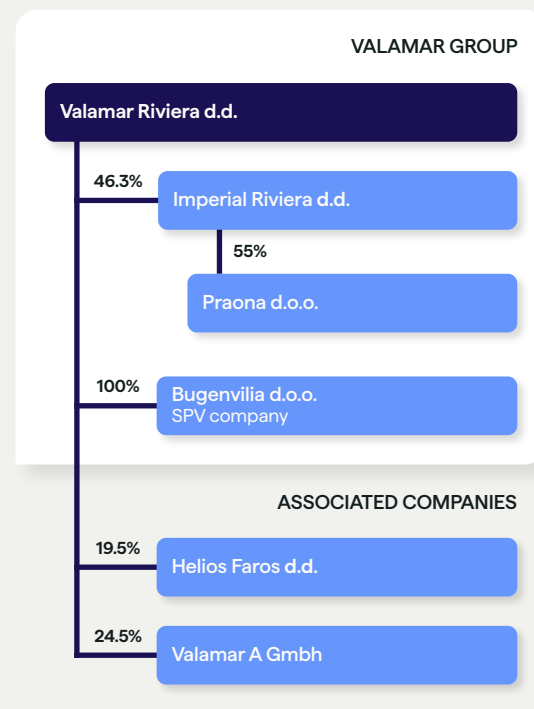
Valamar is a leader in Croatian tourism and operates in many of the country's first-class destinations – in Istria, on the islands of Krk, Rab and Hvar, in Makarska and Dubrovnik, as well as in Obertauern, Austria. Valamar's 37 hotels and resorts and 15 camping resorts have a total capacity of approximately 21,000 accommodation units, enabling the accommodation of around 58,000 guests per day.

With total investment of almost EUR 1.2 billion over the past 22 years, Valamar has grown into one of the leading regional investors. It is also the largest and most desirable employer in the tourism sector in Croatia.

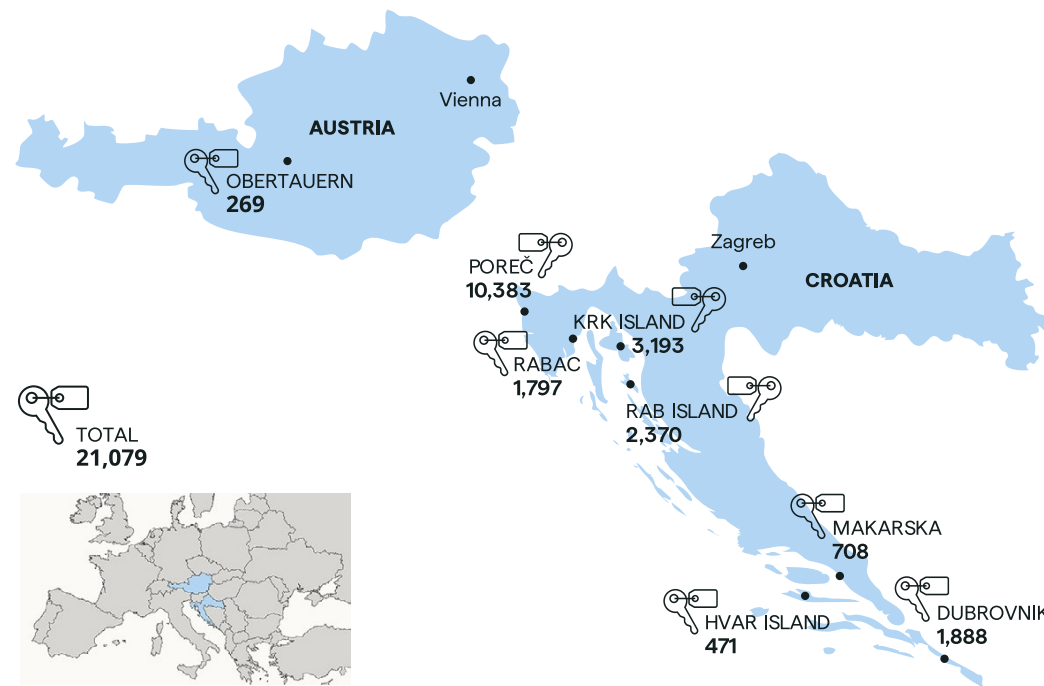
The Valamar Riviera group ("Group" or "Valamar group") consists of Valamar Riviera d.d. ("Company") and two fully consolidated subsidiaries: Imperial Riviera d.d., Rab (46.27% ownership) and Bugenvilia d.o.o., Dubrovnik (100%). Imperial Riviera holds a 55% ownership interest in and consolidates Praona d.o.o., Makarska, which operates a laundry services business.

Valamar Riviera holds ownership interests in the following companies ("Associated Companies"): Helios Faros d.d., Stari Grad (19.54%) and Valamar A GmbH, Vienna, Austria (24.54%). The Valamar group and its associated companies are collectively referred to as "Valamar".

VALAMAR



TOURISM PORTFOLIO OF VALAMAR

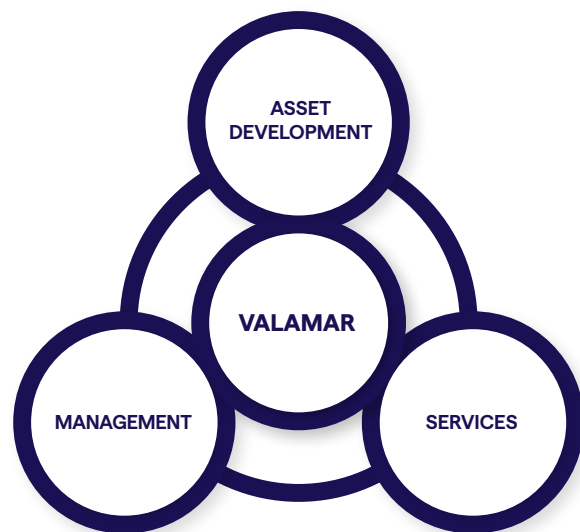


The Company's Business Model and Key Intangible Resources

VALAMAR RIVIERA BUSINESS MODEL

Valamar develops, owns and operates quality tourism assets, including hotels, resorts and campsites, while continuously enhancing the overall attractiveness of the destinations in which it operates.

Through active management of the entire tourism value chain — from investment and asset development to daily operations and destination partnerships - Valamar ensures consistent service excellence, operational efficiency and strong returns on invested capital. Close cooperation with local communities and stakeholders further strengthens destination competitiveness and long-term sustainability.



KEY INTANGIBLE RESOURCES

As a leader in the Croatian tourism industry, Valamar builds its competitive advantage on strong intangible assets: a trusted brand, a skilled and engaged workforce, advanced digital capabilities and a deeply embedded culture of sustainability. Continuous investment in people, innovation and digital transformation supports sustainable growth and high levels of guest satisfaction.

1. Brand and reputation

Valamar is one of the most recognisable tourism brands in the region and enjoys a highly positive reputation in Croatia and across its key source markets. It is synonymous with high service quality, authenticity and innovation in tourism. Valamar's reputation is built on a long-standing tradition and continuous investment, as evidenced by numerous industry awards and recognitions.

In Croatia, Valamar is recognised as a leader in the development of sustainable tourism, the most desirable employer in the tourism sector, a reliable partner to suppliers and local communities, an attractive share for long-term investors, and a driver of socially responsible initiatives that contribute to the wider community.

2. Human resources

Valamar continuously works to create the best working conditions in tourism and, through competitive year-round

remuneration, fosters a motivating working environment that includes continuous training, career development opportunities in tourism, and support for employees in organising their lives in destinations. Valamar employees almost 8,700 people, more than any other tourism group in Croatia. For nine consecutive years, Valamar was selected as the most desirable employer in tourism and hospitality. This strong employer reputation enables Valamar to recruit 73% of our workforce locally, achieve high return rates of 47% among seasonal staff and ensure operational stability in a highly competitive labor market.

3. Relationships with stakeholders and partners

Valamar nurtures long-term relationships and two-way communication with its key stakeholders. Cooperation with destinations in which it operates contributes to the development of local economies, while partnerships with global partners strengthen international recognition and competitiveness.

4. Innovation and digital transformation

Digital distribution is one of the most powerful drivers of Valamar's profitability. Direct sales are most valuable and margin-accretive channel, strengthening pricing power, improving customer retention and reducing reliance on intermediaries.

In 2025, direct sales generated EUR 244 million in revenues, accounting for 65% of total board revenues. This performance reflects sustained investment in proprietary

digital platforms, advanced analytics and customer relationship management systems. By controlling the customer interface, Valamar increase conversion rates, optimize pricing and enhance guest lifetime value.

Beyond distribution, digital transformation is embedded across Valamar's operations. Technology simplifies internal processes, increases productivity and elevates the guest experience throughout the entire stay cycle — from booking to post-visit engagement.

Key digital advancements in 2025 included:

- Enhanced online booking platforms enabling seamless reservations and dynamic pricing optimization
- Smart Integration Platform, a cloud-based solution connecting data from multiple systems in near real time to support operational decision-making
- Smart hotel systems enabling personalized guest services
- Valamar Experience Concierge for fast and efficient digital guest communication
- Mobile View Bill, providing real-time transparency of charges
- Maro Passport, a digital child registration system improving safety and communication in family facilities
- Valamar Digital Employee Card enabling secure identification and cashless payments via mobile wallet

Valamar also continued to expand Valfresco Direkt, its proprietary e-commerce platform, which has successfully grown into physical retail through Valfresco Market outlets, strengthening its direct-to-consumer ecosystem.

In 2025, Valamar initiated a structured program to evaluate and implement artificial intelligence (AI) solutions across the Group. The program focuses on enhancing guest personalization, improving demand forecasting and dynamic pricing, optimizing workforce planning and

increasing operational efficiency. AI is expected to further strengthen both guest satisfaction and profitability by enabling data-driven decision-making at scale.

Innovation at Valamar is not a standalone initiative; it is a core capability that supports revenue growth, cost discipline and long-term competitive advantage.

5. Sustainability and social responsibility

In 2025, Valamar received the Gold Medal from EcoVadis, a leading global sustainability ratings platform, positioning the Company among the top 5% of highest-rated companies worldwide.

For the second time, progress in achieving environmental, social and governance (ESG) goals is disclosed in accordance with the EU Corporate Sustainability Reporting Directive (CSRD). The Sustainability Report forms an integral part of this Annual Report.

Investment in social impact and care for local communities are an important component of sustainable tourism. Valamar invests between 3% and 5% of its annual revenues in corporate social responsibility programmes, which include:

- promoting healthy nutrition in schools through the "Valamar Cares for Healthy School Meals" programme, organising summer camps for children, activities aimed at improving working conditions in kindergartens, and providing support and donations to local sports clubs and associations
- supporting a wide range of socially responsible initiatives, as well as cultural and sporting events in destinations
- maintaining and improving public tourism infrastructure such as beaches, promenades, children's playgrounds and cycling paths

- supporting local producers through the procurement of domestic products, resulting in a high share of locally sourced food and beverages in Valamar's offering, amounting to 78%.

6. Guest Experience and Loyalty

Valamar continuously enhances the guest experience through:

- a diversified portfolio of Valamar brands – ranging from Valamar Collection hotels to family resorts and premium campsites – enabling more effective management of guest expectations and experiences while achieving higher average selling prices
- a differentiated approach to guests through the provision of personalized services tailored to their preferences
- loyalty programmes that reward returning guests with exclusive benefits
- the development of additional facilities and experiences for guests as well for the local community that significantly exceed the traditional tourism concept, such as the Parenzana cycling trail connecting Croatian and Slovenian Istria with the city of Trieste.

In 2025, the share of repeat guests at Valamar reached a high 30%. One of the ways Valamar creates added value for repeat guests is through its loyalty programme, Valamar Rewards. The total number of guests in Valamar's active marketing database exceeded 1.5 million, including 769,000 loyalty members. In 2025 alone, 120,000 new members joined the loyalty programme.

7. Organizational culture and values

Valamar fosters a corporate culture focused on people, innovation and sustainable development. Its core values include:

- **Good for our guests:** every guest is special, and our goal is to create a unique experience that makes them feel welcome and valued.
- **Good for our employees:** our employees are the foundation of our business. We provide them with support, development opportunities and an inspiring working environment.
- **Good for destinations:** we are committed to sustainability, responsible resource management and support for local communities.
- **Good for our investors:** we create value through strong returns on investment and sustainable dividends.

8. Legal and regulatory know-how

Valamar's corporate governance model comprises a set of regulations, rules, policies, protocols, processes and procedures based on the principles of transparency and best corporate governance practices. Senior management of Valamar Riviera is responsible for managing key functional business areas and activities. Its role includes cross-functional management and leadership, implementation of corporate strategy, and providing managerial support to the members of the Management Board. Valamar's legal experts and strategic teams, through their expertise and proactive approach, play a key role in ensuring business transparency and compliance with relevant regulations such as the Act on Unvalued Building Land, the Act on Maritime Domain and Seaports, the Physical Planning and other applicable laws. This directly strengthens the stability and long-term sustainability of Valamar's operations.

The combination of a strong brand, outstanding service, digital innovation and sustainable business practices enables Valamar to maintain its leading position in tourism. Intangible resources represent a key advantage in creating long-term value for guests, employees, partners and the communities in which Valamar operates.

Portfolio Overview for 2026

ACCOMMODATION UNITS			
HOTELS AND RESORTS		9,486	
VALAMAR COLLECTION		2,042	
Marea Suites, Valamar Collection	★★★★★	Poreč	109
Pical Resort, Valamar Collection	★★★★★	Poreč	513
Jadran Heritage Hotel, Valamar Collection	★★★★★	Poreč	12
Isabella Island Resort, Valamar Collection	★★★★★ (4&5)	Poreč	334
Girandella Resort, Valamar Collection	★★★★★ (4&5)	Rabac	391
President Hotel, Valamar Collection	★★★★★	Dubrovnik	292
Imperial Heritage Hotel, Valamar Collection	★★★★	Island of Rab	116
Arba Resort, Valamar Collection	★★★★	Island of Rab	208
Kesselspitze Hotel & Chalet, Valamar Collection	★★★★	Austria	67
VALAMAR HOTELS & RESORTS		3,687	
Valamar Parentino Hotel	★★★★	Poreč	329
Valamar Diamant Hotel	★★★★	Poreč	244
Valamar Riviera Hotel & Residence	★★★★	Poreč	153
Valamar Tamaris Resort	★★★★	Poreč	506
Valamar Bellevue Resort	★★★★	Rabac	372
Valamar Sanfior Hotel & Casa	★★★★	Rabac	242
Valamar Atrium Residence & Villa Adria	★★★★★ (4&5)	Island of Krk	92
Valamar Argosy Hotel	★★★★	Dubrovnik	308
Valamar Lacroma Hotel	★★★★	Dubrovnik	401
Valamar Tirena Hotel	★★★★	Dubrovnik	208
Valamar Padova Hotel	★★★★	Island of Rab	175
Valamar Carolina Hotel & Villas	★★★★	Island of Rab	176
Valamar Meteor Hotel	★★★★	Makarska	268
Valamar Obertauern Hotel	★★★★	Austria	82
Valamar Amicor Resort	★★★★	Island of Hvar	131
[PLACES] by Valamar		504	
[PLACES] Dalmacija by Valamar	★★★	Makarska	190
[PLACES] Obertauern by Valamar	★★★★	Austria	120
[PLACES] Hvar by Valamar	★★★	Island of Hvar	194

ACCOMMODATION UNITS			
SUNNY BY VALAMAR		1,865	
Sunny Poreč by Valamar	★★★★	Poreč	357
Sunny Rabac by Valamar	★★★	Rabac	300
Sunny Baška by Valamar	★★★★ (3&4)	Island of Krk	426
Sunny Krk by Valamar	★★★	Island of Krk	194
Sunny Dubrovnik by Valamar	★★★	Dubrovnik	338
Sunny Makarska by Valamar	★★★	Makarska	250
UNBRANDED		1,388	
Rubin Hotel	★★★	Poreč	253
Lanterna Resort	★★	Poreč	523
San Marino Resort	★★★	Island of Rab	466
Arkada Hotel	★★	Island of Hvar	146

ACCOMMODATION UNITS			
CAMPING RESORTS		11,593	
VALAMAR CAMPING		7,173	
Valamar Camping Lanterna	★★★★	Poreč	2,928
Valamar Camping Istra	★★★★★	Poreč	963
Valamar Camping Marina	★★★★	Rabac	330
Valamar Camping Krk	★★★★★	Island of Krk	490
Valamar Camping Ježevac	★★★★	Island of Krk	632
Valamar Camping Baška	★★★★	Island of Krk	601
Valamar Camping Padova	★★★★	Island of Rab	419
Valamar Camping San Marino	★★★★	Island of Rab	810
UNBRANDED		4,420	
Camping Orsera	★★★	Poreč	595
Camping Solaris	★★★	Poreč	1,853
Camping Tunarica	★★	Rabac	162
Camping Bunculuka	★★★★	Island of Krk	414
Camping Škrila	★★★	Island of Krk	344
Camping Solitudo	★★★	Dubrovnik	341
Camping Brioni	★★	Pula	711

Valamar Timeline

1895-1920

THE BEGINNINGS OF TOURISM IN CROATIA

1895

Bagno Parentino — the beginnings of tourism in Poreč

1910

Hotel Riviera was opened, after which the company was named

- The development of tourism along the Croatian Adriatic coast in all Valamar destinations: Rabac, Krk, Rab, Makarska, Hvar, Dubrovnik



1921-1965

RIVIERA IS FOUNDED (1953)

1953

By decision of the Supervisory Board of the Municipality of Poreč the hospitality company Riviera is established

- It manages hotels, bungalows and restaurants in Poreč and on the island of Sveti Nikola, with a total of 198 beds and around 20 employees
- The development of tourism on the Adriatic coast begins. The two largest hospitality companies are founded in Poreč



1966-1990

CONSTRUCTION OF ALL THE HOTELS AND TOURIST FACILITIES

Intensive construction in 1967-1979 — the most dynamic period of development of tourism activities and the intensive construction:

1967

Hotel and apartments Luna

1968

Hotel Neptun, Lanterna Apartment Resort

1969

Hotel Pinus Tamaris

1971

Hotel Rubin, Hotel Kristal

1972

Camping Turist (Orsera)

1974

Camping Lanterna — the largest campsite in Croatia, Camping Solaris

1976

Hotel Zagreb (Parentino), Hotel Diamant

1977

Camping Istra

1979

Hotel Pical — the first hotel of the highest category

1986

Hotel Fortuna on the Island of Sveti Nikola

Riviera becomes one of the most important tourist companies in Croatia

1991-1999

CRISIS PERIOD FOR TOURISM

Period of ownership transformation and privatisation of tourism companies

- Dom fond takes over Riviera and other tourism companies



2000-2009

VALAMAR AND THE BEGINNING OF HOTEL MANAGEMENT

Introduction of the first brands of hotels and campsites: Valamar Hotels&Resorts and Camping on the Adriatic

- Establishment of the management company Valamar hoteli i ljetovališta, which begins managing the tourism portfolio in Poreč, Rabac, Krk and Dubrovnik
- Raising the quality of facilities and the level of services

2006

The Maro mascot is born

2009

Valamar Lacroma Resort in Dubrovnik is built



2010-2014

MERGERS AND ACQUISITIONS

Completed mergers and acquisitions for portfolio consolidation

2011

Zlatni otok d.d. and Rabac d.d.

2013

Dubrovnik-Babin kuk d.d.

- Valamar Adria holding d.d. and Valamar grupa d.d.
- In December 2014, the company named Valamar Riviera d.d. is listed on the Official Market of the Zagreb Stock Exchange



2015-2019

STRONG GROWTH AND DEVELOPMENT

Over five years, Valamar doubles its financial results and company value through portfolio investments, acquisitions, and operational efficiency. The company becomes a leader in Croatian tourism and begins international expansion.

ACQUISITIONS:

2015

Hoteli Baška d.d.

2016

Imperial d.d. in partnership with AZ Fund

2018

Hoteli Makarska d.d. in partnership with AZ Funds

2018

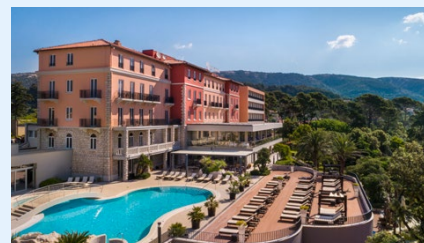
Valamar's first step outside Croatia: acquisition and start of operations in Obertauern, Austria

2019

Merger of Hoteli Makarska with Rab's Imperial — formation of Imperial Riviera d.d.

2019

Acquisition of Helios Faros on the Island of Hvar in partnership with PBZ CO Pension Funds

**2015**

Opening of Valamar Isabella Island Resort 4/5*

2016-2018

Investment in Camping Lanterna 4*

2017

Repositioning of the Rabac destination to the 4* category

2017

Construction of the largest tourism complex on the Adriatic: Valamar Girandella Resort and Family Life Bellevue Resort

2018

Valamar Meteor Hotel 4* in Makarska, Baška Beach Camping Resort, Valamar Argosy Hotel

2019

Repositioning and upgrade of Valamar Parentino Hotel (formerly Hotel Zagreb)

Opening of the Istra Premium Camping Resort 5* — one of the top campsites in Europe

2019

Ježevac Premium Camping Resort, Valamar Carolina Resort, Valamar Padova Hotel

2019

Valamar Collection Marea Suites 5* — Valamar's most successful hotel

Development of service concepts:

Grano Duro, La Pentola, Mezzino, Balance, V Sport, Val Beach, The Beat, and others

2020-PRESENT

CONTINUED INVESTMENTS AND DEVELOPMENT

- Continued investments and development of new products and service concepts: [PLACES], Sunny
- Acquisition and completion of investments in Obertauern: Kesselspitze Collection Hotel, Valamar Obertauern Hotel and Obertauern [PLACES] Hotel

2020

Covid-19 and geopolitical crisis

2021

Opening of the first Hvar [PLACES] Hotel

2022

Opening of the second Dalmacija [PLACES] Hotel

2022

Adoption of Valamar's comprehensive sustainability (ESG) strategy

2022

Construction of Valamar Amicor Green Resort in Stari Grad on Island of Hvar

2023

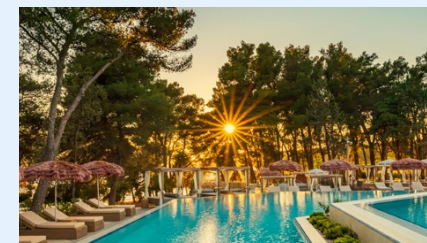
Reconstruction of Valamar Tirena Hotel and construction of Maro World

2023

More than 8,000 employees across 36 hotels and resorts, and in 15 campsites

2024

Continued investment in Pical Resort 5* in Poreč, the largest tourism investment in Croatia

**2024**

Beginning of construction of Arba Resort 4* on the Island of Rab

2024

Completion of renovations of three hotels under the Sunny by Valamar brand

2024

Adoption of the business strategy through 2026, based on an investment plan valued at EUR 450 million

2025

Opening of Arba Resort 4*, Valamar Collection on the Island of Rab, the largest investment to date by Valamar and the AZ Pension Fund in Imperial

2025

Pical Resort 5*, Valamar Collection, in an advanced stage of construction and fit-out, the most significant project in Croatian tourism, valued at over EUR 200 million



Valamar's Vision, Mission and Core Values

Our Vision

To create really good holidays.

Our Mission

Our mission is to create holidays that are good for our guests, destinations, employees and the environment, while creating value for our stakeholders and partners. In doing so, we aspire to be the leading holiday provider on the Adriatic and in the Alps.

Our Core Values

Good for our guests

Welcoming

Each guest is unique, and holidays should be too. Our goal is to create a unique, personalised experience that makes guests feel welcome, valued and delighted by our service.

Attention to detail

We are devoted to every detail to ensure guests leave with lasting memories and enriching experiences, tailored to their individual preferences and wishes.

Good for our employees

Proud employer

Our employees are the foundation of our business. Our aim is to offer more than a just a job – our aim is to provide a sense of purpose and opportunities for personal and professional growth.

Inspiring

We ensure competitive benefits, foster a supportive working environment for every employee and promote continuous learning, contributing to the wellbeing of our team and long-term career development.

Good for destinations

Committed

We are committed to sustainability and advocate environmentally responsible strategies focused on efficient resource management and conservation, ensuring progress for future generations.

Responsible

We support the communities in which we operate and act responsibly, recognising that our environment shapes who we are.

Good for our investors

Creating value

We deliver strong returns on invested capital and create value for our investors and shareholders, while paying sustainable dividends.

Valamar's Strategic Objectives through 2026

At the beginning of 2024, Valamar announced its key strategic objectives through 2026. By 2026, the Group has a strong ambition to invest EUR 450 million in enhancing the quality of the managed portfolio and continuing to upgrade hotels and campsites, as well as further internationalisation and investment in socially responsible and sustainable tourism projects.

The strategic objectives include achieving double-digit annual business growth and operating earnings (EBITDA) of EUR 150 million in 2026. For the coming period, the targeted dividend yield is around 4%, while dividend payments will depend on the achievement of annual business plans and movements in the share price. Revenue growth to EUR 500 million is planned, with 50% of revenues generated outside the main tourist season and as much as two thirds of revenues derived from direct sales. In light of the very strong results achieved throughout 2025, Valamar confirms the above expectations for 2026.

Further improvements in working conditions are planned, along with salary increases focused on expanding the share of positions with year-round income (over 50%), retaining local employees (70%) and repeat seasonal employees (60%).

Valamar will remain focused on exceptionally high guest satisfaction (quality target of 89% and an NPS of 65), as well as on increasing its active marketing database to 1.6 million guests, with every third guest being a repeat guest. The planned objective of achieving EcoVadis Gold ESG rating by 2026 was already accomplished in 2025, placing Valamar among the top 5% of best-rated companies globally.

STRONG AMBITION

INVESTMENTS

Investment of EUR 450 million to enhance portfolio quality and preparation of projects for the next investment cycle, with potential investments exceeding EUR 1 billion.

DEVELOPMENT

Product development and strong double-digit business growth driven by investments in quality and portfolio expansion.

EMPLOYEES

Remaining the best employer in tourism, offering year-round income, quality seasonal employment and career development, with a strong focus on training and education.

SUSTAINABILITY

Being recognised as a leader in socially responsible and sustainable business, with a focus on localisation, CO₂ emissions reduction, and initiatives that improve quality of life in the destinations in which Valamar operates.

STRATEGIC INITIATIVES

1 FOCUS ON INVESTMENTS AND GROWTH

2 BRANDING AND PRODUCT DEVELOPMENT

3 CARE FOR EMPLOYEES

4 FOCUS ON GUESTS

5 DISTRIBUTION, SALES AND MARKETING

6 SUSTAINABILITY AND SOCIAL RESPONSIBILITY

TO ACHIEVE

- Double-digit growth and operating profit (EBITDA) of EUR 150 million, with a net debt/EBITDA ratio of x3.0¹.
- Fundamental shareholder value of EUR 1 billion² (EUR 9 per share) and a dividend yield of 4%³.
- Business plans aligned with investor partners: AZ, PBZ CO, WB GmbH.
- Sustainable growth that benefits guests, employees, destinations and investors.

¹ Due to an increase in the amount of planned capital investments, in December 2025 the Group revised its expected net debt to EBITDA ratio from 2.0x to 3.0x for the period through 2026.

² Fundamental shareholder value is calculated as a multiple of 10.2 (the average market capitalisation multiple of relevant tourism companies listed on the Zagreb Stock Exchange (2017 – 2019)) multiplied by EBITDA, minus net debt, minus related minority interests

³ According to the Dividend Policy published on 29 February 2024: "The targeted dividend yield for shareholders amounts to approximately 4%, based on the average market share price achieved in the final quarter of the previous financial year."

Business overview 2025



Group results

KEY FINANCIAL INDICATORS¹ (IN EUR)

	2024	2025	2025/2024
Total revenue	420,253,776	465,311,775	10.7%
Operating income	417,029,033	461,324,629	10.6%
Sales revenue	411,321,821	455,264,149	10.7%
Board revenue (accommodation and board revenues) ²	339,266,363	379,913,893	12.0%
Operating costs ³	291,215,431	324,724,479	11.5%
EBITDA ⁴	119,347,406	131,517,108	10.2%
Result from extraordinary operations and one-off items ⁵	1,304,075	166,463	-87.2%
Adjusted EBITDA ⁶	120,651,481	131,683,571	9.1%
EBIT	50,409,133	53,610,971	6.4%
Adjusted EBIT ⁶	51,713,208	53,777,434	4.0%
EBT	36,985,063	45,687,659	23.5%
Net profit	32,818,226	55,090,265	67.9%
EBT margin	8.9%	9.9%	1.0 pp
EBITDA margin	28.6%	28.5%	-0.1 pp
Adjusted EBITDA margin ⁶	28.9%	28.5%	-0.4 pp

	31 December 2024	31 December 2025	2025/2024
Net debt ⁷	340,593,618	430,294,683	26.3%
Adjusted net debt ⁸	261,043,751	344,392,516	31.9%
Adjusted net debt / EBITDA ⁹	2.3	2.8	24.4%
Cash and cash equivalents	59,754,067	7,993,672	-86.6%
Capital investments	116,955,199	164,721,542	40.8%
ROE ¹⁰	5.8%	9.5%	3.7 pp
Adjusted ROCE ¹¹	6.5%	6.0%	-0.5 pp
Market capitalisation ¹²	660,384,320	819,179,023	24.0%
EV ¹³	1,140,875,759	1,400,823,193	22.8%
Share price	5.24	6.50	24.0%
EPS ¹⁴	0.21	0.36	71.7%
DPS ¹⁵	0.22	0.24	9.1%

BOARD REVENUES

380 EUR m
▲ 12%

EBITDA

132 EUR m
▲ 10%

CAPITAL EXPENDITURE

165 EUR m
▲ 41%

MARKET CAPITALISATION

819 EUR m
▲ 24%

¹ In accordance with the classification under the TFI POD-RDG reporting forms. EBIT and EBITDA and their margins, as well as the EBT margin, are presented based on operating revenues.

² In accordance with the classification under the international hotel reporting standard USALI (Uniform System of Accounts for the Lodging Industry). Non-commercial facilities/data excluded.

³ Operating expenses include cost of materials, staff costs, other costs and other operating expenses, net of extraordinary expenses and one-off items.

⁴ EBITDA (earnings before interest, taxes, depreciation and amortization) is calculated using the following formula: operating revenues – operating expenses + depreciation + value adjustments.

⁵ The adjustment includes: i) exceptional income (EUR 5.0 million in 2025; EUR 5.6 million in the prior year), ii) exceptional expenses (EUR 4.5 million in 2025; EUR 6.4 million in the prior year), and iii) severance payments (EUR 0.7 million in 2025; EUR 0.5 million in the prior year).

⁶ Adjustment made for the result from exceptional operations and one-off items.

⁷ Net debt: non-current and current liabilities to banks and other financial institutions + liabilities for loans, deposits and similar items + other liabilities in accordance with IFRS 16 (leases) – cash at bank and in hand – non-current and current investments in securities – loans, deposits and similar items granted.

⁸ Excluding all lease liabilities under IFRS 16

⁹ The adjusted net debt to EBITDA ratio represents the leverage ratio adjusted for the impact of IFRS 16 (lease liabilities are excluded from the calculation, while lease payments reduce EBITDA for the respective year).

¹⁰ ROE (return on equity) represents the return on total capital and is calculated as: profit for the period / (capital and reserves).

¹¹ Adjusted ROCE (return on capital employed) represents the return on total capital employed and is calculated as: adjusted EBIT / (capital and reserves at period-end + non-current and current liabilities to banks and other financial institutions + liabilities for loans, deposits and similar items + other liabilities in accordance with IFRS 16 (leases) – cash at bank and in hand – non-current and current investments in securities – loans, deposits and similar items granted).

¹² Market capitalisation is calculated as the total number of shares multiplied by the closing share price at the end of the period.

¹³ EV (enterprise value) represents the value of the company and is calculated as: market capitalisation + net debt + minority interest.

¹⁴ EPS (earnings per share) represents earnings per share calculated based on net profit attributable to equity holders of the parent.

¹⁵ DPS (dividends per share) represents dividends per share.

KEY OPERATIONAL INDICATORS ¹⁶			
	2024	2025	2025/2024
Number of accommodation units (capacity)	19,956	20,088	0.7%
Number of beds	56,477	56,788	0.6%
Days of full occupancy	124	126	1.3%
Annual occupancy	34.02%	34.40%	0.4 pp
Number of accommodation units sold	2,484,437	2,522,066	1.5%
Number of overnight stays	6,358,966	6,594,967	3.7%
ARR ¹⁷ (in EUR)	136	151	10.5%
RevPAR ¹⁸ (in EUR)	16,904	18,912	11.9%
EBITDA PAR ¹⁹ (in EUR)	6,138	6,729	9.6%

¹⁶ Data for Helios Faros are not included. Non-commercial facilities/data excluded.

¹⁷ The average selling price per accommodation unit is calculated based on cumulative board revenue (accommodation and board revenues).

¹⁸ Revenue per accommodation unit is calculated based on cumulative board revenue (accommodation and board revenues).

¹⁹ EBITDAPAR is expressed based on USALI EBITDA relative to the number of accommodation units.

REVENUES

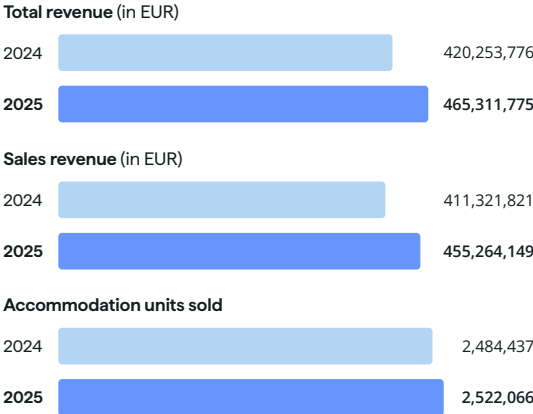
Operating revenues of the Valamar group in 2025 amounted to EUR 461.3 million, representing an increase of 10.6%, or EUR 44.3 million, compared to 2024. The growth in operations was driven by a higher number of rooms sold, higher average realised accommodation prices, and an increased share of the most profitable direct sales channel. Growth was also supported by the consolidation of hotel operations in Austria, as well as continuous investments in service quality improvements and portfolio repositioning.

All destinations in which the Valamar group operates recorded excellent results, with Rab, Makarska, Krk and Istria leading in revenue growth, while the Dubrovnik destination, following exceptional revenue growth in the previous year, achieved stable performance in the current season. The Rab destination recorded the highest individual growth, with board revenues increasing by a strong 33.8%.

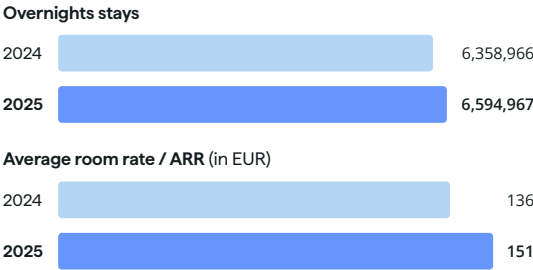
Total revenues in 2025 amounted to EUR 465.3 million, representing an increase of 10.7% (EUR 45.0 million). Total revenues were influenced by the following factors:

- Growth in sales revenues of 10.7% (EUR 43.9 million) to EUR 455.3 million, primarily consisting of board revenues amounting to EUR 380.0 million. Domestic sales revenues amounted to EUR 54.5 million, representing 12.0% of total sales revenues, and increased by EUR 4.8 million (+9.7%) compared to 2024. With a share of 88.0% in total sales revenues, revenues from foreign markets amounted to EUR 400.8 million, increasing by EUR 39.1 million (+10.8%).
- An increase in other operating revenues of EUR 0.3 million compared to the comparative period (+6.0%).
- Growth in financial revenue from EUR 0.8 million to EUR 4.0 million (+23.6%). The increase in the market value of interest rate swaps of EUR 2.0 million and other financial income of EUR 0.4 million more than offset the decrease in interest income of EUR 1.6 million.

REVENUE AND ACCOMMODATION UNITS SOLD

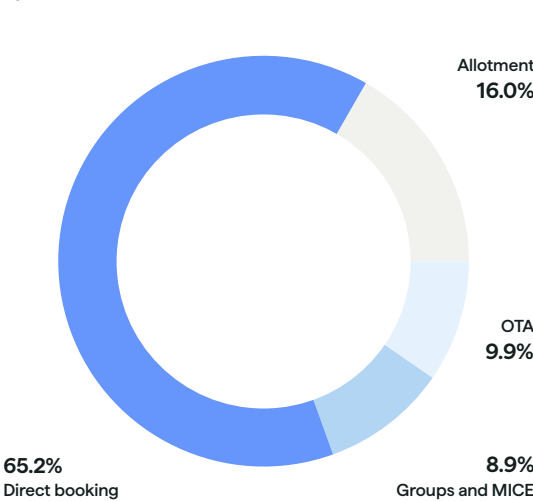


OVERNIGHT STAYS

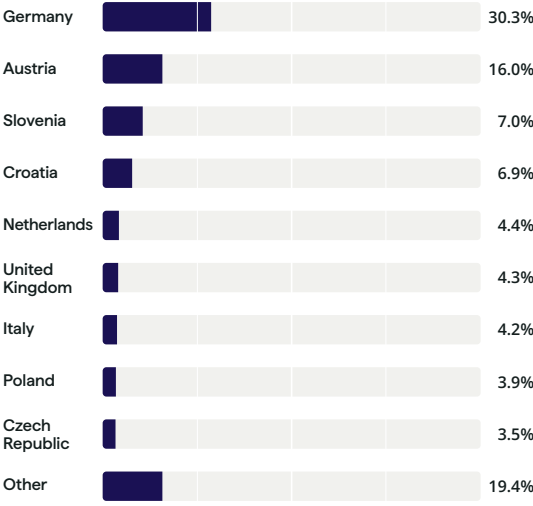


DISTRIBUTION CHANNELS IN 2025

By board revenue



STRUCTURE OF OVERNIGHT STAYS IN 2025



OPERATING EXPENSES

Total operating expenses amounted to EUR 407.7 million, representing an increase of 11.2% compared to the previous year. The increase was driven by a higher number of over-night stays and rooms sold across all Group destinations, as well as the inclusion of operating expenses of three hotels in Austria, primarily within material costs and staff costs.

Movement in operating expenses:

- Material costs amounted to EUR 138.6 million, an increase of 8.1%, mainly as a result of higher food and beverage costs, cost of goods sold, maintenance costs, consumables, and promotional and marketing expenses, partially offset by a reduction in electricity costs.
- Staff costs increased by 16.1% to EUR 138.0 million, reflecting new employee-related costs in Austria

- (EUR 4.2 million), an increase in the average number of employees, and salary increases.
- Depreciation and amortisation amounted to EUR 77.8 million, representing an increase of 13.0%, largely due to increased capital expenditure in 2024 and 2025.
 - Other expenses increased by EUR 3.1 million (+7.0%) to EUR 48.1 million, primarily due to higher employee-related costs such as accommodation, meals and bonuses, as well as increased insurance premium costs.
 - Provisions and value adjustments increased by EUR 1.1 million (+90.3%) to EUR 2.3 million, due to higher provisions for severance payments and provisions for legal disputes.
 - Other operating expenses amounted to EUR 2.9 million, representing a decrease of EUR 1.6 million, largely due to a reduction in costs related to previous years.

OPERATING PROFIT (EBITDA) AND PROFIT FOR THE PERIOD

The Valamar group achieved growth in EBITDA and maintained a stable EBITDA margin in 2025. The Group's operating profit (adjusted EBITDA) increased by EUR 11.0 million to EUR 131.7 million (+9.1%), with an EBITDA margin of 28.5% (–0.4 pp). The increase in operating profit compared to the previous year was primarily driven by growth in operating revenues across all destinations in which the Group operates, particularly through higher selling prices and increased sales of accommodation units via the direct sales channel, as well as the consolidation of results from the Austrian portfolio, alongside controlled and planned growth in operating costs. The premium segment of hotels and campsites across all Valamar group destinations made the largest contribution to results, achieving higher occupancy rates and higher average prices.

Profit before tax (EBT) amounted to EUR 45.7 million, representing an increase of EUR 8.7 million (+23.5%) compared to the previous year, primarily as a result of higher operating profit and an improved net financial result. The Group recognised tax income of EUR 9.4 million, primarily arising from tax incentives for investment projects. Net profit of the Group for 2025 amounted to EUR 55.1 million.

OPERATING EXPENSES



OPERATING COSTS



ADJUSTED EBITDA



EBITDA MARGIN



OPERATING EXPENSES OF THE VALAMAR GROUP ²⁰			
(in EUR)	2024	2025	2025/2024
Operating costs ²¹	291,215,431	324,724,479	11.5%
Total operating expenses	366,619,900	407,713,658	11.2%
Material costs	128,225,196	138,587,031	8.1%
Personnel costs	118,792,828	137,969,389	16.1%
Depreciation	68,874,368	77,831,975	13.0%
Other costs	44,964,593	48,104,331	7.0%
Provisions and value adjustments	1,225,823	2,332,576	90.3%
Other operating expenses	4,537,092	2,888,356	–36.3%

²⁰ In accordance with the classification according to the forms GFI PODRDG.
²¹ Operating costs include material costs, personnel costs, other costs and other operating expenses less extraordinary expenditures, as well as one-off items.



RESULT OF FINANCIAL ACTIVITIES

The result of financial activities in 2025 amounted to EUR -7.6 million, representing an improvement of EUR 5.0 million compared to the previous year, when it stood at EUR -12.6 million. The improvement in the net financial result was primarily driven by lower financial expenses of EUR 4.2 million. This was mainly attributable to a decrease in interest expense of EUR 2.9 million, reflecting the absence of a one-off statutory default interest expense related to court proceedings recognised in 2024, as well as lower borrowing costs following loan repayments. An additional positive impact came from other financial expenses, which decreased by EUR 1.3 million due to lower costs related to the derecognition of the fair value of interest rate swaps (IRS).

Financial revenue increased by EUR 0.8 million (+23.6%) to EUR 4.0 million, as the increase in the market value of

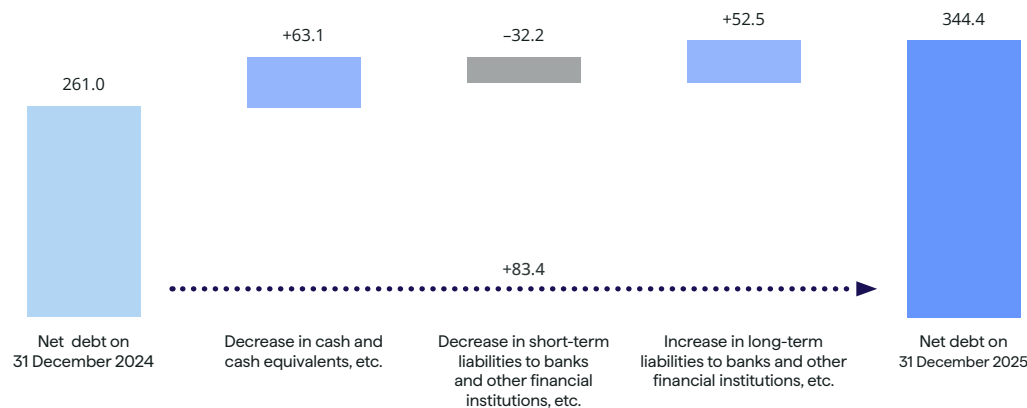
interest rate swaps of EUR 2.0 million and other financial income of EUR 0.4 million more than offset the decline in interest revenue of EUR 1.6 million, resulting from lower market interest rates and a lower level of available cash.

Adjusted net debt

In 2025, adjusted net debt¹ increased by EUR 83.3 million to EUR 344.4 million, primarily due to the drawdown of long-term loans for Pical Resort and Arba Resort, the utilisation of short-term loans, and a reduction in available cash. The adjusted net debt to EBITDA ratio amounted to 2.8 in 2025 (2.3 in 2024) and represents the net leverage ratio adjusted for the impact of IFRS 16 (lease liabilities are excluded from the calculation, while lease payments reduced EBITDA for the respective year).

ADJUSTED NET DEBT DEVELOPMENT

(in EUR m)



¹ Adjusted net debt (excluding liabilities related to renting under IFRS 16): long-term and short-term liabilities to banks and other financial institutions + liabilities for loans, deposits and similar items + other liabilities in accordance with IFRS 16 (leases) - cash at bank and in hand - long-term and short-term investments in securities - short-term loans, deposits and similar items granted.

ASSETS AND LIABILITIES

The total value of the Group's assets as at 31 December 2025 exceeded EUR 1 billion, representing an increase of 6.0% compared to 31 December 2024. Total equity and reserves amounted to EUR 465.5 million, an increase of 3.8%, primarily as a result of the net profit for the period and dividend payments.

Total long-term and short-term liabilities to banks and other financial institutions as at 31 December 2025 amounted to EUR 354.1 million, representing an increase of EUR 20.3 million compared to 31 December 2024. Short-term financial liabilities were reduced by EUR 32.2 million through loan repayments, while long-term financial liabilities increased by EUR 52.5 million due to the drawdown of long-term loans for capital investments in Pical Resort and Arba Resort.

More than 96% of long-term bank loans comprise loans with fixed interest rates, loans hedged by interest rate swaps (IRS), and loans with subsidised interest rates. The majority of the Group's cash inflows are denominated in euros, as is the entire loan portfolio, which significantly mitigates foreign exchange risk.

The Group's cash balance as at 31 December 2025 amounted to EUR 8.0 million, representing a decrease of EUR 51.8 million compared to 31 December 2024. The main reasons for the decrease in cash in 2025 were loan repayments, dividend payments and investments in long-term assets. The cash position, together with committed but undrawn credit lines, valuable tourism assets and a strong operating business model, provides the Group with a stable balance sheet position.

FINANCIAL REVENUE AND EXPENDITURE

(in EUR)

Financial revenue

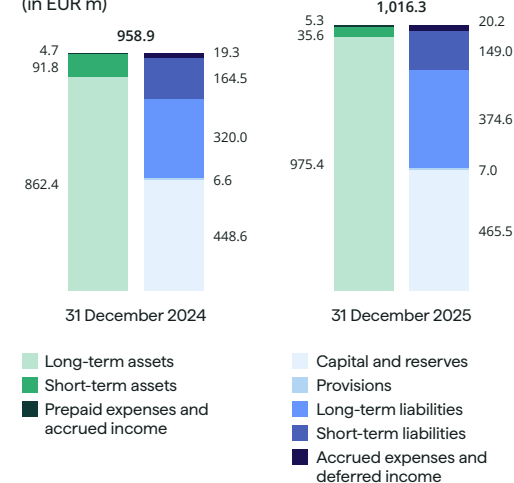


Financial expenditure



ASSETS AND LIABILITIES

(in EUR m)



FINANCIAL AND STRATEGIC KPIs ¹			
	2024	2025	Strategy 2026
INVESTMENTS AND DEVELOPMENT			
Investments in the managed portfolio (mn) ²	142	304	450
Operating income (mn)	411	461	500
Adjusted EBITDA (mn) ³	119	132	150
INVESTORS AND FINANCING			
Dividend yield ⁴	4.7%	4.6%	4%
Interest rate on long-term borrowings ⁵	2.6%	2.8%	<3%
FOCUS ON GUESTS			
Returning guests ⁶	29.0%	30.0%	30.0%
Guest marketing base (mn) ⁷	1.3	1.5	1.6
Valamar loyalty program ⁸	656,000	769,000	840,000
NPS ⁹	66	66	65
Guest satisfaction ¹⁰	88%	89%	89%
Valamar Collection	94%	92%	93%
VHR	90%	90%	90%
Places	92%	93%	92%
Sunny	88%	89%	88%
Valamar Camping	87%	88%	87%
SALES AND MARKETING			
Accommodation sales (mn) ¹¹	341	380	405
Direct sales (mn) ¹²	211	244	260
Share of direct sales ¹³	64%	65%	66%
Accommodation sales outside the main tourist season ¹⁴	45%	48%	50%
Web visitors (mn) ¹⁵	7.2	7.3	9.4
Occupancy ¹⁶	66.8%	69.2%	69.2%
ARR ¹⁷	136	151	153
Overnights	6,358,966	6,594,967	6,793,226
Occupancy (Hotels&Resorts)	75.4%	74.8%	76.2%
ARR (Hotels&Resorts)	201	226	222
Overnights (Hotels&Resorts)	2,835,092	2,926,879	3,028,703
Occupancy (Camping Resorts)	60.0%	64.8%	63.3%
ARR (Campings Resorts)	80	85	82
Overnights (Campings Resorts)	3,523,861	3,668,088	3,764,509

	2024	2025	Strategy 2026
PRODUCTS AND SERVICES			
Managed portfolio ¹⁸	19,956	20,088	>21,000
Total TREVPAR ¹⁹	20,163	21,932	24,275
Hotels TREVPAR	31,927	36,406	32,500
Campsites TREVPAR	10,294	11,081	12,200
EMPLOYEES AND ORGANIZATION²⁰			
Employees ²¹	8,295	8,690	9,360
Year-round employees ²²	48%	43%	49%
Domestic employees	78%	73%	70%
Seasonal returnees	53%	47%	50%
Local employees	55%	53%	50%
Education ²³	49	52	40

¹ All key performance indicators refer to Valamar group unless stated otherwise and exclude non-commercial accommodation (except operating income). The indicators for 2026 relate to the targets defined in the Strategy until 2026, published in October 2024, and do not represent specific figures from the 2026 business plan, which may to a certain extent deviate from the targets set out in the Strategy until 2026.

² Investments in 2022 are presented for that year, while, in 2024, they are cumulative for the period 2023-2024, in 2025, cumulative for 2023-2025, and in 2026, cumulative for 2023-2026.

³ The indicator is calculated as: operating income - total operating costs + depreciation and amortization + value adjustments, and adjusted for the result of extraordinary operations and one-off items.

⁴ The targeted dividend yield for shareholders is approximately 4% relative to the average market price of the share achieved in the last quarter of the previous fiscal year.

⁵ The indicator represents the weighted average interest rate.

⁶ Share of guests staying in the current year who have had at least one stay during the previous five years (2020-2025). The indicator includes both Valamar group and the managed portfolio.

⁷ Number of contacts with consent for direct marketing. The indicator includes both Valamar group and the managed portfolio.

⁸ Loyalty program members. The indicator includes both Valamar group and the managed portfolio.

⁹ Net Promoter Score is a quality indicator based on the data collected through on-site and post-stay guest surveys. The received ratings are processed and regularly distributed within the organization in the form of weekly reports.

¹⁰ Quality indicators are based on data analysis collected through on-site and post-stay guest surveys. The received ratings are processed and regularly distributed within the organization in the form of weekly reports. The indicator includes both Valamar group and the managed portfolio.

¹¹ The indicator represents board revenues including collected no-show fees.

¹² The indicator represents board revenues from the direct sales channel.

¹³ The indicator represents the share of board revenues from direct sales channels in total board revenues (excluding OTA commissions).

¹⁴ The indicator represents total board revenues generated during the operating season, excluding the performance achieved in July and August.

¹⁵ The indicator has been redefined in 2023 following additional alignment with GDPR regulations. Web analytics are now loaded only for users who have provided consent for analytical cookies. Although approximately 50% of visitor data is lost, Google's modeling enables the simulation of up to 70% of the missing user journeys.

¹⁶ The indicator is calculated by dividing the number of accommodation units sold by the product of total available accommodation units and the number of operating days.

¹⁷ The indicator is calculated by dividing the total board revenues (including collected no-show fees) by the total number of accommodation units sold during the reporting period.

¹⁸ The indicator includes both Valamar group and the managed portfolio.

¹⁹ The indicator is calculated by dividing the total operating income from accommodation properties divided by the total number of accommodation units.

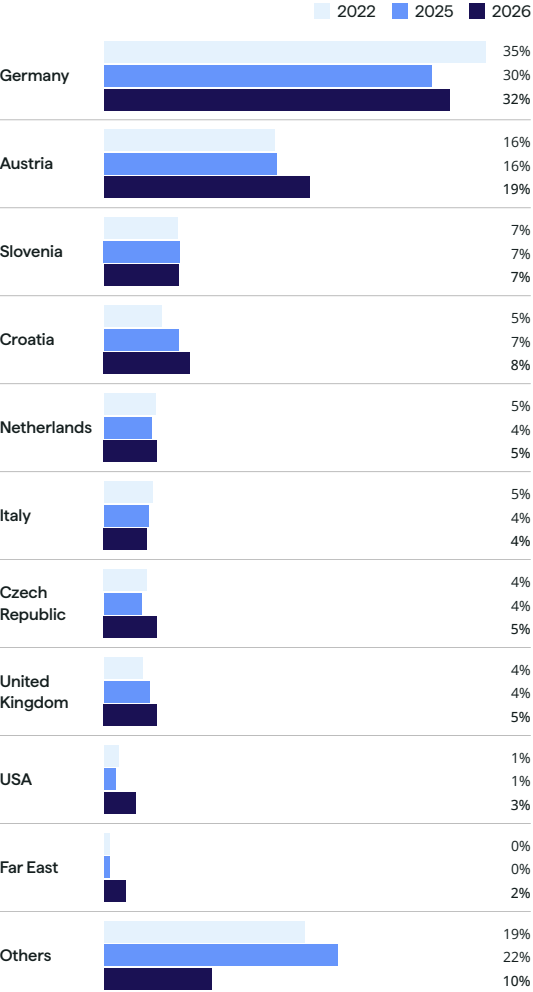
²⁰ All employee- and organization-related indicators are presented as of 31 July 2025, except Seasonal Returnees, which are reported for the full year.

²¹ The indicator includes both Valamar group and the managed portfolio.

²² The share of year-round employees in 2025 decreased following the government's discontinuation of the permanent seasonal employment ("Stalni sezonac") program.

²³ The indicator represents the number of training hours per employee.

PERFORMANCE IN 2022 AND 2025 AND TARGET
MARKETS FOR 2026¹



¹ The indicators for 2026 relate to the targets defined in the Strategy until 2026, published in October 2024, and do not represent specific figures from the 2026 business plan, which may to a certain extent deviate from the targets set out in the Strategy until 2026.

Results of the Company

In 2025, total revenues amounted to EUR 358.9 million, representing an increase of 8.4%, or EUR 27.9 million, compared to 2024, when they stood at EUR 331.0 million. Sales revenues amounted to EUR 345.6 million, increasing by 8.3% compared to the same period of the previous year. The Company's revenues and expenses were affected by the previously explained increase in business volumes across all destinations in which the Company operates.

Material costs amounted to EUR 108.7 million, increasing by 5.2%, mainly as a result of higher food and beverage costs, cost of goods sold, maintenance costs, consumables, and promotional and marketing expenses, partially offset by lower electricity costs. Staff costs amounted to EUR 107.8 million, representing an increase of 13.1% compared to the previous year, driven by new employee-related costs in Austria (EUR 4.2 million), an increase in the average number of employees, and salary increases.

Depreciation amounted to EUR 54.6 million, an increase of 11.3% year on year, largely due to increased capital expenditure in 2024 and 2025.

The net financial result amounted to EUR 0.5 million in 2025 (EUR -4.2 million in 2024). The improvement in the net financial result was primarily driven by lower interest expenses of EUR 2.8 million, reflecting the absence of a one-off statutory default interest expense related to court proceedings recognised in 2024, as well as lower borrowing costs following loan repayments. On the other hand, due to lower market interest rates and a lower level of available cash, other interest income decreased by EUR 0.9 million.

EBITDA amounted to EUR 91.9 million in 2025. The increase in EBITDA of EUR 7.6 million (+9.0%) compared to the same period of the previous year was primarily driven by growth in operating revenues across all destinations in which the Company operates, particularly through higher selling prices and an increased number of accommodation units sold via the direct sales channel, as well as the consolidation of operating results of the Austrian portfolio.

Profit before tax (EBT) amounted to EUR 37.7 million, representing an improvement of EUR 6.7 million (+21.6%) compared to the previous year, primarily as a result of higher operating profit. Net profit for 2025 amounted to EUR 40.6 million, an increase of EUR 14.7 million (+56.7%) compared to the previous year. The Company recognised tax income of EUR 2.9 million, primarily arising from tax incentives for investment projects.

The total value of the Company's assets as at 31 December 2025 amounted to EUR 811.3 million, representing an increase of EUR 28.9 million (+3.7%) compared to 31 December 2024. Total equity and reserves amounted to EUR 416.3 million, increasing by 2.0%, primarily as a result of net profit for the period and dividend payments.

The Company's cash balance amounted to EUR 1.8 million, representing a decrease of EUR 51.4 million compared to 31 December 2024. Loan repayments, dividend payments and investments in long-term assets were the main reasons for the decrease in cash in 2025.

Branch offices of the Company

The Company has several branch offices where it performs its business activities outside of its headquarters:

- **Branch Office for Tourism RABAC**, headquartered in Rabac, Slobode 80,
- **Branch Office for Tourism ZLATNI OTOK**, headquartered in Krk, Vršanska 8,
- **Branch Office for Tourism DUBROVNIK-BABIN KUK**, headquartered in Dubrovnik, Vatroslava Lisinskog 15A,
- **Branch Office for Tourism BRIONI**, headquartered in Pula, Puntičela 155,
- **Branch Office for Business and Management Consulting ZAGREB** headquartered in Zagreb, Miramarska cesta 24, and
- **Branch Office Austria – Zweigniederlassung Austria**, Austria, headquartered in Austria, Obertauern, Gamsleitenstraße 6.

Only the Branch Office Austria performs operating activities by leasing three hotels in Obertauern.



Business Development and Investments

INVESTMENT CYCLES 2024/25 AND 2025/26

INVESTMENT CYCLE 2024/25

The continued success and growth of the Valamar group in 2025 are the result of strategic investments in products, employees and tourism destinations, with a strong focus on profitability and the long-term sustainability of operations. Valamar continuously enhances the quality of services and amenities and develops concepts tailored to guest preferences and market trends.

The 2024/25 investment cycle, with a total value of EUR 161.9 million at Group level (Valamar Riviera: EUR 101.8 million and Imperial Riviera: EUR 60.1 million), was successfully completed.

The cycle was marked by the strategic projects Pical Resort 5* in Poreč and Arba Resort 4*, Valamar Collection, on the Island of Rab.

The Pical Resort project represents the largest single investment undertaken by the Group. Investments during this cycle were directed towards the continuation of construction and the completion of key project phases, while the completion of works and the opening of the resort are planned for 2026. Arba Resort, the largest development project on Rab Island, was successfully completed in its first phase, significantly enriching the destination's tourism offering.

Investments included the renovation and development of accommodation capacities, improvements to tourism infrastructure, digitalisation of business processes, and projects contributing to more efficient energy and resource cost management. The completed projects provide a solid foundation for further revenue growth, improved operating profitability, and the strengthening of Valamar's position as the leading tourism company in Croatia.

VALAMAR RIVIERA

Valamar Riviera completed the 2024/25 investment cycle with a total value of EUR 101.8 million. The investments were aimed at improving business processes, enhancing operational performance and results, raising the quality of facilities and services, and increasing energy efficiency and digitalisation.

The largest single capital expenditure within this cycle was allocated to the continued construction of Pical Resort 5*, Valamar Collection, amounting to EUR 60 million. Construction works at Pical Resort are progressing according to plan, with the opening scheduled for the first quarter of 2026. Final activities are currently under way, including interior fit-out and landscaping of outdoor areas, with the aim of ensuring timely preparation of the property for the technical inspection. Pical Resort will offer year-round, top-quality tourism and accommodate an additional 2,000 guests throughout the year. Through a total multi-year investment of EUR 200 million in the Pical zone, new public tourism infrastructure will be developed, including promenades, cycling paths, a beach, indoor and outdoor swimming pools, and a range of other amenities available to both tourists and the local community. The resort comprises two pool complexes, a central hotel, and two wings: V Level and Family.

As part of the hotel, the largest congress centre in Istria will be constructed, with a capacity of 1,200 participants, enabling a stronger positioning in the business groups market. The expansion of this type of offering will contribute to season extension and increased operating revenues.

Another significant investment within this cycle was the reconstruction of Hotel Jadran, amounting to EUR 5.9 million. The investment includes the complete renovation and redesign of 24 existing accommodation units into 12 luxury rooms, as well as the redesign of the reception area and common spaces. The opening of the new JAZ by Ana Roš restaurant within the hotel will further enrich Valamar's gastronomic offering, support local producers and create new jobs. The opening of the hotel is planned for the first quarter of 2026. The project is currently in its final phase, including completion of works, interior fit-out and preparation of the facility for technical inspection.

Other investments implemented by Valamar Riviera include:

- refurbishment of 18 villas at Valamar Tamaris Resort 4* and the renovation of the entrance zone, reception and lobby areas



- investments in pool equipment for the Miramare pool at Isabella Island Resort 4*/5*, Valamar Collection
- fit-out of additional accommodation units managed by Valamar as part of the diffuse hotel project in Poreč
- works in the V Level villas at Girandella Resort 4*/5*, Valamar Collection, focused on improving accommodation quality and guest service, as well as the modernisation of the V Level building and pool area.

Additional investments in other properties amounted to approximately EUR 700 thousand for the procurement of furniture and equipment, around EUR 750 thousand for beach improvements, and over EUR 890 thousand for safety enhancements.

In addition to investments in hotels, investments were also made in campsites. In view of the growing demand for camping tourism, approximately EUR 950 thousand was invested during this investment cycle in the expansion and upgrading of accommodation capacities and related facilities at the following sites:

- Valamar Camping Lanterna 4* in Poreč, where works were completed to convert 33 Comfort pitches into 22 Mega Comfort pitches, upgrade playgrounds, reconstruct sunbathing areas at the main pool and Aquamar, as well as refurbish mobile homes and their terraces and flooring. New types of pitches equipped with mobile sanitary units and summer kitchens were introduced, while existing pitches were further upgraded through the installation of whirlpool baths. In addition, the first phase of the children's playground refurbishment was

completed, further enhancing the range of facilities for younger guests.

- Valamar Camping Krk 5*, which was further upgraded through the conversion of five Old Krk Home Type mobile homes into five new Premium mobile homes, as well as the conversion of ten Comfort Mare pitches into five Mega Comfort Mare pitches. The Valfresco Market within the campsite was also fully refurbished.
- Valamar Camping Istra 5*, where the Stay Fit zone was developed, including the construction of a gym and canopy, as well as Phase II of the wellness area.
- Valamar Camping Marina 4* in Rabac, where the reconstruction of the main sanitary facility was completed.
- Valamar Camping Ježevac 4*, where the Valfresco Market was refurbished.

The Company places strong emphasis on sustainable and socially responsible business practices. Accordingly, approximately EUR 500 thousand was invested in various energy efficiency projects, such as the installation of LED lighting, and EUR 3.7 million in sustainability projects, including the procurement of electric vehicles, construction of EV charging stations, tree planting, landscaping, bio-waste recycling, installation of new heat pumps, procurement of aerators and flow regulators, and other initiatives. Among the more significant sustainability- and environmental-protection-related investments were the procurement of a bio-waste collection vehicle for Valamar Camping Istra 5*, new heat pumps at Camping Škrila 3* and Camping Bunculuka 4*, as well as the procurement of bio-composters on the Lanterna Peninsula. The procurement of a new electric boat for Isabella Island Resort 4*/5* is currently under way, as

is an investment in groundwater-based irrigation at Valamar Camping Baška 4*.

In addition to investments in environmental protection and energy efficiency, significant attention is devoted to the investment maintenance of all destinations, through regular maintenance of facilities and guest amenities, as well as investments in safety within properties. During the 2024/25 investment cycle, approximately EUR 17.8 million was invested in capital maintenance.

Through the continued development of digitalisation, service quality is being further enhanced. During this investment cycle, more than EUR 6.1 million was invested in digitalisation and innovation projects. In addition to digitalisation investments, a further EUR 600 thousand was invested in IT maintenance projects, and more than EUR 1.3 million in branding and signage.

IMPERIAL RIVIERA

Imperial Riviera completed its 2024/25 investment cycle in the amount of EUR 60.1 million, aimed at the further enhancement of the Company's offering. Investments were focused on repositioning and upgrading service quality, digitalisation, green construction, sustainable energy sources, and the development of tourism infrastructure across all destinations.

The first phase of the largest development project on the island of Rab, Arba Resort 4*, Valamar Collection, was successfully completed, positioning the island as a leading family holiday destination in Croatia. The resort comprises 208 modernly equipped accommodation units that combine contemporary design with Mediterranean authenticity. The resort also features a wide range of additional guest amenities,

including a pool complex, wellness zone, restaurant offering local cuisine, and facilities tailored to families and active guests. The new hotel was developed in line with the highest sustainable construction standards and represents a comprehensive reconstruction of the former Hotel Eva. Special attention was given during the design and construction phases to the preservation of the natural environment of the Suha Punta peninsula and the valorisation of the centuries-old Kalifront forest. In addition to accommodation facilities, the resort includes a range of new amenities, such as a landscaped beach, sports courts, and a new bike centre.

In the Makarska destination, the second phase of investments in the Sunny Makarska by Valamar tourist complex was completed. This phase included the successful construction of a modern pool complex with water slides, a sunbathing area, the Grano Duro restaurant, and the associated parking facilities.

In the Rab destination, works were completed on the Arba Resort Employee Accommodation facility. These works included the refurbishment of existing apartments and bungalows for employee accommodation in line with Valamar standards, as well as the refurbishment of common areas, including a laundry, games room, kitchen, and outdoor social area. Furthermore, works were completed on the modernisation of the administrative building in Rab, as well as the refurbishment of sanitary facilities at Valamar Camping San Marino 4*.

Several smaller-scale projects were also implemented with the aim of promoting green construction and the use of sustainable energy sources, including the installation of heat pumps at Valamar Padova Hotel and the reconstruction of the energy plant at San Marino Resort.

INVESTMENT CYCLE 2025/26

The Valamar group continues to implement its ambitious plans to enhance its tourism offering, focusing on high-quality premium segments within the hotel and resort category, as well as camping destinations. Total approved investments at the Valamar group level in the 2025/26 investment cycle amount to EUR 245.5 million. Projects within the 2025/26 investment cycle are key to the further development of the portfolio, with the aim of creating products and services that deliver high added value and support continuous growth and long-term business sustainability. At the same time, the Valamar group is focused on enhancing its service concepts, ensuring alignment with current market requirements and trends, thereby continuously improving service quality and guest satisfaction.

Through innovation and technological investments, the Valamar group seeks to improve operational efficiency, while maintaining its position as a recognised industry leader, continuously adapting its offering to meet the highest standards and deliver exceptional value to guests.

The Group has also continued to adapt its products and develop digitalisation projects aimed at enhancing service quality and guest safety.

Through this approach, the Valamar group will continue to strengthen its market position and contribute consistently to the growth of tourism and sustainable development.

VALAMAR RIVIERA

Planned investments of Valamar Riviera in the 2025/26 investment cycle amount to EUR 228.1 million. These investments are aimed at improving business processes, enhancing operational performance, raising the quality of facilities and services, and increasing energy efficiency and digitalisation.

The largest single capital expenditure in this cycle is allocated to the finalisation of construction of the Pical Resort 5*, amounting to EUR 85 million. Final activities are currently under way, including interior fit-out and landscaping of outdoor areas, with the aim of ensuring timely preparation of the property for the technical inspection. At the same time, works on Pical Beach are continuing, with an investment value exceeding EUR 16 million. The opening of the hotel is planned for the first quarter of 2026.

Among other significant investments in this cycle, particular emphasis is placed on the repositioning and rebranding of the existing Crystal Hotel and Diamant Apartments into Sunny Poreč by Valamar 4*. The total planned investment amounts to approximately EUR 36.4 million. Planned investment in the hotel totals EUR 15.2 million and includes the reconstruction of all accommodation units, expansion of the restaurant, refurbishment of children's facilities, and the construction of additional parking spaces.

Investment in the Diamant Apartments of EUR 9.9 million includes the refurbishment of accommodation units. Investment in the Aquamar water park, amounting to EUR 11.3 million, includes a new children's pool with attractions and water slides, a sunbathing area with new equipment, and the Oliva restaurant.

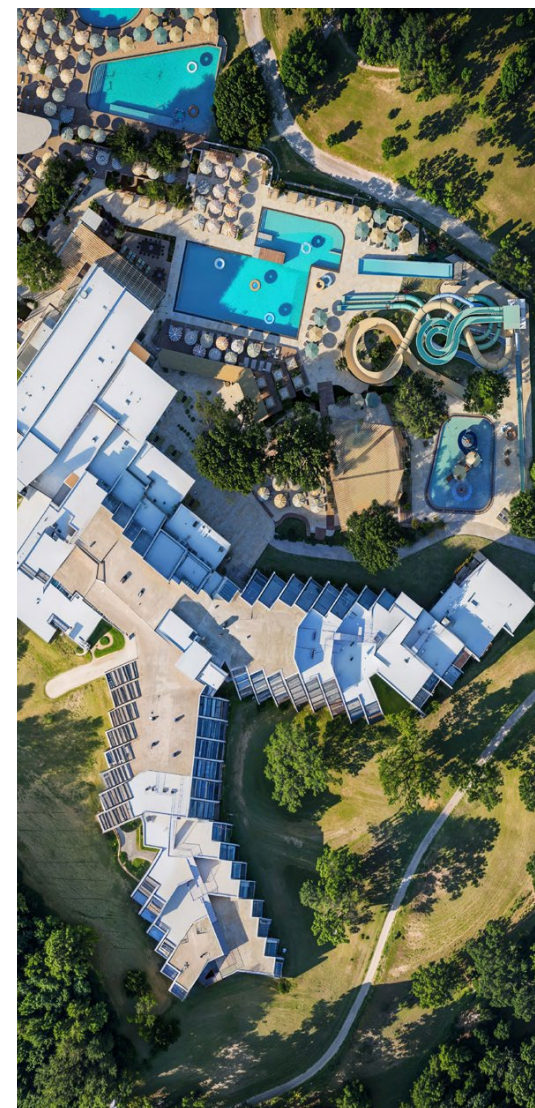
Another significant investment is the commencement of the reconstruction of the Diamant Hotel. During this investment cycle, the first phase will be implemented, including the refurbishment and redesign of five new family rooms, expansion of the restaurant and fitness centre, upgrades to infrastructure and parking, and improvements to the Aquamar zone. The planned amount for this first phase is EUR 12.2 million.

The third significant investment in hotel capacity relates to the refurbishment of rooms at the Sunny Baška hotel, with an investment of EUR 1.2 million for the renovation of bathrooms and the sewage system at the Zvonimir Hotel.

Valamar Riviera continues to strengthen its international operations, allocating more than EUR 134 thousand to the development of hotels in Austria, thereby further enhancing the quality of the offering, operational efficiency, and long-term development in that market.

Within this investment cycle, Valamar Riviera also plans investments aimed at the expansion and upgrading of accommodation capacities and related facilities in hotels and campsites, including Valamar Camping Lanterna 4*, Valamar Camping Istra 5*, Valamar Camping Marina 4*, Valamar Camping Ježevac 4*, and Valamar Camping Krk 5*. The plan also includes the reconstruction of six villa rooms with additional jacuzzi bathtubs at the Girandella Hotel, as well as the continued refurbishment of rooms at the Bellevue Hotel in Rabac. Approximately EUR 4.5 million has been planned for these investments.

Significant attention is devoted to capital maintenance across all destinations, with investments in routine maintenance of facilities and guest amenities, as well as



investments in safety within the facilities. In the 2025/26 investment cycle, approximately EUR 18.8 million will be invested in capital maintenance, EUR 1.0 million in the procurement of furniture and equipment, and EUR 800 thousand in beach landscaping.

In addition to accommodation facilities, investments totalling EUR 37.3 million are planned across three projects: construction of a new, modern, energy-efficient and highly automated laundry facility in the Buići business zone in Poreč, with a total area of 8,310 m², valued at EUR 21.9 million; construction of housing for key employees in the centre of Poreč, valued at EUR 10.1 million; and continuation of investments in the Valfresco Central Kitchen, with EUR 5.3 million planned.

In this investment cycle, Valamar Riviera, together with Imperial Riviera and the City of Poreč, is participating in the "Parenzana Project", which includes the construction of Bike & Jogging routes, the Parenzana promenade, Squares C and D, the Marea Parenzana connection, an entrance square, and an access path to the hotel. The total planned investment amounts to EUR 6.2 million, of which Valamar Riviera's share is EUR 4.5 million.

The Company places strong emphasis on sustainable and socially responsible business practices. Accordingly, more than EUR 1 million is being invested in sustainability projects, including the procurement of electric vehicles, tree planting, landscaping, installation of filters on bio-composters, installation of new heat pumps, registration of forest plantations, decarbonisation measures (installation of an electric boiler), and other initiatives.

Through the continued development of digitalisation, service quality is being further enhanced. As a result, approximately EUR 5.5 million will be invested in digitalisation and innovation projects during this investment cycle. In addition to digitalisation investments, a further EUR 800 thousand will be invested in IT maintenance projects, and more than EUR 750 thousand in branding and signage.

Through continuous investment in new projects, Valamar Riviera is building a sustainable and recognisable future for its tourism products. Accordingly, EUR 500 thousand has been allocated in this investment cycle for the development of future projects.



IMPERIAL RIVIERA

In the 2025/26 investment cycle, Imperial Riviera plans to invest EUR 17.4 million with the aim of further enhancing the Company's offering.

Investments were focused on repositioning and upgrading service quality, digitalisation, green construction, sustainable energy sources, and the development of tourism infrastructure across all destinations.

The Company's key capital investments in 2026 are directed towards: the construction of additional accommodation capacities and new water attractions at Arba Resort, Valamar Collection; the introduction of additional wellness facilities at Valamar Meteor Hotel in Makarska; enhancement of beach offerings; capital maintenance; and the preparation of documentation for future projects. Imperial Riviera informed the public of these plans on 1 December 2025.

The largest project relates to the construction of additional accommodation capacities and new water attractions at Arba Resort, Valamar Collection, where the construction cycle will commence in 2026, with the opening expected in 2027. Works include the construction of an Arba Resort annex, comprising a building with 45 new family accommodation units and a swim-up pool in the basement, as well as 29 bungalows and 2 villas. For the

2026 season, two water slides with heights of 11.5 metres and 8.5 metres will also be constructed as the first phase of the Aquamar project, which is likewise planned at Arba Resort. Aquamar will further expand the resort's offering and increase its overall attractiveness.

Another significant investment in this cycle is the conversion of the existing casino within Valamar Meteor Hotel into a modern wellness area, which will include a jacuzzi, massage rooms, saunas, and other related facilities. As part of this investment cycle, Imperial Riviera is participating in the joint "Parenzana Project", together with Valamar Riviera and the City of Poreč. The project includes the construction of Bike & Jogging routes, the Parenzana promenade, Squares C and D, the Marea Parenzana connection, an entrance square, and an access path to the hotel.

In the Rab destination, modernisation and refurbishment of two sanitary facilities at Valamar Camping San Marino 4* are under way, along with the refurbishment of parcels in Zone E. In the Makarska destination, the procurement of two composters with associated containers is planned, including their installation with preparatory construction and electrical works. These composters will be used for bio-waste processing for all three hotels in the destination, and the procurement of electric vehicles for waste collection is also planned.



Sales and Marketing

BRANDS AND BRAND STRATEGY

Valamar's brand strategy is designed to optimally support the Group's business strategy. The brands are developed with the aim of strengthening the company's market position, enhancing the guest experience, and creating a modern visual identity.

The slogan "Holiday As You Are" highlights a personalised approach to each guest, as well as authenticity and freedom of choice.

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

- **Valamar Collection**, under the slogan "Stay original", represents a selection of premium hotels and resorts characterised by modern luxury.
- **Valamar Hotels & Resorts**, with the slogan "A whole world of joy", offers a wide range of hotels and resorts distinguished by comfort, a gastronomic offering with a strong focus on local cuisine, and a broad selection of activities for all age groups.
- **Valamar Camping**, whose tagline is "Your 5,000 star residence", brings together camping resorts with a rich variety of accommodation options and diverse amenities that perfectly combine enjoyment of nature with top-level comfort.

- **[PLACES] by Valamar** is synonymous with a vivid lifestyle and innovative digital content, an urban feel and a vibrant atmosphere, all under the slogan "Good vibes."
- **Sunny by Valamar** guarantees guests "Simply good holidays" in fun hotels that offer outstanding value for money, with playful design and fantastic beachfront locations.

Facilities that currently do not meet the criteria of any of our brands and are awaiting investment are classified as unbranded. In this way, we have ensured that each Valamar brand has a clear purpose and positioning, further strengthening the recognisability and consistency of our overall market offering.



INCREASING DIRECT BOOKINGS AND GUEST LOYALTY IN 2025

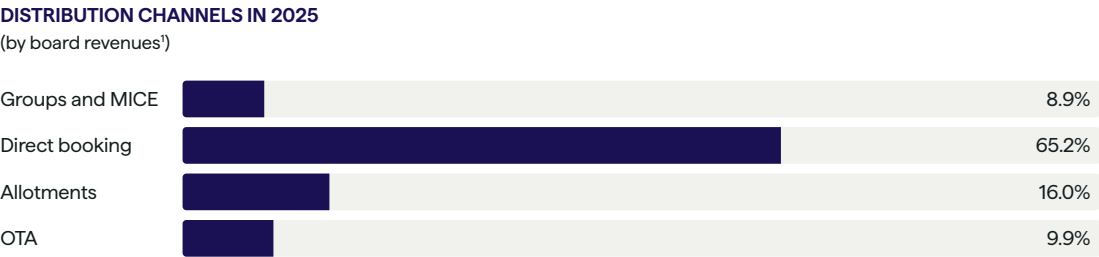
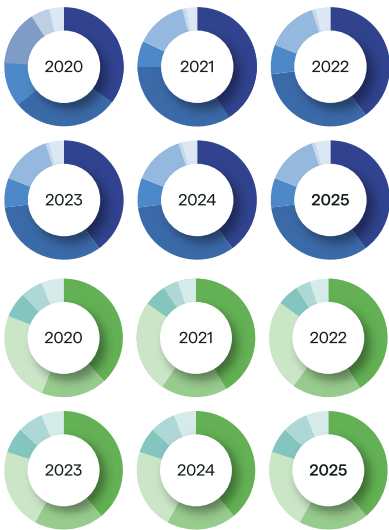
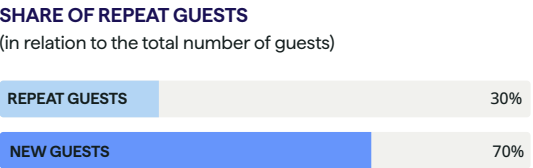
The loyalty programme is one of the ways in which Valamar seeks to create additional value for returning guests, with the aim of increasing revenue and the share of direct bookings. In 2025, the share of returning guests at Valamar amounted to 30%.

In 2025, 65.2% of revenue was generated through direct channels. These include bookings made via the direct distribution system: the call centre, direct online or mobile bookings, and the loyalty programme. The loyalty programme will continue to be developed in order to further create added value for customers, alongside the ongoing development of websites, e-marketing and technology.

VALAMAR MARKET SEGMENTS

HOTELS AND RESORTS	2020	2021	2022	2023	2024	2025
Families	41%	40%	41%	40%	41%	42%
Adults and couples	34%	33%	32%	31%	30%	29%
Seniors	7%	8%	6%	6%	6%	5%
Active guests	14%	14%	14%	15%	15%	16%
MICE	1%	1%	4%	4%	5%	5%
Leisure groups and tours	3%	4%	3%	4%	3%	3%

CAMPITES	2020	2021	2022	2023	2024	2025
Families	41%	41%	42%	41%	41%	42%
Adults and couples	18%	19%	18%	18%	18%	17%
Luxury camping	25%	25%	25%	25%	26%	26%
Active guests	6%	6%	6%	7%	7%	7%
Seniors	4%	4%	4%	4%	4%	4%
Short stay	5%	5%	5%	5%	4%	4%



¹ Valamar Riviera, Imperial Riviera and Helios Faros.

OPERATIONAL OCCUPANCY IN 2025 ²	Occupancy	Operating days
Valamar Collection	76.2%	163
Valamar Hotels & Resorts	73.0%	227
[Places] By Valamar	79.2%	146
Sunny By Valamar	78.7%	158
No Branding	84.6%	122
Valamar Camping	66.0%	189
Camping - No Branding	64.1%	158
VALAMAR RIVIERA PORTFOLIO	70.4%	184

² Based on the number of operating days of the properties.

NET OPERATING REVENUES ³						
(in EUR)	2025 ⁴	2025/2020	2025/2021	2025/2022	2025/2023	2025/2024
Hotels and resorts	308,450,782	6.81	2.32	1.45	1.29	1.12
Camping resorts	125,012,799	3.08	1.66	1.25	1.09	1.04
Other ⁵	24,601,822	13.83	3.45	2.62	1.85	1.33
Total	458,065,403	5.23	2.13	1.43	1.25	1.11

³ In accordance with USALI.
⁴ Includes lease, laundry and other operating revenues in accordance with USALI.
⁵ Includes Valamar Riviera and Imperial Riviera.

Employees and Organisation

For many consecutive years, Valamar has been recognised as the most desirable employer in tourism and hospitality and is the only tourism company included among the 20 best Croatian employers, as evidenced by annual surveys conducted by Alma Career Croatia, which operates the MojPosao portal.

Through the "First for a Reason" initiative, Valamar continuously builds long-term relationships with employees, empowers them and creates a stimulating working environment, including competitive remuneration, training opportunities and the possibility of career development in tourism.

REMUNERATION, REWARD AND EMPLOYEE BENEFIT POLICIES

In 2025, Valamar continued to make significant investments in employees with the aim of retaining and developing its workforce, with a particular focus on local employees.

In accordance with the reward policy adopted by the Management Board and based on collective agreements, companies within the Valamar group reward their employees through:

- Gifts to children
- Gifts in kind
- Holiday allowance
- Long-service awards
- 13th salary
- Christmas bonus
- Season preparation bonus
- Local employee bonus.

The objective of the reward programmes is to motivate and encourage employees to achieve set targets, promote desirable behaviour, reward teamwork and work under demanding conditions, recognise exceptional contributions across all business segments with a particular emphasis on process digitalisation, annual excellence awards, a guaranteed minimum income, and the retention and attraction of new talent, among others.

In addition to the rewards listed above, Valamar group companies also provide employees with other material and non-material benefits:

- Paid leave (relocation, education, death of an immediate family member, etc.)
- A paid day off for parents of first-graders on the child's first day of school
- Hot meal provided at the employer's expense (for part of the workforce, a minimal co-payment applies in exchange for a wider choice of hot meals)
- Accommodation provided for seasonal employees (at the employer's expense)
- Financial assistance/support in cases of illness, death of close family members or death of an employee
- Paid days off for prenatal medical check-ups for pregnant employees
- 24-hour accident insurance
- Training and education
- Housing rent subsidy
- Krov nad glavom ("Roof Over Your Head")
- Valamar playroom
- Reimbursement of travel expenses
- Severance pay.

NEW JOB OPPORTUNITIES AND CAREER DEVELOPMENT IN TOURISM

At the peak of the 2025 season, Valamar employed a total of 8,690 employees¹.

On the Island of Rab, the new Arba Resort 4*, Valamar Collection, opened in June 2025, employing more than 230 people. The resort has firmly positioned the Island of Rab among the leading family holiday destinations on the Adriatic. For many years, Valamar has successfully filled all positions on Rab thanks to its employee benefits, working conditions and attractive remuneration. In the 2025 season, more than 900 employees worked in hotels and campsites on Rab, the majority of whom were from Croatia.

Pical Resort 5*, Valamar Collection, is the most significant project in Croatian tourism, with its opening planned for spring 2026. Located in the heart of Poreč, Pical Resort 5* represents a vision of the future of tourism: year-round service, sustainable development, public infrastructure that enhances community life, and careers that can be life-changing.

As part of the preparations for the opening of Pical, a particular focus throughout 2025 was placed on employee recruitment and training.

Pical Hotel 5* will offer year-round, top-quality tourism and will employ a large number of staff in both managerial and specialist roles, including receptionists, bartenders, chefs, waiters and many other professions.

ŽIVI DESTINACIJU ('LIVE THE DESTINATION')

One of the key programmes is "Živi destinaciju" ('Live the Destination'). It includes a range of benefits for employees who live in the destinations, and since last year an additional EUR 400 net has been provided to employees who live in the destinations or permanently relocate there. Equally important is the "Krov nad glavom" ('Roof Over Your Head') programme, which provides permanent employees and employees on year-round contracts with a housing rent allowance of up to EUR 500 per month.

Valamar also offers a range of additional benefits for employees living in the destinations, including a children's playroom for employees' children in Poreč, discounts in Valamar restaurants and bars, discounts on sports and wellness services, discounts with more than 300 external partners, benefits with banks, as well as continuous care for and investment in public tourism infrastructure accessible to all. Through these measures, the company significantly contributes to improving the quality of life and overall satisfaction of employees in the destinations.



¹ Valamar Riviera, Imperial Riviera, Helios Faros.

EDUCATION, DEVELOPMENT AND EMPLOYEE SATISFACTION

Employee development and training are key components of human resources management at Valamar. In 2025, Valamar continued to implement a range of activities and programmes aimed at encouraging the personal and professional development of employees. Valamar Excellence, as the umbrella framework for the internal lifelong learning and knowledge-building programme in tourism and hospitality, provides specialised Valamar training programmes through the V-Executive and V-Professional sub-programmes, as well as Valamar training delivered through the V-Academy, V-Lead, V-Intern and V-Start programmes, all designed to support career development.

Valamar provides its employees with training opportunities through these internal programmes as well as via the PERO digital platform, which enables flexibility and broad access to educational content. Through the PERO platform, all employees can learn more about Valamar's standard operating procedures, tourism trends and a wide range of skills useful for both professional and personal development, at any time and from any location.



In addition to digital formats, in-person training and education are also of great importance. Through live sessions, Valamar offers educational content across a wide range of topics required by employees, from foreign language courses and sommelier training to bartender schools, legally required training and longer professional development programmes. Internal knowledge transfer is particularly prominent within the V-Academy programme, which Valamar has been developing for many years.

At the end of 2025, a new generation of the V-Academy commenced, comprising 67 participants who, over the course of one year, will have the opportunity to learn from a range of mentors in both operations and corporate functions, as well as attend training and education programmes aimed at strengthening their competencies as future managers.

Managers and mentors at Valamar pay particular attention to onboarding new employees and continuously conduct training with them to ensure they acquire the skills required for their roles as quickly and effectively as possible.

ValamarGO! has become a well-established onboarding programme for colleagues in operations. Through a five-day structured programme based on practical training, employees joining Valamar for the first time have the opportunity to learn from experienced mentors and, through real-life scenario training, gain insight into their future roles and how to deliver outstanding service to guests.

In 2025, ValamarGO! was delivered for food and beverage and reception departments across all Valamar destinations, and a pilot programme was launched for housekeeping and animation, with plans to expand it to additional destinations in 2026.

SCHOLARSHIPS FOR PUPILS AND STUDENTS AT VALAMAR

In 2025, Valamar continued to implement its scholarship programme. The scholarship programme, carried out in cooperation with the Ministry of Tourism and Sport, provides financial support to pupils during their education, as well as opportunities for practical training and the acquisition of new skills and knowledge.

In Valamar's hotels, camps and resorts, pupils have the opportunity to gain work experience, and upon completion of their education they are also offered their first employment with the leading employer in tourism in Croatia.

Through this approach, students educated for hospitality professions are encouraged from the very beginning of their schooling to gain insight into what a career in tourism looks like, what opportunities for advancement and development are available, and to learn about the benefits of the dynamic world of tourism and hospitality. In addition to the pupil scholarship programme, in 2025 Valamar also awarded scholarships to students in 2025, with the aim of enabling them to start their careers at Valamar

after completing their education and to continue developing professionally. In 2025, a total of 289 pupils and students received Valamar scholarships, and the programme will continue in 2026.

CORPORATE CLIMATE AND CULTURE

As an employer, Valamar places great importance on employee opinions and feedback on whether employees receive timely information within the company, whether they are satisfied with the organisational culture, and whether they have suggestions for improvement.

In 2025, the survey used to assess corporate climate and culture at Valamar was completed by 84.6% of employees.

Categories including work organisation, leadership, working environment and team relations, work-life balance, and employee accommodation were rated above 4 on a scale from 1 to 5.

For the seventh consecutive year, Valamar also measured eNPS (Employee Net Promoter Score), which stood at 19.39 in 2025.

KEY EMPLOYEE-RELATED INDICATORS	
Number of employees at Group level (31 July 2025) ¹	8,690
Total number of education and training hours within the Valamar Excellence programme	254,123 h
Training hours per employee (average)	52 h
Number of pupils and students who received a Valamar scholarship	289

¹ Valamar Riviera, Imperial Riviera, Helios Faros.

Service Quality

STRATEGIC QUALITY MODEL 2025

Valamar’s strategic quality management model is designed to enable the success of the entire organisation by placing the guest at the centre and consistently delivering outstanding service.

The quality management model provides a 360-degree approach, primarily encompassing the measurement of guest satisfaction, the successful implementation of the highest internal and external industry standards, the promotion of a culture of service excellence throughout the organisation – both towards guests and employees – and the continuous improvement of service quality.

Valamar’s approach is aimed at achieving high guest satisfaction ratings across all brands, in comparison with global competitors.

STANDARDS AND CERTIFICATES

Valamar’s services meet the highest standards of quality, safety and health, and information security, as confirmed by the following standards and certificates:

- HACCP (Food Safety Management System)
- ISO 9001 (Quality Management System)
- ISO 14001 (Environmental Management System)
- ISO 50001 (Energy Management System)
- ISO 45001 (Occupational Health and Safety Management System)
- ISO 14064 (Greenhouse Gas Emissions Verification)
- ISO 27001 (Information Security Management System)
- EN 1176 (Safety requirements for playground equipment)
- EN 1069 (Safety requirements for water slides)
- EN 14065 (Textile biocontamination control system in laundering processes)
- “Q” Quality Label of the Ministry of Tourism of the Republic of Croatia
- Blue Flag – FEE (Foundation for Environmental Education)
- Travelife (Sustainability Certificate)
- EU Ecolabel (Environmental excellence certificate)
- Ecstars (Sustainability certificate)

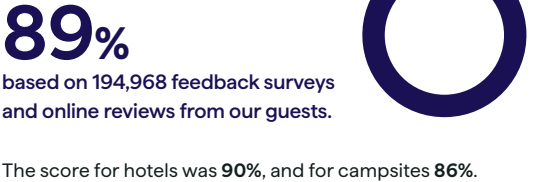
Compliance with regulations and codes in communication with guests – including marketing communications such as advertising, promotion and sponsorships – is a company priority.

MEASURING GUEST SATISFACTION

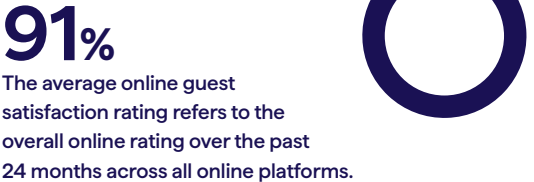
NUMBER OF COMPLETED SURVEYS 2025



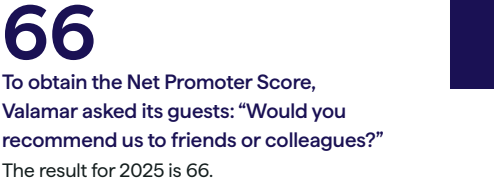
OVERALL GUEST SATISFACTION SCORE 2025



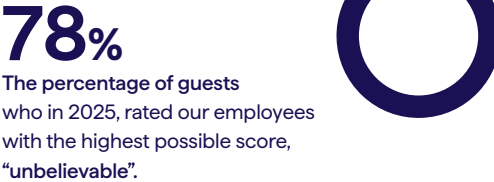
AVERAGE ONLINE GUEST SATISFACTION RATING 2025



NPS – NET PROMOTER SCORE 2025



UNBELIEVABLE INDEX 2025



Sustainability in Business Operations

SUSTAINABILITY STRATEGY

In 2025, Valamar continues to operate in line with its strategy through 2026, which focuses on resort tourism that is beneficial for destinations, employees, guests and local communities, while ensuring the creation of new value for investors.

Valamar's strategic objectives include achieving double-digit annual growth in business performance and company value, as well as an investment plan totalling EUR 450 million, directed towards the construction of the premium Pical and Arba resorts. Valamar continues to improve the quality of its hotels and campsites, alongside ongoing investments in sustainable tourism and socially responsible business practices, renewable green energy sources, waste and water management, local food sourcing, and sustainability across the supply chain.

Particular attention is devoted to employee well-being, increasing remuneration, and competency



development, as well as to the continued development of public tourism infrastructure accessible to all and the improvement of quality of life in the local communities in which Valamar operates.

Valamar's sustainability strategy encompasses 12 key objectives across the areas of environment (E), social (S) and governance (G), derived from six strategic initiatives.

Valamar is the first tourism company in Croatia to have integrated sustainable development into business management and development and to have published sustainability targets in accordance with the ESG framework.

THE SIX STRATEGIC INITIATIVES INCLUDE 12 OF THE 17 UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Valamar monitors key ESG performance indicators based on a clearly defined structure, with 12 key performance indicators assigned to the targets for 2026. By 2026, Valamar aims to achieve 12 key sustainability objectives.



SUSTAINABILITY

EcoVadis, a global agency that assesses a wide range of business sustainability aspects, awarded Valamar a gold ESG rating, placing the Company among the top 5% of best-rated companies worldwide. In addition, the Croatian Chamber of Economy declared Valamar the best in the field of sustainability among hospitality companies in Croatia this year; it also received the Croatian Sustainability Index (HRIO) award for community relations, while Bloomberg recognised it as a leader in sustainability. These recognitions confirm the Company's performance in the areas of decarbonisation, sustainable practices, social responsibility and governance, as well as the effectiveness of its sustainable tourism-focused business model.

With the aim of mitigating climate change, EUR 4.3 million was invested in renewable energy sources, with a particular focus on solar energy and electric vehicles, i.e. the decarbonisation of Scope 1 and Scope 2 emissions. Since 2015, Valamar has continuously reduced greenhouse gas emissions per occupied accommodation unit. Within the supply chain, more than 80% of procurement value comes from suppliers that have integrated sustainability criteria into their operations. The share of local, domestically sourced food and beverages amounts to 78%, achieved through successful cooperation with a large number of local family farms (OPGs) and collaboration with WWF on sustainably sourced seafood.

In 2025, Valamar invested in employee development and rewards, including various training programmes,



development initiatives, and incentives for destination-based housing. Across all destinations, investments were made in tourism infrastructure, such as promenades, cycling paths, playgrounds and beaches, as well as in destination events, community support, and local socially responsible organisations.

As a member of the UN Global Compact, Valamar continues to uphold the Ten Principles, which cover the fundamental responsibilities of business in the areas of human rights, labour, the environment, and anti-corruption. Valamar is also a member of the Global Sustainable Tourism Council (GSTC), which establishes and manages global standards for sustainable travel and tourism.

ESG PROJECTS AND ACHIEVEMENTS

ENVIRONMENT

Valamar reduces its carbon footprint through the use of 100% electricity from renewable sources, including its own photovoltaic power plants and LED lighting, by replacing fossil fuels with electricity from renewable sources, installing heat pumps and implementing other energy efficiency measures, using electric vehicles, as well as through other indirect measures such as cooperation with local suppliers.

Valamar also manages more than 80,000 trees and, in its hotels and campsites, implements the “Easy as one, two, tree” initiative, which enables guests to donate funds for the planting of new trees, with Valamar donating an additional tree for each tree donated by guests.

Thanks to strong guest participation, 32,200 trees were planted in the period from 2022 to January 2026.

In 2025, a high share of domestically sourced food and beverages was achieved, reaching 78%. Valfresco Direkt, an online platform cooperating with around one hundred family farms (OPGs), offers products from family farms and numerous producers from various regions of Croatia in one place, including ready-made and semi-prepared meals available to Valamar guests as well as residents of Istria and Kvarner.

Eight Valfresco Markets are located within Valamar's campsites, providing guests with direct access to traditional local products and thereby directly supporting the local community.

Valamar's premium campsites also offer delivery services from Valfresco Markets and other catering services directly to the campsites.

Through the implementation of a fully digitalised ordering system, connected to external systems for real-time inventory tracking, efficient coordination between warehouses, suppliers and delivery teams has been enabled.

Valamar has established a partnership with WWF Adria, the regional branch of the global nature conservation organisation World Wide Fund for Nature, with the aim of increasing sustainability in the procurement of fish and seafood, protecting the Adriatic Sea, and promoting sustainable fishing. This is the first such partnership in the Croatian hotel sector.

In line with the recommendations of WWF Adria, Valamar has fully excluded endangered species such as sharks, rays and swordfish from its offer.

During 2025, cooperation continued with a local fishing cooperative from Komiža, from which Valamar sourced 20% of its total procurement of sustainably caught hake. Thanks to this cooperation, the cooperative attracted new young fishermen and ensured the long-term sustainability of its operations.

In 2025, Valamar received the Croatian Sustainability Index (HRIO) award for excellence in the Community Relations category. The award is granted by the Croatian Business Council for Sustainable Development (HRPSOR), a prominent independent association that promotes sustainable business practices with the aim of integrating the principles of sustainable development into corporate decision-making.

SOCIAL

Valamar is the largest investor in Croatian tourism, having invested more than EUR 1 billion over the past twenty or so years in the development of high-quality, sustainable tourism with added value. Over the past eight years, Valamar has been recognised as the best employer in tourism in Croatia.

Investments in socially responsible business practices are primarily focused on employee development, support for pupils and educational institutions, investment in tourism infrastructure such as promenades, cycling paths, playgrounds and beaches, support for cultural and sports destination events, and numerous initiatives aimed at improving quality of life in local communities.

Valamar continued to invest in improving working conditions, training programmes and employee reward schemes, with the aim of retaining domestic employees, who accounted for 73% of the workforce in 2025, while a high proportion of seasonal employees (47%) returning to work at Valamar was also recorded.

In 2025, Valamar continued with significant investments in its employees.



Through the “Valamar Cares for Healthy School Meals” programme, Valamar rewarded 28 primary schools from Istria, Rijeka and its surrounding area, and the Island of Krk that participated in the competition for the 2024/2025 school year. Valamar provided one week of locally sourced school meals from Valfresco Direkt, prepared from high-quality domestically sourced ingredients, for more than 6,600 pupils, with the aim of raising awareness of the importance of healthy nutrition.

Croatia Summer Camp by Valamar – an innovative, socially responsible initiative of sustainable family tourism bringing together sports, educational and arts camps – confirmed its status in its second year as a unique platform that makes summer in Croatia special for children and young people. This platform, the first of its kind in Croatia, aims to enable local residents, guests and tourists to easily find a wide range of activities for children and teenagers, while allowing local organisers to promote their programmes free of charge and reach potential users of their services. In 2025, this initiative brought together 77 camps and more than 4,000 children, offering a wide range of activities from handball, basketball and tennis to STEM education programmes and music workshops.



GOVERNANCE

By being awarded the EcoVadis Gold Medal, granted by EcoVadis, a global agency assessing a broad range of business sustainability aspects, Valamar became the first and only Croatian tourism company whose sustainable practices have been recognised at the global level. EcoVadis assesses environmental impacts, labour and human rights, ethics, and sustainable procurement, and its ratings are globally recognised by international institutions, investors and banks, with only the top 5% of companies assessed by EcoVadis achieving the gold level.

Valamar has applied a Supplier Code of Conduct since 2023, which provides basic guidelines for the ethical conduct of Valamar's partners, enabling responsible business practices and contributing to the achievement of business objectives.

The sustainability of Valamar's operations has been confirmed by certification bodies and organisations, which have awarded numerous sustainability certificates and labels to companies within the Valamar group and their tourism facilities. Sustainability certificates represent an independent confirmation that Valamar operates in accordance with high standards of environmental protection and social responsibility, and that in its business decisions and daily operations it takes into account ecology, health and safety protection, labour and human rights, and the local community.

In 2025, Valamar again certified all its facilities with ISO 9001 (quality management), ISO 14001 (environmental management) and ISO 50001 (energy management) certificates. The Travelife sustainability certificate is held by 28 hotels, one hotel and six campsites hold the EU Ecolabel certificate, three hotels hold the EcoStar certificate, and 16 beaches have been awarded the Blue Flag.

The Croatian Green Building Council, the national partner of the DGNB System in Croatia, which is a leading international green building certification system, awarded the Valamar Amicor Green Resort on the Island of Hvar a gold certificate for the sustainable construction of detached villas. With this award, Valamar became the first tourism company to receive a gold sustainability certificate, and Valamar Amicor Green Resort became the first resort of this kind in this part of Europe.

OTHER ESG AWARDS

- The Croatian Chamber of Economy declared Valamar the best company in sustainability among hospitality companies in Croatia.
- The Annual Award for Green Building and a Sustainably Built Environment was awarded to Valamar Amicor Resort. It was recognised as a project distinguished by the application of sustainable solutions in planning, construction and use of space, and by its active contribution to environmental protection and the development of energy-efficient, healthy and functional buildings.
- Valamar was awarded the Croatian Sustainability Index (HRIO) by the Croatian Business Council for Sustainable Development (HRPSOR) for community relations. This is an award that recognises its excellence in integrating social responsibility into business processes and contribution to the development of local communities.
- Bloomberg's ESG rating ranked Valamar second among Croatian companies, with an overall score of 4.35.
- In December 2025 Valamar received the Green Goat – Capra Verde award for sustainable tourism from the Istria County Tourist Board.

ESG KPI 2025



ESG KPIs 2024

- 100% electricity from renewable sources
- 75% of total energy from renewable sources
- 70% reduction in CO₂ emissions intensity per occupied accommodation unit compared to 2015

- Over 10,000 trees planted in 2024
- 78% locally sourced food
- 78% domestic employees
- 53% returning seasonal employees

Social Responsibility

VALAMAR IN THE COMMUNITY IN 2025

Valamar continuously contributes to the development of local communities through cooperation with kindergartens, schools, sports clubs and associations, providing support to various projects and socially responsible initiatives. By creating new facilities and services and investing in publicly accessible tourism infrastructure, Valamar contributes to an improved quality of life for the local population. Valamar's strategy is focused on cooperation with local partners and encouraging regional economic growth.

Valamar rewarded numerous primary schools with a week of home-style school meals

Valamar awarded as many as 28 primary schools from Istria, Rijeka and the surrounding area, as well as the Island of Krk, with a week of home-style school meals as part of the "Valamar Cares for Healthy School Meals" competition for the 2024/2025 school year. Valamar provided one week of locally sourced school meals from Valfresco Direkt, prepared from high-quality domestically sourced ingredients, for more than 6,600 pupils, with the aim of raising awareness of the importance of healthy nutrition.



Support for kindergarten and school initiatives

In 2025, Valamar continued to implement its programme of organised visits by kindergartens to Maro playrooms. At Maro World in Dubrovnik, Valamar hosted 827 children from Dubrovnik kindergartens, while more than 150 children from kindergartens on the Island of Rab visited the Maro Club at Valamar Padova Hotel.

The long-standing cooperation with the "Radost" Kindergarten in Poreč also continued, and in cooperation with the "Pahuljica" Kindergarten on the Island of Rab, temporary accommodation was provided for around fifty children from four educational groups at San Marino Resort. In cooperation with the Ivan Rabljanin Primary School, a swimming school was organised for 56 pupils at the indoor pool of Valamar Padova Hotel.

In 2025, Valamar also supported numerous vocational schools in improving practical training facilities and classrooms, as well as enabling pupils to participate in competitions. Imperial Riviera, a member of the Valamar group, in cooperation with the Markantun de Dominis Secondary School in Rab, organised a visit for hospitality students and their teachers to Arba Resort 4*, Valamar

Collection, with the aim of familiarising them with opportunities for scholarships, practical training and career development in tourism.

By cooperating with kindergartens, schools and other educational institutions, Valamar seeks to ensure better conditions for children's growth, learning and development, thereby further contributing to the development of local communities.

Cooperation with the Sports Association of the City of Poreč

Valamar continued to develop cooperation with the Sports Association of the City of Poreč. In the Pical zone, where the construction of Pical Resort 5*, Valamar Collection – the most significant tourism project in Croatia – is under way, an outdoor Olympic-size swimming pool (50 metres) with three swimming lanes was opened. The pool is open to tourists and local residents, as well as to children and athletes of the Sports Association of the City of Poreč.

Hotel Pical 5* will also feature an indoor 25-metre swimming pool, which will likewise be available for training



sessions for children from Poreč and local sports clubs, further confirming Valamar's commitment to cooperation with the local sports community and to the development of sports facilities accessible to residents throughout the year.

Croatia Summer Camp

Croatia Summer Camp by Valamar – an innovative, socially responsible initiative of sustainable family tourism bringing together sports, educational and arts camps – confirmed its status in its second year as a unique platform that makes summer in Croatia special for children and young people. This platform, the first of its kind in Croatia, aims to enable local residents, guests and tourists to easily find a wide range of activities for children and teenagers, while allowing local organisers to promote their programmes free of charge and reach potential users of their services.

The campsites are divided into three main categories: sports, arts and education. In 2025, the initiative brought together as many as 77 camps and more than 4,000 children, offering a diverse range of activities from handball, basketball and tennis to STEM education and music workshops.



Humanitarian programme “A Thousand Days on the Adriatic Sea”

Valamar continued its long-running humanitarian programme “A Thousand Days on the Adriatic Sea”, which provides holidays for children without parental care, children from socially disadvantaged families, and children with special needs and health difficulties. Over the past 12 years, Valamar has, through this initiative, donated holidays to several thousand children in need from all parts of Croatia.

As part of this year's programme, Valamar hosted children and beneficiaries in cooperation with the associations Frendofon, Osmijeh, Malteser Hrvatska and the “Croatia for Children” Foundation. Support also continued for the Mirno More Regatta, the world's largest humanitarian sailing event dedicated to helping children, whose group of participants visited Valamar Amicor Resort on the Island of Hvar.

Valamar supported the development and promotion of sport

Valamar supported the recreational cycling race Istria300, which in its fifth and largest edition to date attracted more than 4,200 cyclists from around the world to Istria.

In March 2025, Valamar once again hosted Croatia's oldest international tennis tournament – Istarska Rivijera – with the aim of developing and promoting sport in the communities where it operates.

In June 2025, the 19th edition of the WTA Makarska Open took place at Valamar's tennis centre in Makarska. Participants were accommodated at [PLACES] Dalmacija by Valamar.

In 2025, Valamar also supported a number of local sports clubs across all destinations in which it operates.



Enhancing Facilities for the Local Community in Makarska

In 2025, Valamar and Imperial Riviera continued to invest in the development of facilities intended for the local population in Makarska. Through a donation worth EUR 120,000, a children's playground was renovated, and a new water polo court was installed in front of the [PLACES] Dalmacija by Valamar hotel, making it available to local residents, visitors and members of the Galeb – Makarska Riviera Water Polo Club.

10,000 new trees planted

In 2025, the fourth season of Valamar's donation initiative “Easy as one, two, tree” was implemented, enabling the planting of more than 10,000 new trees in Croatia. Guests of Valamar's hotels and campsites were able to donate to reforestation efforts, with Valamar

providing funding for the planting of an additional tree for every tree donated.

Through this initiative, Valamar, together with its guests, has over the past four years enabled reforestation and the restoration of burned forest areas in Split-Dalmatia, Karlovac, Primorje-Gorski Kotar and Istria counties.

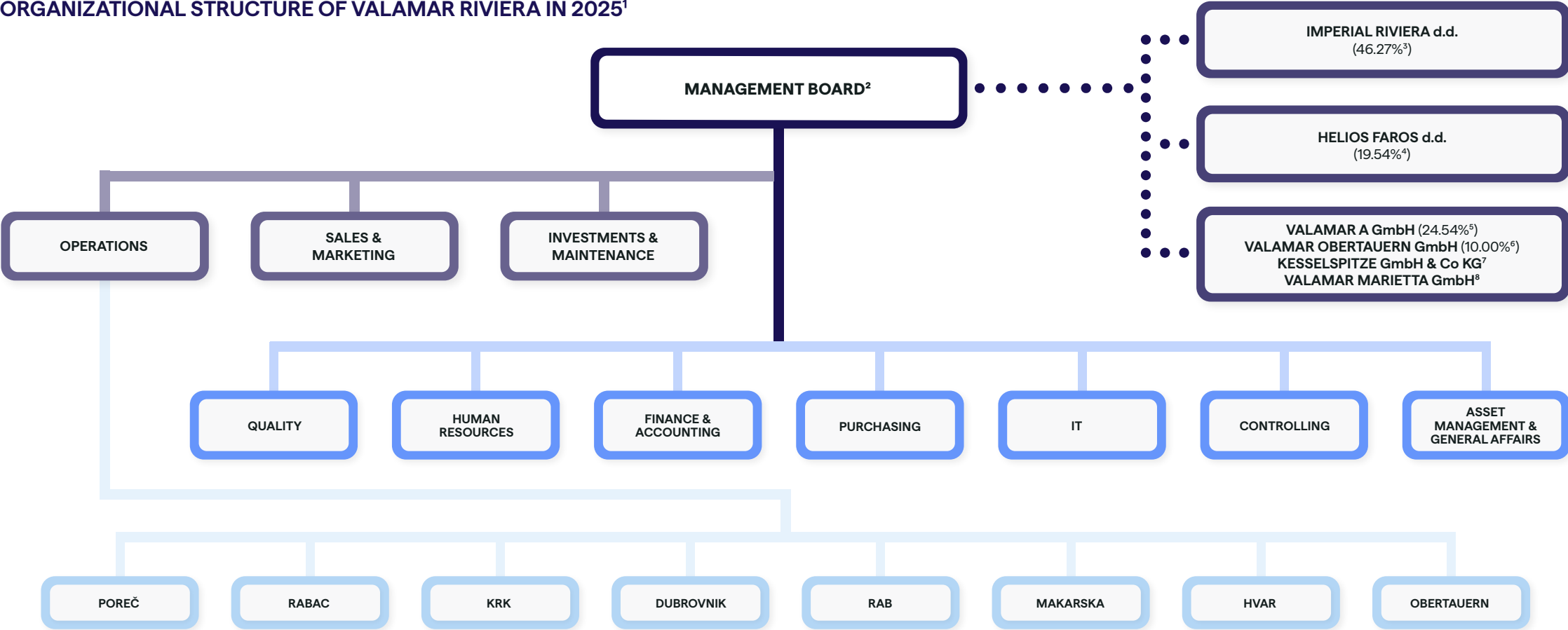
Support for volunteer fire brigades

Valamar and Imperial Riviera continued to support the work of volunteer fire brigades in Labin-Rabac, Rab and Lopar through donations intended for the procurement of essential protective equipment. In addition to supporting firefighters in the field, Valamar and Imperial Riviera also continued to invest in younger generations, supporting the 3rd Volunteer Fire Brigade Cup of the City of Makarska, where the youngest firefighters from across Croatia competed.

Corporate Governance



ORGANIZATIONAL STRUCTURE OF VALAMAR RIVIERA IN 2025¹



¹ Operations, Sales and Marketing, and Investments and Maintenance are established as Divisions within the Company's organizational structure, while the remaining organizational units reporting to the Management Board are organized as Sectors

² The Management Board holds the following departments: digitalization, business and sustainable development, corporate affairs, legal affairs, internal audit, investor relations, project management and the administration office.

³ 46.27% owned by the company Valamar Riviera d.d. together with the subsidiary PRAONA d.o.o., Makarska. The contract in relation to the management of hotel and tourist properties and facilities is in force from 2 September 2019.

⁴ 19.54% owned by Valamar Riviera d.d. The contract in relation to the management of hotel and tourist properties and facilities is in force from 28 November 2019.

⁵ 24.54% owned by Valamar Riviera d.d. together with subsidiaries Kesselspitze GmbH & Co KG, Kesselspitze GmbH, WBVR Beteiligungs GmbH, Valamar Marietta GmbH.

⁶ 10% owned by Valamar Riviera d.d. The company manages the hotel owned by Valamar Obertauern GmbH under a lease model through its subsidiary Valamar Riviera d.d. Zweigniederlassung Austria.

⁷ The company manages the hotel owned by Kesselspitze GmbH & Co KG under a lease model through its subsidiary Valamar Riviera d.d. Zweigniederlassung Austria.

⁸ The company manages the hotel owned by Valamar Marietta GmbH under a lease model through its subsidiary Valamar Riviera d.d. Zweigniederlassung Austria.

CORPORATE STRUCTURE

A well-defined and transparent corporate structure is the foundation of effective strategic and operational management of the company. The key governing bodies of Valamar Riviera are the General Assembly, the Supervisory Board with its associated committees and commissions, and the Management Board led by the President of the Management Board of Valamar Riviera.

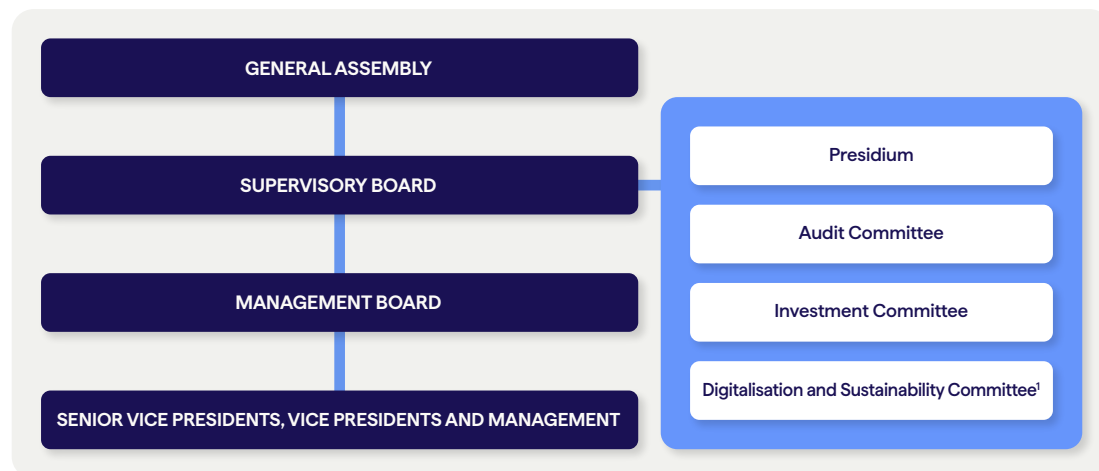
The specific powers and responsibilities of these bodies are governed by applicable Croatian legislation, the Company's Articles of Association, and other internal acts.

Senior management, i.e. Senior Vice Presidents of divisions and Vice Presidents of sectors, are responsible for managing key functional business areas and activities.

The role of senior management is cross-functional management and leadership, implementation of the corporate strategy, and providing managerial support to the President of the Management Board.

Accordingly, senior management works closely with the Management Board and performs assigned corporate functions through business committees focused on those strategic company activities that require a high level of cross-functional coordination:

- Capex Committee
- Product and Services Development Committee
- Procurement and Partnerships Committee
- Digitalisation Committee
- Sustainability Committee
- Human Resources Management Committee.



¹ The Digitalisation and Sustainability Committee ceased operations on 12 June 2025.

PROTECTION OF HUMAN RIGHTS AND WORKERS' RIGHTS

Valamar group complies with and applies regulations on the protection of human rights, including the protection of life, health, dignity and privacy, as well as the prevention of discrimination. Valamar Riviera respects and applies these principles in accordance with the regulations of the Republic of Croatia and has incorporated them into its internal acts, including the Collective Agreement concluded with trade union partners. The company is committed to implementing the UN Guiding Principles on Business and Human Rights, as well as the fundamental conventions of the International Labour Organization, and remains committed to ensuring that its business activities do not result in the abuse of human rights.

Responsibility and credibility towards business partners, care for employees, support for the community, and commitment to environmental protection are integral parts of the core values of Valamar group. The Group approaches the development of human resources throughout the organisation with particular responsibility, through care for employees, the provision of quality working conditions, reward programmes and access to training programmes for all employees, as well as through the implementation of talent management programmes. It also promotes cooperation with social partners, with the aim of creating a supportive corporate culture and working climate for all employees within the organisation.

Employees participate in the Works Council, which ensures employee representation and the presentation of all key issues in an appropriate and transparent manner. Through the work of the Works Council, employees exercise their right to participate in decision-making on matters related to their economic and social rights and interests.

PROTECTION OF CHILDREN

Valamar group approaches the protection of children's rights and respect for their human rights with particular care. In the process of stakeholder consultation, also taking children's rights into account.

The Group considers its direct and indirect positive and negative impacts on children's rights related to its business operations, products and services, as well as its business relationships, including employees, suppliers, clients and other partners. Valamar Riviera is committed to complying with national legislative, administrative and other measures on children's rights and with the Convention on the Rights of the Child, adopted by the United Nations General Assembly in 1989, which covers the civil, political, economic, social and cultural rights of children worldwide and without discrimination. Emphasis is placed on children's right to survival, full development, protection from harmful influences, abuse and exploitation, and on their full participation in family, cultural and social life.

Valamar group has zero tolerance for violence, abuse and exploitation of children across all its business facilities, properties, resources and communication networks. The Group adheres to the UN Guiding Principles on Business and Human Rights: implementing the United Nations "Protect, Respect and Remedy" framework. The Group respects the conventions of the International Labour Organization (ILO) and the Declaration on Fundamental Principles and Rights at Work adopted in 1998, and is committed to observing UNICEF's Children's Rights and Business Principles.

HEALTH AND SAFETY

In its operations, Valamar group attaches the highest importance to the health and safety of guests and employees, with the aim of ensuring their well-being and satisfaction. It responsibly and consistently provides a healthy environment for staying and working. The health and safety policy is implemented across all Company facilities through the application of Valamar's standard operating procedures. Valamar group continuously aligns its operations and activities with all applicable legal and other requirements relating to health and safety protection. The Group actively consults with employees and their representatives and ensures their participation in the creation and continuous improvement of the health and safety management system.

The Group focuses on identifying potential risks and hazards and implementing measures to eliminate them, thereby preventing injuries and illnesses. In addition, it continuously improves working and living conditions and further enhances its health and safety management systems.



COOPERATION WITH THE LOCAL COMMUNITY

Valamar develops and maintains close and long-term relationships with local communities in the destinations in which it operates, ensuring that key issues of cooperation and the needs of both the local community and the Valamar are addressed in their mutual interest.

Particular attention is given to the employment of local employees and the procurement of local products and services. Valamar continuously supports numerous local associations, organisations, humanitarian and environmental projects through donation programmes or by providing support in the co-organisation of various events.

In addition, Valamar encourages the participation of its employees and guests in initiatives aimed at environmental protection and the well-being of the community.

ETHICS AND INTEGRITY

The fundamental characteristics of the corporate culture and business operations of the Valamar Group are ethics and integrity, with transparent business conduct as the highest priority.

By applying the Corporate Governance Code of the Zagreb Stock Exchange d.d. and the Croatian Financial Services Supervisory Agency (HANFA), a culture of corporate governance and business transparency is promoted, as clearly evidenced by the Compliance Questionnaire and the Corporate Governance Practices Questionnaire.

The most important features of the Company's corporate culture are the protection of human rights, the promotion of fair and safe employment conditions, responsible environmental management, and high ethical standards. Valamar Riviera applies its Code of Business Conduct in everyday operations. With the aim of serving the common good and the public interest, including rules on the prevention of bribery and corruption, the Code defines the expected standards of conduct for all employees.

Ethical business conduct, equal opportunities and working conditions for all employees, equality and the protection of human rights, and the promotion of a culture of diversity are the fundamental principles guiding Valamar group in its business. Fundamental human rights and their protection – including the protection of life, health, dignity and privacy, as well as the prohibition of discrimination – are embedded in the labour legislation of the Republic of Croatia, which Valamar Riviera respects and applies, and are also incorporated into the Collective Agreement concluded by the Company with the trade unions operating within it.

The Group is committed to implementing the UN Guiding Principles on Business and Human Rights, as well as the fundamental conventions of the International Labour Organization, and remains determined to ensure that its business activities do not result in human rights abuses. Responsibility and credibility towards business partners, care for employees, support for the community, and commitment to environmental protection are integral parts of the core values of Valamar.

As one of the first companies in Croatia, Valamar Riviera signed the Diversity Charter in October 2017, organised by the Croatian Business Council for Sustainable Development. The Diversity Charter is a document signed by business and other organisations, committing them to the implementation of diversity and non-discrimination policies in their workplaces and business environments; Valamar has incorporated these principles into its own diversity and non-discrimination policies.

Recognising diversity as one of the key values of modern society, Valamar Riviera d.d. incorporated diversity and non-discrimination issues into its Diversity Policy in 2018, in line with the previously signed Charter, and in 2019 included diversity and non-discrimination as a topic in its regular annual employee training programmes.

Diversity enables the full realisation of each individual's potential, and a workplace diversity and non-discrimination policy is a prerequisite for the development of creativity, innovation and individual talents. Valamar firmly believes that employees, in their diversity and with their skills, creativity and innovativeness, represent the key to the long-term success of any organisation.

SUPERVISORY BOARD MEMBERS

FRANZ LANSCHÜTZER, Chair of the Supervisory Board

Franz Lanschützer obtained an MBA degree from the Vienna University of Economics and Business and a PhD from the University of Budapest. He has extensive experience in corporate finance and asset management in Central and Eastern Europe. Dr Lanschützer is a partner at EPIC Goldscheider und Wurmböck Unternehmensberatungsgesellschaft m.b.H., Vienna.



Over the past thirty years, he has worked in the fields of mergers and acquisitions, corporate finance and advisory services in Austria, Poland, the Czech Republic, as well as Croatia and the wider region. He has also been involved in the establishment and management of privatisation investment funds in the Czech Republic and Croatia. Prior to joining EPIC, he held executive positions at major financial consulting and auditing firms Ernst & Young and Price Waterhouse.

Within the Valamar group, he has held senior positions since 1999, including the roles of Chief Executive Officer and President of the Management Board of Valamar Group d.d. (2011–2014) and Valamar Riviera d.d. (2014–2015). From June 2015 to June 2023, he served as Deputy Chair of the Supervisory Board, and in June 2023 he was appointed Chair of the Supervisory Board of Valamar Riviera d.d.

DANIEL GOLDSCHIEDER, Deputy Chair of the Supervisory Board

Daniel Goldscheider graduated from the Theresian Academy in Vienna. He is the founder and Chief Executive Officer of the OpenWallet Foundation, a leading non-profit organisation for developers working on open-source components for digital wallets. He is also a co-founder of the OpenWallet Forum, together with the International Telecommunication Union, a specialised agency of the United Nations for information and communication technologies.



He serves as Deputy Chair of the Supervisory Board of Valamar Riviera d.d., the largest tourism company in Croatia. Previously, in cooperation with leading banks in Germany, he launched yes.com, an open banking scheme. Mr Goldscheider is also a co-founder of Mediaguide, a broadcast monitoring service in the United States, together with the American Society of Composers, Authors and Publishers, and is one of the founders of Aureus Private Equity, now known as Invision.

Daniel Goldscheider also served two terms on the Board of Directors of Global Footprint Network, a charitable, non-profit and independent think tank organisation that introduced the term “footprint” as an environmental metric and promotes tools for advancing sustainability.

MLADEN MARKOČ, Deputy Chair of the Supervisory Board

Mladen Markoč graduated from the Faculty of Law of the University of Zagreb. He specialises in company law, securities law and commercial law. He has acted as an adviser on numerous major transactions on the Croatian and international capital markets and is a regular lecturer at the Zagreb Stock Exchange Academy, as well as an occasional lecturer at the Judicial Academy. He began his career in 1988 as a trainee lawyer.



From 1990 to 1997, he worked in the Management Office of the renowned company Pliva. From 1997 to 2007, he was a partner attorney at the law firm Bogdanović, Dolički & Partners, and in 2008 he served as a member of the Management Board of ICF Grupa d.o.o. Since 2010, he has practised as an attorney at Law Office Mladen Markoč, and since 2013 at the Joint Law Office Mladen Markoč and Ivan-Krešimir Tomić, now operating under the name Joint Law Office Mladen Markoč, Relja Pečina and Fran Kušeta. He is Vice-President of the Association of Corporate Lawyers of the City of Zagreb.

In previous years, he was a member of the Supervisory Board of Valamar Adria Holding d.d. (2011 - 2014). He is currently a member of the supervisory boards of Valamar Riviera d.d., Imperial Riviera d.d., Helios Faros d.d. and Ingra d.d. Mladen Markoč is also a member of the Governing Council of Magdalena – Clinic for Cardiovascular Diseases, Faculty of Medicine, Josip Juraj Strossmayer University of Osijek. Since 2014, he has served as Deputy Chair of the Supervisory Board of Valamar Riviera d.d.

GEORG ELTZ VUKOVARSKI,
Member of the Supervisory Board

Georg Eltz Vukovski was educated in Switzerland and Germany, where he studied economics, history and philosophy. He graduated from the University of St. Gallen, where he completed a degree in Business Administration.

Prior to relocating to Croatia in 1994, he held the position of Marketing Director and served as a member of the Management Board of a large Swiss corporation, as well as Director of its Canadian subsidiary.

He is a co-founder of Valamar Adria Holding d.d. (formerly PIF Dom fond d.d.), established in 1998, and served as President of the Management Board of the company prior to its merger with Valamar Riviera d.d. in 2014. In the years between, he held the positions of Chair and member of management and supervisory boards in numerous affiliated companies.

From 1999 to July 2008, and again from June 2012 to the end of September 2014, he served as Chair of the Supervisory Board of Riviera Poreč d.d. Thereafter, and to the present day, he has been a member of the Supervisory Board of Valamar Riviera d.d. He has also served several terms as a board member of the German-Croatian Chamber.



GUSTAV WURMBÖCK,
Member of the Supervisory Board

Gustav Wurmböck graduated in Business Economics and Finance at the universities of Vienna and Innsbruck. Before founding EPIC in 1991, he held various positions at prestigious companies and organisations, including IFC, headquartered in Washington (International Finance Corporation – World Bank Group) and DEG (Deutsche Investitions- und Entwicklungsgesellschaft) in Cologne, Germany.

He also served as Director of the International Business Department of Länderbank in Vienna (today Bank Austria). Gustav Wurmböck is one of the co-founders and a Managing Partner of EPIC, headquartered in Vienna, one of the leading investment and advisory companies in Central and Eastern Europe. At EPIC, Mr Wurmböck led numerous major privatisations and corporate finance transactions in the energy, telecommunications, brewing and hospitality sectors. Mr Wurmböck is also the sole owner and President of the Management Board of Wurmböck Beteiligungs GmbH, which is a shareholder of Valamar Riviera d.d. and the majority owner of Valamar A GmbH.

From 2005 to 2010, he served as Chair of the Management Board of Valamar Group d.d., and from 2014 until June 2023 he held the position of Chair of the Supervisory Board of Valamar Riviera d.d. Since June 2023, he has served as a Member of the Supervisory Board of Valamar Riviera d.d.



BORIS GALIĆ,
Member of the Supervisory Board

Boris Galić graduated from the Faculty of Economics, University of Zagreb, majoring in Finance. He began acquiring his long-standing experience in finance and accounting as early as 1991 in Germany, at Tchibo GmbH.

In 1995, he gained experience in the audit of financial institutions and industrial companies at EONTA Ernst & Young S.a.s. in Italy. Between 1997 and 2001, he acquired extensive experience and insight into the banking sector through his work at the Croatian National Bank, CAIB d.d., and Zagrebačka banka d.d. At Allianz ZB d.o.o., a mandatory pension fund management company, he served as President of the Management Board from October 2001 to April 2003. At Allianz Zagreb d.d., from 2003 to 2019, he served as a Member of the Management Board responsible for Sales and Marketing, as well as President of the Management Board. From 2012 to 2016, he served as Treasurer and Vice-President of the Management Board of the German-Croatian Chamber of Industry and Commerce.

In previous years, he served as Chair of the Supervisory Board of Allianz ZB d.o.o., the mandatory pension fund management company, from 2003 to 2014, and since 2019 he has been Chair of the Supervisory Board of Imperial Riviera d.d. Since 16 June 2021, he has been a Member of the Supervisory Board of Valamar Riviera d.d.

Boris Galić is an independent member of the Supervisory Board, as he is not in a business or employment relationship with Valamar Riviera d.d.



IVAN ERGOVIĆ, Member of the Supervisory Board

Ivan Ergović graduated in 2008 from the Faculty of Tourism and Hospitality Management in Opatija, University of Rijeka. In 2014, he completed a lifelong learning programme at the same faculty, where he acquired the knowledge and skills of a Food and Beverage Department specialist. In 2021, he also enrolled in a nutritionist training programme at the Magistra lifelong learning institution.



He began his career in 2008 as a chef at Valamar Club Tamaris Hotel, after which he was promoted to specialist chef (2010 – 2012.), Head Chef (2012 – 2014.), Assistant Head Chef (2014 – 2016), and from 2016 to 2018 served as Chef de Cuisine, when he became Executive Chef of Valamar Riviera and the Spinnaker Restaurant. Since 2021, he has worked as Executive Chef at Marea Valamar Collection Suites, and in 2024 he became Corporate Head of Food for Valamar Hotels.

His work has been recognised and awarded at numerous international events and competitions. Since 2023, he has been a member of the Management Board of the Croatian Chefs Association; in 2024, he was appointed Vice-President of the Judges' Section of the Croatian Chefs Association, and in 2025 he became Vice-President of the Croatian Culinary Federation.

He was appointed Member of the Supervisory Board of Valamar Riviera d.d. in his capacity as an employee representative by the Company Works Council, for a four-year term starting on 16 June 2021.

PETRA STOLBA, Member of the Supervisory Board

Petra Stolba acquired a broad range of valuable knowledge through her secondary technical grammar school education, followed by a certificate in marketing and sales from the Vienna University of Economics and Business, as well as a photography course completed after secondary school.

She continued her education by obtaining a Master's degree in Communications, a PhD in Political Science, and a degree in Business Administration (specialising in tourism). She began building her extensive experience in the fields of tourism and marketing in 1998, as a department manager at the Lower Austria Tourist Board (Niederösterreich Werbung GmbH).



From 1999 to 2004, she served as Head of the National Tourism Policy Department at the Federal Ministry for Economic Affairs and Labour (Tourism and Historic Buildings Department), and from 2004 to 2006 she held the position of Secretary General at the Austrian Federal Economic Chamber, Federal Department for Tourism and Leisure Tourism. From 2006 to 2021, she was Chief Executive Officer of the Austrian National Tourist Office (Österreich Werbung). Since 2022, she has been working for the European Parliament, initially as Head of Cabinet to the First Vice-President of the European Parliament, and subsequently at the European Parliament Liaison Office in Austria.

Petra Stolba is a member of AIEST, the International Association of Scientific Experts in Tourism, and lectures at various universities and professional conferences, both in Austria and internationally.

Petra Stolba is an independent member of the Supervisory Board, as she has no business or employment relationship with Valamar Riviera d.d.

GUDRUN KUFFNER, Member of the Supervisory Board

Gudrun Kuffner graduated from the University of Vienna, Faculty of Economics, and subsequently obtained a Master's degree in International Affairs from the School of International and Public Affairs at Columbia University in New York. She has extensive professional experience in senior management roles within Austrian companies.

She began her career in 1999 as a Project Manager at EPIC Goldscheider & Wurmböck Unternehmensberatung GmbH, and from 2008 to 2017 she was a Partner at EPIC Financial Consulting GmbH, one of the leading investment and advisory companies in Central and Eastern Europe. Since 2017, she has held the senior internal audit position at Austrian Institute of Technology (AIT) GmbH.

From 2005 to 2010, she was a member of the Supervisory Board of Valamar Group d.d., the legal predecessor of Valamar Riviera d.d., and from 2014 to 2015 she was a member of the Supervisory Board of Valamar Riviera d.d. and its Investment Committee. She was also a member of the Supervisory Board and Project Committee of Austria Wirtschaftsservice GmbH from 2012 to 2017, as well as a member of the Investment Committee of AWS Mittelstandsfonds GmbH from 2014 to 2018.

Gudrun Kuffner is an independent member of the Supervisory Board, as she has no business or employment relationship with Valamar Riviera d.d.

MEMBERS OF THE MANAGEMENT BOARD

ŽELJKO KUKURIN, President of the Management Board

Željko Kukurin graduated from the Faculty of Economics, University of Zagreb. He began his career in 2000 as a trainee at Riviera Poreč, a member of the Valamar group, while simultaneously working on a Master's degree in Marketing.

From 2003 to 2009, he held various management positions in sales and marketing, developing strategic projects such as direct online sales and CRM systems. In 2010, he obtained an Executive MBA from Bocconi University and was appointed President of the Management Board of Istraturist d.d., one of the most significant tourism companies in Croatia, owned by Zagrebačka banka (UniCredit Group). During the following five years, he cooperated with Meliá Hotels International on the management of the tourism portfolio in Umag.

In June 2015, Željko Kukurin was appointed President of the Management Board of Valamar, leading the company through significant growth and transformation and elevating it to the position of the leading tourism company in Croatia. Alongside his management responsibilities, he commenced doctoral studies focusing on investments in the hotel industry. Throughout his career, he has managed hotel investment projects with a total value exceeding EUR 1 billion. In 2020, he obtained the title of Doctor of Economics.

From 2015 to 2019, under his leadership, Valamar repositioned its portfolio and doubled the value of the company, achieving the status of the best employer in tourism. In 2017, Mr Kukurin was named Businessman of the Year.

He is an advocate of corporate responsibility and sustainable tourism. He holds key positions within the Croatian tourism sector, including Deputy Chair of the Supervisory Board of Imperial Riviera d.d., and is actively involved in various professional and academic associations.



MARKO ČIŽMEK, Member of the Management Board

Marko Čižmek graduated from the Faculty of Economics in Zagreb and is also licensed to perform the activities of a broker and investment adviser. He began his career in 1996 at the Croatian National Bank, after which he worked in senior corporate finance at Investment Bank Austria and ICF. From 2001 to 2004, he served as a member of the Management Board of Euro Invest, an investment fund management company.

Within the Valamar group, he has held numerous leadership positions in companies that were later merged into today's Valamar Riviera. He was a member of the Management Board of the tourism company Rabac d.d. (from 2004 to 2011), a member of the Management Board of the joint stock company Dubrovnik – Babin Kuk d.d. (from 2009 to 2013), a member of the Management Board of Valamar Adria Holding d.d. (from 2008 to 2013), General Manager at Epima d.o.o. (from 2008 to 2014), a member of the Supervisory Board of Zlatni Otok d.d. (from 2002 to 2011), and a member of the Supervisory Board of Rabac d.d. (from 2000 to 2004).

In 2011, Marko Čižmek assumed the position of Member of the Management Board of Valamar Riviera responsible for finance and accounting, treasury, capital markets and investor relations, as well as information technology.

He is a member of the Management Board of the Croatian Association of Corporate Treasurers, and since 2019 has also served as Deputy Chair of the Supervisory Board and Chair of the Audit Committee of Helios Faros d.d.



IVANA BUDIN ARHANIĆ, Member of the Management Board

Ivana Budin Arhanić completed her degree in Economics at Middlebury College in the United States in 1999 and earned an MBA from Harvard Business School in 2007. She began her career as a strategic management consultant in Boston and New York, after which she successfully led the expansion of the Lura d.d. group into the Serbian market.

Since 2007, she has been developing her career within the Valamar group, where she has assumed senior leadership roles and responsibility for strategic development, corporate restructuring, service quality, business expansion, digitalisation, sustainability and corporate affairs. Ms Budin Arhanić led the expansion of Valamar's operations and portfolio in Croatia and Austria, as well as the company's development into a leader in sustainable business and digital innovation. She was appointed to her current position as Member of the Management Board of Valamar Riviera d.d. in 2022.

Ivana Budin Arhanić is continuously active as a member of professional bodies, including the Croatian Hotel Employers' Association and the Croatian Business Council for Sustainable Development, as well as various institutions and non-profit organisations that support the responsible development of society and the economy.



SENIOR VICE PRESIDENTS OF DIVISIONS AND VICE PRESIDENTS OF DEPARTMENTS AT VALAMAR RIVIERA

ALEN BENKOVIĆ,
Senior Vice President for Development, Asset Maintenance and Technical Services at Valamar Riviera and President of the Management Board of Imperial Riviera



After graduating from the Faculty of Economics in Pula, Alen Benković began his career in 1999 as a trainee at the then Riviera, where he held several managerial positions: first as Assistant Manager of Funtana Campsite and subsequently Lanterna Campsite, and later as General Manager of Hotel Neptun, now Valamar Riviera Hotel 4* in Poreč.

He continued his career at the municipal company Parentium, which manages investments of the City of Poreč, where he worked on the construction of Žatika Hall, the largest investment project of the City of Poreč at that time. From 2011 to 2015, at Istraturist in Umag, he served as Director for Development, Asset Maintenance and Technical Services.

In 2015, he joined Valamar, where he was appointed Vice President for Development, Asset Maintenance and Technical Services, responsible for managing investments in the tourism portfolio and planning further asset development. Since 2021, he has held the position of President of the Management Board of Imperial Riviera d.d., with his term commencing on 1 January 2022, while at the same time assuming the role of Senior Vice President of Valamar Riviera d.d.

DAVID POROPAT,
Senior Vice President for Operations



Dr David Poropat graduated in 1993 from the Faculty of Hospitality Management in Opatija, University of Rijeka. He completed a postgraduate scientific programme at the Faculty of Tourism and Hospitality Management in Opatija in 2007, and enrolled in and completed a postgraduate doctoral programme at the same faculty in 2013. In 1993, he began his career as a trainee in the Sales and Marketing Department of the former Jadran turist d.d. in Rovinj, where he continued his professional development, first as Western Markets Manager in the Sales Department and later as a Planning Analyst in the Controlling Department. From 1996 to 2002, he served as Hotel Manager of Sol Park Hotel within the same hotel company, under the management of the Spanish company Sol Meliá. In March 2002, he joined the then Riviera Holding d.d. in Poreč as Director of Operations, after which he served as Director of Operations of Valamar for all company facilities until 2006. From 2007 to 2011, he was a Member of the Management Board of Valamar hoteli i ljetovališta d.o.o., and from 2012 to 2014 a Member of the Management Board of Valamar poslovni razvoj d.o.o. At the end of 2014, he was appointed Vice President for Operations, and since 2022 he has held the position of Senior Vice President for Operations of Valamar Riviera d.d. He is responsible for operational management across all areas of hotel and campsite operations. Throughout his career, he has also held a number of roles in professional associations and has actively participated in numerous development and business projects, which have significantly enriched his professional experience. He is also the author of several professional and scientific papers.

DAVOR BRENKO,
Senior Vice President for Sales and Marketing



Davor Brenko graduated from the Faculty of Economics in Rijeka and began his professional career in 2000 at Valamar hoteli i ljetovališta, working in sales and marketing. In 2002, he became Project Manager in the field of guest satisfaction research and guest relationship management programmes, and in 2004 assumed responsibility for direct sales, which soon became Valamar's strongest sales channel.

In 2009, he was promoted to Director of Direct Sales and Marketing at Valamar, where he participated in the development of projects that resulted in improvements in sales, marketing and business development. At the beginning of 2010, he moved to Istraturist Umag d.d., where he worked as Director of Business Development.

In 2015, Davor Brenko was appointed Vice President for Sales and Marketing of Valamar Riviera d.d., and since 2022 he has held the position of Senior Vice President for Sales and Marketing.

INES DAMJANIĆ,
Vice President for Human Resources



Ines Damjanić graduated from the Università degli Studi di Trieste, specialising in technical and scientific translation, and in 2009 completed an international Master's programme in Tourism and Hospitality at MIB School of Management in Trieste. During her studies, she gained professional experience in Croatia, the United States and Italy.

She began her professional career in 2009 as a Human Resources Coordinator at the Four Seasons Hotel in Milan. From 2010 to 2016, she worked at Istraturist Umag, initially as a Human Resources Coordinator, and later as Head of Recruitment.

In 2016, she joined Valamar as Head of the Recruitment Department, and in 2019 was promoted to Director of the Human Resources Division. In 2022, Ines Damjanić was appointed Vice President for Human Potential at Valamar Riviera.

SEBASTIAN PALMA,
Vice President for Strategic Controlling at Valamar Riviera and Member of the Management Board of Imperial Riviera



After completing a degree in Hospitality Management at the Faculty of Tourism and Hospitality Management in Opatija, Sebastian Palma completed a Master's degree in Corporate Finance at SDA Bocconi School of Management in Milan in 2009. He began his career at Laguna Novigrad d.d. as a Sales and Marketing Officer, and in the same year gained international experience in Germany and the United States.

From 2003 to 2008, at Riviera Poreč d.d., he held the positions of Regional Hotel Director, Assistant Destination Operations Manager for Investments, and member of the local Tourist Board. In 2009, he worked in Milan at BS Private Equity as an Investment Manager, and later that same year joined Valamar Hotels and Resorts, where he became Head of Investment and Development Projects, a position he held until 2012. From 2012 to 2015, he served as Director of Finance, Accounting and Controlling at Istraturist d.d. In 2015, he was appointed Director of the Strategic Planning and Controlling Division at Valamar Riviera d.d., a role he held for the following five years.

In 2020, he became Advisor to the Management Board for Strategic Development at Valamar Riviera d.d., and was also appointed Member of the Management Board of Imperial Riviera d.d. He was appointed Vice President for Strategic Controlling at Valamar Riviera d.d. in 2022, and continues to serve as a Member of the Management Board of Imperial Riviera d.d.

Risks and Internal Control System

Risks of the Company and the Group

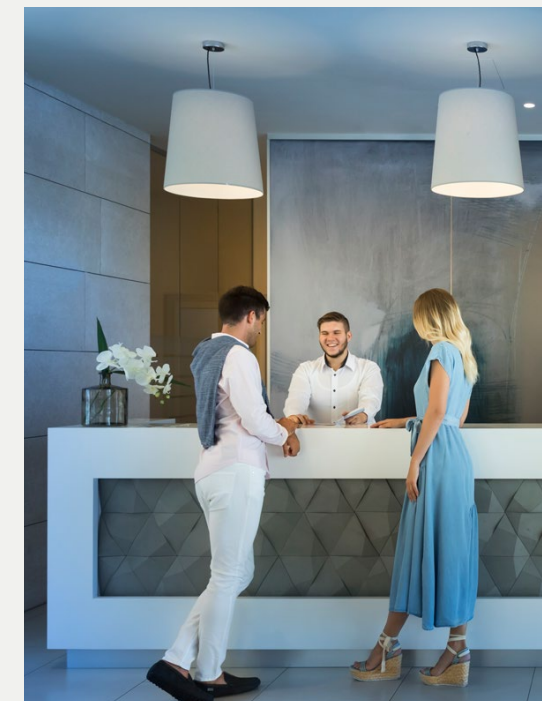
In their day-to-day operations, the Company and the Group are exposed to a number of risks.

The Company and the Group have identified the following as their main risks:

- **BUSINESS RISKS:**
relate to operations, the business environment, competition, supply and demand, labour shortages and the need for continuous adaptation to market-driven requirements
- **FINANCIAL RISKS:**
include financial variables that may cause difficulties in meeting the financial obligations of the Company and the Group, affect liquidity, or complicate debt management
- **OPERATIONAL RISKS:**
are associated with inadequate use of information and procedures, IT systems, as well as shortcomings in operational management
- **GLOBAL RISKS:**
include climate change, natural disasters and catastrophes, pandemics, food shortages, civil unrest, wars and other risks over which the Company and the Group have no (direct) control
- **REGULATORY RISKS:**
relate to changes in laws, tax regulations and other regulations governing the operations of the Company and the Group.

The Company and the Group apply a proactive approach to risk monitoring and assessment, whereby risk management is considered one of the key differentiation factors in a competitive environment.

The objective of risk management, in addition to risk diversification or elimination, is to encourage the creation of sustainable value and to strengthen the trust of all stakeholders of the Company and the Group. When defining strategy, particular attention is paid to the impact of risks in the short and medium term in order to ensure the long-term continuity of successful operations.



The risk management process consists of the following steps:

- identification of potential risks in operations,
- analysis and assessment of identified risks,
- definition of activities and allocation of responsibilities for effective risk management,
- supervision and monitoring of initiatives aimed at preventing the occurrence of risk events and mitigating their consequences,
- exchange of information on the results of risk management.

BUSINESS RISKS

The business risks of the Company and the Group primarily include seasonality of operations, frequently changing market requirements, labour shortages, and legal disputes.

Tourism is a specific industry that is constantly changing and undergoing rapid shifts in trends, which requires tourism companies to continuously adapt in order to remain competitive in the long term. The Company and the Group are exposed to business risks related to the stability of global tourism trends. The operations of the Company and the Group largely depend on the results achieved during the main tourist season, which generates approximately 52% of total revenue during July and August. Tourism trends therefore continue to be significantly influenced by weather conditions during the summer months.

In response to these risks, the Company and the Group continuously invest in the expansion and enhancement of the quality of accommodation capacities and in the development of additional facilities, and are currently the largest investors in Croatian tourism. The development of new technologies significantly changes guest behaviour and the way holidays are planned and booked. The widespread trend of simple online booking continues to have a strong impact on market dynamics and on the choice of destinations and accommodation. In 2025, the Company and the Group generated 65% of revenue through direct channels, including bookings via direct distribution systems – call centres, online and mobile platforms, and loyalty programmes. The loyalty programme will continue to be developed with the aim of creating additional value for customers, while further improving websites, e-marketing and technology.

The development of the Company and the Group is not possible without high-quality Human Resources management. The construction of new and the upgrading of existing accommodation capacities in Croatia increases the risk of a shortage of skilled labour. Valamar is one of the most desirable employers in the

country, continuously investing in the attraction, training and development of employees. Systems for motivation and remuneration, career development, health care and employee accommodation, as well as cooperation with educational institutions across Croatia, are continuously being improved.

The Company is a defendant in a lawsuit initiated in 2010 relating to the payment of amounts claimed for works performed on Hotel Lacroma during its reconstruction and extension. In 2013, the Commercial Court rendered a judgement fully dismissing the claimant's claims. In 2020, the High Commercial Court of the Republic of Croatia set aside the first-instance judgement and remitted the case for retrial. In the repeated proceedings, by a judgement issued in May 2023, the Commercial Court largely upheld the claimant's claims, holding the Company liable for payment of principal in the amount of EUR 2,264,861.17 and litigation costs in the amount of EUR 702,752.22, together with statutory default interest. In appellate proceedings following the Company's appeal, on 31 January 2024 the High Commercial Court of the Republic of Croatia rendered a final judgement in favour of the Company, overturning the judgement of the Commercial Court in Dubrovnik of May 2023 and dismissing all of the claimant's claims as unfounded. The claimants filed a motion seeking leave to lodge a revision against the judgment of the High Commercial Court of the Republic of Croatia of 31 January 2024, to which the Company submitted its response. On 27 May 2025, the Supreme Court of the Republic of Croatia issued a decision granting the claimants leave to lodge a revision, following which the claimants filed the revision. To date, the Company has not recognised any provisions nor recorded any expenses in its accounting records in respect of this dispute.

In 2023, the Company initiated administrative proceedings seeking the annulment of a decision of the Ministry of the Sea, Transport and Infrastructure, issued following an inspection of the economic use of maritime domain in the area of Camping Ježevac on the Island of Krk. The decision included a prohibition on providing

accommodation services on several cadastral parcels and on the provision of mooring services. In May 2025, the proceedings were finally concluded to the detriment of the Company. For the purpose of regulating property and legal relations relating to the economic use of the maritime domain, the Government of the Republic of Croatia, by its Conclusion of June 2024, instructed the Ministry of the Sea, Transport and Infrastructure to urgently determine the boundaries of the maritime domain for all campsites where such boundaries had not yet been established. It further ordered the Customs Administration and the Ministry of the Sea, Transport and Infrastructure, Directorate of Maritime Safety, to suspend inspection measures prohibiting campsite operations until property and legal relations on the maritime domain are resolved where they have not yet been settled, and at the latest until 31 December 2025. By a Conclusion of the Government of the Republic of Croatia of December 2025, the deadline for resolving property and legal relations on the maritime domain was extended to 31 December 2027. Under this framework, the Company has been recognised as the legitimate user of the maritime domain at Camping Ježevac. In connection with the same matter, in early February 2024 the Company also received a notification of a tax audit issued by the Ministry of Finance, which commenced on 27 February 2024. The Company has recognized a provision in the amount of EUR 699 thousand, corresponding to the concession fee achieved through a public tender at a comparable location, in accordance with item 3 of the Conclusion of the Government of the Republic of Croatia dated June 2024. The established provision does not include any potential repayment of unlawfully obtained pecuniary benefit. The outcome of this proceeding is currently uncertain, and the Company's potential final liability may differ from the amount stated above. The Company will continue to actively participate in the legal process.

In addition to the above, the Company is also a party to other court proceedings and, in respect of all legal disputes, recognised total provisions of EUR 1.9 million in its accounting records in 2025.

FINANCIAL RISKS

In the course of their day-to-day operations and activities, the Company and the Group are exposed to a number of financial risks, in particular:

- interest rate risk
- credit risk
- liquidity risk
- Inflation risk
- foreign exchange risk.

Interest rate risk

Interest rate risk is the risk of changes in interest rates, which may result in changes in the amount of interest-bearing liabilities and interest income.

In order to reduce interest rate risk, the Company and the Group actively apply interest rate hedging by using interest rate swaps (exchanging variable interest rates for fixed rates), thereby effectively converting borrowings with variable interest rates into borrowings with fixed interest rates. The impact of interest rate risk on operations is limited, as the majority of the Company's and the Group's loan portfolio consists of long-term loans with contractually agreed fixed interest rates or loans hedged by interest rate swaps.

The Company and the Group hold assets (cash and deposits) that generate interest income, and the income and cash flows from these placements depend on changes in market interest rates. This risk is particularly pronounced during seasonal periods when the Company and the Group generate significant cash surpluses. Cash placements are predominantly made on a short-term basis and at market interest rates.

Credit risk

Credit risk arises from cash and cash equivalents, time deposits and trade receivables. In accordance with the sales policies of the Company and the Group, cooperation is contracted with customers that have an acceptable credit history or is secured through advance payments, security deposits and credit card payments. In order to reduce credit risk, the Company and the Group continuously monitor their exposure to business partners and assess their creditworthiness. Trade receivables are secured by instruments such as promissory notes, bank guarantees and mortgages, thereby reducing the risk of non-collection.

Exposure to credit risk also arises from cash and deposits held with commercial banks. In order to diversify this risk, a maximum level of exposure to any single bank has been defined, and relevant qualitative and quantitative indicators of banks' financial stability are continuously monitored.

Liquidity risk

The Company and the Group manage liquidity risk prudently and ensure at all times that sufficient cash resources are available from internal sources and from available credit facilities for investments and working capital.

Repayments of loan obligations are aligned with periods of significant cash inflows from operating activities. Liquidity is monitored on a daily basis through reports on cash balances and short-term and long-term liabilities. Surplus funds are invested in current accounts and term deposits, selecting instruments with appropriate maturities and sufficient liquidity, in line with projected funding requirements.

Inflation risk

The Company and the Group are exposed to changes in purchase prices of energy products (particularly electricity), food and beverages, consumables, as well as to increases in the prices of construction works and asset acquisitions. In order to mitigate the impact of rising energy prices and reduce dependence on suppliers, the Company and the Group continuously invest in energy efficiency and renewable energy sources. Where appropriate, procurement activities include the practice of entering into long-term contracts and fixing prices.

One of the ways to mitigate the negative impact of inflation is flexible management of the selling prices of goods and services. A high share of direct and online sales channels enables the Company and the Group to apply dynamic pricing throughout the year.

Foreign exchange risk

The Company and the Group operate internationally, as reflected in overnight stays generated from various source markets. Following the Republic of Croatia's accession to the eurozone on 1 January 2023, almost 100% of revenues and cash inflows are generated in euros. As a result, foreign exchange risk (the potential loss arising from changes in exchange rates) has been almost entirely eliminated.

OPERATIONAL RISKS

Operational risk represents the risk of direct or indirect loss arising from inadequate or faulty internal and external processes of the Company and the Group. The complexity and size of the organisation increase operational risks, which is why the establishment of high-quality processes is the foundation of successful management of these risks.

In today's digital age, cybersecurity and information security have become key areas of focus for any company seeking to protect its information assets. Information, as one of the most valuable assets and the foundation of every business system, is often the target of attacks.

Information security risks include unauthorised access, data theft, malicious attacks and technical failures, while cybersecurity encompasses the protection of networks, systems and data from digital threats.

Timely identification and effective management of these risks are crucial to ensuring business continuity and building guest trust.

Aware of the risks associated with the reliability of IT business solutions and cybersecurity, the Company and the Group continuously invest in the improvement, development and implementation of new technologies and protective mechanisms in day-to-day operations. Particular emphasis is placed on ensuring sufficient resources for the development and application of new technologies in the ICT area, data protection projects, and the improvement of existing and development of new robust business systems. Over the years, a number of projects and investments have been implemented with the aim of increasing the security, stability and efficiency of the ICT infrastructure.

By optimising incident management processes, introducing 24-hour system monitoring and consolidating systems into a single ICT platform, the Company has ensured more effective protection of infrastructure and data.

In the event of a personal data breach, the Company and the Group could be subject to significant financial penalties, as well as potential damage to the Company's reputation. The Company continuously works on training its employees and raising awareness of the importance of personal data protection, as well as information security.

The Company will continue to develop and implement new technologies in order to continuously strengthen the resilience of business processes against cybersecurity and information security threats.



GLOBAL RISKS

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

- global economic and financial crises that reduce the purchasing power of populations in key source markets and in the Republic of Croatia
- security and political risks related to the threat of terrorism globally and in the surrounding region
- global crises caused by armed conflicts.

The business results of the Company and the Group may also be affected by various environmental factors, including:

- climate change, such as global warming and prolonged periods of drought or rainfall
- natural disasters and extreme weather events (earthquakes, fires, floods, storms, etc.)
- deterioration in sea and coastal quality and pollution.

All of these factors may directly affect the number of guests and the length of their stays in hotels and campsites, as well as increase operating costs.

Health pandemics also represent a global risk, causing financial and operational disruptions to the global economy and particularly affecting tourism as a sensitive industry. Health risks constitute a particularly demanding segment of risk management, as the Company's and the Group's ability to respond in such cases is limited to risk monitoring and acting in accordance with internal and external rules and guidelines in the event of the occurrence of infectious diseases.

REGULATORY RISKS

The risk of changes to laws, tax regulations and other regulations also represents a significant risk for the Company and the Group. Changes to relevant regulations often enter into force after business plans for future periods have already been adopted and commercial terms with business partners agreed. This may significantly impair the financial position of the Company and the Group, jeopardise planned investments and weaken investor confidence.

Recent regulatory changes relating to the use of maritime domain, concessions, concession approvals and fees for the use of maritime domain continue to represent an area that is not yet fully regulated and has a significant impact on operations and future development.

The new Physical Planning Act, which entered into force on 1 January 2026, introduces an obligation to align the spatial use of campsites, with a prescribed transitional adjustment period of up to 10 years.

Regulatory risks are among the most demanding segments of risk management, as the Company's and the Group's ability to mitigate them is largely limited.



Internal Control System and Internal Audit

Purpose, authority and responsibilities of internal audit

The internal audit function of Valamar Riviera operates with the purpose of providing independent and objective assurance and advisory support in order to enhance the effectiveness of the risk management system, internal controls and corporate governance processes.

Its authority and responsibilities are defined by the Internal Audit Charter, the Internal Audit Rulebook and other internal acts aligned with the Global Internal Audit Standards (GIAS).

Internal audit has the right of unrestricted access to all information, systems, persons and processes necessary for the performance of audit activities.

Independence and objectivity

The internal audit function is organisationally positioned in a manner that ensures its independence from operational activities. The Head of Internal Audit reports functionally to the Audit Committee and administratively to the Management Board, thereby ensuring full objectivity in the planning, execution and reporting of audit engagements.

The Audit Committee ensures that internal and external factors do not compromise the independence of internal audit, while internal auditors are required to avoid conflicts of interest and to comply with all ethical principles set out in the GIAS.

Ethical conduct and professional standards

The work of internal audit is based on the Code of Business Conduct of Valamar Riviera, the ethical principles of the GIAS and professional auditing standards.

Auditors are required to maintain professional competence, confidentiality and integrity, to act professionally and in the best interests of the Company, and to continuously enhance their knowledge and skills.

Internal control system within the Company

The internal control system is designed to ensure that business operations comply with applicable laws and regulations, internal policies, operational procedures and corporate decisions.

The internal control system comprises:

- clearly defined responsibilities and authorities,
- control activities at all levels,
- risk management processes,
- continuous communication and reporting,
- monitoring of the effectiveness of controls and processes.

The system operates on a preventive basis, with corrective measures applied where necessary, and contributes to the accuracy of financial and operational information, the safeguarding of assets and the efficient use of resources.

Management of the internal audit function

Internal Audit operates in accordance with its own work plan, the Internal Audit Charter and the Internal Audit Rulebook, with the support of the Audit Committee and the Management Board.

Key documents aligned with the GIAS include:

- the Internal Audit Charter,
- the Internal Audit Rulebook,
- the Code of Business Conduct,
- the Rulebook on Cooperation with Related Companies in Statutory and Internal Audit.

Risk-based planning

The Internal Audit Plan for 2025 has been prepared in line with the risk management approach and is based on the corporate risk assessment. The process includes:

- identification of risks in cooperation with management and other key stakeholders,
- assessment of the likelihood and impact of risks using the corporate risk matrix,
- prioritisation of audit engagements,
- alignment of the plan with business objectives and risks material to the Company.

Sustainability-related risks arising from the double materiality assessment are incorporated into the same assessment methodology and, where assessed as highly material, become part of the annual audit plan.



Audit engagement execution

Audit engagements are carried out in accordance with a standardised methodology, which includes:

- the planning phase,
- data collection and evaluation of controls,
- analysis of findings and identification of root causes,
- preparation of an audit report with recommendations,
- follow-up of the implementation of agreed actions.

In 2025, Internal Audit conducted audits in the following areas:

- leasing of business premises and land,
- risk management,
- investment projects,
- information technology: change management, business continuity and protection of confidential data.

Due to the increased workload and the need for specialised expertise, an external audit firm was engaged for the partial outsourcing of the internal audit function.

Reporting and follow-up of actions

Internal Audit reports to the Management Board and the Audit Committee on its findings and recommendations, including an assessment of risks and the level of compliance of processes with internal policies and regulations.

The implementation of recommendations is monitored through a formal follow-up process, and the status of actions is regularly reported to the Audit Committee.

Role of the Audit Committee and corporate governance

The Audit Committee oversees the integrity of financial and non-financial reporting processes, the effectiveness of the internal control system, the execution of audits, and compliance of operations with applicable regulations.

During 2025, the Audit Committee held four meetings, at which it reviewed key internal audit findings, the status of recommendations, risk management and other aspects of corporate governance.

Quality enhancement and continuous improvement

Internal Audit continuously works to enhance its own processes in line with the Global Internal Auditing Standards (GIAS), best practice and the requirements of the hospitality industry.

Improvements include:

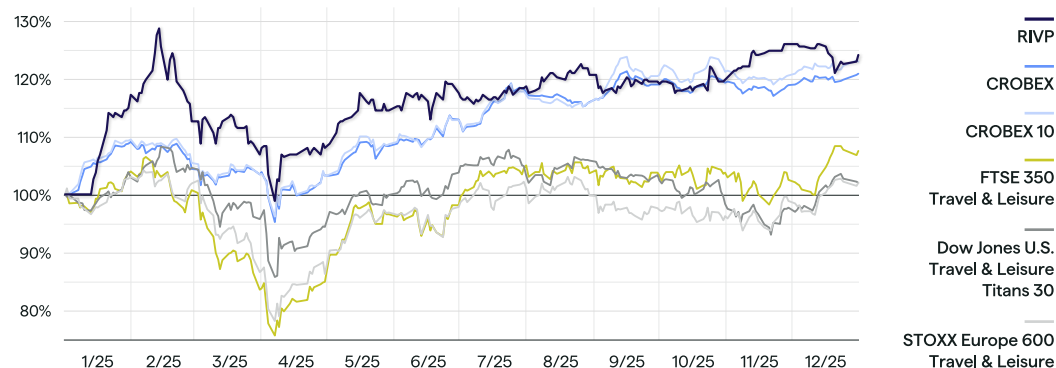
- strengthening auditors' competencies,
- application of advanced analytical approaches,
- cooperation with external experts,
- regular review of methodology and documentation,
- a focus on ESG, cybersecurity and investment risks.

In 2025, Internal Audit continued to ensure a high level of quality and contributed to the strengthening of management processes, internal control systems and the overall efficiency of business operations.



RIVP Share

Performance of Valamar Riviera's share and Zagreb Stock Exchange and travel and leisure indices in 2025



During 2025, the highest share price achieved in regular trading on the regulated market amounted to EUR 6.76, while the lowest price was EUR 5.00. As at 31 December 2025, the share price stood at EUR 6.50, representing an increase of 24.1% compared to the last price recorded in 2024. With total trading volume of EUR 25.5 million¹, Valamar Riviera shares ranked eighth on the Zagreb Stock Exchange by regular trading turnover during 2025.

In addition to the Zagreb Stock Exchange index and the joint equity index of the Zagreb and Ljubljana Stock Exchanges, ADRIAprime, the share is also a constituent of the Vienna Stock Exchange index (CROX²), the Warsaw Stock Exchange index (CEEplus³), the SEE Link regional platform indices (SEELinX and SEELinX EWI)⁴, as well as the MSCI Frontier Market Index⁵.

Zagrebačka banka d.d. and Interkapital vrijednosni papiri d.o.o. act as market makers for Valamar Riviera's ordinary shares listed on the Prime Market of Zagrebačka burza d.d. (Zagreb Stock Exchange).

Valamar Riviera actively holds meetings and conference calls with domestic and international investors, as well as investor presentations, providing support for a high level of transparency, the creation of additional liquidity, an increase in share value and the engagement of new investors.

By continuing the active promotion of Valamar Riviera, the Company aims to further contribute to the creation of long-term value for all stakeholders, with the intention that the Company's shares be recognised as among the leading shares on the Croatian capital market and among the leading shares in the CEE region.

Analytical monitoring 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.



¹ Block transactions are excluded from the calculation.

² The Croatian Traded Index (CROX) is a capitalisation-weighted price index comprising the 12 most liquid and highest-capitalised shares listed on the Zagreb Stock Exchange.

³ CEEplus is an equity index composed of the most liquid shares listed on stock exchanges in the Visegrád Group countries (Poland, the Czech Republic, Slovakia and Hungary) as well as Croatia, Romania and Slovenia.

⁴ SEE Link is a regional securities trading platform established by the Bulgarian, Macedonian and Zagreb Stock Exchanges. SEE LinX and SEE LinX EWI are two regional "blue chip" indices comprising ten of the most liquid regional companies listed on three stock exchanges: five from Croatia, three from Bulgaria and two from North Macedonia.

⁵ The MSCI Frontier Markets Index comprises large- and mid-capitalisation companies across 29 so-called frontier market countries.

OWN SHARES AND SHARE BUYBACK PROGRAMME

The Company is authorised to acquire its own shares on the basis of and in accordance with the terms set out in the resolution of the General Assembly on the acquisition of own shares dated 24 April 2024, which has been effective since 18 November 2024.

Pursuant to the above resolution, on 14 November 2024 the Company's Management Board adopted a decision approving a Share Buyback Programme (valamar-riviera.com/media/493963/notification-of-adopting-an-own-share-buy-back-programme-1-107-24.pdf) which was completed in February 2025. On 18 June 2025, the Management Board adopted a new decision approving a Share Buyback Programme (valamar-riviera.com/media/503787/notification-of-adopting-an-own-share-buy-back-programme-1-89-25.pdf).

In accordance with the Programmes, during 2026 the Company acquired 789,069 own shares on the regulated market of the Zagrebačka burza d.d. (Zagreb Stock Exchange) for a total consideration of EUR 4,953,589, at an average price of EUR 6.28 per share.

The Company holds and acquires own shares for the purpose of rewarding members of the Management Board and key executives in accordance with the Company's remuneration policies, as well as for the potential payment of a portion of dividends in kind, in the form of the Company's shares. Pursuant to the adopted long-term share-based incentive plan for key executives for the period from 2023 to 2026, which aims to encourage loyalty, focus on the achievement of business objectives and the creation of shareholder value, the Company released a total of 339,737 own shares on 22 April 2025.

As at 31 December 2025, the Company held a total of 3,550,868 own shares, representing 2.82% of the share capital.

GENERAL ASSEMBLY OF VALAMAR RIVIERA

At the General Assembly held on 12 June 2025, resolutions were adopted on the use of profit generated in 2024 and on granting discharge to the members of the Management Board and the Supervisory Board. The Assembly also approved the Remuneration Report for the members of the Management Board and the Supervisory Board for 2024, adopted a resolution on the remuneration of the Supervisory Board members, and the Management Board was authorised, subject to the prior consent of the Supervisory Board, to cancel treasury shares without a reduction of the share capital.. For the audit of Valamar Riviera d.d. for the financial years 2025 and 2026, Deloitte d.o.o. and UHY RUDAN d.o.o. were appointed as statutory auditors.

In addition, a resolution was adopted on the reappointment of the members of the Supervisory Board in the same composition for a new four-year term commencing on 16 June 2025.

The General Assembly also adopted a resolution on the payment of a dividend in the amount of EUR 0.24 per share (dividend yield of 4.6%), which was paid to the Company's shareholders on 25 June 2025 from retained earnings generated in 2016 and 2021.

OWNERSHIP STRUCTURE (as at 31 December 2025)

Wurmböck Beteiligungs GmbH Plöbłgasse 8, 1040 Vienna, Republic of Austria					19.97%	25,170,000
Goldscheider Keramik Gesellschaft M.B.H. Plöbłgasse 8, 1040 Vienna, Republic of Austria					19.85%	25,017,698
Satis d.o.o. Miramarska 24, 10000 Zagreb					5.24%	6,610,048
Raiffeisenbank Austria d.d./Joint custody account – for SF/Custodian, SR Njemačke 2 i 8, 10000 Zagreb					4.48%	5,647,648
OTP Banka d.d./AZ MPF B category/Custodian Domovinskog rata 61, 21000 Split					3.51%	4,421,758
Valamar Riviera d.d. (treasury account)					2.82%	3,550,868
Enitor d.o.o., Miramarska cesta 24, 10000 Zagreb					2.11%	2,657,950
OTP Banka d.d./Erste plavi MPF B category/Custodian Domovinskog rata 61, 21000 Split					1.21%	1,519,010
HPB d.d./Kapitalni fond d.d./Custodian, Jurišićeva 4, 10000 Zagreb					1.13%	1,419,657
CERP, Ivana Lučića 6, 10000 Zagreb					1.09%	1,369,579
PBZ d.d./joint client custody account, Custodian Radnička cesta 50, 10000 Zagreb					0.94%	1,180,626
Other small shareholders					37.66%	47,462,700

Responsibility for the sustainability report

According to the provisions of Articles 32 and 36 of the Accounting Act (NN 85/24, 145/24), the Management Board is responsible for the preparation of the consolidated Sustainability Report in accordance with the European Sustainability Reporting Standards (ESRS) and for:

- preparation of disclosures in the section "Consolidated disclosures pursuant to article 8 of the taxonomy regulation" of the consolidated Sustainability Report in accordance with the reporting requirements of Article 8 of EU Regulation 2020/852 (EU Taxonomy Regulation)
- design, implementation, and maintenance of internal control systems that the Management Board deems necessary to enable the preparation of the consolidated Sustainability Report, free from material misstatements due to fraud or error, and
- selection and application of appropriate sustainability reporting methods, as well as making reasonable judgments and estimates regarding individual sustainability disclosures, considering the circumstances.

The Management Board is also responsible for the design and implementation of the process for identifying information disclosed in the consolidated Sustainability Report in accordance with the ESRS, and for disclosing this process in the section "ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks, and opportunities" and "IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement" in the consolidated Sustainability Report. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and understanding the affected stakeholders,
- identification of actual and potential impacts (both negative and positive) related to sustainability issues, as well as risks and opportunities that affect, or could reasonably be expected to affect the Group's financial position, financial performance, cash flows, access to financing or cost of capital in the short, medium, or long term,
- assessment of the significance of the identified impacts, risks, and opportunities related to sustainability issues by selecting and applying appropriate materiality thresholds, and
- making assumptions that are reasonable under the circumstances.

The consolidated Sustainability Report was approved by the Management Board on February 17, 2026.

Signed on behalf of the Management Board on February 17, 2026.

President of the Management Board
Željko Kukurin

Member of the Management Board
Marko Čizmek

Member of the Management Board
Ivana Budin Arhanić

VALAMAR
VALAMAR RIVIERA D.D.
POREČ (4)

Sustainability Report

It is a pleasure to present Valamar group Sustainability Report for 2025. This year, for the second time, progress in achieving environmental, social and governance (ESG) goals is reported in accordance with the EU Corporate Sustainability Reporting Directive (CSRD), and this Report is structured according to the topical standards of the CSRD.

Each section begins with an analysis of the material impacts, risks and opportunities.	several sustainability matters. These standards ensure the consistency of the information provided in the Report and its comparability across organisations and sectors.	Standards (ESRS). In accordance with the 2024 double materiality assessment and the 2025 re-evaluation, the following topical standards are reported in addition to the EU taxonomy:	A more structured approach to reporting under the CSRD has been taken by standardising data collection and establishing data analysis and control procedures. The double materiality assessment identifies impacts, risks and opportunities, which provide insight into sustainability matters.
The main policies, objectives and measures related to these topics are then elaborated in line with the ESG strategy.	Among the most important elements of the CSRD is the double materiality assessment, which identified sustainability issues most relevant to the business and the value chain.	• ESRS 2 - General disclosures • ESRS E1 - Climate change • ESRS E3 - Water and marine resources • ESRS E5 - Circular economy • ESRS S1 - Own workforce • ESRS S4 - Consumers and end-users • ESRS G1 - Business conduct	
Compliance with the CSRD was achieved through the collaboration and extensive teamwork of various departments to collect the data necessary for the preparation of the Report. In accordance with the CSRD, it adheres to specific standards covering	The Report applies the CSRD and the specific requirements of the European Sustainability Reporting		

SUSTAINABILITY STATEMENT

GENERAL INFORMATION	ENVIRONMENTAL INFORMATION	SOCIAL INFORMATION	GOVERNANCE INFORMATION
ESRS 2 GENERAL DISCLOSURES BP-1 General basis for preparation of sustainability statements BP-2 Disclosures in relation to specific circumstances GOV-1 The role of the administrative, management and supervisory bodies GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies GOV-3 Integration of sustainability-related results into incentive schemes GOV-4 Statement on due diligence GOV-5 Risk management and internal controls over sustainability reporting SBM-1 Strategy, business model and value chain SBM-2 Interests and views of stakeholders SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement	CONSOLIDATED DISCLOSURES IN ACCORDANCE WITH ARTICLE 8. OF REGULATION (EU) 2020/852 (TAXONOMY REGULATION) ESRS E1 CLIMATE CHANGE E1-1 Transition plan for climate change mitigation E1-2 Policies related to climate change mitigation and adaptation E1-3 Actions and resources in relation to climate change policies E1-4 Targets related to climate change mitigation and adaptation E1-5 Energy consumption and mix E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions ESRS E3 Water and marine resources E3-1 Policies related to water and marine resources E3-2 Actions and resources related to water and marine resources E3-3 Targets related to water and marine resources E3-4 Water consumption ESRS E5 Resource use and circular economy E5-1 Policies related to resource use and circular economy E5-2 Actions and resources in relation to resource use and circular economy E5-3 Targets related to resource use and circular economy E5-5 Resource outflows	ESRS S1 OWN WORKFORCE S1-1 Policies related to own workforce S1-2 Processes for engaging with own workers and workers' representatives about impacts S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns S1-4 Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches S1-5 Targets related to the management of significant adverse impacts, the encouragement of positive impacts and the management of significant risks and opportunities S1-6 Characteristics of the undertaking's employees S1-7 Characteristics of non-employee workers in the undertaking's own workforce S1-8 Collective bargaining coverage and social dialogue S1-10 Adequate wages S1-13 Training and skills development indicators S1-14 Health and safety indicators S1-16 Remuneration metrics (pay gap and total remuneration) S1-17 Incidents, complaints and severe human rights impacts ESRS S4 CONSUMERS AND END-USERS S4-1 Guest and End User Policies S4-2 Procedures for engaging with consumers and end-users on impacts S4-3 Procedures for remediation of adverse impacts and channels through which consumers and end-users can raise concerns S4-4 Taking measures for significant impacts on consumers and end-users, approaches to managing significant risks and realising significant opportunities related to consumers and end-users, and the effectiveness of these measures S4-5 Targets for managing significant adverse impacts, fostering positive impacts and managing significant risks and opportunities	ESRS G1 Corporate Culture and Business Conduct G1 GOV-1 Role of administrative, management and supervisory bodies G1-1 Policies related to business conduct

General information

Valamar group is committed to transparent and responsible sustainability reporting

As part of the CSRD framework, ESRS 2 – General Disclosures establishes core transparency requirements for sustainability reporting. ESRS 2 applies to all reporting entities and provides a structured framework for the disclosure of governance, strategy, materiality assessment and management of impacts, risks and opportunities related to sustainability matters.

The aim is to ensure consistent, comparable and comprehensive sustainability reporting by requiring

organisations to disclose key elements of their approach to sustainability management and the Management Board's approach to these topics.

These disclosures inform stakeholders, including investors, regulators, and society, in understanding how sustainability factors are embedded in corporate decision-making and long-term strategy.

ESRS 2	GENERAL INFORMATION	56
BP-1	General basis for preparation of sustainability statements	56
BP-2	Disclosures in relation to specific circumstances	56
GOV-1	The role of the administrative, management and supervisory bodies	57
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	58
GOV-3	Integration of sustainability-related results into incentive schemes	58
GOV-4	Statement on due diligence	59
GOV-5	Risk management and internal controls over sustainability reporting	59
SBM-1	Strategy, business model and value chain	59
SBM-2	Interests and views of stakeholders	61
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	62
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	77
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	79

ESRS 2

GENERAL DISCLOSURES

The general disclosures state the scope of the Report and consider management matters. In addition, the strategy, business model, value chain and stakeholder interests in the context of the double materiality assessment are described in detail.

BP-1

General basis for preparation of sustainability statements

Valamar group's sustainability report has been prepared in accordance with the Croatian Accounting Act and the ESRS, on a consolidated basis and has the same scope as the annual financial statements. They include Valamar Riviera d.d. (the "Company" or "Valamar Riviera") and Bugenvilia d.o.o., along with Imperial Riviera d.d. ("Imperial Riviera") and the related company Praona d.o.o. (together "Group" or "Valamar group") This ensures consistency and comparability of financial and sustainability information.

Imperial Riviera has prepared its own Sustainability Report, which includes the companies Imperial Riviera d.d. and Praona d.o.o. Valamar group did not use the exemption from disclosure of impending developments or matters in the course of negotiation, as provided for in articles 19a (3) and 29a (3) of Directive 2013/34/EU.

The sustainability report covers Valamar group's value chain, including impacts, risks and opportunities associated with the value chain, in line with the results of double materiality analysis. Valamar group has not opted to omit details about intellectual property, know-how results of innovation not about ongoing developments or negotiations.

The Group did not identify any material errors in the sustainability information reported in previous periods.

BP-2

Disclosures in relation to specific circumstances

This is the second year of reporting in accordance with ESRS standards. Changes related to the recalculation of GHG emissions for the reference year have been published in the topical standard disclosures.

Valamar group has not deviated from time horizons defined by ESRS except in climate risk scenario analyses where definitions of short-, medium- and long-term time horizons is as follows:

- short term – period by 2030 (2026-2035),
- medium term – period by 2040 (2036-2045), and
- long term – period by 2050 (2046-2055).

Climate change impacts are assessed over longer time horizons to capture the full range of potential risks, aligning with the Intergovernmental Panel on Climate Change (the IPCC) emphasis on long-term climate scenarios and projections. Within the E1-6 methodology for greenhouse gas (GHG) emissions, there have been changes in the calculation of GHG emissions in the reference year compared to the current year, and this is explained in Chapter E1-6, page 98.

Incorporation by reference

The Sustainability Report has included references to Valamar group's Annual Report for the same period, which is in the same reporting language and published together with this report.

Use of transitional provisions

Valamar group has decided not to publish the disclosure requirements that are being phased in, as set out in Appendix C of the ESRS: List of phased-in Disclosure Requirements. This includes the following disclosure requirements: E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities, E3-5 Anticipated financial effects from water and marine resources-related impacts, risks and opportunities, E5-6 Anticipated financial effects from resource use and circular economy-related impacts, risks

and opportunities, S1-7 Characteristics of non-employee workers in the undertaking's own workforce, S1-14 Health and safety (related to non-employee workers) and S1-15 Work-life balance indicators.

Measurements subject to uncertainty

All measurements conducted in the preparation of this report have been done directly, resulting in no uncertainty in qualitative metrics except Scope 3 GHG emission. Information on value chain estimates and sources of uncertainty are disclosed in the methodology section, as it relates to specific material sustainability topics and/or indicators (page 99 and 100).

Other legislation and standards used in preparation

In the preparation of Valamar group's sustainability report, no legislation or standards other than CSRD are used.

Disclosure requirement		Reference to Annual Report section
GOV-1	The role of the administrative, management and supervisory bodies	Management report; Chapter Corporate Governance
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own (MDR-A Article 69)	Financial statements; Note 8 – Staff costs
G1-1	Corporate culture and Business conduct policies and corporate culture	Corporate Governance code implementation report

GOV-1

The role of the administrative, management and supervisory bodies

Valamar Riviera has a dualistic corporate structure (Management Board and Supervisory Board) and therefore does not have executive and non-executive members of the Management Board in accordance with the relevant regulations.

The Management Board of the Company consists of three members:

- **Željko Kukurin**, President of the Management Board,
- **Marko Čižmek**, Management Board Member, and
- **Ivana Budin Arhanić**, Management Board Member.

As related to sustainability and ESG management at Valamar Riviera, the Management Board is responsible for developing, approving, updating the statements of values, mission, strategy, policy, and objectives.

The effectiveness of ESG organizational processes is systematically monitored within the framework of the Management Board's responsibilities and defined strategic initiatives and key performance indicators, which Valamar group reports on an annual basis. The allocation of responsibilities for managing the impact of operations on the economy, the environment and people is primarily carried out within the Sustainability Committee and the Human Resources Management Committee at the Management Board.

The Sustainability Committee and the Human Resources Management Committee regularly report to the Management Board on the management of Valamar group's impact on the economy, the environment and people.

In addition to the members of the Management Board, other members of the Senior Management

also participate in the work of the aforementioned Committees, namely:

- **Alen Benković**, Senior Vice President for Development, Asset Maintenance and Technical Services
- **Davor Brenko**, Senior Vice President of Sales and Marketing
- **David Poropat**, Senior Vice President of Operations
- **Ines Damjanić**, Vice President for Human Resources
- **Tea Pestotnik Prebeg**, Director of the Quality and Sustainability Sector

The Supervisory Board meets at least four times a year. The Supervisory Board actively participates in key decisions through relevant Committees which meet more frequently to consider key strategic initiatives and provide support to the Management Board in the decision-making process and supervision of the management of the Company's affairs in accordance with relevant regulations and acts.

The Supervisory Board of the Company consists of nine members:

- **Franz Lanschützer**, Chairman
- **Mladen Markoč**, Deputy Chairman
- **Daniel Goldscheider**, Deputy Chairman
- **Gustav Wurmböck**, Member
- **Gudrun Kuffner**, Independent Member
- **Petra Stolba**, Independent Member
- **Georg Eltz**, Member
- **Boris Galić**, Independent Member
- **Ivan Ergović**, Member (employee representative)

Percentage of independent members of the Supervisory Board in 2024 and 2025: 33,33%

The Sustainability and Digitalization Committee at the level of the Supervisory Board of Valamar Riviera is an advisory body that considers key strategic topics in advance and makes recommendations and proposals to the Management Board, which in turn makes decisions in accordance with Valamar Riviera's corporate acts and relevant regulations. In June 2025, the scope of work of the Sustainability and Digitalization Committee was transferred to the Presidium, which has since continued to regularly monitor digital projects as well as sustainability projects.

Members of the Presidium are Franz Lanschützer, Mladen Markoč and Daniel Goldscheider.

The Audit Committee on the Supervisory Board level of Valamar Riviera reports to the Supervisory Board and consist of the following members: Gudrun Kuffner, Georg Eltz, Gustav Wurmböck, Mladen Markoč and Boris Galić.

Detailed information regarding of Management Board, Supervisory Board and their Committees are presented in Annual Report in section Corporate Governance code implementation report.

The percentage of female members of Valamar Riviera's Management Board in 2024 and 2025 is 33.3%.

Expertise of administrative, management and supervisory bodies

The Management Board of Valamar Riviera makes decisions regarding the impact of the organization on the economy, the environment and people, and Management Board member Ivana Budin Arhanić.

The Management Board of the Company continuously enhances its competencies and experience in ESG-related matters.

In late 2023, Valamar Riviera, in collaboration with PwC, conducted a workshop on sustainable development, highlighting the active engagement of its Management Board. Additionally, Ivana Budin Arhanić, a member of Valamar Riviera Management Board, serves on the board of the Hrvatski Business Council for Sustainable Development (HR PSOR), an association established by leading Croatian entrepreneurs to promote sustainable economic practices. These initiatives reinforce Valamar group commitment to sustainability and foster collaboration with partners and stakeholders in advancing the Sustainable Development Goals (SDGs).

The CVs of all members of the Supervisory Board, Management Board and Senior Management can be found in the Management Report in the chapter Corporate Governance.

Roles and responsibilities in the oversight of impacts, risks and opportunities

As the highest governing body concerning sustainability and sustainable management at Valamar group, Valamar Riviera's Management Board is responsible for developing, approving, and updating the statements of values, mission, strategy, policy, and objectives. The effectiveness of ESG organizational processes is systematically monitored within the responsibilities of the Management Board and the definition of strategic initiatives and key performance indicators, which the company Valamar Riviera reports on an annual basis.

Sustainability Committee in Valamar Riviera operates under the Management Board and is responsible for oversight of Valamar group’s impact, risks and opportunities in relation to all sustainability matters. The Committee evaluates progress, identifies any deviations from targets, and recommends corrective actions or strategic adjustments. The Sustainability Committee plan its meetings every month, it reports to the Management Board on Valamar group’s environment, social and governance impacts, ensuring continuous alignment with strategic goals.

The Sustainability Committee also coordinates the assignment of responsibilities for managing impacts mentioned above. This is achieved through collaboration with the Quality and Sustainability Sector and various departmental managers responsible for implementing specific sustainable initiatives. These departments track relevant KPIs based on their functional expertise and operational focus, contributing data and insights to support comprehensive decision-making.

Cross-departmental cooperation is central to Valamar group’s sustainability approach. Internal functions collaborate to ensure that data, performance metrics, and sustainability insights are shared across departments. The Sustainability Committee acts as the central coordination point, receiving inputs from all relevant sectors, analysing their reports, and ensuring consistency with broader organizational objectives. This integrated framework streamlines decision-making and enhances Valamar group’s capacity to address sustainability-related challenges effectively. Information related to the IRO is provided as needed. Report covers results that are based on existing policies (e.g., the Environmental Protection Policy), ESG goals, and KPIs.

Own workforce topics are carried out through the responsibilities of the Human Resources Management Committee and Human Resources Sector. The Human Resources Management Committee meets 3 to 5 times a year, and its tasks include: Human resources strategy, Salary policy, Organization, Employment policies, Education and training programs, Reward and bonus programs, Succession planning and talent development.

At the level of the Supervisory Board, the Presidium has the role of advisory body. It considers key strategic topics in advance and makes recommendations and proposals to the Management Board, which makes final decisions in accordance with corporate acts and applicable regulations. As a rule, the Presidium meets once a month with the Management Board of the Company, and if necessary, with Senior Management, and other members of the Supervisory Board may be invited to these meetings.

The Audit Committee on the Supervisory Board level of Valamar Riviera monitors the financial and sustainability reporting process and provides recommendations or suggestions to ensure its integrity. The Audit Committee must hold its meetings at least twice a year.

The Rules of Procedure of the Management Board, the Rules of Procedure of the Supervisory Board, as well as the Rules of Procedure of the Management Board committees regulate the organization, operations, and decision-making processes of these governance bodies.

GOV-2

Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies

List of activities performed by administrative, management and supervisory bodies in relation to material IROs.

The Management Board and the Supervisory Board of Valamar Riviera are involved in sustainability issues through their participation in the Board meetings.

MANAGEMENT AND SUPERVISORY BODIES	TASKS OF THE COMMITTEE	TOPICS COVERED IN 2025
Sustainability Committee	• Adoption of a 3- to 5-year sustainability strategy • Annual CapEx and OpEx sustainability plan • Monitoring of projects implemented to achieve sustainability objective • Approval of annual sustainability initiatives • Monitoring key sustainability trends	• Review and approval of DMA reevaluation • Review of assessment results for Scopes 1 and 2 (decarbonization project) and Scope 3 • Monitoring of other KPI's according to ESG strategy • Sustainability Projects & CapEx • Comparison of sustainability reports with comparable companies in Croatia and Europe • Sustainability projects and capital expenditures • ESG regulatory requirements
Presidium	• Preliminary consideration of strategic plans in relation to investments in sustainability • Monitoring relevant issues for the preparation of Supervisory Board decisions in relation with sustainability	• Carbon Management & ESG Reporting • Sustainability Projects & CapEx • Reviewing ESG KPIs according to strategy • ESG regulatory requirements
Human Resources Management Committee	• Adoption of a 3- to 5-year strategy for human resources • Adoption of salary policy • Organization development • Adoption of employment policies	• Defining salary police for the current and following year • Reviewing KPIs according to strategy • Adoption of the new Employee Education and Training Policy

GOV-3

Integration of sustainability-related results into incentive schemes

In accordance with the Remuneration policy and pursuant to the Remuneration report for 2025, Management Board members do not receive any variable remuneration that

includes sustainability-related performance Members of the Supervisory Board, in accordance with the Remuneration Policy, do not receive a variable remuneration.

GOV-4

Statement on due diligence

The following overview shows how and in which sections of the sustainability statement the main aspects and steps of the due diligence process are considered.

Core elements of due diligence	Paragraphs in the sustainability statement	
Embedding due diligence in governance, strategy, and business model	ESRS 2 SBM-3	Material impacts, risks, and opportunities and their interaction with strategy and business model
	ESRS S1 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies
	ESRS 2 SBM-2	Interests and views of stakeholders
	ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks, and opportunities
Identifying and assessing adverse impacts	ESRS 2 IRO-1	(including Application Requirements related to specific sustainability matters in the relevant ESRS)
	ESRS 2 SBM-3	Material impacts, risks, and opportunities and their interaction with strategy and business model
	ESRS S1 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
Taking actions to address those adverse impacts	ESRS E1-3	Actions and resources in relation to climate change policies
	ESRS E3-2	Actions and resources related to water and marine resources
	ESRS E5-2	Actions and resources related to resource use and circular economy
	ESRS S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
Tracking the effectiveness of these efforts and communicating	TARGETS:	
	ESRS E1-4	Targets related to climate change mitigation and adaptation
	ESRS E3-3	Targets related to water and marine resources
	ESRS E5-3	Targets related to resource use and circular economy
	ESRS S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
	METRICS:	
	ESRS E1-5	Energy consumption and mix
	ESRS E1-6	Gross Scopes 1, 2, 3 and total GHG emissions
	ESRS E3-4	Water consumption
	ESRS E5-5	Resource outflows
	ESRS S1-6	Characteristics of the undertaking's employees
	ESRS S1-7	Characteristics of non-employee workers in the undertaking's own workforce
	ESRS S1-8	Collective bargaining coverage and social dialogue
	ESRE S1-10	Adequate wages
	ESRE S1-13	Training and skills development metrics
	ESRS S1-14	Health and safety metrics
	ESRS S1-16	Remuneration metrics (pay gap and total remuneration)
	ESRS S1-17	Incidents, complaints, and severe human rights impacts

GOV-5

Risk management and internal controls over sustainability reporting

Valamar group's sustainability report is adopted at the level of the Management Board, Audit and Supervisory Boards. The plan is to develop a risk management system and internal controls that will focus on sustainability reporting.

SBM-1

Strategy, business model and value chain

Valamar group operates within the Hospitality sector, specifically focusing on Accommodations and Food and Beverage Services. The most significant markets for Valamar group are Germany, Austria, Slovenia, and Croatia. Key customer segments consist of tour operators, travel agencies, online travel agencies, and individual guests, all of which play a vital role in the company's revenue generation.

Valamar group does not offer products or services that are restricted or banned in certain markets.

Number of employees per significant geographical area

Country	2024	2025
Croatia	3,624	4,205
Austria	175	178

Revenue per sector

As the European Commission has not adopted a delegated act specifying the list of ESRS sectors, undertakings are not required to disclose the information referred to in ESRS 2 paragraph 40 (b). The ESRS Sectors will be defined in a future delegated act, following the issuance of a draft ESRS to be prepared by EFRAG.

Sustainability goals

Valamar group has set ESG goals fully aligned with its business strategy, with a period of implementation through 2026. The objectives focus on achieving short- and medium-term results and on ensuring that the effects of business activities and initiatives are measurable, transparent and verifiable.

Valamar group's ESG framework encompasses a balanced combination of environmental, social and governance goals that effectively represent each segment of sustainable business and are integrated into the Group's strategic initiatives.

Valamar group systematically implements decarbonization and energy efficiency activities with the aim of reducing greenhouse gas emissions in Scopes 1 and 2. By the end of 2026, it is planned to reduce emissions by 75% per occupied accommodation unit compared to 2015, i.e. to 2.4 kg of CO₂ per occupied accommodation unit. The Group has already made significant progress in the transition to renewable energy sources, including investments in LED lighting, electric vehicles and achieving 100% renewable electricity coverage.

By the end of 2026, the goal is to reach a 15% share of solar electricity generated in its own facilities, while continuing to invest in renewables through long-term partnerships.

Special attention is paid to maintaining the high quality of the sea, caring for 80,000 trees and continuing to reforest the destinations in which the Group operates.

As part of the sustainable management of water resources, the Group plans to keep the intensity of water withdrawal below 0.55 m³ per occupied accommodation unit, increase the use of treated wastewater and optimize overall consumption. In the field of waste management, the goal is to increase the share of recycled waste above the European Union average, whereby Valamar contributes to the circular economy and the reduction of the negative impact on the environment.

Valamar group has confirmed its efforts in environmental protection with numerous certificates – ISO 14001 for environmental management, ISO 50001 for energy management, EU Ecolabel for one hotel and six campsites and the Blue Flag for 16 beaches. In addition, selected hotels have Travelife sustainability certificates, confirming the ongoing commitment to high environmental standards.

Employees are the foundation of the success and sustainable growth of Valamar group. The focus is on quality jobs, competitive wages, education and retention of the domestic workforce. In 2025, significant investments in employees continued, and in agreement with the social partners, the salary base was increased for more than 6,000 employees ranging from 10 to 15 percent, achieved through an increase of the base salary by at least 10 percent, supplemented by an additional increase in coefficients. Salaries have also been increased for skilled jobs, including cooks, waiters, receptionists, along with a range of other positions across hotels, campsites and resorts. In the high season, net incomes for these jobs ranged from 1,500 to 2,000 EUR, while maids, assistant cooks, assistant waiters, kitchen staff and other serving staff received net incomes ranging from 1,000 to 1,400 EUR. In addition to

salary increases, the company continues to provide additional benefits that contribute to the financial security of employees. Valamar Riviera provided a 13th salary and a Christmas bonus of 1,000 EUR in 2025, gifts for children and benefits in kind, and all local employees are also paid an additional compensation of 400 EUR. The business strategy through 2026 sets a goal of 40 hours of education per employee per year, which strengthens competencies and career development.

At the heart of Valamar group's business model is the guest and their experience. The Group is committed to responsible and transparent communication and continuous improvement of guest satisfaction. By the end of 2026, the goals include 89% guest satisfaction and 840,000 loyalty program members. This approach confirms the commitment to creating long-term relationships of trust and a high level of service quality, which is further supported by ISO 9001 (quality management) and Travelife sustainability certifications.

Valamar group bases its business on the principles of transparency, ethics and responsible corporate governance. ESG goals are integrated into strategic planning and decision-making processes, and the results are regularly monitored through measurable indicators and reporting systems. By establishing the Sustainable Business Development Strategy in 2024, Valamar group has further strengthened the institutional framework for the implementation of ESG policies and ensured that all business activities are aligned with the goals of environmental protection, social development and good governance.

Valamar group is recognized as a leader in environmental protection and sustainable tourism development, with many years of experience investing in sustainable products, people and destinations. Since 2015, the Group has been continuously developing and implementing

sustainability programs, thus confirming its role as a responsible employer, a reliable partner and a bearer of positive changes in tourism and society.

Description of value chain

The sustainability report addresses the material impacts, risks and opportunities (IROs) of Valamar group own operations and for Scope 3 GHG emissions of Valamar group's upstream and downstream value chain. Transitional provision related to chapter 5 Value chain allows to limit value chain information to those already available within the company. Due to the lack of an implemented procedure for collecting direct data from customers, suppliers, and other relevant stakeholders Valamar group has not been able to collect data directly from the value chain. Therefore, the published policies, measures, targets, and indicators do not include information from these parts of the value chain. The value chain is only included when publishing indicators arising from other EU regulations, in this case, Scope 3 GHG emissions. Valamar group plans to implement a data collection procedure within its value chain and incorporate it into its future reporting.

Valamar group manages the complete guest experience. This includes the development and maintenance of hospitality assets, the operational management of hotels, camps and resorts, and the improvement of the tourist offer at the destination. Valamar group manages 607 hectares of property, which includes 38 kilometres of coastal area. Valamar group's 37 hotels and resorts and 15 camping resorts with a capacity of about 21 thousand accommodation units, can accommodate around 58,000 guests daily and provide perfect holidays and authentic experiences for each guest.

Valamar group believes in a growth-driving strategy focused on investments in high added-value products, talents, innovative services, and destination development.

Steered by sustainability and social responsibility, Valamar group is a leader in the innovative management of leisure tourism and creates new value for guests, employees, shareholders, and local communities in partnership with its destinations. One of the cornerstones of Valamar group's success is its long-standing open communication with key stakeholders. Hence, Valamar group has adopted policies that ensure the Group's leadership position in the Croatian hospitality industry in terms of service quality, guest satisfaction, the needs and interests of employees, the company and local community, as well as environmental protection and resource management. This communication is carried out through ESG materials in both indoor and outdoor areas of the facilities. Digital channels, including Valamar Riviera's ESG website, newsletters, and social media, also play a key role in these efforts. Guests are guided towards sustainable practices through messages encouraging water conservation during showers and towel use, closing windows while using air conditioning, proper waste separation, and electricity saving, while children are introduced to the basics of sustainability through animation programs. Through these efforts, Valamar group aims to engage its guests and foster a deeper understanding of sustainability in every aspect of their stay. Through booking agencies and various platforms, Valamar group collects data and reach its current and future guests.

One of Valamar group's key business partners are food & beverages suppliers. Currently, 78% of the food and beverages we serve come from local producers. The target share of local food and beverage suppliers for 2026 is more than 80%.

Managing the entire value chain of the destination, service excellence in its own business and partnership with destinations leads to a high level of service quality, optimizes operations, and consequently ensures a high return on investments.

SBM-2

Interests and views of stakeholders

The key stakeholders in the value chain are guests, employees, the Management Board (Sustainability Committee), the local community and stakeholders, and the investment community.

Related stakeholders include suppliers, trade unions, public administrations, and public and professional associations. These stakeholders are important for the

Valamar group to maintain market competitiveness, optimize costs, improve the quality of guest services, develop business and activities, and identify and eliminate potential risks. Stakeholder engagement for the assessment of double materiality was published in IRO 1.

Description of amendments to strategy and (or) business model

There were no changes in strategy or business model to consider the interests and opinions of stakeholders in 2025. However, Valamar group will consider the interests and opinions of stakeholders when creating new business strategy for a period 2027 – 2030.

Description of how governance bodies are informed about the views and interests of stakeholders

The Management Boards of Valamar group member companies are informed about the views and interests of stakeholders through various mechanisms, such as mailing, reporting, Committees and meetings.

Stakeholder group	Reason for engagement	Engagement method	Value of engagement
Guests	Enhance guest experience, gather feedback, ensure satisfaction, promote sustainability	Guest opinion surveys, newsletters, education on environmental protection, involvement in humanitarian activities	Improved guest satisfaction (89% in 2025 for sustainability efforts), service improvements, and alignment with sustainability expectations
Suppliers	Encourage sustainable practices, ensure compliance, build long-term partnerships, reduce Scope 3 emissions	Long-term collaboration, quality assurance, ESG surveys, procurement policies, Supplier Code of Conduct, sustainability criteria in procurement	Stronger supplier relationships, increased local sourcing (78%), and sustainability improvements in the supply chain
Employees	Improve working conditions, increase satisfaction, involve employees in sustainability initiatives	Surveys on corporate culture, internal communication channels (magazines, blogs, meetings), ESG participation, two-way feedback	Higher employee retention, better working conditions, increased engagement in sustainability efforts, and improved job satisfaction
Senior Management	Strategic sustainability planning, monitoring ESG initiatives	ESG workshops, Sustainability Committee oversight, Management Board involvement	Defined sustainability strategy until 2026, clear KPIs, and structured ESG monitoring
Trade Unions	Ensure fair labour conditions, promote workers' rights, improve employee relations, and align with labour regulations	Collective agreement, cooperation with the Workers' Council	Improved labour relations, enhanced employee rights protection, increased workplace stability, and stronger employee representation
Shareholders & Investment Community	Aligning business strategy with investor expectations, maintain transparency	Shareholder assembly, financial reports, corporate website, investor communication (meetings, conferences, reports)	Stronger investor confidence, transparent financial performance reporting
Local Community & Destinations	Strengthen local partnerships, support sustainable tourism	Collaboration with tourist boards, participation in local events, engagement in charity activities	Positive local impact, strengthened community ties, and contribution to destination sustainability

Key stakeholders include both internal and external partners who help Valamar group to create value and for whom Valamar group generates value. A continuous dialogue with these stakeholders informs Valamar group's strategic decisions and daily operations in areas such as employee training and development, diversity, enhancing its service, sustainable efforts, procurement practices, and strategic partnerships.

Specifically for guests, Valamar group continuously assess their needs to adapt to shifting market demands and ensure an exceptional experience. Each stakeholder group has unique needs and perspectives, and their relationships with Valamar group can lead to both positive and negative impacts.

Valamar group goal is to stay informed and act on opportunities and risks identified through its engagement and dialogue with key stakeholders. The views and interests of Valamar group's stakeholders are regularly discussed within relevant departments and business units.

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

In 2025, Valamar group didn't conduct a qualitative and a quantitative analysis of the resilience of the undertaking's strategy and business model regarding its capacity to address its material impacts and risks and to take advantage of its material opportunities.

In the coming period, Valamar group will need to assess ways to strengthen the resilience of its strategy and business model considering material impacts, risks, and opportunities.

All identified material impacts, risks and opportunities are included in Valamar Riviera's ESG Strategy and covered by ESRS Disclosure Requirements.

During 2025, a comprehensive re-evaluation of the impacts, risks and opportunities related to material topics was carried out. Based on the re-evaluation of double materiality, new material impacts, risks and opportunities were identified in the following areas: Responsible waste management, Employee education and development, Responsible and transparent communication with guests, and Health and safety of employees and guests.

ACTUAL POSITIVE MATERIAL IMPACTS

Material impact	Reduction of energy consumption and production of own renewable energy
SHORT DESCRIPTION	A positive impact on decarbonization and mitigation of climate change through the implementation of capital projects for the transition to renewable energy and an increase in the number of accommodation capacities with a low carbon footprint.
Current and future effects on business model, value chain, strategy, and decision-making	This will result in a reduction of GHG emissions and an increase in the production of own energy from renewable sources resulting in a simultaneous reduction in dependence on the purchase of energy sources and the volatility of energy prices through the reduction of energy consumption.
Company response or planned Response	Investments in photovoltaic plants and energy efficiency measures.
Impact on people and environment	The reduction of energy consumption and the production of renewable energy positively impact people by improving health and economic stability while benefiting the environment through reduced emissions, resource conservation, and enhanced climate resilience.
Link to and ability of strategy and business model to address impact	Included in ESG strategy
Expected time horizon	Long Term
Business relationships related to the impact	Direct activities



Material impact	Reduction of Greenhouse Gas Emissions - Scope 1 and Scope 2
SHORT DESCRIPTION	Positive impact on decarbonization and mitigation of climate change.
Current and future effects on business model, value chain, strategy, and decision-making	Managing Scope 1 and 2 emissions per accommodation unit by raising the share of renewable energy, implementing energy efficiency measures, and investing in electric vehicles and electric boat.
Company response or planned Response	Investments in photovoltaic plants, energy efficiency measures, and investments in electric vehicles and electric boat.
Impact on people and environment	The reduction of greenhouse gas emissions, particularly in Scope 1 and Scope 2 has significant positive impacts on both people and the environment. By decreasing GHG emissions, Valamar group contribute to mitigating climate change, improving air quality, and reducing the environmental footprint in own operations. This led to positive outcomes for communities through improved public health.
Link to and ability of strategy and business model to address impact	Included in ESG strategy
Expected time horizon	Long Term
Business relationships related to the impact	Direct activities

Material impact	Reduction of Greenhouse Gas Emissions - Scope 3
SHORT DESCRIPTION	Includes indirect emissions from the value chain such as transportation, supply chain activities, and product use. Valamar group has adopted a Supplier Code of Conduct as a requirement for its suppliers, which includes taking steps to calculate and/or reduce greenhouse gas emissions.
Current and future effects on business model, value chain, strategy, and decision-making	Valamar group will develop a transition plan in line with the new ESG strategy for a period 2027 - 2030.
Company response or planned Response	The transition plan will define actions, measures and targets for Scope 3.
Impact on people and environment	Actions to reduce GHG emission from Scope 3 positively affect the environment by reducing the carbon footprint and promoting the transition to a low-carbon economy. These efforts support local communities by enhancing economic opportunities and improving public health.
Link to and ability of strategy and business model to address impact	Will be included in new ESG strategy for a period 2027-2030
Expected time horizon	Long Term
Business relationships related to the impact	Downstream and upstream value chain activities

Material impact	Ensuring responsible water management
SHORT DESCRIPTION	Positive impact on water consumption to achieve water extraction intensity below 0.55 m³ per occupied room.
Current and future effects on business model, value chain, strategy, and decision-making	This will result in a reduction of water consumption and an increase in water efficiency, leading to a simultaneous decrease in dependence on external water sources and the risks associated with water supply shortages and price fluctuations.
Company response or planned Response	Investment in measures to reduce water usage, planning and implementation and directing investments towards wastewater treatment and water consumption. Investment in a system for desalination of brackish groundwater to produce self-sustained technological water for irrigation of green areas, installation of an advanced water management system for irrigation based on meteorological data collected from an on-site weather station and soil evapotranspiration.
Impact on people and environment	Ensuring responsible water management has significant positive impacts on both people and the environment. By implementing efficient water usage practices, Valamar group reduces wastewater and conserves local water resources, ensuring their availability for future generations. For local communities, responsible water management helps secure access to clean water, improves public health, and supports industry by maintaining a stable water supply.
Link to and ability of strategy and business model to address impact	Included in ESG strategy
Expected time horizon	Medium Term
Business relationships related to the impact	Direct activities

Material impact	Appropriate Wages
SHORT DESCRIPTION	Ensuring appropriate and competitive wages contributes to employees' financial security, increases their engagement, and reduces turnover, thereby strengthening workforce stability and the long-term sustainability of the business.
Current and future effects on business model, value chain, strategy, and decision-making	Ensuring appropriate wages currently enhances employees' financial security, reduces turnover, and strengthens engagement. It also improves the perception of fairness in the compensation system and reinforces relationships with trade unions. In the long term, competitive wages increase the company's attractiveness as an employer, facilitate talent attraction and retention, and contribute to operational sustainability by reducing hiring and training costs.
Company response or planned Response	In 2025, significant investments in employees continued, and in agreement with social partners, the salary was increased for more than 6,000 employees ranging from 10 to 15 percent, achieved through an increase of the base salary by at least 10 percent, supplemented by an additional increase in coefficients. Compensation was also increased for skilled positions, including chefs, waiters, receptionists, along with a range of other positions across hotels, campsites, and resorts. During peak season, net salaries for these positions ranged between 1,500 and 2,000 EUR, while housekeepers, assistant chefs, assistant waiters, kitchen staff, and servers received net salaries ranging from 1,000 to 1,400 EUR. In addition to salary increases, the company continued providing additional benefits that contribute to employees' financial security. Valamar Riviera paid out a 13th salary and a Christmas gift of 1,000 EUR, gifts for children, and in-kind benefits, while all local employees received an additional payment of 400 EUR. These continuous improvements in the salary and benefits system are the result of regular market analyses and collective bargaining agreements and are aimed at ensuring competitive compensation and long-term workforce stability.
Impact on people and environment	Providing appropriate wages has significant positive impacts on employees, local communities, and the broader economy. Fair compensation enhances workers' quality of life by ensuring financial stability, reducing income inequality, and improving overall well-being. This, in turn, fosters higher job satisfaction, increased productivity, and employee retention. For local communities, higher wages contribute to economic growth by increasing household spending and supporting local businesses. Ensuring appropriate wages also promotes social equity and aligns with human rights principles. While the direct environmental impact of fair wages may be limited, improved financial security allows employees to make more sustainable lifestyle choices, such as accessing better housing, education, and environmentally friendly products.
Link to and ability of strategy and business model to address impact	Included in business strategy
Expected time horizon	Short Term
Business relationships related to the impact	Direct activities

Material impact	Employee education and training
SHORT DESCRIPTION	Employee education and training are key to strengthening competencies, engagement and leadership potential.
Current and future effects on business model, value chain, strategy, and decision-making	Systematic investments in education and professional development increase employee engagement, reduce turnover and ensure that employees have the skills needed to cope with changes in the industry. These investments position Valamar group as an employer of choice and have a positive impact on its reputation by attracting talent.
Company response or planned Response	Valamar group systematically invests in lifelong learning, develops internal educational programs and cooperates with educational institutions to ensure the continuous development of employees.
Impact on people and environment	It has a positive impact on employees through professional growth, motivation and career security, and indirectly contributes to a better relationship with guests and a more sustainable business.
Link to and ability of strategy and business model to address impact	Included in the business strategy
Expected time horizon	Short-term
Business relationships related to the impact	Direct activities

Material impact	Responsible and transparent communication with guests
SHORT DESCRIPTION	Valamar group conducts responsible communication with guests through quality information, complaint and feedback mechanisms, in accordance with laws and voluntary codes. Communication with guests takes place in a responsible and transparent manner, in accordance with good practice, internal standard operating procedures, applicable laws and voluntary codes of communication.
Current and future effects on business model, value chain, strategy, and decision-making	Through the systematic collection of guest feedback, service quality is continuously enhanced, resulting in high guest satisfaction. This is reflected in a strong uplifting index of 96%, an overall satisfaction score of 89% at the Valamar group level, and an NPS of 66. Trust in the brand is further reinforced through a consistently positive user experience. Ongoing monitoring of guest satisfaction and the integration of these indicators into the Group's business strategy clearly demonstrate a commitment to maintaining and improving positive trends in the years ahead.
Company response or planned Response	Valamar group uses surveys during and after the stay to collect feedback and continuously improve the experience of its guests.
Impact on people and environment	It has a positive impact on guests through information, safety and engagement, and indirectly encourages responsible behaviour and reduction of negative environmental impacts.
Link to and ability of strategy and business model to address impact	Included in the business strategy
Expected time horizon	Short-term
Business relationships related to the impact	Direct activities

Material impact	Health and safety of guests
SHORT DESCRIPTION	Valamar group ensures the health and safety of guests by applying high operational standards, certified systems (HACCP, EN standards, H&S) and regular employee trainings.
Current and future effects on business model, value chain, strategy, and decision-making	Currently, it provides business stability and a high level of guest trust, while in the future it will be crucial for risk management and destination sustainability.
Company response or planned Response	The safety of guests is ensured by applying high operational standards and constant monitoring of compliance with relevant regulations. The implementation of certified systems by authorized bodies, such as HACCP, EN 14065, HRN EN1176-1, HRN EN 1069-1 and internal safety and security (H&S) systems, along with regular employee training, ensures a high level of health and safety protection.
Impact on people and environment	It has a positive impact on guests by providing safety and well-being and indirectly reduces the risk of negative impacts on the local community and the environment.
Link to and ability of strategy and business model to address impact	Included in the ESG strategy
Expected time horizon	Short-term
Business relationships related to the impact	Direct activities

Material impact	Corporate Governance and Risk Management
SHORT DESCRIPTION	As a joint stock company with more than 20 thousand shareholders, Valamar Riviera is committed to working in accordance with the highest principles of good corporate governance and regulatory compliance.
Current and future effects on business model, value chain, strategy, and decision-making	A well-defined, clear corporate structure is the foundation of effective strategic and operational management. The key bodies of Valamar Riviera are the General Assembly, the Supervisory Board with its Committees, and the Management Board led by the President of the Management Board. The specific powers and responsibilities of these bodies are regulated by Croatian legislation, the Company's Articles of Association, and internal acts.
Company response or planned Response	Governance forms the framework for Valamar group organizational and decision-making processes, as well as professional and ethical boundaries, both in stable and uncertain times. Valamar group adheres to both international and national standards in sustainability management and is strongly committed to nature protection, Scope 1 and 2 decarbonization, and the use of renewable energy sources. ESG KPIs are defined by strategic initiatives. In 2025, 84.6% of employees participated in a corporate climate and culture survey, with an overall rating of 4.03 (on a scale of 1 to 5) at Valamar group level.
Impact on people and environment	Strong corporate governance and effective risk management contribute to long-term business resilience, ethical decision-making, and sustainable value creation. By implementing the highest principles of good corporate governance and regulatory compliance, Valamar group enhances transparency, accountability, and adherence to environmental and social regulations, reducing the risk of unethical practices and corporate misconduct. For people, sound governance fosters trust among stakeholders, protects employees' rights, and promotes diversity, equity, and inclusion within the organization. Effective risk management helps mitigate financial, operational, and sustainability-related risks, ensuring business continuity and stability. From an environmental perspective, governance structures that integrate sustainability considerations enable organizations to proactively address climate risks, resource management, and environmental impacts, supporting the transition to a low-carbon economy. These efforts ultimately contribute to stronger, more resilient communities and ecosystems.
Link to and ability of strategy and business model to address impact	Included in ESG strategy
Expected time horizon	Short Term
Business relationships related to the impact	As a joint stock company with more than 20 thousand shareholders, Valamar Riviera is committed to working in accordance with the highest principles of good corporate governance and regulatory compliance.



ACTUAL NEGATIVE MATERIAL IMPACTS

Material impact	Greenhouse gas emissions in Scope 1, Scope 2 and Scope 3	Material Impact	Responsible water management
SHORT DESCRIPTION	Scope 1 emissions, generated directly from company-owned or controlled sources, contribute to climate change by increasing atmospheric CO ₂ levels. Scope 2 emissions, resulting from purchased electricity, heat, or steam, further exacerbate the organization's carbon footprint, depending on the energy mix. The most extensive impact comes from Scope 3 emissions, which include indirect emissions across the value chain, such as those from suppliers, product use, and transportation. These emissions accelerate global warming, leading to extreme weather events, biodiversity loss, and disruptions to ecosystems.	SHORT DESCRIPTION	Increased withdrawal of groundwater and an increase in the load on the public water supply system due to an increase in the number of tourists in a short period of time in the year (during the high season)
Current and future effects on business model, value chain, strategy, and decision-making	Scope 1 emissions from direct operations and Scope 2 emissions from purchased electricity result in increased operational expenses due to energy costs. Scope 3 emissions, which account for indirect emissions throughout the value chain, expose Valamar group to supply chain vulnerabilities, including resource shortages, stricter supplier sustainability requirements, and increased transportation costs due to decarbonization efforts. Climate change driven by GHG emissions increases the likelihood of extreme weather events, impacting infrastructure, supply chains, and overall business resilience.	Current and future effects on business model, value chain, strategy, and decision-making	Intensive investment in water-saving infrastructure and efficiency measures may lead to increase in capital investments and potential cash flow constraints, especially for businesses heavily reliant on water use.
Company response or planned Response	Valamar group has integrated strategy for decarbonization of GHG emission from Scope 1 and Scope 2 that includes renewable energy adoption, process electrification to mitigate future emissions and maintain business sustainability. To address these challenges, Valamar group is aligning its climate action strategy with ESRS requirements, committing to carbon footprint reduction, transitioning to sustainable energy sources, and strengthening its climate risk governance framework to ensure long-term resilience.	Company response or planned Response	Water management initiatives such as gradually implementing water-saving measures and optimizing water management with smart monitoring raising awareness and collaborating with stakeholders can enhance efficiency while minimizing financial strain, such as encouraging guests to conserve water through informational stickers.
Impact on people and environment	Greenhouse gas emissions from Scope 1, Scope 2, and Scope 3 contribute to climate change, and environmental degradation, leading to health risks for people and threatening the sustainability of ecosystems and communities.	Impact on people and environment	Valamar group recognizes that inadequate water management can have negative material impacts on both people and the environment. Excessive water consumption may contribute to local water scarcity, affecting communities, agriculture, and public health. Improper wastewater treatment can lead to pollution, harming marine and freshwater ecosystems and endangering biodiversity.
Link to and ability of strategy and business model to address impact	Reduction of GHG emissions in Scope 1 and Scope 2 are included in ESG strategy and reduction of GHG emissions in Scope 3 will be included in new ESG strategy	Link to and ability of strategy and business model to address impact	Included in ESG strategy
Expected time horizon	Long Term	Expected time horizon	Medium term
Business relationships related to the impact	Direct activities, Downstream and upstream value chain activities	Business relationships related to the impact	Direct activities

Material Impact	Responsible waste management
SHORT DESCRIPTION	The growth of business and the number of visitors lead to an increased amount of waste that burdens local waste collection and treatment systems.
Current and future effects on business model, value chain, strategy, and decision-making	Currently, it affects operational efficiency and the perception of social responsibility, while in the future it may limit the expansion of the existing business model in certain destinations and require strategic adjustments and additional investments.
Company response or planned Response	Valamar group continuously invests in internal systems for sorting and training employees and develops cooperation with local authorities and utility companies to encourage the development of infrastructure and reduce negative effects. Mitigating the negative impact through investments in devices for composting and processing biowaste and equipping the recycling yard for their own needs.
Impact on people and environment	Conducting employee training for sustainable waste management and selection of non-hazardous waste from hazardous waste at the place of its origin, which increases the amount of secondary raw materials that can be recycled and reduces the amount of waste permanently disposed of in landfills.
Link to and ability of strategy and business model to address impact	Included in the ESG strategy
Expected time horizon	Short-term
Business relationships related to the impact	Direct activities

Material Impact	Employee health and safety
SHORT DESCRIPTION	Valamar group continuously invests in occupational safety systems, employee training and technical prevention measures, but despite these efforts, unwanted events such as injuries and other health problems related to working conditions continue to be recorded. These situations are a challenge because they show that, even with the application of numerous measures, there is room for further improvement of processes, supervision and work organization.
Current and future effects on business model, value chain, strategy, and decision-making	In addition to affecting individuals, such events can have broader consequences for business, including business interruptions, additional costs, and possible regulatory requirements.
Company response or planned Response	Valamar conducts regular trainings, applies safety protocols and invests in preventive measures, and plans to further strengthen the culture of health and safety through digital tools.
Impact on people and environment	Workers whose jobs involve physical tasks are particularly exposed, where the risk to safety is higher than administrative jobs.
Link to and ability of strategy and business model to address impact	Included in the ESG strategy
Expected time horizon	Short-term
Business relationships related to the impact	Direct activities

MATERIAL RISKS

Material risk	Reduction of greenhouse gas emissions in Scope 1 and Scope 2
SHORT DESCRIPTION	In the medium term, reducing Scope 1 and 2 emissions presents significant financial, regulatory, and operational risks for Valamar group. Proactively investing in sustainable solutions and aligning with ESG standards will be crucial to mitigating these risks and ensuring long-term viability.
Current and anticipated effects of material risks on business model, value chain, strategy and decision-making	The reduction of greenhouse gas emissions in Scope 1 and Scope 2 is driving Valamar group to adopt more sustainable operational practices, enhancing its brand reputation and mitigating regulatory risks while leading to lower operational costs through investments in energy-efficient technologies. In response, Valamar group integrated a response into its ESG strategy, tracking effectiveness of decarbonization KPIs by the end of 2026 2026. Valamar group will develop a transition plan in line with the new ESG strategy for a period 2027 - 2030.
Current effects of the risk on financial position, financial performance and cash flows	Increase in capital investments in energy efficient technologies. There is no significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.
The ability of the strategy and business model to effectively address and withstand the risk	Included in ESG strategy
Risk management method	Valamar group manages this risk through an integrated decarbonization plan and ESG strategy through 2026, which include: • a target to reduce CO₂ emissions in Scope 1 and 2 by 75% per occupied accommodation unit compared to 2015 (to 2.4 kg per unit), • increasing the share of own solar energy to 15% by the end of 2026, • investments in energy-efficient technologies and modernization of facilities, • implementation of the ISO 5000 energy management system, • integration of energy efficiency criteria into all investment projects, • continuous education of employees on energy efficiency and ESG standards.
Monitoring the effectiveness of risk management	The effectiveness of risk management is monitored through defined KPIs, including: • CO₂ emission intensity (Scope 1 and 2) per occupied accommodation unit, • share of renewable energy in total energy consumption, • amount of solar energy produced and the number of installed photovoltaic systems, • energy intensity of the building (kWh/m²). The effectiveness of the measures is evaluated through an internal reporting system, and progress is reported to the Sustainability Committee
Expected time horizon	Medium-term
Business relationships related to the risk	Direct activities

Material risk	Reduction of greenhouse gas emissions in Scope 3
SHORT DESCRIPTION	Reducing Scope 3 emissions is a challenge due to reliance on external suppliers, guest travel patterns, and industry-wide carbon intensity.
Current and anticipated effects of material risks on business model, value chain, strategy and decision-making	Valamar group will develop a transition plan in line with the new ESG strategy for a period 2027 - 2030.
Current effects of the risk on financial position, financial performance and cash flows	The current effects of Scope 3 emission reduction risks include higher supply costs, regulatory burdens, and reputational threats. In the future, fail to adapt could lead to face carbon taxes, financing difficulties, and loss of competitiveness. However, investments in sustainable supply chains, and emission-reducing technologies can gain a market advantage and long-term cost benefits. There is no significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.
The ability of the strategy and business model to effectively address and withstand the risk	Will be included in new ESG strategy for a period 2027-2030
Risk management method	Risk is managed through the gradual inclusion of decarbonization criteria in the procurement and partner selection processes. In the period 2027-2030, it is planned to introduce Scope 3 emission reduction targets and encourage partners to use sustainable technologies and transport solutions.
Monitoring the effectiveness of risk management	Monitoring will be carried out through a regular analysis of the share of Scope 3 emissions in total CO ₂ e emissions and monitoring the number of suppliers applying ESG criteria. The results will be monitored within the Sustainability Committee and reported according to the KPIs of the ESG strategy from 2027. The effectiveness of the measures will be assessed annually through the monitoring of progress in reducing emissions.
Expected time horizon	Medium-term
Business relationships related to the risk	Downstream and upstream value chain activities

Material risk	Responsible water management
SHORT DESCRIPTION	Integrating sustainable water strategies, such as water recycling, smart irrigation, and desalination, will be critical for mitigating financial risks, maintaining compliance, and ensuring long-term business resilience.
Current and anticipated effects of material risks on business model, value chain, strategy and decision-making	For Valamar group, responsible water management is essential not just for regulatory compliance but also for financial stability and asset resilience. By investing in sustainable water solutions and aligning with ESRS disclosures, Valamar group can mitigate financial risks, enhance operational efficiency, and strengthen investor confidence. In response, Valamar group integrated a response into its ESG strategy, tracking effectiveness through KPIs by the end of 2026.
Current effects of the risk on financial position, financial performance and cash flows	Investing in measures to reduce water use, planning and implementation, keeping the intensity of water pumping below 0.55 m ³ per occupied room and directing investments to wastewater treatment and water consumption – significant investments in a system for desalination of brackish groundwater in order to produce its own technological water for irrigation needs of green areas, installation of an advanced system for managing irrigation water consumption based on meteorological data collected from the own meteorological station and soil evapotranspiration.
The ability of the strategy and business model to effectively address and withstand the risk	Included in ESG strategy
Risk management method	Risk is managed through a systematic approach to water management that includes: - planning and implementation of investments to keep the intensity of water pumping below 0.55 m³ per occupied accommodation unit, - investment in desalination systems, - modernization of irrigation systems, - investments in wastewater treatment and reuse, - kontinuirano praćenje i optimizaciju potrošnje vode kroz interne sustave i edukaciju osoblja continuous monitoring and optimization of water consumption through internal systems and staff education.
Monitoring the effectiveness of risk management	Monitoring is carried out through defined KPIs: - water withdrawal intensity (m³ per occupied accommodation unit), - the share of recycled water in total consumption, - treated water for reuse in washing processes, - reduction of the total consumption of water per building. The effectiveness of the measures is evaluated through an internal reporting system, and progress is reported to the Sustainability Committee.
Expected time horizon	Long-term
Business relationships related to the risk	Direct activities

Material risk	Responsible waste management
SHORT DESCRIPTION	With the increase in the number of tourists, the amount of municipal waste is increasing, while in some destinations there is a lack of infrastructure for separation and recycling, which can lead to reputational risks and additional costs for Valamar.
Current and anticipated effects of material risks on business model, value chain, strategy and decision-making	Currently, the business model relies on waste sorting systems, but the lack of local infrastructure limits efficiency and can negatively affect the perception of social responsibility. In the future, this risk may affect strategic investment decisions in destinations, partnerships, and ESG goals.
Current effects of the risk on financial position, financial performance and cash flows	In the long run, risk can lead to increased operating costs and a decrease in brand reputational value.
The ability of the strategy and business model to effectively address and withstand the risk	Included in the ESG strategy
Risk management method	Valamar group manages this risk through the implementation of waste management measures, which include: - establishment of internal separate waste collection systems in all facilities, - educating employees and guests about the importance of proper classification, - partnerships with local utility companies to improve recycling infrastructure and processes, - monitoring the share of recycled waste in the total amount, - achieving the target of recycling above the EU average by the end of 2026.
Monitoring the effectiveness of risk management	Monitoring is carried out through key indicators: - amount of total waste generated per occupied accommodation unit, - share of recycled waste in total waste, - reduction of the amount of mixed municipal waste compared to the previous year, - number of destinations with waste separation systems in place. The effectiveness of the measures is evaluated through an internal reporting system, and progress is reported to the Sustainability Committee.
Expected time horizon	Long-term
Business relationships related to the risk	Direct actions and value chain

Material risk	Appropriate wages
SHORT DESCRIPTION	Labor market pressure
Current and anticipated effects of material risks on business model, value chain, strategy and decision-making	Dynamic changes in labour market and increased competition among employers create the need for continuous adjustments to the compensation system to maintain competitiveness in the labour market. Additionally, heightened competition may lead to employee outflow toward employers offering more favourable conditions, highlighting the importance of strategic compensation management and talent retention.
Current effects of the risk on financial position, financial performance and cash flows	For Valamar group, appropriate wage management is a material financial risk that might impact liabilities and long-term profitability. Aligning wages with regulatory requirements, fair pay standards, and workforce expectations is essential for financial stability, ESG compliance, and business resilience. There is no significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.
The ability of the strategy and business model to effectively address and withstand the risk	Included in ESG strategy
Risk management method	Risk is managed through a systematic approach to payroll management that includes: • monitoring market trends and comparison with average salaries in the tourism sector at the national level, • use of KPIs to compare wages with benchmarks in the sector, • regular negotiations with social partners and adjustments to the salary base, • a reward system based on performance and seasonal incentives, • additional employee support programs, including the "Živi destinaciju" program (monthly support for employees living in the destinations where they work) and the "Krov nad glavom" program (rent subsidy). These measures contribute to employee retention and reduce workforce turnover.
Monitoring the effectiveness of risk management	The effectiveness of risk management is monitored through: • employee turnover and retention indicator. The effectiveness of the measures is evaluated through the internal reporting system, and the progress is reported to the Human Resources Management Committee.
Expected time horizon	Short-term
Business relationships related to the risk	Direct activities

Material risk	Health and safety of employees
SHORT DESCRIPTION	The risk includes injuries, stress and health problems for employees in the workplace, especially during the high-intensity season, which can affect operational stability and productivity.
Current and anticipated effects of material risks on business model, value chain, strategy and decision-making	Currently, the importance of health and safety in business is being integrated through internal standard operating procedures, the introduction of ISO 45001 standards and employee education.
Current effects of the risk on financial position, financial performance and cash flows	The risk manifests itself through the costs of sick leave, insurance and possible legal consequences, while in the long run it can affect productivity, fluctuation and the cost of new employment.
The ability of the strategy and business model to effectively address and withstand the risk	Included in the ESG strategy
Risk management method	Risk is managed through a systematic approach that includes: • implementation of the ISO 45001 standard for occupational health and safety management systems, • conducting education and training of employees on safety procedures, first aid and handling crisis situations, • regular internal and external audits of security systems, • preventive health examinations of employees, • monitoring and analysis of injuries at work and implementation of corrective measures.
Monitoring the effectiveness of risk management	The effectiveness of health and safety management is monitored through key indicators: • number of injuries at work, • rate of injuries at work, • number of days lost due to injuries, work-related diseases. The effectiveness of the measures is evaluated through the internal reporting system, and the progress is reported to the Human Resources Management Committee.
Expected time horizon	Short-term
Business relationships related to the risk	Direct activities

Material risk	Employee education and training
SHORT DESCRIPTION	Potential risks may arise if the training programme is not aligned with the business strategy, potentially leading to gaps in essential skills or uneven employee development.
Current and anticipated effects of material risks on business model, value chain, strategy and decision-making	The current risks of turnover of highly qualified employees may affect the reduced efficiency and quality of employees' work, but this is not something that would exclude Valamar group's responsibility to invest in training. In the future, this risk will increasingly affect strategic planning, partnerships with educational institutions and long-term investments in human capital.
Current effects of the risk on financial position, financial performance and cash flows	The risk manifests itself through increased costs of employment and the process of introducing employees to work, and in the long run it can affect competitiveness and profitability.
The ability of the strategy and business model to effectively address and withstand the risk	Included in the business strategy
Risk management method	Risk is managed through a systematic approach to employee development that includes: • Valamar Excellence programme – structured education and advancement programmes at career levels, • partnerships with educational institutions, • annual training plans aligned with business priorities, • investments in digital learning platforms and e-trainings available to all employees, • setting a goal of 40 hours of education per year per employee by the end of 2026.
Monitoring the effectiveness of risk management	Monitoring is carried out through: • average number of hours of education per employee and gender, • percentage of employees who participate in regular education and training, • employee retention rate, • feedback from participants on the quality of the programme. • The effectiveness of the measures is evaluated through the internal reporting system, and the progress is reported to the Human Resources Management Committee.
Expected time horizon	Long-term
Business relationships related to the risk	Direct activities

Material risk	Responsible and transparent communication with guests
SHORT DESCRIPTION	Inadequate management of communication and confidential guest data can result in misinformation, unrealistic expectations and violation of user privacy, which can be reflected in the reputation and satisfaction of guests.
Current and anticipated effects of material risks on business model, value chain, strategy and decision-making	Inadequate or inaccurate communication with guests can undermine brand trust and reduce guest loyalty, especially in digital channels. This can lead to negative reviews, reduced bookings and weakening of relationships with business partners in the value chain (agencies, OTA platforms). In the future, increased regulatory requirements for privacy protection and transparency of information will further increase the need for investment in communication management systems and data security. Risk can also affect strategic decisions related to digitalisation, marketing and guest relations.
Current effects of the risk on financial position, financial performance and cash flows	Incorrect or inconsistent communication with guests may result in short-term costs related to complaint resolution, refunds, or guest compensation. In the long run, reputational loss can result in a decrease in revenue and lower occupancy of facilities. So far, no material financial effects have been recorded, but reputational risks and loss of guest trust represent a potentially significant non-financial risk with possible financial consequences.
The ability of the strategy and business model to effectively address and withstand the risk	Included in the business strategy
Risk management method	Risk is managed through systematic processes that include: • establishment of the Valamar Quality Centre – a digital platform through which guests can give comments, suggestions and praise, • personal data protection policies in accordance with the GDPR, under the supervision of data protection officers, • employee education programs on ethical and professional communication and handling of personal and confidential data, • systems for collecting and analysing guest feedback (satisfaction surveys during and after the stay), • digital security and protocols to protect guest data in all booking systems and CRM tools.
Monitoring the effectiveness of risk management	The effectiveness of the measures is monitored through: • Guest Satisfaction Index, • guest loyalty through the growth of Valamar Loyalty programme members. The effectiveness of the measures is evaluated through an internal reporting system, and progress is reported to the Sustainability Committee.
Expected time horizon	Short-term
Business relationships related to the risk	Direct activities

Material risk	Guest safety
SHORT DESCRIPTION	Risk includes incident situations beyond the control of Valamar group (e.g. human errors, inadequate application of procedures, unforeseen situations, etc.), which may affect the safety of guests and the perception of the brand.
Current and anticipated effects of material risks on business model, value chain, strategy and decision-making	Currently, the safety of guests is ensured through standards and certificates in which Valamar group plans to invest in the future.
Current effects of the risk on financial position, financial performance and cash flows	Risk can lead to costs related to compensation, legal proceedings, and loss of revenue due to reduced guest trust.
The ability of the strategy and business model to effectively address and withstand the risk	Included in the ESG strategy
Risk management method	Risk is managed through a systematic approach that includes: • implementation of internal standard operating procedures related to the safety of guests, • regular employee education, • external safety certifications, including HACCP, ISO 9001 and ISO 45001 standards. • conducting safety and technical inspections in facilities, • preventive health and safety measures in accordance with regulations and internal policies.
Monitoring the effectiveness of risk management	The effectiveness of safety measures is monitored through: • percentage of facilities certified according to HACCP and ISO standards, • the results of guest surveys related to the perception of safety and satisfaction. The effectiveness of the measures is evaluated through an internal reporting system, and progress is reported to the Sustainability Committee.
Expected time horizon	Short-term
Business relationships related to the risk	Direct activities



MATERIAL OPPORTUNITIES

Material opportunity	Reduction of energy consumption and production of own renewable energy
SHORT DESCRIPTION	This issue covers Valamar group's projects for transitioning to energy-efficient operations and increasing energy production from its own photovoltaic power plants.
Current and anticipated effects of the opportunity on business model, value chain, strategy, and decision-making	Investing in the replacement of fossil fuels with electricity from renewable sources, installing heat pumps and building photovoltaic power plants on Valamar group's facilities, investing in nZEB construction, and implementing energy-efficient solutions enables Valamar group to create energy self-sufficiency and remove dependence on energy procurement, increases in energy prices and oil derivatives, and disruptions in the supply of energy caused by geopolitical instability.
Current effects of the opportunity on financial position, financial performance and cash flows	Valamar group's focus on reducing energy consumption and increasing renewable energy production led to operational cost savings, revenue growth, risk mitigation, and strengthened regulatory compliance.
Ability of the business model and strategy to seize the opportunity	Included in the ESG strategy goals
Expected time horizon	Long-term
Business relationships related to the risk	Direct activities

Material opportunity	Reduction of greenhouse gas emissions in Scope 1, 2, and 3
SHORT DESCRIPTION	Decarbonization of Scope 1 and 2 by the end of 2026 by 75% compared to 2015, reaching 2.1 kg per occupied accommodation unit, an increase in the number of low- or zero-carbon accommodation capacities, and enhancing guests' perception of Valamar as a sustainable destination. The reduction of Scope 3 emissions is planned to be included in the new ESG strategy for the 2027-2030 period.
Current and anticipated effects of the opportunity on business model, value chain, strategy, and decision-making	Reducing emissions in Scope 1, 2, and 3 presents an opportunity for long-term competitive advantage, operational efficiency, and financial benefits.
Current effects of the opportunity on financial position, financial performance and cash flows	Valamar group's focus on reducing emissions in Scope 1, 2, and 3 leads to cost savings, revenue growth, risk reduction, and strengthened regulatory compliance.
Ability of the business model and strategy to seize the opportunity	Included in the ESG strategy goals for Scope 1 and 2 emissions, will be included in ESG strategy goals for the period 2027-2030 for Scope 3 emissions.
Expected time horizon	Medium-term
Business relationships related to the risk	Direct activities and value chain

Material opportunity	Responsible water management
SHORT DESCRIPTION	Profiling Valamar group's companies as sustainable tourism leaders
Current and anticipated effects of the opportunity on business model, value chain, strategy, and decision-making	The growing awareness among tourists about responsible and sustainable travel presents Valamar group with opportunities to position itself as a sustainable tourism company.
Current effects of the opportunity on financial position, financial performance and cash flows	Demonstrating a commitment to sustainable practices, such as responsible water management, enhances Valamar group's reputation among environmentally conscious guests. This can lead to increased demand for its services and potentially higher revenues.
Ability of the business model and strategy to seize the opportunity	Included in the ESG strategy goals
Expected time horizon	Medium-term
Business relationships related to the risk	Direct activities

Material opportunity	Responsible water management
SHORT DESCRIPTION	Installation of water consumption reduction systems
Current and anticipated effects of the opportunity on business model, value chain, strategy, and decision-making	The installation of water consumption reduction systems provides significant material opportunities for Valamar group to enhance sustainability, reduce operational costs, and ensure long-term business resilience. By adopting these systems, Valamar group can improve water efficiency and align with global sustainability trends, ultimately strengthening its reputation and competitive edge in the hospitality industry.
Current effects of the opportunity on financial position, financial performance and cash flows	Implementing water consumption reduction systems leads to lower utility expenses, directly decreasing operational costs and enhancing profitability.
Ability of the business model and strategy to seize the opportunity	Included in the ESG strategy goals
Expected time horizon	Medium-term
Business relationships related to the risk	Direct activities

Material opportunity	Responsible waste management
SHORT DESCRIPTION	Procurement of products with ecological design, diversion of waste to recycling and proper waste management, implementation of educational activities with the aim of strengthening the awareness and responsibility of guests and employees for waste generation and proper waste disposal, establishment of effective waste management systems at their own locations and construction of systems for the treatment and disposal of certain categories of waste
Current and anticipated effects of the opportunity on business model, value chain, strategy, and decision-making	Currently, the business model is increasingly relying on sustainable practices that reduce costs and strengthen reputation, while in the future, circular solutions are expected to be integrated into strategy and decision-making, including digital tools for waste tracking and ESG goals. In the value chain, opportunities arise through sustainable procurement, reducing waste in operations, and collaborating with waste management partners
Current effects of the opportunity on financial position, financial performance and cash flows	The opportunity already brings savings through reduced disposal costs, and in the long run can result in lower regulatory costs and greater operational efficiency with easier access to green finance.
Ability of the business model and strategy to seize the opportunity	Included in the ESG strategy goals
Expected time horizon	Long-term
Business relationships related to the risk	Direct activities and value chain

Material opportunity	Health and safety of employees
SHORT DESCRIPTION	Valamar group can further improve employee health and safety systems by strengthening preventive programs, continuous education and digital monitoring of workplace risks. By investing in modern security technologies and promoting a culture of health and well-being of employees, it is possible to increase the productivity, satisfaction and long-term retention of staff.
Current and anticipated effects of the opportunity on business model, value chain, strategy, and decision-making	The health and safety of employees is an increasingly important part of Valamar group's business model and responsible management culture. They are currently integrated into operational processes through training, safety protocols and monitoring of working conditions, while in the future they will have an even stronger impact on strategic decisions on work organization, investments in digital monitoring systems and the choice of partners who share the same standards of safety and care for employees. Such an approach strengthens the resilience of the value chain, reduces operational risks and contributes to Valamar's greater attractiveness as an employer.
Current effects of the opportunity on financial position, financial performance and cash flows	The opportunity is already manifested through the reduction of sick leave and insurance costs, while in the long run it contributes to more stable cash flows and the reduction of reputational and legal risks.
Ability of the business model and strategy to seize the opportunity	Included in the business strategy goals
Expected time horizon	Short-term
Business relationships related to the risk	Direct activities

Material opportunity	Health and safety of guests
SHORT DESCRIPTION	Valamar group can further strengthen the health and safety systems of guests through the continuation of external certification, digitalization, preventive measures and wellness initiatives.
Current and anticipated effects of the opportunity on business model, value chain, strategy, and decision-making	Health and safety are already integrated into operational processes, and in the future, they will increasingly influence strategic decisions, partner selection and investments in technologies that reduce risks and increase guest trust.
Current effects of the opportunity on financial position, financial performance and cash flows	The positive effects of the opportunity are manifested through the reduction of reputational and operational risks and more stable revenues thanks to greater trust and loyalty of guests. Increased perception of security strengthens the competitiveness of Valamar group, while investments in security standards bring stable cash flows and long-term sustainable revenue growth.
Ability of the business model and strategy to seize the opportunity	Included in the business strategy goals
Expected time horizon	Short-term
Business relationships related to the risk	Direct activities

Material opportunity	Employee education and training
SHORT DESCRIPTION	Valamar group can further develop internal academies, digital learning platforms and partnerships with educational institutions to strengthen employee competencies.
Current and anticipated effects of the opportunity on business model, value chain, strategy, and decision-making	Positioning as a desirable employer in the labour market, faster integration of workers in shortage positions.
Current effects of the opportunity on financial position, financial performance and cash flows	Higher employee retention rate.
Ability of the business model and strategy to seize the opportunity	Included in the business strategy goals
Expected time horizon	Long-term
Business relationships related to the risk	Direct activities

Material opportunity	Corporate governance and risk management
SHORT DESCRIPTION	ESG risks and opportunities will be integrated into the corporate risk matrix
Current and anticipated effects of the opportunity on business model, value chain, strategy, and decision-making	By integrating ESG risks and opportunities into its corporate risk matrix, Valamar group ensures that it is well-positioned to manage sustainability challenges and leverage growth opportunities in a rapidly evolving market. This approach not only helps mitigate risks but also enhances Valamar group's reputation, investor confidence, and long-term viability in the competitive hospitality sector.
Current effects of the opportunity on financial position, financial performance and cash flows	Aligning corporate governance and risk management practices with ESRS not only fulfils regulatory requirements but also enhances financial performance, reduces risks, stabilizes cash flows, and improves access to capital.
Ability of the business model and strategy to seize the opportunity	Included in the business strategy goals
Expected time horizon	Short-term
Business relationships related to the risk	Direct activities and value chain



IRO-1

Description of the processes to identify and assess material impacts, risks and opportunities

Valamar group conducted a re-evaluation of double materiality in 2025, which reassessed the actual and potential impacts, risks and opportunities related to sustainability issues, in accordance with the ESRS.

The re-evaluation of the double materiality analysis was carried out to confirm the relevance of existing material topics in relation to Valamar group's business model and to identify new topics arising from regulatory requirements, market trends and stakeholder expectations. The re-evaluation considers the insights and experiences gained during the first year of reporting according to the CSRD and the application of the European Sustainability Reporting Standards (ESRS), with the aim of improving the methodology, increasing the quality of disclosures and applying best practices that have emerged on the market. The re-evaluation aims to ensure timely adaptation and reduce the risk of non-compliance, while strengthening stakeholder engagement and transparency of the process. The results will serve as a basis for updating the management system, objectives and KPIs, and for planning disclosures in the sustainability report.

The re-evaluation was carried out in accordance with ESRS 1 and ESRS 2, considering the sustainability issues listed in ESRS 1 AR 16 and the thematic standards. The re-evaluation covers all business units and destinations within Valamar group, including key parts of the value chain, as carried out in the initial double materiality analysis related to the reporting year 2024.

The re-evaluation process was carried out in three interrelated phases:

- the first phase included an initial contextual analysis with the aim of identifying changes in the business model, regulatory framework and external trends that may affect material topics,

- in the second phase, the involvement of relevant stakeholders, both internal and external, was carried out to validate last year's analysis and provide their inputs to identify new impacts, risks and opportunities towards the sustainability issues listed in ESRS 1 AR16 with the aim of creating a comprehensive list of topics to be further assessed, thus ensuring the comprehensiveness and relevance of the information collected,
- in the final phase, the Sustainability Committee reviewed all the data and feedback collected and conducted a final re-evaluation of the assessment of the materiality of impacts, risks and opportunities, confirming the material topics and aligning them with regulatory requirements and best practices. The final phase includes the consolidation of all findings and their confirmation through meetings of the Sustainability Committee and the Management Board. In this step, the decisions, materiality thresholds, and methodology used in the process are documented.

For the purposes of the second year of reporting, Valamar group continued to develop its approach to the assessment of double materiality, although the formal written procedure is not yet fully established. The decision-making process is still under development, but significant progress has been made in terms of stakeholder involvement and strengthening governance mechanisms. The Management Board actively cooperates with the Sustainability Committee, which regularly reports on relevant topics, while the Management Board is informed about the implementation and results of the double materiality assessment. Although the Audit Committee was not directly involved in the process this year either, it is planned to include it in future reporting cycles. Valamar

group remains committed to establishing a formalized and documented process that will enable the systematic linking of sustainability risks and opportunities with the existing risk management system, which will further improve the integration of sustainability into strategic decision-making.

In this year's re-evaluation, there was no need to completely redo the initial analysis carried out the previous year, but the focus was on checking for changes in the business and sustainability context that may affect material sustainability issues. The re-evaluation included an overview of key strategic and operational changes, regulatory news, and emerging trends and stakeholder expectations, to ensure that the assessment of material impacts, risks and opportunities is timely and relevant. This approach allowed for a focus on areas where material changes have occurred, while maintaining continuity with last year's analysis.

The analysis was based on:

- an overview of changes in the business model and ESG strategy, including new initiatives and objectives,
- regulatory news, with an emphasis on CSRD, ESRS and national implementation,
- the results of the stakeholder engagement carried out in this re-evaluation,
- macroeconomic and sectoral trends relevant to tourism and hospitality,
- external verification and certification.

Valamar group continues to implement its strategy through 2026, with an investment cycle of EUR 450 million, including the key projects Pical Resort 5* and Arba Resort 4* on Rab, developed according to the highest sustainability standards. In 2025, stronger investments in renewables and energy efficiency were recorded, as well as further

localisation of procurement (e.g. 78% of food and drink from domestic producers). These changes support destination decarbonization and quality goals, as well as societal goals. In line with its strategic goals, Valamar group maintains a plan to achieve carbon neutrality (Scope 1 and 2) and 100% electricity from renewable energy sources, while expanding its own solar production and optimizing water and waste consumption. The portfolio in Obertauern, Austria now includes three properties: the Kesselspitze Valamar Collection Hotel & Chalet, the Valamar Obertauern Hotel and the newly opened Obertauern [PLACES] by Valamar. All hotels have strong sustainability features (e.g. 100% electricity from renewable sources, heating from local biomass, Eco Stars certification), which has a positive impact on ESG performance and the diversification of the business model on winter tourism in the Alps. The re-evaluation will support the implementation of the ESG strategy through 2026 and serve as a basis for setting the ESG strategy for the period after 2026.

The regulatory framework for sustainability reporting in the EU is undergoing significant changes with the aim of simplifying and reducing the administrative burden, which is evident through the so-called Sustainability Reporting Framework. Omnibus package of the European Commission. This package provides for a reduction in the number of CSRD reporters, postponement of the application of certain requirements, simplification of ESRS standards and abolition of the obligation of sectoral standards. Also, it retains a limited belief as a level of verification, without moving to a reasonable belief in the foreseeable future. At the same time, the proposed changes also include "stop-the-clock" mechanisms, which postpone deadlines for the second and third groups of taxpayers. These changes create regulatory uncertainty,

as the final form of the requirements is still being agreed at EU level, and national implementations and transitional provisions further complicate planning, especially when it comes to gathering information from the value chain.

In 2025, the tourism market is growing on the trends of slower, sustainable and locally rooted travel, with guests increasingly looking for authentic experiences, wellness facilities and destinations that enable digital distancing and regeneration. Sustainability is becoming a key selection criterion, with an emphasis on transparency and reducing the environmental footprint. At the same time, economic and geopolitical uncertainty and climate risks highlight the importance of business model resilience and differentiated guest value, which further increases the significance of climate, value chain and societal impacts issues. The benchmark analysis found that in addition to the topics reported by Valamar group in the CSRD report for 2024, most of Valamar group's competitors report on topics related to ESRS E5, S1, and S4.

On 10 June 2025, Valamar group received the gold medal of EcoVadis, the world's leading sustainability rating platform, ranking it among the top 5% of companies globally according to sustainability criteria. This recognition further strengthens Valamar group's position as a leader in sustainable tourism in Croatia and Europe. According to the ESG rating survey of the Croatian Chamber of Economy, Valamar group took first place in the tourism sector, with a rating of "very high ESG rating". According to Bloomberg Adria research, Valamar group is the leading tourism company in Croatia in the field of sustainability. Valamar group is the winner of the prestigious TrustYou Award of Excellence 2025, which is awarded by the global hospitality platform TrustYou to hotels with a large number of reviews and a high overall guest satisfaction rating. Based on more than 440 thousand verified reviews, Valamar group has achieved an excellent average score of 4.47, which speaks of the extremely high satisfaction of guests with the service provided by Valamar

group. The TrustYou Award of Excellence is based solely on verified and credible reviews from guests from all over the world. For the Arba Resort 4*, Valamar Collection, the documentation of the first phase of the investment has been submitted for pre-certification for the DGNB gold certificate category. Arba is a resort designed according to the highest standards of sustainable construction, powered entirely by renewable sources, including a solar power plant and heat pumps, meeting nZEB standards with minimal CO₂ emissions thanks to both green roofs and facades.

In 2025, Valamar group implemented a structured stakeholder involvement in the process of updating the double materiality assessment, thus fulfilling the previously announced commitment from last year's report. In this year's re-evaluation, the Group included three key groups of external stakeholders: guests, representatives of local communities and shareholders/investors. Guests participated through a regular satisfaction survey, which provided insight into expectations and perceptions of sustainability. Investors were involved through discussions at the shareholders' meeting, while local tourist boards were contacted via targeted e-mail communication, with the aim of gathering opinions on priority topics and impacts on destinations. In addition to the engagement of external stakeholders, insights from internal stakeholders were obtained through collaboration with employee representatives and the ongoing work of the Sustainability Committee. This approach enabled additional validation of the findings from 2024 and ensured compliance with the expectations of the European Sustainability Reporting Standards (ESRS).

For the DMA 2025, information received from representatives of the Worker's Council and sector managers, as well as the results of employee engagement from 2024 were taken into account. Employees have given high importance to sustainability issues related to health and safety, as well as training and educating their own workforce. Guests are included

in the re-evaluation process through a regular survey on the experience of their stay, the results of which are subsequently mapped in relation to the relevant subtopics of the ESRS S4 – Consumers and end users. In particular, the results are related to the sub-topic 'Information-related impacts for consumers and/or end-users', while the answers to the questions from the 'Health & Safety' category are mapped in relation to the sub-sub-topic Health and Safety.

The survey included questions about the experience of stay, expectations regarding sustainability, safety and quality of service, as well as the perception of the social and environmental impact of Valamar group's activities. The overall guest satisfaction score is 89%, while the score of questions in the 'Health & Safety' category is 92%. The obtained insights were used to confirm existing material topics and identify new priorities from the perspective of end users, and these are issues of information and health and safety

of consumers, i.e. end users. Shareholders and the investment community were involved through the presentation of the results of the quarterly report, where topics from DMA 2024 were presented as part of the results of operations, and shareholders and investors were invited to submit their comments and suggestions to the investor relations e-mail address. Representatives of local communities were also involved in the engagement, as the results of DMA 2024 were presented to all tourist boards in which Valamar group operates, and the feedback received from representatives of the Tourist Boards included comments on the topic of responsible waste management, as well as cooperation with the local community and guest relationship management. The Sustainability Committee oversaw the overall process and monitored its progress, and after involving the remaining key stakeholder groups, it analysed the results and gave its final assessments at the meeting.

Affected stakeholders	Engagement method	Feedback received
Employees	Engaged through sector representatives, Worker's Council	S1 Health & Safety S1 Training and skills development
Management Board (Sustainability Committee)	Regular meetings of the Sustainability Committee The Committee reevaluated the scores at the meeting, which took place after the involvement of key stakeholders	S1 Own workforce S4 Consumers and end-users
Guests	The results of the general guest experience survey were mapped to the sub-topic Information-related impacts for consumers and/or end-users (ESRS S4), while the responses in the Health & Safety category were linked to the sub-sub-topic Health and Safety	S4 Health & Safety S4 Information-related impacts for consumers and/or end-users
Affected communities	Representatives of local tourist boards were contacted by e-mail informing them about the results of the DMA for 2024, and invited to submit their feedback via e-mail/online form	E5 Waste S3 Affected Communities S4 Consumers and end users
Shareholders and the investment community	At the presentation of the results for Q2 FY25, the findings of the DMA from the 2024 sustainability report were presented to the attendees Interested stakeholders were invited to submit all their comments and suggestions via e-mail address ir@valamar.com	N/A

The Sustainability Committee conducted a review of key strategic and operational changes, regulatory updates, and emerging trends and stakeholder expectations to ensure that the materiality process is up to date. Based on these insights, the shortlist of sustainability issues subject to materiality assessment was re-evaluated, in line with the guidance in ESRS 1 AR16. This step involved identifying new potential impacts, risks and opportunities, as well as acknowledging the relevance of existing topics, considering changes in the business model, regulatory framework and market expectations. Based on the review, it was found that there were no material changes in the phase of identifying impacts, risks and opportunities compared to the previous analysis. The identified impacts remain relevant and stable, and the risks and opportunities are already integrated into the existing strategic and operational frameworks. Impacts within the value chain were identified last year for the purposes of double materiality analysis, through a reference analysis of the hospitality sector using SASB as a source, complemented by interviews with internal stakeholders from different departments who work with business partners, suppliers, customers and guests. An analysis of the existing supplier structure was also carried out. This approach was adopted due to the challenges in collecting data from the wider value chain. For the purpose of re-evaluating double materiality, the findings remained unchanged and are still relevant. The updated list served as a basis for further assessment of double materiality and validation by the Board.

When reevaluating the materiality of impacts, risks and opportunities, the Sustainability Committee used the same criteria as it did when conducting the first double materiality analysis according to the ESR Standards in 2024.

The re-evaluation of impact materiality considered both existing impacts that have already occurred or are currently occurring, as well as potential impacts that may arise in the future. The assessment encompassed positive and negative effects over the short, medium and long term. Impacts were evaluated

based on their scale, scope and likelihood using a four-point scale, while potential negative impacts were treated as irreversible when linked to human rights violations. "Scale" was defined as the severity or benefit of the impact, whereas "scope" reflected its frequency and the extent of stakeholders affected. Irreversibility was assessed according to the effort required to restore the situation to its original state, and likelihood was estimated based on the observed frequency of occurrence.

Criteria for assessing risks and opportunities included the potential magnitude of financial effects, their influence on profitability (EBITDA), reputational implications, legal exposure and likelihood of occurrence. A four-point scale was used to evaluate both financial magnitude and probability. All scores were consolidated to determine the average overall rating. Valamar group maintained the threshold of 7.5 points on a maximum scale of 10 for both impact materiality and financial materiality, the same as in the previous reporting period.

New material topics were not identified anew but were re-evaluated based on stakeholder feedback and insights from the first year of reporting. Topics such as Responsible Waste Management, Employee Health and Safety, Training and Skills Development, Responsible and Transparent Communication with Guests, and Guest Health and Safety were included in last year's analysis but did not reach the materiality threshold. During this year's process, through the engagement of stakeholders, including guests, employees and representatives of the local community. Their growing importance was confirmed, in line with the sustainability issues outlined in ESRS 1 AR16. Changes in the regulatory framework, trends and user expectations have further influenced their assessment. After all these insights, the Sustainability Committee, in the final step of the re-evaluation, reviewed the ratings and raised those it assigned last year for individual criteria, based on new knowledge and input from stakeholders, which now recognizes these topics as material for the Group's business model and reporting.

IRO-2

Disclosure requirements in ESRS covered by the undertaking's sustainability statement

Based on the results of the double materiality assessment, Valamar group's most important sustainability matters are:	Threshold for determining what qualifies as material information for reporting purposes is set at equal or above 7.5 on a 1-10 scale.
E1 Energy (Reduction of energy consumption and production of own renewable energy) E1 Climate change mitigation (Reduction of GHG emissions) E3 Water and marine resources (Responsible water management) E5 Circular economy (Responsible waste management) S1 Own workforce (Appropriate wages, employee education and training, and employee health and safety), E4 Consumers and end-users (Responsible and transparent communication with guests and the health and safety of guests) G1 Business conduct (Corporate governance and risk management)	Topics that have not reached the materiality threshold are not included in the Sustainability Report because they currently do not have a significant actual or potential impact on people, the environment or the financial position of Valamar group. Such topics are continuously monitored through internal processes and may become material in future re-evaluations of double materiality. The disclosure requirements under the ESRS covered by this sustainability statement are presented in the chapter Introduction.

ESRS topic		Status	Explanation of non materiality
E2	Pollution	Non material	The operational activities of the Valamar group do not involve significant sources of air, soil or water pollution.
E4	Biodiversity and ecosystems	Non material	The Group's activities do not have a direct impact on protected natural areas, and environmental protection measures are implemented in line with legal requirements.
S2	Workers in the value chain	Non material	Due to the predominant share of local and regional suppliers, no significant risks related to human rights or working conditions have been identified.
S3	Affected communities	Non material	The Valamar group undertakes numerous socially responsible initiatives and local collaborations, but their effects have not been assessed as significant from a double materiality perspective.
G1	Business conduct in the value chain	Non material	Contractual relationships with suppliers and partners already incorporate established control and compliance mechanisms.

LIST OF DATAPPOINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION

The following table contains all the datapoints that derive from other EU legislation, as listed in ESRS 2 Appendix B, and indicates where the datapoints can be found in report and which datapoints are assessed as “not material,” or “not relevant”.

DISCLOSURE REQUIREMENT	Data Point	NAME	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Section
ESRS 2 GOV-1	21(d)	Board's gender diversity	X		X			ESRS 2 GOV-1 The role of administrative, management and supervisory bodies
ESRS 2 GOV-1	21(e)	Percentage of board members who are independent			X			ESRS 2 GOV-1 The role of administrative, management and supervisory bodies
ESRS 2 GOV-4	30	Statement on due diligence	X					ESRS 2 GOV-4 Statement on due diligence
ESRS 2 SBM-1	40(d) i	Involvement in activities related to fossil fuel activities	X	X	X		Not relevant	-
ESRS 2 SBM-1	40(d) ii	Involvement in activities related to chemical production	X		X		Not relevant	-
ESRS 2 SBM-1	40(d) iii	Involvement in activities related to controversial weapons	X		X		Not relevant	-
ESRS 2 SBM-1	40(d) iv	Involvement in activities related to cultivation and production of tobacco				X	Not relevant	-
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				X		ESRS E1-1 Transition plan for climate change mitigation
ESRS E1-1	16(g)	Undertakings excluded from Paris-aligned Benchmarks		X	X		Not relevant	-
ESRS E1-4	34	GHG emission reduction targets	X	X	X			ESRS E1-4 Targets related to climate change mitigation and adaptation
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	X				Not relevant	-
ESRS E1-5	37	Energy consumption and mix	X					ESRS E1-5 Energy consumption and mix
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	X				Not relevant	-
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	X	X	X			ESRS E1-6 Gross Scopes 1, 2, 3 and total GHG emissions
ESRS E1-6	53-56	Gross GHG emissions intensity	X	X	X			ESRS E1-6 Gross Scopes 1, 2, 3 and total GHG emissions
ESRS E1-7	56	GHG removals and carbon credits				X	Not relevant	-
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			X		Not relevant	-
ESRS E1-9	66(a)	Disaggregation of monetary amounts by acute and chronic physical risk		X			Not relevant	-
ESRS E1-9	66(c)	Location of significant assets at material physical risk		X			Not relevant	-
ESRS E1-9	67(c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		X			Not relevant	-
ESRS E1-9	69	Degree of exposure of the portfolio to climate- related opportunities			X		Not relevant	-
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E- PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	X				Not material	-
ESRS E3-1	9	Water and marine resources	X					ESRS E3-1 Policies related to water and marine resources
ESRS E3-1	13	Dedicated policy	X					ESRS E3-1 Policies related to water and marine resources
ESRS E3-1	14	Sustainable oceans and seas	X				Not relevant	-
ESRS E3-4	28(c)	Total water recycled and reused	X					ESRS E3-4 Water consumption
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	X					ESRS E3-4 Water consumption
ESRS 2 – IRO1-E4	16(a) i	Biodiversity sensitive areas	X				Not material	-

DISCLOSURE REQUIREMENT	Data Point	NAME	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Section
ESRS 2 - IRO1-E4	16(b)	Land impact	X				Not material	-
ESRS 2 - IRO1-E4	16(c)	Threatened species	X				Not material	-
ESRS E4-2	24(b)	Sustainable land/agriculture practices or policies	X				Not material	-
ESRS E4-2	24(c)	Sustainable oceans/seas practices or policies	X				Not material	-
ESRS E4-2	24(d)	Policies to address deforestation	X				Not material	-
ESRS E5-5	37(d)	Non-recycled waste	X					ESRS E5-5 – Resource outflows
ESRS E5-5	39	Hazardous waste and radioactive waste	X					ESRS E5-5 – Resource outflows
ESRS 2 - SBM3-S1	14(f)	Risk of incidents of forced labour	X					ESRS S1 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS 2 - SBM3-S1	14(g)	Risk of incidents of child labour	X					ESRS S1 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS S1-1	20	Human rights policy commitments	X					ESRS S1-1 Policies related to own workforce
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			X			ESRS S1-1 Policies related to own workforce
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	X					ESRS S1-1 Policies related to own workforce
ESRS S1-1	23	Workplace accident prevention policy or management system	X					ESRS S1-1 Policies related to own workforce
ESRS S1-3	32(c)	Grievance/complaints handling mechanisms	X					ESRS S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns
ESRS S1-14	88(b),(c)	Number of fatalities and number and rate of work-related accidents	X		X			ESRS S1-14 Health and safety metrics
ESRS S1-14	88(e)	Number of days lost to injuries, accidents, fatalities or illness	X					ESRS S1-14 Health and safety metrics
ESRS S1-16	97(a)	Unadjusted gender pay gap	X		X		Not relevant	-
ESRS S1-16	97(b)	Annual total remuneration ratio of the highest-paid individual to the median annual total remuneration for all employees	X					ESRS S1-16 Remuneration metrics (pay gap and total remuneration)
ESRS S1-17	103(a)	Incidents of discrimination	X					ESRS S1-17 Incidents, complaints and severe human rights impacts
ESRS S1-17	104(a)	Non- respect of UNGPs on Business and Human Rights and OECD	X		X			ESRS S1-17 Incidents, complaints and severe human rights impacts
ESRS 2 - SBM3-2	11(b)	Significant risk of child labour or forced labour in the value chain	X				Not material	-
ESRS S2-1	17	Human rights policy commitments	X				Not material	-
ESRS S2-1	18	Policies related to value chain workers	X				Not material	-
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	X		X		Not material	-

DISCLOSURE REQUIREMENT	Data Point	NAME	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Materiality	Section
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	X				Not material	-
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	X				Not material	-
ESRS S3-1	16	Human rights policy commitments	X				Not material	-
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	X		X		Not material	-
ESRS S3-4	36	Human rights issues and incidents	X				Not material	-
ESRS S4-1	16	Policies related to consumers and end-users	X				Not material	-
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	X		X		Not material	-
ESRS S4-4 35	35	Human rights issues and incidents	X				Not material	-
ESRS G1-1	10(b)	United Nations Convention against Corruption	X					ESRS G1-1 Policies related to business conduct
ESRS G1-1	10(d)	Protection of whistle- blowers	X					ESRS G1-1 Policies related to business conduct
ESRS G1-4	24(a)	Fines for violation of anti-corruption and anti-bribery laws	X		X		Not material	-
ESRS G1-4	24(b)	Standards of anti- corruption and anti- bribery	X		X		Not material	-

Environmental information

Valamar group is recognized as a leader in environmental protection and sustainable development in tourism in its destinations.

In 2025, Valamar group continued certifying all properties for quality management with ISO 9001, environmental protection with ISO 14001, and energy management with ISO 50001. Valamar group also maintained Travelife sustainability certifications for selected hotels and the EU Ecolabel for six campsites and one hotel, along with 16 Blue Flag certifications for its beaches.

In its environmental reporting, Valamar group focuses on reducing greenhouse gas emissions, increasing share of electricity from renewable sources, i.e. solar energy produced at Valamar group properties and continues to invest in renewable energy sources, as well as keeping the water withdrawal intensity below 0.55 m3 per occupied room and focus on the use of treated wastewater and optimizing water consumption. Valamar group continues to enhance its sustainability efforts through a variety of measures.

With the 2030 Agenda for Climate Change, the European Commission proposes to increase the EU's ambition to reduce greenhouse gas emissions to at least 55% below 1990 levels by 2030. Valamar group has already reduced greenhouse gas emissions in Scopes 1 and 2, per occupied accommodation unit, by more than 70% compared to 2015. The EU's goal is to become a climate-neutral continent by 2050 – hence, to be a net-zero GHG economy.

Due to the scarcity of natural resources, every action of individuals and organizations should be aimed at their preservation. A high level of environmental awareness has become an extremely important factor in the tourism sector. As the leading tourism company in Croatia, Valamar Riviera has a special responsibility to systematically apply high standards in environmental protection - a key resource in tourism, which reduces exposure to climate risks. Environmental responsibility is one of the pillars of sustainability that Valamar Riviera has incorporated into its Quality and Sustainable Business Policy and ESG goals.

Valamar group continues decarbonization in Scope 1 and 2 according to its ESG strategy by 2026. Reducing greenhouse gas emissions is the most important target defined by the ESG strategy. It is becoming increasingly important to its guests, as many want to reduce and compensate for their carbon footprint in hotels or camping. At Valamar group's properties, this is much easier to do since Valamar group's emissions are among the lowest compared to other tourist properties. Energy efficiency and green innovation are, in today's energy markets, a source of competitive advantage.

CONSOLIDATED DISCLOSURES IN ACCORDANCE WITH
ARTICLE 8. OF REGULATION (EU) 2020/852 (TAXONOMY REGULATION)

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CONSOLIDATED DISCLOSURES IN ACCORDANCE WITH ARTICLE 8. OF REGULATION (EU) 2020/852 (TAXONOMY REGULATION)

Introduction

By adopting the European Green Plan, the European Union set a goal of energy neutrality (net-zero goal) until 2050. In connection with this, the European Commission has developed a comprehensive program of sustainable financing to ensure the fulfilment of the set goals. One of the key pillars for encouraging investments in sustainable projects is the EU Taxonomy Regulation (EU) 2020/852.

The EU Taxonomy Regulation (EU) 2020/852 establishes a framework to facilitate sustainable investments and sets out the overarching conditions that an economic activity must meet to be qualified as environmentally sustainable.

The Taxonomy Regulation requires undertakings to disclose the proportion of their activities that are taxonomy-eligible and taxonomy-aligned.

An activity is considered Taxonomy-eligible if it makes a substantial contribution to at least one of the following environmental objectives defined by Article 9 of the Taxonomy Regulation:

1. Climate change mitigation (CCM)
2. Climate change adaptation (CCA)
3. Sustainable use and protection of water and marine resources (WTR)
4. Transition to a circular economy (CE)
5. Pollution prevention and control (PPC)
6. Protection and restoration of biodiversity and ecosystems (BIO)

Taxonomy-aligned activities, on the other hand, must not only be eligible but also comply with additional criteria that classify them as environmentally sustainable:

- The activity must comply with the substantial contribution criteria established for each of the EU Taxonomy environmental objectives,
- The activity must not significantly harm any of the other EU Taxonomy environmental objectives, and
- The activity must be carried out in compliance with the minimum safeguards, by ensuring alignment with the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the United Nations (UN) Guiding Principles on Business and Human Rights. The activity should also be in compliance with the principles and rights set out in the eight fundamental conventions identified in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

The Taxonomy Regulation has been followed by complementary delegated acts:

- **Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021** – establishes a list of economic activities that contribute substantially to the objectives of climate change mitigation and adaptation and that do not cause significant harm to other environmental objectives
- **Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021** – specifies the content, calculation methodology and presentation of the indicators that companies must disclose on the share of their environmentally sustainable economic activities in line with the EU Taxonomy
- **Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022** – establishes the technical screening criteria ('TSC') and the related 'do no significant harm' criterion ('DNSH') for the objectives of Annex 1 and Annex 2 relating to natural gas and nuclear energy activities
- **Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023** introduces new technical criteria to determine under which conditions certain economic activities contribute substantially to climate change mitigation or adaptation, and ensures that those activities do not cause significant harm to other environmental objectives
- **Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023** – lays down criteria for activities that contribute substantially to environmental objectives: sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration

of biodiversity and ecosystems, and do not cause significant harm to other environmental objectives

- **Commission Delegated Regulation (EU) 2024/3215 of 28 June 2024** corrects certain language versions of Delegated Regulation (EU) 2021/2139, which supplements Regulation (EU) 2020/852, by laying down technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or adaptation and the conditions ensuring that such an activity does not cause significant harm to other environmental objectives.

Basics of preparation

According to Article 8. In its Disclosures for 2025, the Valamar group, as a sustainability reporting entity in accordance with Directive (EU) 2022/2464 and the Accounting Act of the Republic of Croatia (Official Gazette 145/24), includes in its Disclosures for 2025 information on the extent to which its economic activities are linked to environmentally sustainable economic activities defined in Articles 3 and 9 of the Act. Regulation (EU) 2020/852 on taxonomy.

The report describes the key eligible activities of the Valamar group, as well as the assessment of their compliance.

In accordance with Delegated Regulation 2021/2178, which prescribes how data on environmentally sustainable activities are to be published and presented, this report provides an overview of key indicators. The shares of taxonomically aligned and eligible activities in the revenues and capital expenditures (hereinafter: "CapEx") and operating expenses (hereinafter: "OpEx") of the Valamar group are included.

CONSOLIDATED DISCLOSURES IN ACCORDANCE WITH ARTICLE 8 OF THE ACT. TAXONOMY REGULATIONS

Overview

For details and templates, see the chapter “Accounting policies and KPIs” below.

Table 1:
Proportion of Taxonomy-eligible and Taxonomy-aligned economic activities in total turnover, CapEx and OpEx

	TOTAL (tEUR)		Proportion of Taxonomy-eligible (non-aligned) economic activities		Proportion of Taxonomy-aligned economic activities		Proportion of Taxonomy-non-eligible economic activities	
	2024	2025	2024	2025	2024	2025	2024	2025
Turnover	411,322	455,264	381,191	418,112	–	–	30,131	37,152
CapEx	186,548	189,118	100,923	168,964	–	–	85,625	20,154
OpEx	24,864	32,672	12,107	23,127	–	–	12,757	9,545

Definitions

Taxonomy-eligible economic activity means an economic activity that is described in the delegated acts supplementing the Taxonomy, irrespective of whether that economic activity meets the technical screening criteria laid down in those delegated acts.

An economic activity is Taxonomy-aligned where it complies with the technical screening criteria as defined delegated acts supplementing the Taxonomy Regulation and it is carried out in compliance with the minimum safeguards regarding human and consumer rights, anti-corruption and bribery, taxation, and fair competition. To meet the technical screening criteria, an economic activity contributes substantially to one

or more environmental objectives while not doing significant harm to any of the other environmental objectives.

Taxonomy-non-eligible economic activity means any economic activity that is not described in the delegated acts supplementing the Taxonomy Regulation.

Taxonomy-eligible economic activities

In accordance with the Regulation, the Valamar group first identified Taxonomy-eligible activities by analysing whether the Group’s activities correspond to the activity descriptions laid down in the delegated acts and, accordingly, compiled a list of Taxonomy-eligible activities.

Given that the primary business activity of the Valamar group is guest accommodation, activity 2.1. Hotels, holiday accommodation, camping grounds and similar accommodation (BIO) has been identified. Under this activity, the Valamar group identified all amounts generated from accommodation services, as well as associated offers for accommodation guests, such as food and beverage, recreation, wellness, pools, etc.

Additionally, transport activities 6.4., 6.5., 6.6., 6.11. and 6.13. cover the acquisition of capital assets (e.g. boats, company passenger vehicles) and their regular maintenance, the construction of associated infrastructure (such as cycling paths), as well as the provision of transport services for guests (for example, rental of bicycle logistics, boat transport, etc.).

Activities 7.1. Construction of new buildings and 7.2. Renovation of existing buildings relate to capital investments in new hotels and accommodation facilities or major renovation of existing facilities. 7.7. Acquisition and ownership of buildings cover all properties, hotels and accommodation facilities owned or leased by the Valamar group, including associated capital investments, regular maintenance and rental income.

Activity 7.3. Installation, maintenance and repair of energy efficiency equipment cover the installation and maintenance of energy-efficient equipment in Valamar group facilities, including high-efficiency heating, cooling and ventilation systems, efficient lighting, automation and energy management systems, and the associated capital and operating costs.

Activity 7.4. Installation and maintenance of electric vehicle charging stations in buildings concerns the installation, upgrade and operation of charging infrastructure in hotels, campsites and other Valamar group facilities, including the related electrical infrastructure and the revenues and investments linked to this service.

Activity 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings covers investments and maintenance of smart-room systems in Valamar group facilities.

Activity 7.6. Installation, maintenance and repair of renewable energy technologies cover investments in solar photovoltaic systems, solar thermal systems and other renewable energy technologies, including installations, grid connections and routine maintenance of systems within Valamar group facilities.

Activity 4.16. Installation and operation of electric heat pumps include capital investments and operating costs related to the installation and use of heat pumps in hotel and related facilities, including integration into heating and cooling systems to increase energy efficiency.

Activity 9.3. Professional services related to the energy performance of buildings concerns the provision of professional and technical services, such as energy audits, certification, design and technical studies, which support the Valamar group's investments in energy efficiency and the green transition of facilities.

Activity 8.1. Data processing, hosting and related activities includes investments and operating costs related to digital and IT infrastructure, including server capacity, online platforms, energy management systems and digital tools that support the efficiency of the Valamar group's operations.

Activity 4.9. Transmission and distribution of electricity cover investments and operating activities related to the internal power infrastructure of the Valamar group's hotels and campsites, including substations, networks and energy management systems.

Activity 2.2. Production of alternative water resources for purposes other than human consumption refers to systems for collecting, treating and reusing rainwater, grey water and technical water used for irrigation needs, technical processes and landscape maintenance in Valamar group facilities.

Activity 5.8. Composting of bio-waste covers investments and operating costs related to the construction and operation of dedicated plants for the treatment of separately collected bio-waste by composting in hotels, campsites and other Valamar group facilities.

In 2025, the following are Taxonomy-eligible: 91.84% of revenues, 89.34% of total CapEx and 70.79% of OpEx. In 2024, the respective shares were 92.67% of revenues, 54.10% of total CapEx and 48.69% of OpEx.

Table 2:
Taxonomy-eligible economic activities of the Valamar group

The table below shows the environmental objective for which the activities qualify as eligible. The templates also clearly indicate which environmental objective a given activity pursues.

Sector	Eligible Activity	Environmental Objective	KPI
Accommodation activities	2.1. Hotels, holidays, camping grounds and similar accommodation	BIO	Turnover/CapEx/OpEx
Transport	6.4. Operation of personal mobility devices, cycle logistics	CCM CCA	CapEx
	6.5. Transport by motorbikes, passenger cars and light commercial vehicles	CCM CCA	Turnover/CapEx/OpEx
	6.6. Freight transport services by road	CCM CCA	OpEx
	6.11. Sea and coastal passenger water transport	CCM CCA	Turnover/CapEx/OpEx
	6.13. Infrastructure for personal mobility, cycle logistics	CCM CCA	Turnover/OpEx
Construction activities and real estate business	7.2. Renovation of existing buildings	CCM CCA	CapEx
	7.3. Installation, maintenance and repair of equipment for energy efficiency	CCM CCA	CapEx/OpEx
	7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM CCA	Turnover/CapEx
	7.6. Installation, maintenance and repair of renewable energy technologies	CCM CCA	CapEx/OpEx
	7.7. Acquisition and ownership of buildings	CCM CCA	Turnover/ CapEx/OpEx
	4.16. Installation and operation of electric heat pumps	CCM CCA	CapEx/OpEx
	7.1. Construction of new buildings	CCM CCA	CapEx
	9.3. Professional services related to energy performance of buildings	CCM	CapEx
Professional, scientific and technical activities	8.1. Data processing, hosting and related activities	CCM CCA	OpEx/CapEx
Information and communications	4.9. Transmission and distribution of electricity	CCM CCA	CapEx/OpEx
Energy	5.8. Composting of bio-waste	CCM CCA	CapEx/OpEx
Water supply, sewerage, waste management and remediation	2.2. Production of alternative water resources for purposes other than human consumption	CE	OpEx

CCM: Climate Change Mitigation
CCA: Climate Change Adaptation

WTR: Water and Marine Resources
CE: Circular Economy

PPC: Pollution Prevention and Control
BIO: Biodiversity and ecosystems

Taxonomy-aligned economic activities

In the second step, an assessment was carried out to determine which of the Taxonomy-eligible activities can also be classified as Taxonomy-aligned. That process requires the application of demanding, science-based technical screening criteria and the collection of extensive documentation and data. Based on the analysis of compliance with the prescribed technical criteria, it was established that the Group's activities currently do not meet all conditions for Taxonomy alignment. Accordingly, for 2025, reporting is limited to activities that are Taxonomy-eligible only.

Minimum safeguards

Minimum safeguards are the foundation of compliance with the EU Taxonomy pursuant to Article 18 of the Regulation. They include all procedures implemented to ensure that economic activities are carried out in accordance with:

- OECD Guidelines for Multinational Enterprises (OECD MNE Guidelines),
- UN Guiding Principles on Business and Human Rights (UNGPs), including the principles and rights set out in the eight fundamental conventions identified in the ILO Declaration on Fundamental Principles and Rights at Work, and
- the International Bill of Human Rights.

Minimum safeguards cover four themes: human rights (including labour and consumer rights), corruption and bribery, taxation and fair competition. A compliance analysis for the Minimum safeguards has been performed.

Valamar group has established several policies and procedures that form the basis of its minimum

safeguards system in accordance with Regulation (EU) 2020/852. A Working Conditions Policy has been adopted governing key aspects of workforce management and ensuring respect for human rights in all business activities. The Group is committed to implementing the UN Guiding Principles on Business and Human Rights, the ILO fundamental conventions and the European Convention on Human Rights.

Valamar group applies Croatian labour legislation, internal acts and the applicable collective agreement, thereby ensuring adherence to labour standards. By signing the Diversity Charter, a Diversity and Non-Discrimination Policy has been put in place promoting a work environment based on equal opportunities and respect for diversity.

In 2025, Valamar group companies adopted a new Code of Business Conduct which is the core document governing ethical standards in the Valamar group. The Code establishes clear rules and expectations for all employees and business partners and confirms a high level of corporate governance and ethical conduct. Integral parts of the Code of Business Conduct include the Policy on Managing Conflicts of Interest, Policies and Procedures for the Approval and Disclosure of Related-Party Transactions, the Risk Management Policy and Corporate Social Responsibility Policies.

A Supplier Code of Conduct is also in force, requiring Valamar group suppliers to respect all principles set out in the Code to the greatest extent possible (e.g. fair labour practices, prohibited business practices, child labour, child protection, health and safety, environmental protection, cooperation with the local community, etc.), and the provisions of the Code form an integral part of contracts concluded with suppliers. The Valamar group encourages suppliers to apply the

principles set out in this Code to their own subcontractors, processors and/or sub-processors. Compliance with the Supplier Code of Conduct is subject to audits, with the possibility of terminating cooperation in the event of confirmed irregularities.

For many years, the Valamar group has carried out systematic supplier assessments against ESG criteria, thereby contributing to responsible value-chain management. By the end of 2025, the goal is to maintain at least 80% responsible suppliers that meet sustainable business criteria. All policies are publicly available, ensuring transparency and access to key information for all stakeholders.

Accounting policies and calculation of key performance indicators

After identifying the activities within the scope of the Taxonomy, the Group proceeded to determine the key performance indicators ('KPIs') for revenue, CapEx and OpEx. A team composed of experts from various functions of the Valamar group worked on the methodology and data collection to ensure that the results are consistent, verifiable and compliant with regulatory requirements.

The templates specified in Annex II of the Delegated Act to the Taxonomy Regulation are used to present the EU Taxonomy KPIs.

For the purposes of KPI calculation, financial items were first mapped to the relevant economic activities. Each cost or revenue item is considered according to its actual business purpose and link to a particular activity, under the rule that a single item may be attributed to only one activity, thereby preventing double counting. In situations where a particular cost or investment

relates to several activities, a more detailed analysis of available documentation is carried out to determine the correct allocation.

In calculating Group-level KPIs, all intra-group transactions are excluded as this is a consolidated report.

Given the Group's core activity, the Group included revenue, capital expenditures (CapEx) and operating expenditures (OpEx) related to economic activity 2.1, which covers hotels, holiday accommodation, camping grounds and similar facilities, for all activities primarily focused on guest accommodation and which do not easily fit into other economic classifications. This categorisation of eligibility is performed independently of the potential for alignment with the Technical Screening Criteria (TSC) and the Do No Significant Harm (DNSH) principle.

As the Valamar group does not carry out any activities related to natural gas or nuclear energy (activities 4.26–4.31), it does not use the dedicated templates introduced by the Complementary Climate Delegated Act for activities in specific energy sectors.

TURNOVER KPI

The turnover KPI is defined as net turnover derived from Taxonomy-eligible and Taxonomy-aligned economic activities (numerator) divided by net turnover (denominator). In accordance with the regulation, the numerator equals a portion of the turnover included in the denominator.

An analysis of all types of turnover for 2025 was performed in line with the Taxonomy Regulation, whereby turnovers linked to the defined economic activities eligible under the EU Taxonomy were successfully identified on an

individual basis. The analysis of the activities included in the numerator was carried out at account level, excluding related-party turnover accounts due to the presentation of consolidated KPIs. This approach ensured that double counting is avoided, given that turnover amounts were considered separately rather than in aggregate.

The denominator of the turnover KPI is based on consolidated net turnover recognised in accordance with paragraph 82(a) of IAS 1. Further details on accounting policies related to consolidated net turnover

are presented in the Annual Financial Statements in Note 2 – Summary of significant accounting policies. Consolidated net turnover is reconciled with the consolidated financial statements as presented in Note 5 – Segment information in the Annual Financial Statements.

The basis for determining turnover that can be considered eligible for economic activity 2.1, which covers hotels, holiday accommodation, camping grounds and similar facilities, includes all turnover generated from

accommodation services, as well as associated offers for accommodation guests, such as food and beverage. For the purposes of this report, estimates were made to quantify the turnover attributable to accommodation guests who consume à la carte food and beverages.

This estimate is based on historical experience suggesting that a significant majority of restaurant visitors — approximately 80% (estimated) of à la carte service turnover — comes from accommodation guests. Therefore, this portion of turnover is included under economic activity 2.1.



Turnover template for financial year 2025

Economic Activities				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA						Proportion of Taxonomy-aligned (A1) or eligible (A2) turnover, 2024			
				Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A1) or eligible (A2) turnover, 2024	Category enabling activity	Category transitional activity
Code (a)				Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
000 EUR																			
Proportion of Turnover, 2025																			
%																			
A TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
-		0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0%	-	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	-	-
Of which Enabling		0	0%																
Of which Transitiona		0	0%																
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Hotels, holiday, camping grounds and similar accommodation	BIO 2.1	412,249	90.55%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL							91.16%			
Infrastructure for personal mobility, cycle logistics	CCM/CCA 6.4	179	0.04%	EL	EL	N/EL	N/EL	N/EL	N/EL							0.02%			
Sea and coastal passenger water transport	CCM/CCA 6.11	52	0.01%	EL	EL	N/EL	N/EL	N/EL	N/EL							0.01%			
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM/CCA 7.4	1	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL							0.01%			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM/CCA 6.5	20	0.004%	EL	EL	N/EL	N/EL	N/EL	N/EL							0.06%			
Acquisition and ownership of buildings	CCM/CCA 7.7	5,611	1.23%	EL	EL	N/EL	N/EL	N/EL	N/EL							1.41%			
Turnover of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		418,112	91.84%	1.29%	0%	0%	0%	0%	90.55%							92.67%			
A Turnover of Taxonomy-eligible activities (A1+A2)		418,112	91.84%	1.29%	0%	0%	0%	0%	90.55%							92.67%			
B TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
B Turnover of Taxonomy- non-eligible activities		37,152	8.16%																
TOTAL (A+B)		455,264	100%																

CapEx KPI

The CapEx KPI is defined as Taxonomy-eligible and Taxonomy-aligned capital expenditures (numerator) divided by total capital expenditures (denominator). In accordance with the regulation, the numerator equals a portion of the capital included in the denominator.

Total capital expenditures consist of investments in property, plant and equipment (IAS 16) and intangible assets (IAS 38), including right-of-use assets (IFRS 16) and investment property (IAS 40) during the financial year, before depreciation and any remeasurements, including those arising from revaluations and impairments. However, advances are excluded from the total capitalised cost, as is goodwill given that goodwill is not within the scope of IAS 38.

Further details on accounting policies related to capital expenditures are presented in the Annual Financial Statements in Note 2 – Summary of significant accounting policies. The Valamar group has no investments in agriculture recognised under IAS 41 that could be considered in the context of the Taxonomy Regulation.

An analysis of all types of capital expenditures for 2025 was performed in accordance with the Taxonomy Regulation, whereby investments linked to the defined economic activities eligible under the EU Taxonomy were successfully identified on an individual basis. This approach ensured that double counting is avoided, since capitalised investment amounts were considered separately rather than in aggregate. Data were analysed at partner level so that capital expenditures from related parties were excluded.

In 2025, the Valamar group did not prepare a capital expenditure plan that would be aligned with the requirements of the Taxonomy Regulation.

Total capital expenditures can be reconciled with the consolidated financial statements as presented in the Annual Financial Statements in Note 14 – Property, plant and equipment, Note 15 – Intangible assets and Note 27 – Right-of-use assets and liabilities. Total capital expenditures are the sum of total additions to intangible assets, right-of-use assets and property, plant and equipment.

No estimates were used in determining the amounts required for calculating the CapEx KPI.



CapEx template for financial year 2025

Economic Activities				SUBSTANTIAL CONTRIBUTION CRITERIA							DNSH CRITERIA						Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, 2024			
				Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity		Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards		Category enabling activity	Category transitional activity
				Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)		Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
-		0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL		N	N	N	N	N	N	N	0%	-	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%		N	N	N	N	N	N	N	0%	-	-
Of which Enabling		0	0%																	
Of which Transitional		0	0%																	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																				
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)											
Hotels, holidays, camping grounds and similar accommodation	BIO 2.1	36,022	19.05%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								12.60%			
Electricity generation using solar photovoltaic technology	CCM/CCA 4.1	107	0.06%	EL	EL	EL	EL	EL	EL								0.00%			
Installation and operation of electric heat pumps	CCM/CCA 4.16	529	0.28%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.52%			
Transmission and distribution of electricity	CCM/CCA 4.9	394	0.21%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.16%			
Sea and coastal passenger water transport	CCM/CCA 6.11	425	0.22%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.04%			
Infrastructure for personal mobility, cycle logistics	CCM/CCA 6.13	1,603	0.85%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.05%			
Operations with devices for personal mobility, bicycle logistics	CCM/CCA 6.4	0	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.04%			
Transportation by motorcycles, cars and commercial vehicles	CCM/CCA 6.5	1,936	1.02%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.57%			
Construction of new buildings	CCM/CCA 7.1	75,714	40.04%	EL	EL	N/EL	N/EL	N/EL	N/EL								13.93%			
Renewal existing buildings	CCM/CCA 7.2	28,338	14.98%	EL	EL	N/EL	N/EL	N/EL	N/EL								13.91%			
Installation, maintenance and repair of equipment for energy efficiency	CCM/CCA 7.3	2,655	1.40%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.99%			
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM/CCA 7.4	53	0.03%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00%			
Installation, maintenance and repair of renewable energy technologies	CCM/CCA 7.6	410	0.22%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00%			
Acquisition and ownership of buildings	CCM/CCA 7.7	19,902	10.52%	EL	EL	N/EL	N/EL	N/EL	N/EL								8.29%			
Professional services related to energy performance of buildings	CCM 9.3	0	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.01%			
Composting of bio-waste	CCM/CCA 5.8	865	0.46%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.53%			
Data processing, hosting and related activities	CCM/CCA 8.1	11	0.01%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.45%			
CapEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		168,964	89.34%	70.30%	0%	0%	0%	0%	19.05%								54.10%			
A CapEx of Taxonomy-eligible activities (A1+A2)		168,964	89.34%	70.30%	0%	0%	0%	0%	19.05%								54.10%			
B TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
B CapEx of Taxonomy- non-eligible activities		20.154	11%																	
TOTAL (A+B)		189.118	100%																	

OpEx KPI

The OpEx KPI is defined as Taxonomy-eligible and Taxonomy-aligned operating expenditures (numerator) divided by total operating expenditure as defined by the EU Taxonomy (denominator).

Total operating expenditure (denominator) consists of direct non-capitalised costs related to research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct non-capitalised costs for the day-to-day servicing of property, plant and equipment carried out by the undertaking or by a third party to which such operations are outsourced, which are necessary to ensure proper functioning of such assets.

This includes:

- All leases not capitalised in accordance with IFRS 16, including the costs of short-term leases and low-value leases (as presented in the Annual Financial Statements in Note 27 – Right-of-use assets and liabilities). Although low-value leases are not explicitly listed in Article 8 of the Delegated Act, the interpretation of the Act includes such leases,
- Building maintenance and repair costs were determined based on maintenance and repair costs allocated to accounts included under the items Cost of materials and services. This also includes building renovation measures.

In accordance with the regulation, the numerator equals a portion of the operating expenditure included in the denominator.

In general, this includes service and materials costs for day-to-day servicing as well as for regular and unscheduled maintenance and repairs. These costs are directly linked to Property, plant and equipment (PPE) items. This does not include expenditures related to the everyday operation of PPE, such as raw materials, employee costs of machine operators and electricity or fluids needed for the operation of PPE.

By analysing operating costs, it was possible to identify individual costs related to the defined activities that meet the EU Taxonomy criteria. The analysis was carried out at account and invoice level, also considering partner information to exclude all related-party transactions.

With this approach, the Valamar group ensures that each operating cost is counted only once, as costs were considered individually and not in aggregate.

No estimates were used in determining the amounts required for calculating the OpEx KPI.



OpEx template for financial year 2025

				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA						Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, 2024						
				Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity							
Economic Activities				Code (a)	Turnover	Proportion of Turnover, 2025																
				000 EUR	%	Y: N; N/EL (b) (c)	Y: N; N/EL (b) (c)	Y: N; N/EL (b) (c)	Y: N; N/EL (b) (c)	Y: N; N/EL (b) (c)	Y: N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
A TAXONOMY-ELIGIBLE ACTIVITIES																						
A.1 Environmentally sustainable activities (Taxonomy-aligned)																						
-				0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	0%	-	-		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)				0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	0%	-	-		
Of which Enabling				0	0%																	
Of which Transitional				0	0%																	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																						
						EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)											
Acquisition and ownership of buildings				CCM/CCA 7.7	5,870	17.97%	EL	EL	N/EL	N/EL	N/EL	N/EL							18.13%			
Freight transport services by road				CCM/CCA 6.6	602	1.84%	EL	EL	N/EL	N/EL	N/EL	N/EL							1.83%			
Transport by motorbikes, passenger cars and commercial vehicles				CCM/CCA 6.5	524	1.60%	EL	EL	N/EL	N/EL	N/EL	N/EL							1.86%			
Sea and coastal passenger water transport				CCM/CCA 6.11	62	0.19%	EL	EL	N/EL	N/EL	N/EL	N/EL							0.50%			
Installation, maintenance and repair of renewable energy technologies				CCM/CCA 7.6	21	0.06%	EL	EL	N/EL	N/EL	N/EL	N/EL							0.09%			
Production of alternative water resources for purposes other than human consumption				CE 2.2	4	0.01%	N/EL	N/EL	N/EL	N/EL	EL	N/EL							0.02%			
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings				CCM/CCA 7.5	153	0.47%	EL	EL	N/EL	N/EL	N/EL	N/EL							0.00%			
Composting of bio-waste				CCM/CCA 5.8	14	0.04%	EL	EL	N/EL	N/EL	N/EL	N/EL							0.04%			
Hotels, holidays, camping grounds and similar accommodation				BIO 2.1	12,726	38.95%	N/EL	N/EL	N/EL	N/EL	N/EL	EL							20.32%			
Data processing, hosting and related activities				CCM/CCA 8.1	1,547	4.74%	EL	EL	N/EL	N/EL	N/EL	N/EL							3.39%			
Installation and operation of electric heat pumps				CCM/CCA 4.16	499	1.53%	EL	EL	N/EL	N/EL	N/EL	N/EL							1.10%			
Installation, maintenance and repair of equipment for energy efficiency				CCM/CCA 7.3	999	3.06%	EL	EL	N/EL	N/EL	N/EL	N/EL							1.33%			
Transmission and distribution of electricity				CCM/CCA 4.9	106	0.32%	EL	EL	N/EL	N/EL	N/EL	N/EL							0.08%			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)				23,127	70.79%	31.82%	0%	0%	0%	0.01%	38.95%							48.69%				
A OpEx of Taxonomy-eligible activities (A1+A2)				23,127	70.79%	31.82%	0%	0%	0%	0.01%	38.95%							48.69%				
B TAXONOMY-NON-ELIGIBLE ACTIVITIES																						
B OpEx of Taxonomy-non-eligible activities				9,545	29.21%																	
TOTAL (A+B)				32,672	100.00%																	

Additional table

Proportion of turnover/Total turnover		
2025.	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	%	1,32%
CCA	%	1,32%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	90,67%

Proportion of CapEx/Total CapEx		
2025	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	%	70,30%
CCA	%	70,30%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	19,05%

Proportion of OpEx/Total OpEx		
2025	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	%	31,82%
CCA	%	31,82%
WTR	%	%
CE	%	0,01%
PPC	%	%
BIO	%	38,95%

The Environmental Delegated Act introduced tables have the purpose of providing information if companies have activities which are eligible under multiple objectives.

This way companies may show all their contributions because double counting is allowed within these new smaller tables, which is not allowed in the standard table (templates).

Proportion of turnover/Total turnover		
2024.	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	%	1,51%
CCA	%	1,51%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	91,16%

Proportion of CapEx/Total CapEx		
2024.	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	%	41,50%
CCA	%	41,50%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	12,60%

Proportion of OpEx/Total OpEx		
2024	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	%	28,35%
CCA	%	28,35%
WTR	%	%
CE	%	0,02%
PPC	%	%
BIO	%	20,32%

CCM: Climate Change Mitigation
CCA: Climate Change Adaptation

WTR: Water and Marine Resources
CE: Circular Economy

PPC: Pollution Prevention and Control
BIO: Biodiversity and ecosystems

ESRS E1

CLIMATE CHANGE

E1 GOV-3

Climate-related considerations in remuneration of administrative, management and supervisory bodies

In accordance with the Remuneration policy and pursuant to the Remuneration report for 2024, Management Board members do not receive any variable remuneration that includes sustainability-related performance.

Members of the Supervisory Board, in accordance with the Remuneration Policy, do not receive a variable remuneration.

E1-1

Transition plan for climate change mitigation

Currently, Valamar group does not have a transition plan for climate change mitigation, ensuring its strategy and business model are compatible with the transition to a sustainable economy and limiting global warming to 1.5 degrees in line with the Paris Agreement, but have initiated work to assess how to best approach this. As part of the development of the new strategy 2027-2030, a comprehensive transition plan will also be created.

Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Process to identify climate-related impacts

When screening Valamar group’s activities and plans to identify actual and potential future GHG emission sources and drivers for other climate-related impacts in its own operations and along the value chain, Valamar group considered its three-year strategic investment and portfolio development plan including in particular investments in renewable energy and resource-use efficiency in operations. Portfolio investments are focused on upgrading, reconstructing and repositioning existing assets in the portfolio in accordance with green building standards which should result in a decrease of the carbon footprint of buildings.

In operating the portfolio Valamar group asses that motivation of strategic suppliers to transition towards sustainable business practices, its investment in renewable energy and efficient resource use including participation in the virtual power plant in corporation with company Koer d.o.o. (KOER) will have a positive impact on decarbonization and mitigation of climate change. KOER actively support the sustainability of the power system by making its infrastructure available at 12 locations, ready to be activated as needed to ensure grid stability. KOER generators, with a total capacity of 4 MW,

will not only serve as backup power sources but also help reduce the load on the electrical grid during peak demand periods. Reverse electricity offtake activations from the system have also been agreed, thereby further contributing to the flexibility and stability of the grid. This initiative is part of a broader virtual power plant concept, which connects energy producers, consumers, and storage units across the distribution network, creating a more resilient and efficient energy system.

Valamar group understands that planned growth in number of overnight stays and range as well as quality of services would proportionally increase Scope 1, 2 and 3 emissions. The double materiality analysis guides Valamar group’s continued focus to reduce gross greenhouse gas emissions in all Scopes in line with EU 2030 targets for reduction.

Process to identify physical and transition risks

Valamar group used a climate risk quantification and reporting software provided by the external advisor to further assess key climate hazards (water stress (droughts), wildfires, coastal and riverine flooding, extreme winds and sea water quality (algal bloom)) and transition risks

(changing energy prices, carbon price and change in flight pricing)). For this assessment Valamar group used the following data: Valamar group site locations encompassing all together 44 Valamar group properties (hotels, resorts and camps), site occupancy levels, site values, historic annual consumption, as well as yearly consumption plans until 2027, including energy, carbon emissions and water, mode of transport used by Valamar group’s customers and historic damages from physical risks.

To assess each climate-related risk Valamar group used a widely adopted method from the World Bank, summarised by the formula Risk = Impact x Probability. Both climate hazards and transition risks were assessed against 3 IPCC climate scenarios (SSP1-2.6, SSP2-4.5 and SSP5-8.5) and reflected in financial quantification of impacts in 2030, 2040 and 2050. SSP1 used in this analysis does not qualify as a climate scenario in line with limiting global warming to 1.5°C with no or limited overshoot but is aligned with the Paris Agreement.

3 IPCC scenarios refer to different climate scenarios based on Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs):

- SSP1-2.6: A sustainable development scenario with low greenhouse gas emissions, leading to a radiative forcing of 2.6 W/m² and limited global warming (around 1.3°C by 2100),
- SSP2-4.5: A middle-of-the-road scenario with moderate emissions, resulting in a radiative forcing of 4.5 W/m² and higher warming (around 2.7°C by 2100), and
- SSP5-8.5: A fossil-fuel-intensive, very high-emissions scenario with a radiative forcing of 8.5 W/m², leading to severe global warming (potentially exceeding 4°C by 2100).

The time horizons are not fully aligned with the expected lifetime of Valamar group's assets, as the land and buildings, which constitute a significant portion of its assets, have a longer lifespan than the time horizons being used. The strategic planning and capital allocation plan are set for a period until 2026, which does not align with the time horizon used in the climate risk analysis.

Valamar group has not identified any assets and business activities that are incompatible with a transition to a carbon-neutral economy or that require significant effort to be compatible with a transition to a carbon-neutral economy. No critical climate-related assumptions have been used to date to measure assets and liabilities in the consolidated financial statements. The results of the analysis showed that climate value at risk averages at 1.1% of turnover in 2030. This increased to 3.5% in 2040 and 7.4% by 2050. The most of this impact is generated by changes in flight pricing followed by the risk of wildfire, rising energy prices, declining sea quality due to algal bloom, and the price of carbon.

Physical and transition risks assessed as a result of this analysis were not deemed material. Nevertheless, Valamar group will continue to monitor climate-related risks by re-visiting the assessment in due time.

E1-2

Policies related to climate change mitigation and adaptation

Environmental Protection Policy outlines key actions to mitigate climate impact, improve energy efficiency and continue using renewable energy sources.

The current Environmental Protection Policy does not encompass Scope 3 emissions, as Valamar group is in the process of developing a transition plan as part of ESG strategy for the period 2027-2030. Following the

establishment of transition plan, the Environmental Protection Policy will be reviewed and updated to reflect the new objectives, including the incorporation of Scope 3 emissions.

POLICY	Description	Scope	Responsibility	Stakeholder interests	Communication	Addressed impacts, risks and opportunities
Environmental Protection Policy	Environmental Protection Policy, emphasizes the following aspects: - Prevention of pollution as a fundamental approach to environmental protection management - Continuous improvement of ecological and energy performance and management systems - Preservation and rational use of natural resources - Climate change mitigation and adaptation - Procurement of energy-efficient products and services and facilitating project activities that consider the improvement of energy efficiency - Ensuring the availability of information and all necessary resources for the realization of general and individual environmental and energy objectives - Ensuring energy sufficiency by producing own renewable energy.	This policy is binding for all Valamar group facilities, operations and business activities across all destinations. The policy refers to the overall management of resources, operational processes and business decision-making, with the goal of achieving sustainable results.	This policy is adopted by the Management Board and the Supervisory Board of Valamar Riviera.	Valamar group regularly communicates with stakeholders to ensure transparency and participation in the process of achieving goals. Information is simultaneously exchanged with key stakeholders through various communication channels.	The policy is publicly available on the Valamar Riviera website esg.valamar-riviera.com/hr/, thus ensuring transparency and allowing all stakeholders insight into Valamar group's goals and obligations in the field of environmental protection. Policy is integrated into the Code of Business Conduct and the Supplier Code of Conduct.	The policy addresses reducing energy consumption, producing its own renewable energy, and decarbonizing business operations. A positive impact on decarbonization and mitigation of climate change through the implementation of capital projects for the transition to renewable energy and an increase in the number of accommodation capacities with a low carbon footprint. Investments in replacing fossil fuels with electricity from renewable sources, installing heat pumps, building PV systems across Valamar group facilities, and implementing energy-efficient solutions enable significant improvements in energy performance and sustainability. Positive impact on decarbonization and mitigation of climate change, long-term investment returns and reduction of financial costs for energy procurement. Decarbonization of scopes 1 and 2 by the end of 75% by 2026 compared to 2015, increasing the number of accommodation capacities with a low or zero carbon footprint and increasing the perception of guests of Valamar group as a sustainable destination.

E1-3

Actions and resources in relation to climate change policies

In 2025, Valamar group reinforced its commitment by focusing on energy efficiency, sourcing renewable electricity, increasing in-own electricity production, and reducing emissions in Scopes 1 and 2. The following priority areas are central to its climate mitigation efforts:

Compliance with Environmental, Energy and Quality Standards

Valamar group follows internationally recognized standards to ensure high-quality service, responsible environmental and energy management. Its operations align with strict environmental and sustainability guidelines, including compliance with ISO 14001 Environmental Management Systems, ISO 9001 Quality Management System and ISO 50001 Energy Management System. Regular internal assessments, along with external audits, helps to maintain and enhance Valamar group's environmental and operational performance.

Renewable Energy

To further reduce its carbon footprint, Valamar group continues to increase the use of renewable energy across its hotels and resorts. By sourcing electricity from certified renewable sources, Valamar group is actively lowering greenhouse gas emissions while ensuring sustainable energy use across its properties. Currently, Valamar group has power purchase agreements in place that ensure its electricity comes from renewable sources, covering all its operations. Valamar group aims to generate 15% of its electricity from solar energy by the end of 2026. In 2025, additional capacity for the production of own energy was installed, representing an important step towards achieving the set target.

Decarbonization in Scopes 1 and 2

In 2025, Valamar group made significant progress in reducing GHG emissions per occupied room compared to its baseline year of 2015. By focusing on energy efficiency, and increasing the share of electricity from renewable sources, Valamar group is planning to achieved reduction for 75% in emissions per occupied room (2,4 kg CO₂e/occ. room) in the period through 2026. In addition to these efforts, Valamar group implemented several key actions, including replacing fossil fuel-based equipment with heat pumps, introducing e-vehicles, upgrading air conditioning and refrigeration systems to those using environmentally friendly refrigerants, installing LED lighting, integrating energy monitoring systems and building photovoltaic power plants on its properties and other measures. These actions are part of its ongoing investments in sustainability.

During 2025, Valamar group invested a total of EUR 4.3 million in climate mitigation actions, with EUR 3.9 million allocated to CapEx. This is reflected in the financial report, specifically in note 14 – Property, plant and equipment.

Future investments as part of climate mitigation measures include replacing fossil fuel-powered equipment with heat pumps, transitioning to electric boat, upgrading pool equipment (including heating systems and pool covers), purchasing new air conditioning units with models that use environmentally friendly refrigerants and invest in increasing energy efficiency. Planned resources for these investments in 2026 are EUR 1.3 million, allocated in CapEx and are part of CapEx plan.

E1-4

Targets related to climate change mitigation and adaptation

Valamar group has identified ESG targets through 2026 that were set before ESRS standards, so they do not meet the current requirements. In the new 2027-30 strategy, plan is to introduce GHG targets that fully comply with ESRS standards.

Environmental topics are also addressed on a continuous basis through Valamar group's ISO 14001 and ISO 50001 certifications.

Targets related to climate change mitigation:

- By the end of 2026, reduce GHG emissions in Scope 1 and 2 by 75% per occupied room compared to 2015. Target is aligned with the 1.5°C trajectory. The target is the sum of market base Scope 1 and Scope 2 emissions, with 99.7% attributed to Scope 1 and 0.3% to Scope 2. The greenhouse gases covered by the target are CO₂, CH₄, and N₂O,
- By the end of 2026, produce 15% of electricity from on-site solar systems at Valamar group properties and through long-term partnerships.

Between 2015 and 2025, Valamar group reduced direct and indirect greenhouse gas emissions (Scope 1 and 2) by more than 67% per occupied accommodation unit, or by 63% in gross GHG emissions. This includes a 33% reduction in Scope 1 emissions and a 99% reduction in Scope 2 emissions compared to 2015. The base year for these reductions is 2015, and the gross amount of GHG emissions in that year was 27,658 tCO₂e.

The reduction was mainly achieved by switching to electricity from renewable sources. An additional significant effect was also achieved by replacing fuel oil boilers with gas boilers, and even more so with heat pumps, and other measures already listed elsewhere in the report.

GHG emission reduction targets for 2030 will be set as part of the Transition Plan, which is scheduled to be adopted with the new ESG strategy for the period 2027-2030. The plan will define actions, measures and targets for Scope 3.

E1-5

Energy consumption and mix

Energy consumption and mix	2024	2025
1 Fuel consumption from coal and coal products (MWh)	-	-
2 Fuel consumption from crude oil and petroleum products (MWh)	15,460	17,944
3 Fuel consumption from natural gas (MWh)	13,777	15,114
4 Fuel consumption from other fossil sources (MWh)	282	265
5 Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	-	-
6 Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	29,519	33,324
Share of fossil sources in total energy consumption (%)	25.4%	26.7%
7 Consumption from nuclear sources (MWh)	-	-
Share of consumption from nuclear sources in total energy consumption (%)	-	-
8 Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	-	-
9 Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	84,305	88,013
10 The consumption of self-generated non-fuel renewable energy (MWh)	2,364	3,548
11 Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	86,669	91,562
Share of renewable sources in total energy consumption (%)	74.6%	73.3%
Total energy consumption (MWh) (calculated as the sum of lines 6 and 11)	116,188	124,885

Valamar group used the following data when calculating energy consumption:

- Fuel consumption from crude oil and petroleum products includes heating oil, LPG, and vehicle fuel,
- Fuel consumption from natural gas includes only natural gas consumption,
- Fuel consumption from other fossil sources includes electricity and thermal steam not covered by green certificates,
- Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources includes electricity and thermal steam taken from the grid, covered by green certificates, and
- The consumption of self-generated non-fuel renewable energy includes self-produced electricity from PV panels installed on building rooftops.

The energy savings achieved in the period between 2022 and 2024, which were purchased by the energy supplier and carried out the official transfer through the System for Measuring, Monitoring and Verification of Energy Savings (SMIV system), were successfully verified, it is a consumption of 2.5 GWh/year.

E1-6

Gross Scopes 1, 2, 3 and Total GHG emissions

	Base year (2015)	Comparative year 2024 (N-1)	Current reporting year 2025 (N)	% N / n-1	2025	2030	2050	Annual% target / Base year
Gross Scope 1 GHG emissions (tCO ₂ eq)	13,507.3	9,435.7	10,037.4	6%				
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	-	-	-	-				
Scope 2 GHG emissions (tCO ₂ eq)								
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	14,150.6	13,986.8	12,856.1	-8%				
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	14,150.6	159.9	154.2	-4%				
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	-	94,516.8	110,737.7	17%				
1 Purchased goods and services	-	57,531.5	62,802.5	9%				
2 Capital goods	-	23,496.6	34,485.6	-47%				
3 Fuel and energy-related Activities (not included in Scope1 or Scope 2)	-	1,258.7	1,378.5	10%				
4 Upstream transportation and distribution	-	1,345.9	1,410.1	5%				
5 Waste generated in operations	-	3,122.7	2,712.5	-13%				
6 Business travel	-	596.4	559.5	-6%				
7 Employee commuting	-	6,742.8	6,998.1	4%				
8 Upstream leased assets	-	131.9	118.2	-10%				
9 Downstream transportation and distribution	-	-	-	-				
10 Processing of sold products	-	-	-	-				
11 Use of sold products	-	-	-	-				
12 End-of-life treatment of sold products	-	2.7	4.9	83%				
13 Downstream leased assets	-	-	-	-				
14 Franchises	-	-	-	-				
15 Investments	-	287.6	267.9	-7%				
Total GHG emissions (tCO ₂ eq)								
Total GHG emissions (location-based) (tCO ₂ eq)	27,657.9	121,742.3	137,399.5	13%				
Total GHG emissions (market-based) (tCO ₂ eq)	-	104,112.3	120,848.3	16%				

Emissions from Scope 1 and 2 include emissions from Valamar group, which includes Valamar Riviera with its subsidiary in Austria and Imperial Riviera with its affiliate Praona d.o.o.

In the table above, the estimate of greenhouse gas emissions for the reference year 2015 has been updated, since from 2024 onwards, all quantities of refilled refrigerant are registered. Since the complete collection of refrigerant quantities significantly increased emissions, the quantities of refilled refrigerant for 2015 were estimated, to make the comparison of emissions with the reference year as more accurate. The estimates were made by taking the quantities of refrigerants replenished in 2024, except in facilities where there was no air conditioning in 2015, in which cases the quantities of refrigerants were proportionally reduced.

Policy for the recalculation of greenhouse gas emissions of the reference year and other comparative years

Valamar group will recalculate the emissions of the base year and other comparative years in the following circumstances:

- significant changes in the structure of companies such as mergers, acquisitions, divestments, outsourcing and insourcing,
- changes in calculation methodologies, improvements in data accuracy or detection of significant errors,
- changes in categories or activities included in the Scope 3 inventory,
- based on a decision of the Management Board of Valamar Riviera.

The qualitative and/or quantitative threshold criterion used to define any significant change in data, inventory boundaries, methods, or any other relevant factors is one that changes the emissions of a base year, or other comparative years, by at least ten percent.

The Emission Factor (EF) Selection policy is designed to ensure that the most up-to-date and context-specific data available for Valamar group carbon footprint calculations are used.

1.General categories (e.g. capital goods, food, chemicals)
The most recently published emission factor databases available at the time of calculation shall be used consistently. This ensures that calculations are based on the latest industry averages available from trusted sources. Updated EFs are used to recalculate the base year or other comparable years to ensure comparability of data.

2. Utilities: Electricity (exception)
Electricity is treated as an exception because its carbon intensity is highly dependent on the grid structure of a given reporting year. For electricity, the carbon footprint shall be estimated using EF specific to the calculation year in question.

This Report has updated greenhouse gas emissions for 2024 in accordance with the Policy of Recalculation of the Reference Year and Other Comparative Years for Greenhouse Gas Emissions, stated earlier in the text.

Scope 1 emissions

Direct greenhouse gas emissions arise from its own assets or assets over which Valamar group has control. Direct emissions include emissions from fuel combustion for heating buildings and operating vehicles, as well as refrigerant gas leakage. In 2025, Scope 1 emissions increased as a result of the increase in gas consumption compared to 2024. This increase

in Scope 1 emissions is offset by the reduction in fuel consumption.

Physical or chemical treatment is not included in the calculation of Scope 1 greenhouse gas emissions, as Valamar group does not carry out such processes.

Biogenic CO₂ emissions from the combustion or biodegradation of biomass do not exist in Scope 1 greenhouse gas emissions.

Scope 2 emissions

Indirect greenhouse gas emissions are generated from the production of purchased electricity and district heating.

In accordance with the guidelines for Scope 2 of the Greenhouse Gas Protocol, Valamar group reports on electricity-related emissions, location-based emissions and market-based emissions:

- Location-based emissions are the average emission intensity of the electricity grid,
- Market-based emissions: 100% of purchased electricity comes from renewable sources, in accordance with contractual agreements with electricity suppliers. Statements on the cancellation of emissions of purchased energy from renewable sources were issued by the Croatian Energy Market Operator (HROTE).

To mitigate Scope 1 and 2 emissions, Valamar group will invest EUR 298 thousand from the total CapEx plan of EUR 1.3 million by the end of 2026 in the continuation of the decarbonization project.

Location-based Scope 2 emissions have been reduced compared to 2024. The reduction in emissions by about 8% is caused by lower consumption of purchased electricity compared to 2024.

Market-based Scope 2 emissions were reduced by 4% compared to 2024, also due to a decrease in energy consumption.

Percentage of contractual instruments – Scope 2 greenhouse gas emissions

In Valamar group, almost 100% of electricity comes from renewable sources, which is covered by a green energy certificate from distributors.

Scope 3 greenhouse gas emissions

Scope 3 emissions for 2025 represent an estimate and include the issues of Valamar group, which includes Valamar Riviera with a subsidiary in Austria and Imperial Riviera with its affiliate Praona d.o.o. In the Investments category, Scope 1 and Scope 2 issues of Helios Faros d.d. are included in accordance with the ownership share.

Compared to 2024, Scope 3 greenhouse gas emissions increased by 16%, mainly because of an increase in capital goods and purchased products and services. As a result of the increased volume of purchased goods, the emissions of Upstream Transportation and Distribution increased by 5%. In the category of business travel, emissions decreased by 6%. An increase was recorded in the category Employee commuting, mainly due to an increase in

the number of flights during seasonal migrations. Emissions from the End-of-Life Treatment category increased by 83%, albeit in absolute terms by just over 2 tCO₂e, due to the inclusion in the calculation of the quantities of products sold by Valfresco Direkt and markets that were not included in the calculation until 2025. On the other hand, emissions from the category of Waste Generated in Operations decreased by 13%.

Other indirect greenhouse gas emissions arise from activities, but from sources that are not owned or controlled by Valamar group, i.e. in the upstream or downstream value chain.

The Scope 3 emissions report for 2025 contains the following categories:

1. Procurement of Goods and Services
The greenhouse gas emissions associated with food products and chemicals are calculated based on the weight or volume of products purchased. Greenhouse gas emissions associated with other products and services were estimated using a monetary approach. Depending on the characteristics of the types of products and services, they are assigned a specific emission factor.
2. Capital Goods
The emissions associated with the part of the capital goods for which emission factors are available (electric vehicles, IT equipment, furniture, commercial vehicles and other equipment) shall be calculated using an activity-based approach. For the remaining capital goods, a monetary approach is applied.

GHG emissions intensity

Current reporting year 2025	2024	2025
TOTAL GHG emissions (location-based) per net revenue (tCO ₂ eq/monetary unit)	0.,00350	0.000301
TOTAL GHG emissions (market-based) per net revenue (tCO ₂ eq / monetary unit)	0.000305	0.000265
Net revenue	411,321,821	455,264,149

3. Fuel and Energy-Related Activities (not covered by Scope 1 or 2)

The emission factors used to calculate energy-related emissions include emissions associated with fuel and energy production.

Fuel and energy emissions in this category are estimated by multiplying fuel and energy consumption by a specific emission factor. Energy-related emissions are estimated based on consumption at all sites (in kWh).

4. Upstream Transportation & Distribution

Emissions related to the upstream transportation and distribution were estimated based on the distance between suppliers and facilities.

The estimate of the number of arrivals at the destination was made on the basis of the invoices issued.

5. Waste Generated in Business Operations

Greenhouse gas emissions related to waste generated at Valamar group sites are estimated based on the weight of waste (in tonnes) and waste stream (recycling, composting, incineration, disposal, etc.).

6. Business Travel

Greenhouse gas emissions from business travel were estimated based on records of air, land and sea travel. The kilometres travelled in each mode of transport are multiplied by the corresponding emission factor (GHG emissions from vehicles owned or operated by the company are listed in Scope 1).

The calculation was made on the basis of purchased airline tickets and the distance travelled by your own car for official purposes.

7. Employee Commuting

The greenhouse gas emissions associated with employee commuting were estimated by analysing:

- the employee's daily commute to work,
- travel of seasonal workers at the beginning and end of the season in order to get from the place of residence to the place of work, i.e. a temporary stay.

There are exact distances between the place of residence and work, as employees are compensated for commuting based on the distance in kilometres. To estimate the rate of transport sharing, a survey was conducted.

For the part of students who migrate seasonally, there is no data on travel from the place of residence, so the distance was estimated based on the average distance to the place of residence of all students for whom data exist.

8. Upstream Leased Assets

Emissions related to upstream leased assets leased by Valamar group (user) and not included in Scope 1 or Scope 2.

These emissions represent a smaller proportion and are generated by the rental of vehicles and equipment.

12. End-of-Life Treatment of Sold Products

The emissions of this category were calculated on a sample of products sold. The average recycling rate by country was used to estimate the emission factor.

15. Investments

Valamar group has included in this category, in accordance with the ownership share, greenhouse gas emissions from Scope 1 and 2 of Helios Faros d.d. as an associated company over which Valamar

Riviera does not have operational control. In the calculation of electricity-related emissions for Helios Faros d.d., the emission factor for the residual mix was used.

The categories Downstream Transport and Distribution, Processing of Sold Products, Use of Sold Products, Downstream Leased Assets and Franchises are not included in the calculation of Scope 3 greenhouse gas emissions. Downstream Transportation and Distribution is negligible, since products/services are delivered on site. The processing of sold products is not relevant for Valamar group, as it does not supply semi-finished products for further processing to the market. The products sold by Valamar group are diverse, but they do not directly consume energy or emit greenhouse gases during use. Therefore, the only emissions associated with these products are indirect emissions from energy consumed during their use (e.g. cleaning).

Operations of Downstream Leased Assets, i.e. assets owned by Valamar group, as a lessor, which are leased to other entities, are included in the Scope 1 and Scope 2 issues of Valamar group, as the leased premises are part of Valamar group's facilities. The Franchise category is not applicable to Valamar group as it is not a franchisor (Valamar group does not grant licenses to other entities for the sale or distribution of its products or services in exchange for fees, such as royalties for the use of trademarks and other services).

In accordance with the guidelines of the Greenhouse Gas Protocol, Valamar group has decided not to include these emissions in its calculations, as they are considered insignificant compared to the company's total emissions.

Biogenic CO₂ emissions

Biogenic CO₂ emissions from the combustion or biodegradation of biomass are included in the greenhouse gas emissions of Scope 2 and 3.

Biogenic emissions arise from the use of wood pellets as an energy source for steam production, which is then used for building heating in Obertauern, as well as from fuel- and energy-related activities that fall outside the boundaries of Scope 1 and Scope 2. The biogenic emissions of buildings in Obertauern amounted to 895.1 tCO₂e in 2025. In 2024, amounted to 805.2 tCO₂e.

Methodology for estimating greenhouse gas emissions

Methodologies, essential assumptions and emission factors used to estimate greenhouse gas emissions:

- The calculation of the carbon footprint and reporting include all companies that are under the operational control of Valamar group,
- The calculation and reporting shall be carried out in accordance with the Greenhouse Gas Protocol – Standard for the Calculation and Reporting of Greenhouse Gases in the Corporate Value Chain (Scope 2 Guidelines) and the Standard for the Calculation and Reporting of Greenhouse Gases in the Corporate Value Chain (Scope 3 Guidelines), hereinafter referred to as the "Emissions Protocol",
- The calculation of the carbon footprint includes Scope 1, 2 and 3.

The table below lists the sources of emission factors and the calculation methodology for each emission category.

These emission factors have been selected because they best match the actual emission sources.

Greenhouse gas emission categories	Sources of emission factors	Emission Factor Issues	Emission Factor Methodologies
1.1. Production of electricity, heat or steam	UK GHG CONVERSION FACTOR	2025	Fuels Gaseous fuels LPG upstream + use phase -- Source: UK GHG Conversion Factors 2025
1.2. Transport of materials, products, waste and employees	UK GHG CONVERSION FACTOR	2025	Passenger vehicles Motorbike Medium upstream + use phase -- Source: UK GHG Conversion Factors 2025
1.4. Fugitive emissions	PUBLIC AUTHORITY	1	This ratio is provided by the Intergovernmental Panel on Climate Change (IPCC) [1], -- -- Source : -- [1] IPCC - The Earth's Energy Budget, Climate Feedbacks and Climate Sensitivity - Chapter 7 : Supplementary Material
2.1. Indirect emissions related to electricity	UK GHG CONVERSION FACTOR	2025	Passenger vehicles Motorbike Medium upstream + use phase -- Source: UK GHG Conversion Factors 2025
2.2. Indirect emissions related to steam, heat and cooling	HEAT_NETWORK_FRENCH_ GOVERNMENT	2024	This ratio is the average of all values provided by the French Government in their official journal [1], Data relative to the 2024 report, which provides data for 2022, Sources: [1] Legifrance
3.1. Purchased goods and services	AGRIBALYSE	3,2	Total impact (agriculture, transformation, packaging, transport, supermarket&distribution, consumption) of 'Vegetables Average' [1] calculated as an average of all the emission factors from child purchase categories, -- -- Source: -- [1]: Agribalyse v3,2, 2024,'Food products' part
3.2. Capital goods	BASE CARBONE ADEME	22	Source: ADEME Base Carbone v20,2 -- -- More informations on https://bilans-ges,ademe,fr/en/
3.3. Fuel and energy related activities (not included in Scope 1 or 2)	UK GHG CONVERSION FACTOR	2025	Passenger vehicles Motorbike Medium upstream + use phase -- Source: UK GHG Conversion Factors 2025
3.4. Upstream transportation and distribution	GREENLY MEF	1	This ratio is computed by dividing the carbon footprint of road freight [1] by its average price in France in 2024, The price was obtained by calculating the benchmark price [2] over 30 different travels across France (the main corridors are between Paris, Marseille, Lyon, Lille and Le havre [3]), -- -- Sources: -- [1] GLEC Framework v3 -- [2] Uply -- [3] Eurostat
3.5. Waste generated in business operations	BASE EMPREINTE ADEME	23,8	This ratio is provided by the The French Environment Agency (ADEME) -- -- Source: -- Base empreinte, (ADEME)
3.6. Business Travel	UK GHG CONVERSION FACTOR	2025	Business travel- sea Ferry Average (all passenger) Combustion only -- Source: UK GHG Conversion Factors 2025
3.7. Employee commuting	BASE CARBONE ADEME	22	Source: ADEME Base Carbone v20,2 -- -- More informations on https://bilans-ges,ademe,fr/en/
3.8. Upstream leased assets	ADEME MEF BASE EMPREINTE	23,5	This monetary ratio is provided by the French Environment Agency (ADEME), It is provided for the category 'Computer, electronic and optical products' ('Produits informatiques, Électroniques et optiques'), Source: The French Environment Agency (ADEME), Base Empreinte, Base Carbone
3.10. Processing of sold products	GREENLY MEF	1	This ratio is a weighted average of the Greenly monetary emission factors "Train", "Flight", "Taxi" and "Hotel" [1], -- -- Sources: -- [1] Greenly Experts
3.11. Use of sold products	GREENLY MEF	1	This ratio is computed by dividing GHG emissions resulting from a hotel stay in France [1] by its average price in 2024 [2][3], -- -- Sources: -- [1] Cornell Hotel Sustainability Benchmarking (CHSB) Index 2023 -- [2] Hotel overnight stay price index, Statista, KPMG, 2021 -- [3] The French National Institute of Statistics and Economic Studies
3.12. End-of-life processing of products sold	DUMB EF	1	

Valamar group has been calculating greenhouse gas emissions since 2015. As new companies joined Valamar group, Valamar Riviera included them in the consolidated GHG report.

Furthermore, under the Greenhouse Gas Protocol, due to structural changes, the emissions from the base year (2015) were recalculated by including the greenhouse gas emissions of the associated companies in the Group's emissions in the base year.

There is no data on greenhouse gas emissions for 2015 for the six facilities (Makarska and Obertauern) of the companies that have joined Valamar group. However, their emissions were not significant (around 5% of Valamar group's actual emissions). The emissions of the destination Makarska in 2015 were estimated based on available data from the nearest year.

The estimate of greenhouse gas emissions for 2025 was made based on data for the period January - October 2025 and November - December 2024. Given that the volume of operations in the last two months represents only 2.8% of annual operations, it was not considered necessary to correct the estimated emissions.

This is the first year of conducting such an assessment. Subsequently, based on the differences between the estimated emissions for November and December and the emissions calculated based on material inputs, a correction factor for the following years will be constructed, if the difference is significant.

Effects of significant events and changes in circumstances relevant to GHG emissions

There has not been any significant events and changes in circumstances relevant to Valamar group's GHG emissions.

Reconciliation to financial statements of net revenue used for calculation of GHG emissions intensity

Net revenue value used for calculating GHG emissions intensity and other relevant net revenue values are presented in financial statement within Note 5 - Segment information.

GHG assessment methodology - Scope 3 specifics

The share of GHG Scope 3 emissions calculated using primary data is 62%. This percentage is based on emissions calculated using activity-based data from the value chain.

Efforts are underway to enhance accuracy in the upstream transport category and improve the precision of activity-based data for purchased goods.

Suppliers are encouraged through the Supplier Code of Conduct to track their emissions, enabling the collection of actual emission data from suppliers in the future.



ESRS E3

WATER AND MARINE RESOURCES

E3 IRO-1

Description of processes to identify and assess material water and marine resources-related impacts, risks and opportunities

The process of procedures for identifying and assessing significant impacts, risks and opportunities is described as part of the ESRS 2 IRO-1 application within Chapter ESRS 2 of the General Disclosure.

- Evaluation of assets and activities
- Valamar group has a long tradition of monitoring and evaluating its impacts, risks and opportunities related to water management, including:
- Consumption - Total water consumption in m3, Water consumption per occupied room, amount of recycled water for irrigation, Purified water reused in laundry processes, Used recycled water, desalinization in Camp Istra,
 - Groundwater and water from local or other water supply - Underground water supply lines, Local and other water supply, and
 - Water discharge by destination - Public sewages system, discharge into surrounding terrain.

The results of Valamar group's operations can also be influenced by various environmental stressors. They primarily pose a danger to the guest's satisfaction with the overall experience of staying in the destinations where Valamar group operates. This can result in a reduced number of arrivals. As the result of its screening, responsible water management was identified as material for Valamar group.

Consultations with affected communities

Outlined in the ESRS 2, SBM-2 requirement.

E3-1

Policies related to water and marine resources

Environmental Policy outlines key actions and policies focused on the significant issues; water management, including commitment to reduce significant water consumption within operations and water treatment as a step towards sustainable water procurement.

POLICY	DESCRIPTION	Scope	Responsibility	Stakeholder interests	Communication	High water stress areas	Measures	Water management
ENVIRONMENTAL PROTECTION POLICY	The policy emphasizes the responsible management of water consumption. A continuous reduction of water consumption is ensured through a system for monitoring and managing water consumption and detecting key positions for optimal water consumption.	This policy is binding for all Valamar group facilities, operations and business activities across all destinations. The policy refers to the overall management of resources, operational processes and business decision-making, with the goal of achieving sustainable results.	This policy is adopted by the Management Board and the Supervisory Board of Valamar Riviera.	Valamar group regularly communicates with stakeholders to ensure transparency and participation in the process of achieving goals. Information is simultaneously exchanged with key stakeholders through various communication channels.	The policy is publicly available on the Valamar Riviera website esg.valamar-riviera.com , thus ensuring transparency and allowing all stakeholders insight into Valamar group's goals and obligations in the field of environmental protection. Policy is integrated into the Code of Business Conduct and the Supplier Code of Conduct.	Valamar group has no operations in areas of high-water stress.	Valamar group invests in wastewater purification and reducing consumption, develops alternative sources for producing own process water used for irrigating green areas and washing laundry.	By educating employees and lessees and informing guests, Valamar group aims to raise awareness about the responsible consumption of this essential resource. Planting native plans that are adapted to the conditions of the local climate that reduces need for irrigation and contributes to the preservation of water.

E3-2

Actions and resources related to water and marine resources

In 2025, actions were focused around three initiatives leading to an increased water management efficiency:

Investment in water consumption optimization from 2025 to 2026

Installation of perlators and aerators - To reduce water consumption, perlators and aerators are installed to minimize excessive water flow and improve overall efficiency in the water usage system. This is expected to result in water consumption savings. By monitoring the water consumption after the installation of aerators and perlators, and comparison with previous consumption levels, Valamar group can assess and track the effectiveness of this action.

Installation and supply of taps and showers - Installation and supply of taps and showers with a flow rate of less than 8 litres for showers and 6 litres for taps per minute to reduce water consumption in facilities. These devices allow for efficient water use while minimizing unnecessary consumption, contributing to sustainability and reducing the environmental footprint. The installation of these devices is carried out in all relevant areas, including bathrooms and kitchens, with the aim of optimizing water use without compromising user comfort. This is expected to result in water consumption savings. By monitoring water consumption before and after the investment, Valamar group can assess and track the effectiveness of this action.

Use of groundwater for irrigation

Use of boreholes for irrigating the green areas of the property at Baška Beach Camping Resort and

the new Pical Resort. This is expected to result in water consumption savings for drinking water used for irrigating green areas. The effectiveness of the action is assessed or tracked by monitoring the water consumption from groundwater sources.

Rainwater harvesting system

Use of rainwater for irrigating green areas and watering tennis courts at Valamar Pical Resort. This is expected to result in water consumption savings through construction. The effectiveness of this action is assessed and tracked by measuring water usage from the retention system.

The total amount of 234,705 EUR was invested in water management actions in 2025. Water consumption reduction measures at Valamar Pical Resort amount to 421,864 EUR during the construction period.

E3-3

Targets related to water and marine resources

In the tourism sector, water is essential for various operations, including cooling systems, maintaining swimming pools, and landscaping. The Valamar group has set a voluntary target for responsible water management to reduce water consumption per occupied accommodation unit across all properties in order to mitigate the risk of potential water shortages.

Target is aligned with Environmental Protection Policy and applies to all Valamar group's properties. The baseline year used is 2023, with a reference value of 0.55 m³. A continuous reduction of water consumption is ensured through a system for monitoring and managing water consumption and detecting key positions for optimal water consumption. By applying

advanced technologies that increase the efficiency of water use, as well as by reusing it, Valamar group is further contributing to the sustainability of its business.

Valamar group has decided on a water consumption reduction target, using a methodology based on benchmarking against other tourism companies. A target of 0.55 m³ per occupied room has been set. Valamar group is monitoring water consumption across all its facilities through the facility maintenance management level (EMIS).

There are no changes to metrics, methodologies and definitions. In 2025, an increase in water consumption was recorded as a result of higher capacity and the implementation of new investments, which led to a higher intensity of water use from the system. The achieved value amounted to 0.66 m³ per occupied accommodation unit, representing a deviation from the set target value.

E3-4

Water consumption

WATER RECYCLING	2024	2025
Total water consumption (m³)	1,786,544	1,847,734
Occupied accommodation unit	3,046,343	2,793,833
Water consumption per occupied accommodation unit (l)	0,59	0,66
Amount of recycled water for irrigation purposes (m³)	-	-
Treated water for reuse in washing processes – Poreč Laundry (m³)	21,854	29,424
Utilized recycled water (as a percentage of total consumption)	1.22%	1.59 %
GROUNDWATER AND WATER FROM LOCAL OR OTHER WATER SUPPLIES		
Groundwater supply (m³)	23,407	49,317
Local or other water supplies (m³)	1,763,137	1,798,417
WATER DISCHARGE	1,657,939	1,714,598
Public drainage system (m³)	1,536,428	1,589,052
Sea (m³)	104,323	111,269
Discharge into land (m³)	17,188	14,277
Total consumption m³ / net revenue million EUR	4.34	4.06
NET REVENUE	411,321,821	455,264,149

ESRS E5

RESOURCE USE AND CIRCULAR ECONOMY

ESRS2 IRO-1
Description of processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

The process of procedures for identifying and assessing significant impacts, risks and opportunities is described as part of the ESRS 2 IRO-1 application within Chapter ESRS 2 of the General Disclosure.

E5-1
Policies related to resource use and circular economy

The Environmental Protection Policy sets out key measures and policies focused on important issues: pollution prevention, conservation and efficient use of natural resources, and the reduction and proper management of waste.

E5-2
Actions and resources in relation to resource use and circular economy

Valamar group implements the following activities and measures aimed at reducing waste:

- **Improvement of infrastructure and internal procedures:** Clear conditions and infrastructure (dedicated containers) are provided in all facilities for consistent selective separation of all waste fractions. Detailed internal procedures ensure proper action at all levels,
- **Implementation of the circular economy (Biowaste):** Through the application of advanced technologies, such as electric composters on sites, a significant part of biowaste (including discarded food) is processed on-site. Conscientious composting creates valuable compost that is used to fertilize horticultural areas,

thus applying the principles of the circular economy and returning nutrients back to nature,

- **Education and awareness-raising:** Mandatory training of employees on the importance and correct methods of waste separation is continuously carried out. At the same time, guests are informed through educational leaflets and digital materials, encouraging them to actively participate,
- **Optimisation of procurement processes:** Valamar actively cooperates with suppliers to reduce packaging waste at source, giving priority to returnable packaging, bulk packaging and products without single-use plastics.



POLICY	DESCRIPTION	Application area	Responsibility	Interest of stakeholders	Communication	Impacts, risks and opportunities covered
ENVIRONMENTAL PROTECTION POLICY	The Environmental Policy highlights the following aspects: - Pollution prevention as a fundamental approach to environmental management - Conservation and rational use of natural resources - Reduction and proper disposal of waste - Ensuring the availability of information and all necessary resources to achieve the general and individual environmental and energy objectives	This policy is binding for Valamar group facilities in all destinations and for all operational and business activities. The policy applies to the overall management of resources, operational processes and business decision-making, with the aim of achieving sustainable results.	This policy was adopted by the Management Board and the Supervisory Board of Valamar Riviera.	Valamar group communicates regularly with stakeholders to maintain transparency and ensure participation in the process of achieving goals. Information is exchanged simultaneously with key stakeholders through different communication channels.	The policy is publicly available on the Valamar Riviera website (esg.valamar-riviera.com/hr/), which guarantees transparency and allows all stakeholders to see the goals and obligations in the field of environmental protection. The policy is an integral part of the Code of Business Conduct and the Supplier Code of Conduct.	The policy addresses the monitoring and reduction of waste generation, including measures to reduce waste generation and increase the amount of waste recycled. A systematic increase in the level of recycling is carried out through an integrated waste management system. This approach allows for the identification of key sources of waste generation and the application of targeted measures to reduce it. By introducing innovative technologies and improved separate collection and recycling processes, Valamar is continuously improving the efficiency of waste management and reducing the quantities disposed of in landfills. Our goal is to achieve a recycling rate higher than the European Union average, whereby Valamar actively contributes to sustainable business and environmental protection.

E5-3

Targets related to resource use and circular economy

In its sustainability strategy, Valamar group has set an ambitious goal to achieve a waste recycling rate higher than the European Union average by the end of 2026. According to the European Environment Agency (EEA), the EU overall recycling rate is 44%. Through the improvement of waste separation infrastructure in its facilities, the education of employees and guests, and cooperation with local utility companies and recycling centres, the Group strives for a recycling rate higher than the EU average. This target value is in line with the Environmental Policy and applies to all Valamar group facilities.

The recycling rate is monitored through internal reporting systems and published in annual reports,

ensuring transparency and accountability. At the level of Valamar group, data on collected waste, including paper and cardboard, glass, plastic, wood, biodegradable waste (including the amount of biodegradable waste disposed of by composting), waste edible oils and waste from oil and grease separators, metals, bulky waste and other non-hazardous waste, are monitored via the Waste Control application, through which accompanying reports are generated in accordance with legal requirements containing detailed information on waste, including the amount of waste and the type of waste.

Within Valamar group, the waste recycling rate began to be monitored in year 2015 when it was 30%. In 2025, a recycling rate of 60% was reached.



E5-5

Resource outflows

AMOUNT OF WASTE		2024	2025
1	Total amount of waste generated (t)	11,896	13,298
2	Total amount of non-hazardous waste	6,939	7,962
3	Total amount of hazardous waste	17	18
4	Total amount of waste by weight diverted from disposal (t)	6,939	7,962
5	Non-hazardous waste		
	Preparation for reuse (including composting)	0	0
	Recycling	2,975	4,341
	Other recovery operations	3,965	3,621
6	Hazardous waste		
	Preparation for reuse	0	0
	Recycling	8	7
	Other recovery operations	9	11
7	Total amount of waste by mass directed to disposal (t)	661	1,322
8	Non-hazardous waste		
	Incineration	0	0
	Waste disposal	4,939	5,318
	Other recovery operations	6,956	7,980
9	Hazardous waste		
	Incineration	9	11
	Waste disposal	0	0
	Other recovery operations	8	7
10	Total waste recycled (t)	6,956	7,980
11	Total waste recycled (%)	58.48%	60.01%
12	Total non-recycled waste (t)	4,939	5,318
13	Total non-recycled waste (%)	41.52%	39.99%

Social information

Employee empowerment: Valamar group's commitment to employees in 2025

Through the "Prvi s razlogom" initiative, Valamar group continuously strengthens long-term relationships with employees, creating an inspiring workplace with competitive salaries, training opportunities, and career development in tourism.

In 2025, Valamar group continued to make significant investments in its employees, increasing base salaries for thousands of team members in agreement with social partners and granting various performance-related awards. In addition to financial investments, special emphasis was placed on a broad range of additional benefits, including a children's playroom for employees' children, the Valamar Family & Friends programme, discounts on accommodation, restaurants and bars within the

Valamar group, wellness and sports benefits, as well as exclusive offers with numerous partners. Particular attention was also given to employees' housing needs through the provision of high-quality accommodation for seasonal employees and the "Krov and glavom" programme, which co-finances employee housing.

Valamar group's dedication to its employees has been widely recognized, with Valamar Riviera being named the most desirable employer in tourism for the eighth consecutive year, according to the annual employer ranking by Alma Career Croatia. By continuously improving working conditions and investing in employee support, Valamar group strengthens job satisfaction and contributes to a positive work environment in the destinations where it operates.

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ESRS S1

OWN WORKFORCE

S1 SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

The process of procedures for identifying and assessing significant impacts, risks and opportunities is described as part of the ESRS 2 IRO-1 application within ESRS 2 - General Disclosures.

Valamar group has no identified activities in which there is a risk of forced or child labour.

People at particular risk or harm
According to risk assessment, particular employees or employee groups face a higher risk of harm compared to the rest of its workforce which are on the certain workplace:

- Handyman and horticulture worker (environmental, electrical, chemical, mechanical, physical),

- Security guards (biological and chemical, physical injuries, physical harm), and
- Butcher (noise, cold, vibration, physical injuries and ergonomic hazards).

Employees who perform tasks with special working conditions must meet special requirements in accordance with the provisions of the Ordinance on jobs with special working conditions regarding their age, gender, professional abilities, health, physical state and mental condition.

They have regular medical examinations at the occupational medicine department to determine their health status, and training to improve their knowledge.

S1-1

Policies related to own workforce

Anchored in Valamar group organizational values is a steadfast commitment to respect and protect the human and labour rights of its workforce. These policies and procedures demonstrate its dedication to upholding and implementing the Group values. Valamar group is committed to ensuring that its policies adhere to internationally recognized standards, reflecting its dedication to creating a safe, inclusive, and fair workplace. By aligning with global standards, Valamar group uphold the highest ethical principles and promote a culture of respect and dignity for all employees.

Overview of workforce-related policies
The Management and Supervisory Boards of Valamar Riviera and Imperial Riviera have established their Working Conditions, Health and Safety and Career Management Policies that govern significant impacts, risks or opportunities related to the workforce and that apply to all employees. With these Policies, Valamar group remains determined to ensure that the company's activities never cause human rights violations. In accordance with the Policies, the salary of each employee is higher than or equal to the legally prescribed minimum wage in the Republic of Croatia and Austria and is calculated and paid in accordance with the mandatory regulations of the Republic of Croatia and Austria and the collective agreement of the company in Croatia. Valamar group ensures equal pay for male and female employees for equal work or work of equal value and strictly prohibits any form of discrimination based on sex, sexual orientation, racial or ethnic origin, religion or belief, disability, age or other personal characteristics.

To uphold these principles, Valamar group guarantees confidentiality and protection of the dignity of all employees who decide to report any form of discrimination or lodge complaints. Complaints can be sent by email or verbally. The quality of interpersonal relationships and relationships with superiors are assessed during annual evaluations. If complaints are reported, concrete measures are taken to resolve them.

The Group believes in lifelong learning in tourism and hospitality, and in a fair and equal environment for all employees. A Career Management Policy provides an opportunity for employees to develop the skills and knowledge needed to take on greater work responsibility and engagement, move to leadership positions or move to a new position. This aims to ensure that employees who have the potential to take on leadership positions gain extensive experience in various jobs and undergo appropriate training, to be trained to perform future tasks. The education and training programmes covered by this policy are described in S1-4 Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches.

The health and safety of employees is given the highest importance in business, all with the aim of their well-being and satisfaction. In all Valamar group facilities, the Health and Safety Policy is implemented by applying standard operating procedures.



In order to ensure a healthy and safe environment and good working conditions for employees, the Group is focused on:

- continuous harmonization of business and activities with all applicable legal and other requirements in the field of health and safety protection
- conducting consultations with workers and their representatives and ensuring their participation in the creation and improvement of the health and safety management system
- identification of risks and hazards in the environment and implementation of measures for their elimination and prevention of injuries and diseases
- continuous improvement of working and living conditions and improvement of the health and safety management system.

An integral part of the work organization in Valamar group is the Occupational Health and Safety Policy, the purpose of which is to improve the safety and health of workers and persons at work, to prevent the occurrence of injuries at work, occupational diseases and other work-related diseases. The Policy applies in its entirety to all persons who are in a relationship with the Company on any basis, whether they are employees who are in a contractual relationship or persons undergoing professional training, internship or performing tasks for the Company on the basis of a civil law relationship. Employees of other legal entities who are associates during their work in the Company must be familiar with and must comply with the provisions of the Policy. The Management Boards of Valamar Riviera and Imperial Riviera are responsible for the implementation of these Policies, which are available to all Valamar group employees on the website. Valamar group is committed to the implementation of the UN Guiding

Principles on Business and Human Rights and the fundamental conventions of the International Labour Organization. Valamar group adheres to and acts in accordance with the European Convention on Human Rights and Fundamental Freedoms.

Policy changes over the past year

There were no changes to the Working Conditions Policy in 2025. Changes to the Health and Safety and Career Management Policies were adopted.

Illustration of how policies are communicated to stakeholders

Valamar group’s policies are publicly available on its official website, ensuring that all employees have easy access to the latest information. This transparent approach allows stakeholders, including workforce, to stay informed about Valamar group practices, standards, and expectations.

Alignment of policies with internationally recognized standards

Valamar group ensures that its policies are aligned with internationally recognized standards, demonstrating its commitment to ethical business practices and the protection of fundamental rights.

Valamar group strictly adhere to the European Convention on Human Rights and Fundamental Freedoms, ensuring that policies and operations uphold the highest standards of human rights protection. Valamar group also implements the UN Guiding Principles on Business and Human Rights, reinforcing its commitment to responsible business conduct and respect for fundamental rights. Additionally, Valamar group is committed to respecting the Children’s Rights and Business Principles established by UNICEF, integrating these principles into business practices to promote the well-being and rights of children. The Working Conditions Policy explicitly address trafficking in human beings, forced labour, compulsory labour and child labour. The Health and Safety Policy and Quality and Sustainability Policy address workplace accident prevention.

Inclusion and non-discrimination

The Diversity and Non-Discrimination policy, Working Conditions Policy and Code of Business Conduct address the elimination of discrimination and harassment, promoting equal opportunities, and supporting diversity and inclusion. Those Policies explicitly addresses the following grounds for discrimination: racial and ethnic origin, sex, sexual orientation, disability, age, religion, or any other discrimination. Valamar group actively promotes a diversity and non-discrimination policy, supported by Standard Operating Procedures. These procedures clearly define the reporting process for cases of discrimination and harassment, ensuring transparency and support in addressing such situations. In compliance with labour law, Valamar Riviera and Imperial Riviera have appointed for each company two authorized individuals of different genders responsible for receiving and resolving complaints related to the protection of employee dignity. This practice further strengthens employee trust and ensures a fair process. To raise awareness and educate employees, Valamar group conducts internal training sessions on topics such as recognizing discrimination, inclusion, and related issues. These training programs ensure that all employees understand the importance of diversity and inclusion and can identify potential instances of discrimination.

Top-management responsibility for equal treatment and opportunities

Valamar group has assigned top management responsibility for equal employment treatment and opportunities, issuing clear group-wide policies and procedures for equal employment practice.

Process for handling employee complaints and providing solutions

Valamar group has process for handling employee complaints and providing solutions, including both formal and informal ways to raise concerns.

Policy	Key elements of the policy	Associated effects	Associated risks	Related opportunities
WORKING CONDITIONS POLICY	Compliance with legislation; working hours and reassignment; equal pay; leave; benefits; collective bargaining.	Positive: employee satisfaction; attracting and retaining the workforce; an increase in income Negative: seasonality and increased workload in peak season	Risk of labour shortage; the operational risk of deviations in the application of labour standards; reputational risk	Increase in the number of year-round jobs; strengthening the attractiveness of the employer
CAREER MANAGEMENT POLICY	Career and talent development system; education and training programs; impact assessments and development plans; encouraging internal mobility	Positive: competence development; Increased employee engagement and loyalty Negative: career development can increase the professional mobility of employees	Departure of talents; mismatch of competencies with needs; risk of insufficient mobility within the system	Development of an internal talent base; strengthening the quality of service; creating a culture of learning
HEALTH AND SAFETY POLICY	Health & Safety programs (food and beverage safety through HACCP and prerequisite programs; safety of guests and employees through protocols and training; international certificates of quality, safety and sustainability)	Reducing the risk of illness and injury; greater trust of guests; more efficient work; visibility and compliance with global standards	Human error, non-compliance with procedures, insufficient training, costs	Strengthening reputation and brand; certification as a marketing tool; attracting guests who value safety and sustainability; competitive advantage

S1-2

Processes for engaging with own workers and workers' representatives about impacts

Valamar group takes into account the perspectives of its workforce when making decisions or taking actions that impact them. Valamar group values input from its employees and encourage them to freely express their views and insights with each other and its leadership.

Key participants and resource allocation in engagement process

Valamar group employs various methods to actively collect feedback from its employees, ensuring a comprehensive understanding of their needs and experiences. These methods include:

- **Surveys:** Regular assessments of corporate culture and work climate,
- **Worker Representatives:** Communication with employee representatives such as trade unions and workers' councils,
- **Direct Email:** Feedback collected through emails sent to the Human Resources department,
- **Local HR Offices:** In-person communication facilitated through Human Resources offices located in key destinations, and
- **Employee Gatherings:** Organized events and forums for group discussions and feedback.

These diverse channels allow Valamar group to gather both direct and indirect information. While the Human Resources department takes a leading role in managing the data collection process, the close collaboration with company management ensures the integrity and applicability of the feedback. This data serves as the foundation for informed decision-making and continuous improvement in employee engagement and well-being.

Stage, type and frequency of engagement

Valamar group utilizes various communication and engagement channels to collect feedback from employees and their representatives, identify issues, and support decision-making. These activities include:

- **Corporate culture and climate survey:** A regular survey is conducted annually across 11 different categories to understand employee needs and perceptions. The survey results are analysed, presented to management, suggestions for improvement are considered, and specific actions are taken to implement changes,
- **Meetings with employee representatives:** The employer holds meetings with employee representatives at least once every three months to discuss key issues and address employee needs,
- **Communication via e-mail:** The Human Resources email address is open for suggestions, complaints, and other types of feedback from employees, and
- **Human Resources offices:** HR offices are available at the destinations during working hours, providing employees with direct interaction and support.

This systematic approach ensures transparency and continuous dialogue between employees, their representatives, and management. Engagement takes place at various stages of business processes, from issue identification to implementation and evaluation of solutions, providing a comprehensive insight into the needs and perspectives of the workforce.

Highest-ranking department or function responsible for ensuring engagement with the workforce

The responsibility for ensuring that engagement with employees and their representatives occurs and that

its results are used to manage the Group's impacts falls under the Human Resources department. The Human Resources Vice President is the highest-ranking person in charge of overseeing these activities.

The Human Resources Vice President ensures that employee engagement is systematically implemented across various levels of the organization. This includes both direct feedback from employees and input from worker representatives, which are integral to shaping the company's policies and practices related to workforce impacts. The role of the Human Resources Vice President is part of a broader responsibility within the Human Resources function, which also involves overseeing employee welfare, development, and communication strategies.

Participation in agreements with workers' representatives

At Valamar Riviera, employees participate in the Workers' Council, which ensures the representation of employees and the presentation of all key problems in an appropriate and transparent manner.

Evaluation of engagement effectiveness

Valamar group regularly evaluates employee engagement and satisfaction with compensation through structured assessment methods. Each year, Valamar group conducts a corporate culture and workplace climate survey, which includes a dedicated section on employee satisfaction with salaries and benefits.

Additionally, feedback on the compensation system and working conditions is gathered through ongoing communication with worker representatives and trade

unions. These insights play a crucial role in shaping its wage policies, ensuring that employee perspectives are considered in decision-making processes.

Through these processes, Valamar group continuously monitors employee satisfaction with the compensation system and uses these insights for adjustments and improvements to ensure competitive and fair wages.

Consideration of the perspectives of vulnerable and marginalized employees

Diversity, equality, and inclusion measures involve ensuring equality for all generations of employees. In line with diversity and inclusion policies and practices, Valamar group strives to attract all categories of employees, without discrimination based on gender or age. Valamar group employs individuals with disabilities and continuously works on improving working conditions and adapting workplaces, considering the individual needs and capabilities of each employee. Due to the nature of work in tourism facilities, there are certain challenges in adapting workplaces to engage individuals with disabilities.

Therefore, in addition to direct employment, Valamar group has been successfully collaborating for many years with integrative workshops that employ individuals with disabilities, while also using their services and purchasing their products, thereby promoting the inclusion of individuals with disabilities in the labour market in line with their abilities and potential. In the coming years, Valamar group will continue to explore additional opportunities to increase the inclusion of individuals with disabilities and provide the best working conditions and career development opportunities for all employees.

S1-3

Processes to remediate negative impacts and channels for own workers to raise concerns

Employees who experience discrimination or harassment are encouraged to seek support, while leadership has a duty to report any such cases they witness or are notified of. Valamar group continuously ensures that all employees are informed about the available grievance mechanisms through onboarding and internal communications and every report is handled confidentially. Valamar group also ensure that individuals who raise concerns are protected from retaliation.

Valamar group provides multiple channels for employees to raise concerns or express their needs, ensuring accessibility, confidentiality, and appropriate follow-up. These channels include:

- **Written complaints:** Employees can submit written grievances directly to designated representatives,
- **Oral statements:** Verbal concerns can be reported to a designated person within the company, who will document the issue in an official record, and
- **Formal statements on the record:** Employees may provide verbal reports in the presence of a union representative, Worker's Council member, or authorized proxy, ensuring transparency and proper representation.

Additionally, Valamar group emphasizes confidentiality and impartiality in addressing these concerns, fostering trust and encouraging employees to voice their issues. Feedback from these mechanisms is regularly reviewed, and appropriate actions are implemented to resolve issues effectively.

Accessibility of third-party mechanisms for the workforce

Employees can raise concerns or needs through various channels such as grievance mechanisms, trade unions, Worker's Councils, or dialogue processes.

Commitment to Human Rights

Valamar group is committed to protecting fundamental human rights, including safeguarding the dignity, privacy, health, and equitable treatment of all employees. These principles are aligned with the regulations of the Republic of Croatia and Austria and have been integrated into the company's internal policies, including the Collective Agreement concluded with union partners in Croatia. The company consistently implements the UN Guiding Principles on Business and Human Rights as well as the core conventions of the International Labour Organization, actively preventing any misuse of human rights.

Channels for Submitting Complaints

Valamar Riviera allows employees to send complaints to persons authorized to receive and resolve employee complaints, through trade union representatives or the Worker's Council. In addition, employees, partners and all third parties are allowed to send complaints via the prituzbe.prijedlozi@valamar.com e-mail address which is publicly available on the official Valamar website. Upon receipt of complaints via e-mail address, they are forwarded to the responsible persons for the management of complaints.

Complaint Handling Procedure

Two authorized persons of different genders are responsible for managing employee complaints. Once they receive a complaint, they must investigate the

case within a maximum of 8 days and take all necessary measures depending on the situation to prevent further harassment if it is found. The procedure is fully compliant with the established Standard Operating Procedures.

Monitoring the System's Effectiveness

Valamar group regularly monitors and evaluates the effectiveness of its complaint mechanisms through:

- Annual employee satisfaction surveys,
- Feedback from employee representatives, and
- Audits and assessments of all reported cases.

Based on insights gained, corrective actions are taken to improve the process and enhance employee trust. Transparency is ensured by timely communication with complainants regarding the progress and outcome of the process. Feedback is also utilized to advance the company's workplace culture and human rights policies.

Valamar group actively ensures that employees are aware of the available channels for raising concerns through various informational activities and internal communication channels.



This includes:

- **Training sessions:** Valamar group regularly organizes mandatory online training sessions for all employees, providing information about workers' rights protection policies and the available complaint submission channels,
- **Anonymous feedback mechanisms:** To foster trust and security among employees, Valamar Riviera has established an email address for submitting complaints. Employees can freely express their concerns without fear of retaliation,
- **Protection from retaliation:** In accordance with Valamar group policies, all employees and worker representatives have the right to use these channels without fear of retaliation. Valamar group has clearly defined protective measures to ensure that any employee can safely report issues or concerns, and
- **Evaluation and monitoring of effectiveness:** Valamar group regularly monitors the effectiveness of the complaint reporting mechanism through annual employee satisfaction surveys and feedback from worker representatives.



S1-4

Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches

The policies, procedures, and processes serve as the foundation for actions to prevent potential negative impacts and foster positive outcomes. These frameworks help to identify and implement actions to address potential negative and positive impacts on workforce. Valamar group aim to ensure that practices do not cause or contribute to significant negative impacts on workforce as Valamar group continuously works to address and mitigate risks related to diversity and equality.

Employee data is handled with strict confidentiality, allowing to gather honest and constructive input through various channels. This approach ensures that workforce remains supported, valued, and included. The commitment to training and skills development positively impacts workforce, empowering employees and ensuring they have the tools and knowledge needed to succeed and thrive.

Overview of actions

Valamar group has introduced measures to manage significant impacts, risks and opportunities related to the workforce with a strong focus on ensuring fair and competitive remuneration and reward systems, systematic investment in education and professional development, as well as in occupational safety systems and preventive measures to ensure the health and safety of employees.

Adequate salaries

Valamar group conducts regular labour market analyses and salary benchmarking against industry standards, ensuring that its compensation models remain competitive and sustainable. Additionally,

through collective bargaining negotiations, Valamar group continuously adjusts its salary and reward system, while financial incentives such as performance-based bonuses and reward programs serve as key tools to enhance employee motivation and engagement.

Furthermore, monitoring employee satisfaction with the compensation and reward system allows Valamar group to continuously improve its remuneration model.

From a quantitative perspective, the company ensures competitive salaries aligned with market conditions, while from a qualitative perspective, employee feedback reflects a positive shift in the perception of financial security, fairness, and transparency in the compensation system. Ongoing dialogue with trade unions further contributes to the improvement of the reward system and employee retention.

To support these measures, the company has allocated financial and non-financial resources, aiming to maintain workforce stability and ensure long-term business sustainability. The salary increase is reflected in the financial statements under the Note 8 – Staff Costs.

To further increase the positive effects, Valamar group implements financial incentives, such as performance-based bonuses and reward programs, which increase employee motivation and contribute to the stability of the workforce. In addition, continuous dialogue with trade unions allows for continuous improvements in wage policy and ensures a competitive and sustainable remuneration system. To achieve these goals, Valamar

group has allocated financial and non-financial resources, focusing on market analysis, employee feedback and long-term strategic guidance to ensure a sustainable and transparent remuneration system that supports long-term business stability.

Education and training

Education and training are provided to employees in all positions. The Valamar Excellence umbrella educational programme is a lifelong learning and knowledge acquisition programme that is divided into two parts: Valamar Education and Valamar Training. Valamar group trainings are specialist programmes for jobs in tourism. Valamar recognizes the potential of its employees and develops them through four training programs that include individual work with mentors and professional development on examples of best practices in the company: V-Academy, V-Lead, V-Start and V-Intern.

Employee satisfaction with education and training programs is continuously monitored and adjusted and improved in accordance with the findings.

Health and safety

In order to ensure the highest level of safety for guests and employees, Valamar group applies the Health&Safety program of health, hygiene, safety and environmental standards, which includes three key areas:

- Health&Safety Food ensures maximum safety and health safety of food and beverages in all restaurants and bars, through the consistent application of prerequisite programs and the HACCP system.

- Health & Safety Management entails managing the overall safety of guests during their stay and employees while working in the Group's facilities.

- Health&Safety Certificates encompass the entire Health&Safety program through all main areas of application using the best global practices, including the most important certificates such as national and international safety labels, quality, environmental and energy certificates, as well as sustainability certificates and environmental standards in tourism.

The success of the program is examined through surveys and is continuously improved according to the findings.

Measures related to occupational safety include:

- Employee health and safety: Safety protocols, regular training programs, and mandatory incident reporting are implemented to reduce health and safety risks. Heads of departments and directors are regularly trained in accordance with regulations,
- Legal protection and incident management: In the event of health and safety incidents, emergency teams are activated, medical assistance is provided and a compensation procedure is carried out. After each incident, an investigation is carried out to prevent recurrence.

Incidents are continuously monitored; compliance audits and risk assessments are conducted. According to

the applicable regulations, risk assessments and necessary occupational safety measures are carried out. The work ability and professional development of employees are regularly checked in accordance with the Occupational Health and Safety Act and related policies. In the event of a conflict between business objectives and safeguards, priority is given to the long-term well-being and safety of employees.

The basic goal of occupational safety in Valamar group is to ensure safe and healthy working conditions to prevent occupational injuries, occupational diseases and work-related diseases, and to protect the workers life, health and ability to work. This objective implies the successful implementation of the following measures:

- Risk prevention - Identification, assessment and elimination of hazards and harmfulness at work with the application of the principles of prevention,
- Preservation of the health and working capacity of workers - Prevention of occupational diseases

and excessive physical or mental exertion with the creation of ergonomic, hygienic and psychosocially healthy working conditions,

- Ensuring safe working conditions - Technical and organizational solutions that reduce the possibility of injury (e.g. personal protective equipment, regular technical tests of the correctness of work equipment, maintenance of work equipment, installations and premises).
- Creating a culture of safety - Involving all employees in the care of safety and promoting awareness of the importance of safe behaviour and compliance with regulations,
- Training and informing workers in the field of occupational safety - workers are informed about all factors that may affect their safety and health, and about the rules and procedures in the event of accidents,

- Systematic monitoring and improvement of occupational safety - monitoring of injuries, accidents and analysis of causes, improvement of systems and protection measures, as well as digitalization and innovation in the occupational safety system (keeping records of workers, training through the Pero platform, digital safety monitoring).

Practices that do not cause or contribute to negative impacts

Valamar group ensures that its business practices do not cause significant negative effects on the workforce through clearly defined and structured policies that promote fair wages, financial security, development, health, safety and well-being of employees.

Regular wage comparisons, market-based adjustments and collective agreements prevent wage inequality and ensure fair treatment of all employees.

Systematic investment in lifelong learning, the development of internal educational programs and

cooperation with educational institutions ensures the continuous development of employees.

The health and safety of employees is ensured through regular training, the application of safety protocols and preventive measures, and it is planned to further strengthen the culture of health and safety through digital tools.

In addition, Valamar group actively monitors employee satisfaction through annual surveys on corporate culture and climate, which include a special section on salaries and benefits, as well as training programs. The feedback from these surveys and the ongoing dialogue with workers' representatives and trade unions make it possible to proactively address potential problems and make the necessary improvements.

These proactive measures ensure that workforce management policies and strategies support a positive and sustainable working environment while reducing risks related to employee dissatisfaction, turnover and financial insecurity.

Measures	Material impact	Risks and opportunities
Ensuring adequate and competitive wages; collective agreements; bonuses; additional fees	Positive impact: adequate wages	Risk: labour market pressure (competition from employers, possible departure of employees) Opportunity: Strengthening employer attractiveness and retaining talent
Education and trainings (Valamar Excellence, V-Academy, V-Lead, V-Start, V-Intern)	Positive impact: competence development and professional development of employees	Risk: mismatch of education with business needs; lack of key skills Opportunity: development of internal academies, digital platforms and strengthening of professional/leadership competencies
Health & Safety program; HACCP; ISO 45001; SOPs; Preventive measures and safety education	Negative impact: work-related injuries and health problems	Risk: operational and regulatory risks related to occupational safety Opportunity: improving safety culture and modernizing security technologies
Satisfaction monitoring programs; anonymous complaint channels; Trade union dialogue	No significant material impact	Risk: employee dissatisfaction, conflicts, discrimination Opportunity: early identification of problems and strengthening employee trust
Career Development Programs; identification of potential; Progression systems	Positive impact: career development and employee competencies	Opportunity: developing future leaders and increasing employee retention



S1-5

Targets related to the management of significant adverse impacts, the encouragement of positive impacts and the management of significant risks and opportunities

Valamar group has set goals for managing significant negative impacts, increasing positive impacts and addressing key risks and opportunities related to the workforce, with a special emphasis on the wage and reward system, education and training programs, and employee health and safety.

Salaries and remuneration

One of the key goals is to ensure fair and competitive wages through regular comparison with market standards, collective bargaining and adjustment of wages in accordance with market conditions. This approach aims to reduce the risks associated with employee turnover and talent attraction, while strengthening long-term workforce stability and engagement.

Furthermore, Valamar group monitors employee satisfaction with the salary and reward system and, through feedback from employees and trade unions, works on improving the reward model. As part of its strategy, Valamar group has set a measurable target of overall employee satisfaction at the level of 4.0, with salary and reward satisfaction being one of the integral elements of this goal.

The goal is to continuously improve employees' perception of the fairness and transparency of the pay system, considering that progress in this area is not always easily measurable on an annual basis, as the effects of changes often become visible only over a longer period. The set goal directly supports the management of identified risks of employee turnover and competition in the labour market and strengthens the positive effects related to the stability and engagement of the workforce.

Education and training programs

One of the key goals of Valamar group is to provide quality and relevant training programs in accordance with the latest trends in the tourism and hotel sector. Through continuous monitoring of market needs and industry developments, Valamar group enables employees to acquire and upgrade their professional knowledge and develop a high level of professional expertise. Particular emphasis is placed on the development of transferable skills, including advanced communication skills, foreign language skills, digital competences, project management and leadership skills, to ensure long-term employability and competitiveness in the labour market for employees. This approach contributes to strengthening the competencies, engagement and stability of the workforce and increases the organization's resilience to changes in the business environment.

Furthermore, Valamar group systematically monitors employee satisfaction with training and professional development programs and, through feedback from employees and managers, continuously improves the content and approach to training. As part of its strategy, Valamar group has set a measurable goal of overall employee satisfaction at the level of 4.0, with education, training and career development opportunities being one of the integral elements of this goal.

Within the same strategic approach, Valamar group has also defined the goal of an average of 40 hours of education and training per employee per year, which further strengthens the systematic development of professional and managerial competencies. The goal is to continuously

improve employees' perception of the availability, quality and effectiveness of training, considering that progress in this area is not always easily measurable on an annual basis, since the effects of investments in knowledge and skills often become visible only over a longer period. The objective is aligned with the identified risks of key skills shortages and with opportunities for talent development and strengthening the resilience of the workforce.

Health and safety

The long-term goal is to reduce the number of health and safety incidents. This is achieved through the work of an expert team of occupational safety and security, continuous training of employees, regular safety audits, and analysis and prevention of recurrence of incidents.

The new annual targets will be defined as part of the transition plan that is being developed for 2026. The plan includes adaptation to new market circumstances, the needs for the import of labour, the development of professional qualifications and the inclusion of foreign workers in the local community, while harmonizing with the needs of the domestic workforce.

Health and safety targets are set to respond directly to identified significant impacts, risks and opportunities, including injury risks, non-compliance with safety standards and operational incidents, and opportunities to build guest and employee trust. Through measurable objectives, these risks are managed in a targeted manner, their probability is reduced and the effectiveness of preventive and protective measures is strengthened in accordance with ESRs S1-5.



S1-6

Characteristics of the undertaking's employees

Disclosing the number of employees at the end of the reporting period provides information for that point in time, without capturing fluctuations during the reporting period.

Numbers reported have been calculated based on head count as at 31.12.2025. The numbers provided for employees are accurate, as they are based on data recorded in internal database. Valamar group maintains comprehensive records of all employees within the HRIS system, ensuring precise tracking

without the need for estimations. Therefore, no assumptions or approximations were used in calculating these figures.

Due to seasonality, a significant portion of Valamar group's workforce consists of seasonal employees whose contracts naturally expire within the year. As a result, these employees are included in the total number of employees who left the Group, which impacts the turnover percentage. To provide a more accurate representation of workforce stability,

the turnover rate is calculated based on the total number of employees who were employed at any point during 2025 (8,355 employees). Considering the total number of departures (4,476), this results in a turnover rate of 54% in 2025, compared to 56% in 2024. However, this high turnover rate does not reflect actual employee retention but rather the normal and expected workforce dynamics. The expiration of fixed-term contracts for seasonal employees is an inherent part of its operational cycle, ensuring flexibility to meet peak

business demands while maintaining an optimal workforce structure throughout the year. To provide a more accurate picture of employee turnover, it is important to highlight that the turnover rate for permanent employees in 2025 was 8% in 2025, unchanged compared to 2024. This is based on the fact that 235 permanent employees left Valamar group, compared to an average of 2,911 permanent employees. This rate serves as a more stable indicator of long-term employee retention within Valamar group.

EMPLOYEE HEAD COUNT BY GENDER

Gender	2024	2025
Male	1.878	2.190
Female	1.921	2.193
Other	-	-
Not reported	-	-
Total Employees	3.799	4.383

EMPLOYEE HEAD COUNT BY COUNTRIES

Country	2024	2025
Croatia	3.624	4.205
Austria	175	178

EMPLOYEE NUMBERS BY GENDER AND CONTRACT TYPE

	Female		Male		Other		Not Disclosed		Total	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Total number of employees	1.921	2.193	1.878	2.190	-	-	-	-	3.799	4.383
Number of permanent employees	1.429	1.537	1.370	1.456	-	-	-	-	2.799	2.993
Number of temporary employees	492	656	508	734	-	-	-	-	1.000	1.390
Number of non-guaranteed hours employees	39	71	61	79	-	-	-	-	100	150

EMPLOYEE NUMBERS BY COUNTRY AND CONTRACT TYPE

	Croatia		Austria		Total	
	2024	2025	2024	2025	2024	2025
Total number of employees	3.624	4.205	175	178	3.799	4.383
Number of permanent employees	2.793	2.988	6	5	2.799	2.993
Number of temporary employees	831	1.217	169	173	1.000	1.390
Number of non-guaranteed hours employees	98	148	2	2	100	150

4,383

Number of employees in Valamar group
at the end of the reporting period

68%

Share of permanent employees in Valamar group
at the end of the reporting period

S1-7

Characteristics of non-employee workers in the undertaking's own workforce

NUMBER OF NON-EMPLOYEES IN THE WORKFORCE BY CATEGORY

Non-employee category	Number in the workforce	
	2024	2025
Staff provided by a third party	15	7

Numbers provided are reported as headcount, from the end of the reporting period.

Most common types of non-employees

The largest share of non-employees in Valamar group's workforce consists of students, both at the end of the reporting period and during the peak season. Students are engaged in various roles, primarily in support operations and administrative tasks.

In addition to students, a smaller but still notable share consists of workers from employment agencies, who are

engaged based on business needs, mainly in operational functions.

According to the workforce structure, the majority of work is carried out by Valamar group employees. However, during the peak season, when guest numbers reach their highest levels and additional support is required, the company engages non-employees.

On July 31, non-employees accounted for approximately 11% of the total workforce, while outside the peak season, this figure drops to below 0.2%. The numbers provided for non-employees are accurate, as they are based on data recorded in internal database. Valamar group maintains comprehensive records of all non-employees engaged in workforce, ensuring precise tracking without the need for estimations, so no assumptions or approximations were used in calculating these figures.

WORKPLACE REPRESENTATION COVERAGE RATE IN EEA COUNTRIES WITH SIGNIFICANT EMPLOYMENT

	Worker representation coverage rate	EEA Countries
2024	93%	Croatia
2025	93%	Croatia

S1-8

Collective bargaining coverage and social dialogue

Collective bargaining coverage

Percentage of total employees covered by collective bargaining agreements: 93%, calculated based on headcount at the end of the reporting period. The figure includes all types of employment contracts as well as employees with non-guaranteed working hours.

Working conditions and terms of employment for employees not covered by collective agreements

The working conditions and terms of employment for employees not covered by collective bargaining are based on their employment contract.

Working and Employment Conditions for Non-Employed Persons

Students are not covered by the collective agreement. Their terms and conditions of employment are instead regulated in accordance with the Student Affairs Act, which prescribes specific working conditions for students, including salaries, working hours and rights.

Agency workers are covered by the collective agreements of Valamar Riviera and Imperial Riviera, which ensures that they have the same working and employment conditions that the collective agreements provide to the directly employed workforce.

Valamar group has no agreements with employees for representation by a European Worker's Council (EWC), Societas Europaea (SE) Worker's Council, or Societas Cooperativa Europaea (SCE) Worker's Council.

COVERAGE RATE OF COLLECTIVE BARGAINING AGREEMENTS BY COUNTRY WITH SIGNIFICANT EMPLOYMENT IN 2024 AND 2025

Collective Bargaining Coverage			Social dialogue
Coverage Rate	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Own workforce – Non-EEA (estimate for regions with >50 empl. representing >10% total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)
0 – 19%			
20 – 39%			
40 – 59%			
60 – 79%			
80 – 100%	Croatia		Croatia

S1-10

Adequate wages

At Valamar group, all employees are paid adequate wages in line with applicable benchmarks.

S1-13

Training and skills development indicators

Indicator	Description / Methodology	Value 2025	Breakdown by total	Target value
Percentage of employees who participated in regular performance and professional development reviews	Proportion of employees who had a formal annual interview on performance and professional development. Calculation: number of employees with a review ÷ total number of employees	98% in total	Women 50.5% Men 49.5%	n/a
Average number of hours of training per employee	The total number of hours of training during the year ÷ the total number of employees by gender. Includes internal and external education	34 hours per employee (total)	Women 32 h Men 35 h	Goal: to maintain an average ≥ 40 hours per year per employee.

Due to the pronounced seasonality of operations, the indicator based on training hours and the number of employees as at 31 December does not fully reflect the actual investment in training throughout the year, as training hours of seasonal workers are not included in the calculation. As a result, the average number of training hours per employee is understated. To provide a more accurate representation, total training hours are also presented in relation to FTE. According to the FTE methodology, the average training hours amount to: a total of 52 hours (women 53, men 51).

S1-14

Health and safety indicators

HEALTH AND SAFETY INDICATORS	2025
Coverage of all own workforce by the health and safety management system	8,364
Number of deaths due to work-related injuries and illnesses	0
Number of work-related injuries recorded	47
Rate of injuries at work	4.63
Number of work-related diseases identified	0
Number of days lost due to injuries, work-related illnesses and deaths due to accidents at work and illnesses	1,014

The health and safety indicator is disclosed for the first time in the 2025 reporting period, and no comparative data are presented.

S1-16

Remuneration metrics (pay gap and total remuneration)

When calculating the annual total remuneration ratio Valamar group undertakes all employees (based on working hours) and considers all the following:

- Base salary, which is the sum of guaranteed, short-term, and non-variable cash compensation,
- Benefits in cash, which is the sum of the base salary and cash allowances, bonuses, and other forms of variable cash payments,
- Benefits in kind, such as cars, private health insurance, life insurance, and
- Direct remuneration, which is the sum of benefits in cash, benefits in kind and total fair value of all annual long-term incentives (stock option awards).

To address the seasonality of the business and given that a significant number of Group employees did not work for the entire 12-month period, the hourly rate per employee was utilized to calculate the denominator.

This hourly rate was derived by dividing each employee's annual salary, which encompasses all components relevant to the salary calculation stated above, by the total annual hours worked by that employee, excluding the highest-paid employee. Utilizing this data, the median hourly rate for the Group was calculated.

For the numerator, a consistent methodology was employed, focusing on the hourly remuneration of the highest-paid employee. This remuneration was determined by dividing the annual salary of the highest-paid individual by the total annual hours worked.



Remuneration ratio in Valamar group is 35.5 in 2025, compared to 34.7 in 2024.

Valamar group has not published an indicator of the corrected pay gap between women and men and plans to publish it within the deadlines and in accordance with the provisions of the EU Pay Transparency Directive and its national implementation.

S1-17

Incidents, complaints and severe human rights impacts

Valamar group addresses all discrimination incidents and complaints filed within its organization through formal channels. Given the sensitive nature of these matters, Valamar group does not disclose details about the incidents. Each report or complaint is handled with the highest level of confidentiality. Its grievance mechanisms ensure that employees can report any incident confidently and securely.

Valamar group monitors any fines and penalties to ensure they are promptly identified and addressed. No fines and penalties related to discrimination were registered in 2025. Valamar group remains dedicated to complying with all relevant regulations and upholding the integrity of its business practices.

Complaints related to harassment were submitted through the internal incident reporting system to the individual authorized to receive and address complaints in writing. After receiving the complaints, the individual responsible for handling them, together with supervisory personnel and a human resources representative,

interviewed the alleged offenders to establish the facts. The authorized person is required to investigate the complaint and take all necessary measures appropriate to the specific case to prevent further harassment, if such harassment is established, within 8 days of receiving the complaint. Upon the conclusion of the complaint review process, and considering all circumstances of the case and the employer's capabilities, the appointed individuals may implement measures and actions to prevent further harassment, including:

- Reassignment or alternative scheduling of specific employees,
- Verbal and written warnings with a notice of termination of the employment contract, and
- Termination of the employment contract.

Status of incidents and/or complaints and actions taken
During the reporting period, seven complaints related to discrimination were submitted. All cases were resolved through internal procedures in accordance

with Valamar group policies. Following a detailed review, appropriate measures were taken where necessary. The Valamar group strictly prohibits any form of discrimination or harassment and implements clear policies to ensure a safe, inclusive, and respectful working environment.

Severe human rights issues and incidents
There have been no severe human rights incidents including forced labour, human trafficking, or child labour, involving Valamar group workforce during the reporting period.

DISCRIMINATION AND HARASSMENT IN THE WORKFORCE

	2024	2025
Number of discrimination incidents	2	7
Number of complaints filed by employees through internal channels	2	7
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	–	–
Amount of fines, penalties, and compensation for damages regarding social and human rights violations	–	–
Additional information on the reconciliation of fines, penalties, and damages, in line with financial statements	–	–



ESRS S4

CONSUMERS AND END-USERS

Categories of guests and other end-users subject to significant impacts

All guests are covered by the activities by which Valamar group ensures responsible and transparent communication, as well as the safety and health of guests. The Group recognizes the following categories of guests and other service users:

Guest/User Category	Description	Description of the activities that result in a positive impact	Risks and opportunities for certain categories of guests and users
FAMILY GUESTS	Guests who choose accommodation with facilities and ambiances intended for adults. They prefer destinations with an emphasis on wellness, gastronomy, intimate spaces and enjoying nature without crowds.	Programs and facilities for children, family beaches and animation, safety standards in accommodation and a large and adapted selection of food and drinks.	OPPORTUNITIES: Family guests are one of the key segments of Valamar. Parents can relax knowing that their children are entertained by quality programmes, e.g. Maro Clubs. RISKS: Dissatisfaction if the offer is not adapted to children; lack of family rooms, security incidents.
ADULTS AND COUPLES	Guests who choose accommodation with facilities and ambiances intended for adults. They prefer destinations with an emphasis on wellness, gastronomy, intimate spaces and enjoying nature without crowds.	Special offers, wellness & spa centres, eno-gastronomic experiences, cultural excursions and relaxation activities.	OPPORTUNITIES: Packages for couples and adults (fine dining concept, long weekend, short stays, etc.) throughout the year. RISKS: Dissatisfaction if privacy expectations are not met (after all, there are children among the guests). Weaker gastronomic offer or limited wellness options.
ACTIVE GUESTS	Guests of all ages who are looking for sports activities and experiences. During their vacation, they look for dynamic and recreational facilities on land or sea.	Content and services that support their active interests. Activities such as sports (cycling, tennis, diving, skiing, etc.) of different levels of physical fitness. Music and social events.	OPPORTUNITIES: A balance between comfort and active holidays. They mostly travel outside the main season. RISKS: Reputational risks if the content is not sustainable or safe or does not meet their expectations. Dependence on weather conditions.
SENIORS	Guests over 65 years of age who value nature, safety and the availability of health services. The social component (socializing and connecting) is important to them.	They prefer organized excursions and guided tours to get to know the destination. They mostly stay out of the main season.	OPPORTUNITIES: Development of year-round tourism and health tourism. Variety of destinations. RISKS: Health incidents, dissatisfaction if there is no customized content.
BUSINESS GUESTS AND MICE	Participants of business events, conferences and team building.	Business guests with shorter stays outside the main season. The primary reasons for traveling are conferences, meetings, corporate events (workshops, gala dinners, incentive trips, etc.).	OPPORTUNITIES: Growth of the business tourism segment. Modern conference halls and high-quality accommodation. RISKS: Falling demand in times of crisis.
LEISURE GROUPS AND TOURS	An organized group of travellers traveling together, usually with a pre-arranged itinerary and a guide.	Activities are related to the destination itself, culture, gastronomy and nature.	OPPORTUNITIES: They usually stay outside the main season, their stay is tied to the travel itinerary, and thus to Valamar's partnerships with local providers. RISKS: Depending on the weather, activity cancellations may occur.
THE LOCAL COMMUNITY AND VISITORS TO THE DESTINATION	Residents of the destinations where Valamar group operates and daily visitors.	Investments in infrastructure, cultural and sports events, cooperation with local family farms.	OPPORTUNITIES: Strengthening Valamar's image as a responsible partner of the community. RISKS: Negative perception due to overtourism.
ONLINE USERS AND FUTURE GUESTS	Potential guests who communicate through digital channels (web, social networks, applications).	Transparent communication, personalized offers, personal data protection.	OPPORTUNITIES: Building a digital reputation and increasing conversions. RISKS: Violation of privacy, negative online reviews.

S4-1

Guest and End User Policies

The goal of Valamar group is to be at the very top of the hospitality industry in Croatia in terms of the quality of service and the satisfaction of guests and other users. The group is committed to providing a healthy and safe environment for all guests. During and after the guests' stay, the Group uses surveys to collect feedback and continuously improve the guest experience.

Privacy Policy

Valamargrouprecognizes the importance of personal data protection and the need for lawful, fair and transparent processing of personal data to protect the freedoms and rights of individuals. The Privacy Policy applies to any processing of personal data carried out by Valamar Riviera as the controller, unless otherwise prescribed by another policy or other document of Valamar Riviera for a particular processing. A personal data protection officer has been appointed who can be contacted by guests for questions related to the protection of personal data and for the exercise of rights guaranteed by the Regulation via the address: dpo@valamar.com or by mail.

Valamar group recognizes the principles of data processing as basic values that must be respected throughout the entire cycle of personal data processing, from their collection to their destruction or other cessation of processing. The data is processed lawfully, fairly, transparently, with the limitation of purpose and storage, and considering the accuracy, integrity and confidentiality of the data.

Children's personal data is processed when it is related to services, e.g. when children are guests of facilities, visitors to Maro playrooms, but also in other cases, such as when underage students attend work-based

learning at Valamar group (internship). In cases where it is not possible to influence the use of Valamar group's services, such as when children appear as followers of Valamar group's social media profiles, parents and guardians are advised to teach their children about safe and responsible handling of personal data, especially on the Internet.

Health and Safety Policy

The Health and Safety Policy applies to employees, as well as to all guests and other users at all Valamar group facilities. The Health and Safety Policy is described in detail in section S1-1 Policies related to own workforce.

Food safety protocol

Valamar group believes in a perfect holiday, every day, for every guest. To achieve this goal, the Group must provide each guest with safe food, which is why the Food safety protocol was adopted, which insists on the application of relevant regulations and internal procedures that ensure high food safety standards. The health safety of food is ensured thanks to the following:

- Requirements for the delivery of food that has been produced, processed, stored and transported according to high standards of hygiene,
- Ensuring the purchase of functional and reliable devices and optimal arrangement and maintenance of facilities and equipment,
- Developing and implementing systems and procedures that achieve high food safety standards (HACCP, SOPs),
- Organizing the implementation of appropriate employee training and work supervision with the aim of ensuring the competence of workers in the application of food safety standards.

Responsibility for the application of this Food safety protocol in all facilities managed by Valamar group lies with the Vice President for Operations. It is also the responsibility of each worker to ensure the application of food safety standards through work and behaviour.

Children's safety and rights policy

Valamar group has zero tolerance for violence, abuse and exploitation of children in all its business facilities, real estate, resources and communication networks. To implementing general safety measures in the Group's facilities, especially in relation to measures to prevent endangering the safety of children, one person is responsible for ensuring the safety of children in all facilities and for instructing employees to act properly in case of suspicion of child endangerment.

The Management Boards of Valamar Riviera and Imperial Riviera bear the ultimate responsibility for the implementation of all Policies available to Valamar group guests on the website. Valamar group is committed to the implementation of the UN Guiding Principles on Business and Human Rights and the fundamental conventions of the International Labour Organization. Valamar group adheres to and acts in accordance with the European Convention on Human Rights and Fundamental Freedoms. The Society is committed to complying with national legislative, administrative and other measures on children's rights and the Convention on the Rights of the Child, adopted by the UN General Assembly in 1989 and covering the civil, political, economic, social and cultural rights of children, anywhere in the world and without discrimination. Valamar group has adapted the physical environment to ensure the health and safety of guests with disabilities.

Policy changes over the past year

In 2025, there were no significant policy changes.



S4-2

Procedures for engaging with consumers and end-users on impacts

Valamar group has established standard operating procedures for cooperation with guests and end users of its services. These procedures ensure regular communication, monitoring of experience and inclusion of the perspective of guests and consumer end users in the decision-making, planning and improvement processes of services. The aim is to identify, prevent and mitigate actual and potential impacts that could affect guests and end users, ensuring high standards of quality, safety, health and trust.

Valamar group cooperates with guests directly and indirectly through various communication channels and structures. Direct cooperation is achieved through:

- Valamar Experience Concierge and Valamar Experience Manager systems available in all facilities,
- Satisfaction surveys,
- Digital platforms and mobile applications that enable two-way communication with guests,
- Contact centres and guests on site, and
- The "Valamar Reward program" loyalty program.

The cooperation takes place continuously - before arrival, during the stay and after the guest's departure - and the results are regularly analysed to improve products, services and experience during the guest's stay.

Guest feedback is collected through a standardized satisfaction monitoring system, and the results obtained represent input data into the process of planning and improving business.

Functions within the Sales and Marketing Sector, the Quality and Sustainability Sector and the Company's Operational Management are responsible for the implementation and supervision of cooperation with guests and end users.

The Quality and Sustainability Sector has operational responsibility for coordinating all cooperation activities and for ensuring that the results of the information collected are integrated into business decisions. Employee trainings on communication with guests, complaint management and building relationships of trust are regularly conducted. Cooperation with guests and end users takes place at all stages of the business process - from the development and testing of new services to the evaluation of the effectiveness of existing standards and processes.

Guest feedback and perspectives are directly involved in investment planning, digitalization of services, design of accommodation capacities and improvement of the food and beverage offer. The results of the guest satisfaction survey are regularly presented to the Management Board and the Presidium and form an integral part of the performance indicators (KPIs) that are monitored at the corporate level. This ensures that decisions about improvements and investments are based on the actual experiences and needs of guests.

Valamar group measures the effectiveness of cooperation with guests through the KPI indicator of guest satisfaction (target: 89%), the number of repeat visits, the growth of loyalty program members and the value of return referrals (NPS - Net Promoter Score).

Valamar maintains regular communication with national consumer protection authorities, local tourist boards, hoteliers' and campers' associations, and civil society organisations representing the interests of travellers and users of tourist services. This collaboration provides a better insight into broader societal and market trends and consumer expectations nationally and internationally.

Special attention is paid to the needs of vulnerable groups of guests, including people with disabilities, families with children, the elderly and guests with special dietary requirements. Valamar continuously improves the accessibility of its facilities (ramps, accessible sanitary facilities, lifts, marked routes) and conducts staff training on how to approach and communicate with these groups. This ensures equal access to services and creates the conditions for inclusive tourism.

The effectiveness of cooperation procedures is regularly assessed through internal audits, external certificates (ISO 9001, Travelife, EU Ecolabel, Blue Flag) and market research. The results are analysed annually and used to develop new solutions, digital tools and guest relationship management standards.

Through these systems, Valamar group ensures a constant dialogue with guests and end users, timely recognition of possible effects and continuous improvement of processes that affect customer experience and satisfaction.

With these actions, Valamar group confirms its long-term commitment to the principles of responsible communication, transparency and trust.

S4-3

Procedures for remediation of adverse impacts and channels through which consumers and end-users can raise concerns

In accordance with the provision of Article 10. of the Consumer Protection Act and Article 10. According to § 5a Konsumentenschutzgesetz (for facilities in Austria), guests and end users can submit a written complaint to the service provided, purchased goods or business in person at all business premises, catering facilities (at receptions), by regular mail or by e-mail to the address: prigovoripotrosaca@valamar.com. Valamar Riviera shall respond to the complaint in writing no later than 15 days from the date of receipt of the complaint.

Valamar group has launched the Valamar Quality Centre (www.valamar.com/hr/valamarov-centar-kvalitete), through which guests can share their impressions, suggestions and compliments about their stay at Valamar group's facilities. The goal is to ensure constant two-way communication with guests and involve them in improving the quality of service. The feedback is analysed within the quality management system and used to improve the service and guest experience.

Valamar Riviera has appointed a personal data protection officer who can be contacted by guests, employees and business partners at any time for issues related to the protection of personal data and for the exercise of rights guaranteed by the Regulation, via the following address: dpo@valamar.com or by mail to the address of the Company's registered office. Valamar Riviera has implemented appropriate technical and organizational measures to minimize the risk of a breach, and in the event of a breach, internal mechanisms to react appropriately in a timely manner.

These channels are available to guests and end users through the website.

S4-4

Taking measures for significant impacts on consumers and end-users, approaches to managing significant risks and realising significant opportunities related to consumers and end-users, and the effectiveness of these measures

Valamar group continuously implements measures and initiatives with the aim of preventing, mitigating and remediating negative effects on guests and end users, as well as creating positive effects by improving the quality of service, safety, transparency and guest experience during the stay.

Valamar group systematically measures and analyses guest satisfaction through surveys during and after their stay, digital questionnaires and the Valamar Reward loyalty program. Feedback is used to improve the quality of service, product development and innovation in the offer. The goal is to maintain a high level of guest satisfaction (KPI: 89%) and increase the share of returning guests in total overnight stays.

The process of monitoring the effects includes:

- Analysis of surveys and comments from digital platforms (TripAdvisor, Booking.com and own channels),
- Internal satisfaction evaluation system by facilities and destinations,
- Monitoring of complaint trends, and
- Regular reporting to the Management Board and the Presidium on the effects on the guest experience.

Protecting the health and safety of guests is one of the priorities of the business. Valamar group applies high operational standards and implements certified management systems, including:

- HACCP (Food Safety Control System),
- EN 14065 (Textile hygiene),

- HRN EN 1176-1 and HRN EN 1069-1 standards (safety of children's playgrounds and water facilities),
- ISO 9001, ISO 14001 and ISO 50001 (quality, environmental and energy management),
- Internal H&S (Health & Safety) protocols and regular employee training.

This ensures a high level of health and safety protection for all guests and end users. In the event of incidents or risks, Valamar group implements corrective and preventive measures, and the results of the analyses are used to further improve the system.

Valamar group has a centralised complaint management system in place (described in S4-3) to ensure that negative impacts on customers are dealt with quickly and efficiently.

If an actual negative impact is identified, Valamar group takes appropriate corrective measures to ensure that guests can resolve complaints fairly and quickly, such as reimbursement of costs, offer of an alternative stay in another accommodation facility, discounts for future stays, provision of additional services or correction of omissions in the facility during the guest's stay. The effectiveness of the procedures is evaluated by analysing user satisfaction after resolving complaints and the number of repeated cases.

In addition to preventing negative outcomes, Valamar group actively contributes to positive social and user outcomes through:

- Promotion of healthy eating habits and local products in the food and beverage segment,

- Accessibility for people with disabilities and elderly guests,
- Educating guests on sustainable practices (recycling, rational use of water and energy).

Valamar group fosters responsible and transparent communication with guests, respecting the principles of ethical marketing and privacy protection.

The company does not use aggressive sales practices, does not advertise unrealistic expectations and ensures that guests are fully informed about the conditions of stay, prices and data protection.

The use of personal data is regulated in accordance with the GDPR, and all systems undergo regular security checks.

Measures are determined based on:

- Analyses of guest feedback (surveys, complaints, reviews),
- Results of internal and external audits,
- Benchmarking with leading international hospitality standards.

The effectiveness of the measures is monitored through KPI satisfaction indicators, the number of incidents, complaints and quality certificates.

Managing consumer risks and opportunities

The following are responsible for the implementation of measures and initiatives:

- Quality and Sustainability Sector
- Sales and Marketing Division
- Operations Division



S4-5

Targets for managing significant adverse impacts, fostering positive impacts and managing significant risks and opportunities

Valamar group applies time-limited, measurable and transparent targets aimed at reducing negative impacts, encouraging positive effects and managing risks and opportunities associated with guests and end users of its services.

The goals are an integral part of the Business Strategy and ESG goals through 2026.

Progress is monitored through KPI indicators, internal ESG reports and annual evaluations of the effectiveness of measures. Guest feedback is used to define and re-evaluate goals and define new priorities in the field of sustainable guest experience management.

The set goals directly contribute to the reduction of reputational, safety and regulatory risks and the creation of market opportunities through a sustainable and quality tourism product.

- In particular:
- Reduce the risk of complaints and infringements of consumer rights,
 - Increase the trust and loyalty of guests,
 - Strengthen Valamar's market recognition as a leader in sustainable tourism.

- Progress towards the targets is monitored through:
- Systematic monitoring of KPI indicators,
 - Annual sustainability reports,
 - Regular internal and external audits.

The monitoring methodology ensures consistency and comparability of results over the years, while any changes to the objectives are justified in a timely and clear manner, especially in cases of changes in the regulatory framework, business strategy or sectoral practices.

Area	Target	Deadline for completion	Description and link to ESG goals
Guest satisfaction	Maintain the level of satisfaction at ≥ 89%	2026	Regular guest satisfaction surveys; Continuous improvement of the quality of service.
Loyalty Program	Reach 840,000 Valamar Reward programme members	2026	Strengthening relationships with returning guests and increasing direct sales.
Returnee guests	30% of total guests	2026	Share of guests who stayed in the current year and had at least one previous stay during the past five years (2020–2025).
Net Promoter Score (NPS)	65 aggregated	2026	The Net Promoter Score (NPS) is a quality indicator based on data collected through surveys on the question: Would you recommend staying at Valamar to friends or acquaintances?



Governance information

Commitment to Excellence: Valamar group's Corporate Governance and Culture

As a joint-stock company with over 20,000 shareholders, Valamar Riviera is committed to operating in line with the highest principles of good corporate governance and regulatory compliance. A well-defined and transparent corporate structure serves as the foundation for effective strategic and operational management.

To foster a productive and inclusive work environment, Valamar group promotes an organizational culture based on mutual respect and appreciation of individual differences.

At the core of Valamar group's corporate culture and business operations are ethics and integrity, with transparent management as the company's highest priority.

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ESRS G1

CORPORATE CULTURE AND BUSINESS CONDUCT

Disclosure requirements related to ESRS 2 GOV-1: Role of administrative, management and supervisory bodies

Role of administrative, management and supervisory bodies related to business conduct

A well-defined, clear corporate structure is the foundation of effective strategic and operational management of the company. The key bodies of Valamar Riviera d.d. are the General Assembly, the Supervisory Board with its Committees and the Management Board led by the President of the Management Board of Valamar Riviera. The specific powers and responsibilities of these bodies are regulated by the relevant Croatian legislation, the Company's Articles of Association and other internal acts.

The Code of Business Conduct is established by the Management Board and the Supervisory Board of the Company. Managers have a duty to promote a culture of ethical conduct, and the rules set out in the Code of Business Conduct. They are obliged to acquaint employees with the provisions of this Code and to take measures to comply with it. Management is obliged to set clear and realistic goals, fulfil their obligations, should be an example to other employees and be ready to advise associates and support them in performing tasks independently. Every employee of Valamar group is obliged to:

- Comply with laws and all relevant regulations, as well as internal general acts,
- Know the regulations, manuals, standard operating procedures and common business practices in a

particular task area and apply them conscientiously and in the best possible way,

- Intervene in case of non-compliance with standards of conduct,
- Contribute to a work climate that encourages trust, professionalism, success, respect and self-esteem,
- Constantly act in good faith, responsibly, with appropriate care and competence, without misrepresenting the facts,
- Protect property and other resources and encourage their successful implementation,
- Act honestly and ethically, inter alia, with actual or potential conflicts of interest,
- Maintain and encourage cooperation and share knowledge and experience, and
- Maintain and improve the public reputation of Valamar group.

Employee behaviour should be in accordance with generally accepted rules of decency, which include greeting at the meeting, a polite communication style, appropriate addressing, apology and mistake rectification, adherence to agreed deadlines, appropriate business attire, cleanliness and tidiness of the workplace, avoidance and active prevention of quarrels and conflicts, avoiding participation in rumours or other types of negative and harmful communication. Valamar group integrates the obligations of organizational strategy, operational policies and operational processes through internal acts and standard operating procedures at the

company level and provides the necessary training for employees to be familiar with them.

Expertise of administrative, management and supervisory bodies on business conduct matters

Given their long-standing experience, the Management Board, Supervisory Board, and Senior Management members have the necessary skills, knowledge, and qualifications for business conduct matters.

Each individual board member possesses skills that are relevant to Valamar group's material impacts, risks and opportunities, as well as to the industry in general, the geographical location of business activities, and the type of target consumers and end-users. The Board of Directors collectively currently hold sufficient sustainability expertise and are highly capable of aligning overall strategy with sustainability goals. The evaluation also concluded that each member of the Executive Management has expertise and extensive knowledge on different areas of sustainability that relate directly to Valamar group's material impacts, risks and opportunities.

Any knowledge which the Board of Directors or the Executive Management do not directly possess is leverageable from internal support functions including Group Finance and Group Legal in addition to external advisors for specific topics.



G1-1

Policies related to business conduct

Code of Business Conduct

Code of Business Conduct (hereinafter: the Code) sets out the basic guidelines for the ethical conduct within Valamar group to achieve the common good and public interest. The basic characteristics of Valamar group's culture and business are ethics and integrity. The highest priority is transparent business management, and the most important characteristics of Valamar group's corporate culture are promotion of fair, incentive and secure work and working conditions, responsible and authentic tourism and destination development, environmental impact management and high ethical standards in relation to the protection of human rights and safety and protection of children's rights, dealing with inside information and building relations with partners, the local community and other stakeholders. In 2025, the Management and Supervisory Boards of Valamar and Imperial Riviera established new text of the Code of Business Conduct, an integral part of which are the following policies:

1. Conflict of interest management policy
2. Policies and procedures for approving and disclosing related party transactions
3. Risk management policy
4. Corporate social responsibility policies:
 - a) Service excellence and sustainable business policy
 - b) Health and safety Policy
 - c) Food safety protocol
 - d) Diversity and non-discrimination Policy
 - e) Procurement policy
 - f) Policy on the safety and protection of children's right

- g) Working conditions policy
- h) Career management policy
- i) Environmental protection policy
- j) Information security policy

Code is binding for all employees of Valamar group, and each individual is expected to behave in accordance with the Code and all relevant regulations in each situation. Codes are available on official website www.valamar-riviera.hr and www.imperial-riviera.hr. Online training is available on learning platform PERO. Management Board and Supervisory Board are accountable for its implementation.

Valamar group is committed to the implementation of the UN Principles on Business and Human Rights, as well as to the core conventions of the International Labour Organization and insists that Valamar group's activities never result in human rights abuse or children's rights abuse.

Valamar group is also committed to maintaining a close and long-term relationship with the local community, ensuring that key cooperation issues or needs of the local community and Valamar group are resolved in mutual interest. Wherever possible, Valamar group procures goods and services from local suppliers. Valamar group endeavours to employ employees locally and encourages its employees and guests to participate in environmental cleaning and preservation actions, humanitarian actions and donations. Valamar group allocates part of its income to local projects, humanitarian and environmental programs.

Corporate culture

The application of the Corporate Governance Code of the Zagreb Stock Exchange d.d. and the Croatian Financial Services Supervisory Agency promotes the culture of corporate governance and business transparency, as evidenced by the Compliance Questionnaire and the Management Practices Questionnaire. The highest priority is transparent business management, and the most important characteristics of Valamar group's corporate culture are the protection of human rights, the promotion of fair and secure employment conditions, responsible environmental management and high ethical standards. Valamar group also applies its Codes of Business Conduct in its daily work. The Codes set out, with a view to achieving a common good and public interest, including anti-corruption rules, desirable rules of conduct for all employees. Ethics in business, equal opportunities and working conditions for all employees, equality and protection of human rights and nurturing cultural diversity are the basic principles that guide Valamar group in business.

The fundamental human rights and their protection, including the protection of life, health, dignity and privacy and the prohibition of discrimination, are incorporated into the labour law positive regulations of the Republic of Croatia that Valamar Riviera d.d. and Imperial Riviera d.d. respect and apply and are also incorporated into the Collective Agreement concluded by the company with trade unions operating within it. All Valamar group employees are introduced to the Code of Business Conduct through online and onsite education.

The administrative, management, and supervisory bodies at company play a pivotal role in shaping and promoting a positive corporate culture. A cornerstone of

this effort is annual Corporate Culture and Climate Survey (3C), which allows us to measure employee sentiments across ten key categories, as well as their overall motivation. This survey enjoys a robust participation rate of over 84,6%, ensuring that the insights gathered are both representative and meaningful. Following the presentation of survey results, management positions develop action plans that address areas identified for improvement. These plans are designed to enhance workplace conditions, resolve employee concerns, and foster a supportive environment. By taking decisive steps based on employee feedback, Valamar group demonstrates its commitment to listening, acting, and continuously refining its organizational culture. Results are communicated through live presentations to management teams and to the Management Board. Key areas are also measured and evaluated in bonus schemes to hold management positions accountable for employee wellbeing.

Commitment to investigate business conduct incidents promptly, independently and objectively

Valamar group has established procedures, beyond those required by EU Directive 2019/1937, to investigate business conduct incidents promptly, objectively, and independently, including corruption or bribery. Measures to prevent bribery and corruption are prescribed by the Code of Business Conduct. In accordance with these procedures, reports may be submitted by internal and external stakeholders.

The Management and the Supervisory Boards of the companies of Valamar group have established a Conflict of Interest Management Policy with the aim of better regulation and improvement of the corporate governance system of

Valamar group. The Conflict of Interest Management Policy forms part of the Code of Business Conduct available on Valamar group corporate websites. This Policy applies to all members of Management Boards and to all members Supervisory Boards (and all their Committees) as well as to all Valamar group employees. The Policy is a set of rules by which Valamar group establishes mechanisms for identifying, detecting and preventing conflicts of interest. The policy establishes rules to avoid conflicts of interest.

Valamar group's interest is to monitor and manage any identified or potential conflict of interest and, if necessary, take measures to reduce or eliminate conflicts of interest of Senior Management and other employees, to ensure their independence and objectivity in complying with the provisions of those Policies.

In cases where a conflict of interest cannot be avoided, Senior Management and other employees have the following duties in the process of determining a conflict of interest in accordance with this Policy:

- Obligation to disclose any conflict of interest to the competent person,
- Obligation to document any conflict of interest, and
- Obligation to act with expert care in accordance with the applicable regulations of the Republic of Croatia and other internal acts.

The following will not be considered a conflict of interest:

- Legal transactions related to the use of hospitality services in Valamar group's properties in accordance with the conditions set by internal acts (for example in accordance with the provisions of the Regulation on prices and conditions of use of accommodation

services and other hospitality services for employees and business partners),

- Concluding employment contracts in accordance with the conditions set by internal acts and the needs (for example in accordance with the provisions of the Regulation on the internal organization and systematization of jobs and employment plans), and
- Legal transactions from Valamar group's regular operations (procurement of goods and services, assignment of work, sale of services, etc.) which are concluded according to market conditions and according to the conditions and selection procedure of certain internal acts (for example based on tenders according to the Procurement Regulation).

In accordance with the provisions of those Policies, Senior Management and other employees are obliged without delay upon the occurrence of events or circumstances that may be considered a conflict of interest (including suspicion of a particular situation or knowledge of a particular activity that could lead to a conflict of interest), or immediately after becoming aware of a circumstance that may be considered a conflict of interest, to notify the Company thereof.

Senior Management must immediately notify the Supervisory Board, the Management Board and the Management Board Office of all potential and actual conflicts.

Employees must report any conflict of interest or potential conflict of interest to their superior, the Management Board and the competent member of the Management Board without delay.

If the Senior Management has reason to believe that the other Senior Management has not reported an existing or potential conflict of interest, he/she is obliged to

inform the Chairman of the Supervisory Board. In case the Chairman of the Supervisory board is the person in the conflict of interest then the Deputy chairman of the Supervisory board must be notified.

Managers and employees must provide all necessary information regarding conflicts of interest, including all necessary information about closely related persons (spouse or common-law partner and life partner, children, all blood relations or in-laws up to the second degree and persons in the joint household).

In the event of suspicion regarding a particular situation and/or knowledge of an activity that could give rise to a conflict of interest, and/or in cases of doubt as to whether a particular legal matter constitutes a conflict of interest under these Policies, managers and employees may request an opinion from the Management Board Office – Legal Affairs Department. If the Management Board Office - Legal Affairs Department, based on the information received from the managing person and the employee, determines that a particular situation/activity/legal transaction could be considered a conflict of interest, it will refer the managing person and the employee to the notification and reporting obligations in accordance with the provisions of those Policies.

The following procedures and measures may be taken to manage conflicts of interest:

- Exemption from participation in decision-making when deciding on an issue in respect of which the Senior Management and employees is in a conflict of interest or potential conflict of interest,
- Obligation to obtain prior consent for transactions from Senior Management, significant shareholders or employee with the company,

- Ban on trading in company shares for Senior Management and employees,
- Organizational separation and change of work of the employee to prevent access to confidential information of the company,
- Keeping a register of conflicts of interest, and
- Conducting education.

In 2025 and 2024, there were no reported conflicts of interest in Valamar group.

Functions that are most at risk in respect of corruption and bribery

There is no certain function as such, that is more or less immanent to bribery and corruption, as this kind of risk lays within employed resources and not the function. In general, higher risks of corruption and bribery, could be detected within those functions, that are not covered by adequate and up to date Procedural framework (confined by the Boards and cross departmentally aligned within the company) and not undergoing permanent audit engagements, check up's and having implement different control mechanisms (either internally developed within the Function or externally controlled from other department or even outside engagements), including necessary follow up process. In particular, functions that could be vulnerable to corruption and bribery are those working within the environment of overlapping and multiple procedures (few procedures for a same process), procedures containing ambiguous statements and wording, containing wording like possible, could, should, etc., thus, opening space for different interpretation possibilities and partial (voluntary) implementation.

Legal requirements with regard to protection of whistleblowers

The companies of Valamar group are required to comply with national laws implementing Directive (EU) 2019/1937.

In accordance with the provisions of the Law on the Protection of Whistleblowers, the Management Board of Valamar Riviera and Imperial Riviera have adopted the Regulation on in-house whistleblowing, which establishes the procedure for in-house whistleblowing, the appointment of a confidential person, the right to the protection of whistleblowers and other issues related to in-house whistleblowing.

All employees have been informed about the internal whistleblowing channels through the Workers' council.

Complaints received by a confidential person will be identified and resolved in accordance with the Law on the Protection of Whistleblowers and the Regulation on in-house whistleblowing. Accordingly, a confidential person is obliged to receive a report and initially determine whether the report contains all the prescribed information and is obliged to examine it within a further prescribed deadline. If necessary, a confidential person may request clarifications from the applicant upon receipt of the application and throughout the application process. In the procedure after the report, a confidential person has the right to professional assistance of professional persons of the company depending on the reported irregularity.

The person reporting irregularities has the right to protection of identity and confidentiality, court protection, compensation for damage, free primary legal aid in accordance with the law regulating the right to free legal aid, emotional support and other protection provided by the Law on the Protection of Whistleblowers.

Valamar Riviera has also established Procedures for the management of proposals, complaints and applications intended for all employees, business partners, shareholders and other interested persons via e-mail address: prituzbe.prijedlozi@valamar.com, published on the corporate website of Valamar Riviera. Complaints received through this specified e-mail address in accordance with the internal procedure are received through an appointed person who forwards the received complaints to the competent authorized persons within the division, sector or department to which the complaint relates for further resolution.

Number of reports received by whistleblowers in 2025 and 2024: 0 (zero)



Independent limited assurance report



To the Shareholders of Valamar Riviera d.d.

We have conducted a limited assurance engagement on the Sustainability Report included in section Sustainability Report of the Annual Report of Valamar Riviera d.d. (the "Company") and its subsidiaries (the "Group") as at 31 December 2025 and for the period from 1 January 2025 to 31 December 2025 (the "Sustainability Statement").

Identification of Applicable Criteria

The Sustainability Statement was prepared by the Management Board of the Company in order to satisfy the requirements of article 32 and 36 of Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards introduced by Commission Delegated Regulation (EU) of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council ("ESRS"), including that the process carried out by the Company to identify the information reported in the Sustainability

Statement (the "Process") is in accordance with the description set out in note ESRS 2 IRO-1; and

- Compliance of the disclosures in subsection Consolidated disclosures in accordance with article 8. of Regulation (EU) 2020/852 (Taxonomy Regulation) within the environmental section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Inherent Limitations in Preparing the Sustainability Statement

The criteria, nature of the Sustainability Statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

In reporting forward looking information in accordance with ESRS, management of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Sustainability Statement, management of the Company interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

This version of the independent limited assurance report is translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language

version of the report takes precedence over this translation.

Responsibility of the Management Board of the Company

Management of the Company is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this process in note ESRS 2 IRO-1 of the Sustainability Statement. This responsibility includes:

- Understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- The identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position,

The company was registered at Zagreb Commercial Court: MBS 030022053; paid-in initial capital: EUR 5,930.00; Company Directors: Katarina Kadunc, Goran Končar and Helena Schmidt, Bank: Privredna banka Zagreb d.d., Radnička cesta 80, 10 000 Zagreb, bank account no. 2340009-1110098294; SWIFT Code: PBZGHR2X IBAN: HR3823400091110098294. Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/ce/en to learn more.

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financial performance, cash flows, access to finance or cost of capital over the short, medium, or long-term;

- The assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- Making assumptions that are reasonable in the circumstances.

Management of the Company is further responsible for the preparation of the Sustainability Statement, in accordance with article 32 and 36 of Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the ESRS;
- Preparing the disclosures in subsection Consolidated disclosures in accordance with article 8. of Regulation (EU) 2020/852 (Taxonomy Regulation) within the environmental section of the Sustainability Statement, in compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation");
- Designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Practitioner's Responsibility

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error; and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process; and

- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in note ESRS 2 IRO-1.

Our other responsibilities in respect of the Sustainability Statement include:

- Obtaining an understanding of the entity's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Quality Management

We complied with the applicable independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "Code"), as well as in compliance with the independence and the ethical requirements in Croatia. The Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We applied International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
 - reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in note ESRS 2 IRO-1.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
 - performing inquiries to understand the Group's control environment, processes and information systems relevant to the preparation of the sustainability statements;
- Evaluated whether material information identified by the Process to identify the information reported in the Sustainability Statement is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected disclosures in the Sustainability Statement;
- Performed substantive assurance procedures on a sample basis on selected disclosures in the Sustainability Statement;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied; and
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with article 32 and 36 of Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement is in accordance with the description set out in note ESRS 2 IRO-1; and
- Compliance of the disclosures in subsection Consolidated disclosures in accordance with article 8. of Regulation (EU) 2020/852 (Taxonomy Regulation) within the environmental section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Other Matter

Limited assurance engagement on the Sustainability Statement of the Company and the Group for the year ended 31 December 2024, in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, was performed by another auditor, who on 15 April 2025 expressed an unmodified conclusion on that Sustainability Statement.

Goran Končar
Director and Certified auditor

Deloitte d.o.o.

26 February 2026
Radnička cesta 80,
10 000 Zagreb,
Croatia

For signature, please refer to the original
Croatian auditor's report, which prevails.

Awards, acknowledgements and certificates in 2025

ORGANISATION	AWARDS/ACKNOWLEDGEMENTS/CERTIFICATES	
HolidayCheck	HolidayCheck Award 2025. - the most popular hotels in Croatia	Isabella Island Resort, Valamar Collection
		Marea Suites Valamar Collection
		Valamar Girandella Designed for Adults Hotel
		Valamar Sanfior Hotel & Casa
		Valamar Parentino Hotel
		Valamar Bellevue Resort
		Valamar Diamant Hotel
		Brioni Sunny Camping
Green Building Council Croatia	Golden DGNB Pre-Certification for Sustainable Construction of Detached Eco Villas	Valamar Amicor Green Resort
Green Building Council Croatia (HSZG) and Croatian Association of Thermal Façade Systems Manufacturers (HUPFAS)	Annual Award for Green Building and a Sustainably Built Environment	Valamar Riviera d.d.
Croatian Business Council for Sustainable Development (HRPSOR) and Croatian Employers' Association (HUP)	Croatian Sustainability Index – Company's Community Relations	Valamar Riviera d.d.
EcoVadis	Business Sustainability – Gold Medal	Valamar Riviera. d.d.
Bloomberg Adria	2nd place among Croatian companies	Valamar Riviera d.d.
HGK ESG rating	1st place in the tourism sector, awarded by the Croatian Chamber of Economy	Valamar Riviera d.d.
ConsumeLess Plus	ConsumeLess Med	Isabella Valamar Collection Island Resort
		Marea Valamar Collection Suites
		Valamar Diamant Hotel & Residence
		Valamar Parentino Hotel
		Valamar Riviera Hotel & Residence
		Valamar Tamaris Resort
		Girandella Valamar Collection Resort
		Valamar Bellevue Resort
		Valamar Sanfior Hotel & Casa

ORGANISATION	AWARDS/ACKNOWLEDGEMENTS/CERTIFICATES		
Moj Posao	Among the top 20 best employers in Croatia – Leading Employer in Tourism	Valamar Riviera d.d.	
CX.hr portal	First place in the category “Contact Centre with 31 or More Workstations”	Rezervacijski centar Valamara	
Avtokampi.si	Naj kamp Adrija 2025 (Best Campsite 2025) – First place in the category of large campsites in Istria	Valamar Camping Istra 5*	
Slovenian Camping Web Portal	Best Campsite in 2025 – Third place in the category of large campsites in Kvarner	Valamar Camping Baška 4*	
FEE (Foundation for Environmental Education)	Blue Flag	Plaža Adria Beach, Valamar Camping Lanterna, Tar-Vabriga	
		Plaža Crnika, Lanterna Sunny Resort, Tar-Vabriga	
		Plaža Galeb, Solaris Camping Resort, Tar-Vabriga	
		Plaža Borik, Poreč-Parenzo	
		Plaža Brulo, Poreč-Parenzo	
		Plaža Val Marea Sandy, Marea Valamar Collection Suites, Poreč-Parenzo	
		Plaža „Maro Sandy-Sunrise Beach“, Isabella Valamar Collection Island Resort, Poreč-Parenzo	
		Plaža Valamar Camping Istra, Funtana-Fontane	
		Plaža Vala, Orsera Camping Resort, Vrsar-Orsera	
		Plaža Lanterna, Valamar Sanfior Hotel, Rabac	
		Plaža Girandella, Rabac	
		Plaža, Valamar Camping Ježevac, Krk	
		Plaža, Valamar Camping Krk, Krk	
		Val Padova Sandy Plaža, Rab	
		Plaža, Dubrovnik President Valamar Collection Hotel	
SGS Adriatica	ISO 9001 ISO 14001 HACCP Codex Alimentarius	Plaža „Cava“, Valamar Argosy Hotel, Dubrovnik	
		51 Property	
		51 Property	
		39 Property	
Quality Austria	ISO 50001 ISO 45001 EN 14065 Textile Biocontamination Control System ISO 27001 Information Security System	49 Property	
		Istra Premium Camping Resort	
		Valamar praonica rublja Poreč, PRAONA d.o.o. Makarska	
		Valamar Riviera	
SGS Tecnos	ISO 14064	49 Property	
Travelife	Sustainable Hotel Certificate	28 Property	
UPUHH	Sustainable Hotel	7 Property	
Ecostars Ecological Hotel Rating	Sustainable hotel Business certificate	Kesselspitze Valamar Collection Hotel	
		Valamar Obertauern Hotel	
		[PLACES] Obertauern by Valamar	

ORGANISATION	AWARDS/ACKNOWLEDGEMENTS/CERTIFICATES		
Ministry of Economy and Sustainable Development	EU Ecolabel		Valamar Camping Istra
			Valamar Camping Ježevac
			Valamar Camping Krk
			Lanterna Premium Camping Resort
			Orsera Camping Resort
			Solaris Camping Resort
			Valamar Parentino Hotel
Days of Croatian Tourism	Hotel of the year for a family holiday		Arba Resort Valamar Collection
	Beach of the Year		Valamar Padova Sandy Beach (Valamar Padova Hotel)
UPUHH	The best director of a 5-star hotel		Matija Bošković (Marea Suites Valamar Collection)
	Best Director for Excellence in Hotel Opening		Damjan Dumić (Arba Resort Valamar Collection)
Istria Tourist Board	Green Goat - Capra Verde for the best project, product or activity in the field of sustainable tourism, for innovative solutions and the most successful practices in developing Istria as a sustainable tourist destination		Valamar Riviera d.d.
PwC Croatia and Zagreb Stock Exchange	Building Public Trust Award		Valamar Riviera d.d.
Croatian Culinary Days	Croatian national champion for 2025 - won gold, two silvers and bronze		Filip Klanfar
	Silver medal in the competition		David Petrinjak
Good restaurants	1st place in the category of the best restaurants of creative urban cuisine		Restoran Fogo by Bekal
	Grand Prix award for long-term excellence on the croatian gastronomic scene		Chef Tvrtko Šakota (Fogo by Bekal)
National Awards for the Best Entrepreneurs of the Republic of Croatia	Balance of success 2025 in the category Entrepreneur of the Year of Primorje-Gorski Kotar County		Imperial Riviera d.d.
TrustYou	TrustYou Award of Excellence 2025 - for excellent service quality and high guest satisfaction		Valamar Riviera d.d.
Tripadvisor	Travelers' Choice		Imperial Heritage Hotel Valamar Collection,
			Valamar Amicor Resort, Valamar Tirena Hotel, Valamar Argosy Hotel,
			Girandella Resort Valamar Collection, President Hotel Valamar Collection,
			[PLACES] Dalmacija by Valamar, [PLACES] Hvar by Valamar, Sunny Rabac by Valamar,
			Valamar Camping Marina, Valamar Padova Hotel, Valamar Camping Padova,
			Valamar Sanfior Hotel & Casa, Valamar Meteor Hotel, Valamar Riviera Hotel & Residence, Valamar Bellevue Resort, Valamar Parentino Hotel, Valamar Camping Istra, Valamar Lacroma Hotel
Worldchefs European Grand Prix 2025: Global Chefs Challenge	Global Pastry Chefs Challenge - bronze medals		Ivan Ergović, Dora Bolkovac
Gold Shah 2025	World Culinary Competition Gold Shah - Gold medal in the solo category		Filip Klanfar
	Bronze medal as a member of the national team of the Croatian Chefs Association		
World Travel Awards	Award in the category Croatia's Leading Hotel 2025		President Hotel, Valamar Collection
	Croatia's Leading Boutique Hotel 2025 award		Valamar Riviera Hotel & Residence
Ecotars Ecological Hotel Rating	Award in the category Luxury Family Hotel		Marea Suites, Valamar Collection
	Luxury Island Resort award		Girandella Resort, Valamar Collection
	Award in the category Luxury Beach Resort		President Hotel, Valamar Collection
	Award in the category Luxury Ski Resort		Kesselspitze Hotel & Chalet, Valamar Collection

AWARDS WON IN 2024, VALID FOR 2025

ORGANISATION	AWARDS/ACKNOWLEDGEMENTS/CERTIFICATES		
ADAC	ADAC Superplatz 2025		Valamar Camping Istra
			Valamar Camping Lanterna
			Valamar Camping Krk
			Valamar Camping Ježevac
			Valamar Camping Baška
ANWB Top 2025	ANWB TOP 5*		Valamar Camping Istra
			Valamar Camping Lanterna
			Valamar Camping Krk
			Valamar Camping Padova
KUH (Camping Association of Croatia)	Croatia's Best Campsite 2025		Valamar Camping Istra
			Valamar Camping Lanterna
			Valamar Camping Marina
			Valamar Camping Krk
			Valamar Camping Ježevac
			Valamar Camping Baška
			Valamar Camping Padova
			Valamar Camping San Marino
			Camping Orsera
			Camping Solaris
HolidayCheck	HolidayCheck Award 2025 – Most popular hotels in Croatia		Camping Bunculuka
			Isabella Island Resort Valamar Collection
			Valamar Girandella Designed for Adults
			Marea Suites Valamar Collection
			Valamar Sanfior Hotel & Casa
			Valamar Bellevue Resort
			Valamar Parentino Hotel
			Valamar Diamant Hotel
			Camping Brioni

Statement of the Management Board

In the course of 2025, 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 Management Board adopted the annual report for 2025 on 17 February 2026.

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

VALAMAR
VALAMAR RIVIERA D.D.
POREČ (4)

President of the Management Board
Željko Kukurin

Member of the Management Board
Marko Čižmek

Member of the Management Board
Ivana Budin Arhanić

Disclaimer

This report may contain certain expectations based on currently available facts, knowledge, and circumstances, as well as related estimates.

Our expectations are based on, but not limited to:

- a) actual results achieved in 2025
- b) business revenues realised as of 25 February 2026
- c) the current state of bookings
- d) the forecasted business performance until the end of 2026
- e) the absence of any additional significant negative impacts from risks to which the Company and the Group are exposed.

Forward-looking statements are based on currently available information, present assumptions, and expectations, as well as projections of future events. These expectations do not constitute a guarantee of future performance and are subject to future events, risks, and uncertainties, many of which are beyond Valamar Riviera's control or currently unknown. Furthermore, the assumptions on which they are based may prove inaccurate, potentially causing actual results to differ materially from the stated expectations and projections. Risks and uncertainties include, but are not limited to, those described in the section "Risks of the Company and the Group". Material deviations from the stated expectations may result from changes in circumstances, unrealised assumptions, and other risks, uncertainties, and factors, including but not limited to:

- Macroeconomic trends in the Republic of Croatia and key source markets, including exchange rate fluctuations, changes in the prices of goods and services, deflation and inflation, unemployment, trends in gross domestic product and industrial production, and other factors that directly or indirectly impact the purchasing power of Valamar group's guests,
- Economic and political-security conditions, as well as developments in capital markets in the Republic of Croatia and Valamar group's source markets,

- Consumer spending levels, disposable income, and guest confidence and satisfaction with Valamar group's products and services,
- Trends in overnight stays, booking patterns, and the movement of average selling prices for accommodation units within Valamar group's properties,
- Changes in market interest rates, fluctuations in the value of equity securities, and other financial risks to which the companies of the Valamar group are exposed,
- Availability and costs of labour, transport expenses, energy costs, utility charges, the prices of energy sources and other goods and services, as well as disruptions in the supply chain.
- Changes in accounting policies and audit findings related to financial statements, as well as findings from tax and other regulatory reviews,
- Outcomes and costs of legal proceedings involving the companies of the Valamar group,
- Loss of competitiveness and reduced demand for Croatian tourism and Valamar group's products and services due to weather conditions and seasonal fluctuations,

- Reliability of business IT solutions, cybersecurity risks related to the companies of the Valamar group, and associated costs,
- Changes in tax and other regulations and laws, trade restrictions, and customs duties,
- Natural disasters, environmental risks, epidemics, and pandemics,
- Regional and global geopolitical uncertainties and armed conflicts.

In the event of material changes to the stated expectations, Valamar Riviera shall, in accordance with Article 459 Of the Capital Market Act, inform the public without delay. Expectations expressed do not constitute an inducement to buy, sell or retain shares in Valamar Riviera.

Pursuant to the provisions of Article 22 of the Accounting Act and the provisions of Article 272.p of the Companies Act, the Management Board of Valamar Riviera d.d. (hereinafter: Valamar Riviera or the Company) hereby submits

Corporate Governance code implementation report

I. CORPORATE GOVERNANCE CODE IMPLEMENTATION

Valamar Riviera, as well as the Valamar group, are continuously developing and operating in accordance with best corporate governance practices. With its business strategy, policy, key acts and business practice, the company Valamar Riviera has established high standards of corporate governance and thereby strives to contribute to transparent and efficient operations and to establishing strong connections with the environment in which it operates. The Management Board fully complies with the provisions of the adopted acts on corporate governance. Since the listing of shares on the regulated market of the Zagreb Stock Exchange d.d. the Company applies the Corporate Governance Code of the Zagreb Stock Exchange and the Croatian Financial Services Supervisory Agency (hereinafter: HANFA).

The Company fully complies with and implements the prescribed corporate governance measures, with only minor justified exceptions. This is explained in detail in the Corporate Governance Code Compliance Questionnaire, which is published in accordance with the regulations on the Zagreb Stock Exchange website and the corporate website of Valamar Riviera (valamar-riviera.com/media/500851/compliance-questionnaire-2024.pdf) and submitted to HANFA. The Company submits the Corporate Governance Practice Questionnaire to HANFA in accordance with regulations.

In 2021, the company adopted the Code of Business Conduct with associated policies, which aligned its internal rules on corporate governance with the Corporate Governance Code of the Zagreb Stock Exchange and HANFA.

The Company's Code of Business Conduct was updated in 2025 and is available on the Company's corporate website at the link valamar-riviera.com/media/538957/valamar-riviera-dd-code-of-business-conduct.pdf.

Integral parts of this Code are:

- 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 Service excellence and sustainable business policy
 - 4.2 Health and safety policy
 - 4.3 Food safety protocol
 - 4.4 Diversity and non-discrimination policy
 - 4.5 Procurement policy
 - 4.6 Policy on the safety and protection of children's rights
 - 4.7 Working conditions policy
 - 4.8 Career management policy
 - 4.9 Environmental protection policy
 - 4.10 Information security policy

The main elements of the internal control and risk management system in relation to the financial reporting process are described in chapter Internal control and Internal Audit System.

The Companies Act sets the rules for amending the Articles of Association, and the Articles of Association itself imposes no additional restrictions.

II. MANAGEMENT BOARD AND SUPERVISORY BOARD

In general, the Management Board and the Supervisory Board conduct their work through meetings as well as by decision-making without holding meetings, via correspondence, in accordance with relevant regulations and the Company's regulations and acts.

The authorities of the members of the Management Board and the members of the Supervisory Board of the Company are determined by the Company's Articles of Association, the Rules of Procedure of the Management Board, and the Rules of Procedure of the Supervisory Board, as well as other relevant regulations. The authorities of the members of the Management Board can also be regulated by special decisions of the Supervisory Board, whose authorities are fully aligned with the provisions of the Companies Act.

The rules for appointing and revoking members of the Management Board and members of the Supervisory Board are established by the Articles of Association, in accordance with the provisions of the Companies Act and the provisions of the Company's internal act (Appointment procedures or elections and profiles of the Management and Supervisory Board). The appointment rules do not contain any restrictions on diversity regarding to gender, age, disability, education, profession, and similar restrictions. The rules in question were established with the aim of better organization and improvement of the corporate governance system.

The Management Board and the Supervisory Board consist of persons who have all the appropriate competences for representation, business management, or supervision of business management in the best interest of the Company and for the application of due care in representation, business management, or supervision of the Company's business management.

Given the three-member composition of the Company's Management Board, the Company is required to ensure a balanced representation of women and men in the Management Board, and this requirement has been achieved.

The Company has an obligation to have a balanced representation of women and men in the Supervisory Board, and the mandates of the existing convocation of the Supervisory Board almost fully complies with this requirement (the percentage of female members of the Supervisory Board is 22.22%).

a. MANAGEMENT BOARD

In accordance with the provisions of the Articles of Association, the Management Board may consist of one to five members. The mandate of the members of the Management Board lasts up to five years, with the possibility of re-appointment. The decision on appointment and revoke the number of board members and the duration of their mandate is rendered by the Supervisory Board.

The Management Board of the Company consists of three members:

- **Željko Kukurin**, the President of the Management Board, represents the Company together with one member of the Management Board or together with one procurator
- **Marko Čižmek**, the Management Board Member, represents the Company together with the President of the Management Board, together with one member of the Management Board or together with one procurator
- **Ivana Budin Arhanić**, the Management Board Member, represents the Company together with the President of the Management Board, together with one member of the Management Board or together with one procurator

The President of the Management Board Željko Kukurin shall independently:

- 1 Convene and preside over the meetings of the management board
- 2 Coordinate management activities in individual areas between other members of the Management Board
- 3 Coordinate corporate activities of the group (with Company's affiliates)
- 4 Manage business in the following areas:
 - Hotel operations and business of profit centres
 - Marketing and sales
 - Managing a tourist destination
 - Purchasing
 - Lease
 - Development and maintenance of property, technical services
 - Business of branch offices and organizational units outside the Company's registered seat

- Relations with the state administration, the bodies related to tourism, as well as relations with local authorities and local government in areas where the Company operates
- Human resources, employment, negotiations, and relations with trade unions,
- Analysis and preparation of investments
- Controlling
- Legal Affairs, general corporate affairs, and the Office of the Board

The member of the Management Board Marko Čižmek shall individually manage the business in the following areas:

- 1 Finance, accounting, treasury
- 2 Informatics
- 3 Relations with institutional investors.

The member of the Management Board Ivana Budin Arhanić shall individually manage the business in the following areas:

- 1 Quality Management
- 2 Public Relations and Corporate Communication
- 3 Merge and Acquisition
- 4 Internationalization
- 5 Digitalization

Sustainability

Strategic corporate business functions are organized into three divisions led by three senior vice presidents and two sectors led by two vice presidents. These include:

- Sales and Marketing – **Davor Brenko**, Senior Vice President
- Operations – **David Poropat**, Senior Vice President

- Development, asset maintenance and technical services – **Alen Benković**, Senior Vice President
- Strategic planning and controlling – **Sebastian Palma**, Vice-President
- Human resources development – **Ines Damjanić**, Vice-President.

Senior management, i.e. senior vice presidents of divisions and vice presidents of sectors are responsible for the management of key functional business areas and activities. Furthermore, the task of senior management is cross functional management and leadership, implementation of the corporate strategy and providing management support to the President of the Management Board.

Therefore, senior management works closely with the Management Board and performs the given corporate functions through business boards that are focused on those strategic activities of the Company that require a high level of interdepartmental functional management:

- Capex Committee
- Product and Service Development Committee
- Procurement and Partnerships Committee
- Digitalization Committee
- Sustainability Committee
- Human Resources Management Committee

1. CAPEX COMMITTEE

Željko Kukurin, committee chairman
Alen Benković, committee vice-chairman
Davor Brenko, member
David Poropat, member
Sebastian Palma, member
Andrea Štifanić, member

COMMITTEE'S SCOPE OF WORK:

- Preparation of the investment scenario and concept
- Preparation of business plans
- Cost-effectiveness studies
- Annual CAPEX plan 3/5 annual business plans
- Analysis of M&A business plans
- Monitoring of investment realization

2. PRODUCT AND SERVICE DEVELOPMENT COMMITTEE

Davor Brenko, committee chairman
Ivica Vrkić, member
Alen Benković, member
David Poropat, member
Ivana Budin Arhanić, member
Željko Kukurin, member

COMMITTEE'S SCOPE OF WORK:

- Quality and improvement monitoring
- Product and service concept development
- Brand management
- Pre-opening and post-opening monitoring
- Direct sales and marketing
- Guest database management (CRM)
- destination products and marketing
- sales and distribution development

3. PROCUREMENT AND PARTNERSHIP COMMITTEE

David Poropat, committee chairman
Dragan Vlahović, member
Marko Čižmek, member
Dario Kinkela, member
Alen Benković, member
Željko Kukurin, member

COMMITTEE'S SCOPE OF WORK:

- preparation of procurement guidelines and policies

- management contracts
- strategic partnerships
- Valfresco, trade, central kitchen
- Analysis of tender results and selection of key suppliers
- Analysis of procurement processes
- Strategy for outlets
- Lease policy and strategic leases

4. DIGITALIZATION COMMITTEE

Ivana Budin Arhanić, committee chairwoman
Roberto Gobo, member
Davor Brenko, member
David Poropat, member
Marko Čižmek, member
Željko Kukurin, member

COMMITTEE'S SCOPE OF WORK:

- 3/5 annual digitalization strategy
- annual CAPEX and OPEX digitalization plan
- monitoring digital projects
- approval of the annual digitalization
- monitoring key digital technologies

5. SUSTAINABILITY COMMITTEE

Ivana Budin Arhanić, committee chairwoman
Tea Pestotnik Prebeg, member
Alen Benković, member
Davor Brenko, member
David Poropat, member
Željko Kukurin, member

COMMITTEE'S SCOPE OF WORK:

- 3/5 annual sustainability strategy
- annual CAPEX and OPEX sustainability plan
- sustainability project monitoring
- approval of annual sustainability initiatives
- monitoring key sustainability trends

6. HUMAN RESOURCES MANAGEMENT COMMITTEE

Željko Kukurin, committee chairman
Ines Damjanić, committee vice- chairwoman
Davor Brenko, member
David Poropat, member
Alen Benković, member
Ivana Budin Arhanić, member
Marko Čižmek, member

COMMITTEE'S SCOPE OF WORK:

- 3/5 annual strategy for human resources
- salary policy
- organization
- employment policies
- education and training program
- rewards and bonus programs
- succession and talent development

b. SUPERVISORY BOARD

The Supervisory Board has nine members, of which eight members were elected by the General Assembly in accordance with the provisions of the Articles of Association and the provisions of the Companies Act, and one member is an appointed employee representative.

For a new mandate period of 4 years starting from June 16, 2025, in the same composition as before, the General Assembly elected 8 members in 2025, while the Workers' Council appointed one member (employee representative).

Members of the Supervisory Board actively participate in the preparation of decisions and the supervision of their implementation through the respective committees, which meet more often to consider key strategic initiatives and provide support to the Supervisory Board in the process of decision-making and supervision of the management of the Company's affairs in accordance with relevant regulations and acts.

Members of the Supervisory Board:

Franz Lanschützer, Chairman
Mladen Markoč, Deputy Chairman
Daniel Goldscheider, Deputy Chairman
Gustav Wurmböck, member
Gudrun Kuffner, member
Petra Stolba, member
Georg Eltz, member
Boris Galić, member
Ivan Ergović, member (employee representative)

The independent members of the Supervisory Board are Boris Galić, Gudrun Kuffner and Petra Stolba. In the field of accounting and auditing of financial reports experts

are Franz Lanschützer, Gustav Wurmböck, Georg Eltz, Boris Galić and Gudrun Kuffner.

In order to perform its function more efficiently, as well as the tasks prescribed by the provisions of the Audit Act and the Corporate Governance Code, the Supervisory Board appointed the following Committees:

1. THE PRESIDIUM OF THE SUPERVISORY BOARD

Franz Lanschützer, Chairman
Mladen Markoč, Deputy Chairman
Daniel Goldscheider, Deputy Chairman

THE PRESIDIUM OF THE SUPERVISORY BOARD HAS THE FOLLOWING SCOPE OF WORK:

- Remuneration and rewarding including: preparation and proposing remuneration policies for the Management and Supervisory Board; proposing the annual bonus of members of the Management Board in accordance with the achieved results of the Company and personal results according to the acts of the Company; supervising the entire amount and structure of remuneration of senior management and employees of the Company and giving recommendations to the Management Board on its remuneration policies in relation to senior management and relations/negotiations with social partners (trade unions represented in the Company); supervise the preparation of the prescribed annual report on remuneration
- Human resources including overseeing management policies in the selection and appointment of key management
- Business strategy including annual business plan (budget)

- Nomination of candidates for members of the Supervisory Board and members of the Management Board, including examination of the required profiles, professional competencies, age, experience, independence and other necessary characteristics of candidates and monitoring the availability of information on candidates on the Company's website in accordance with corporate governance standards
- Proposing conditions for the appointment and management of the Company with potentially new members of the management board, including the expected time required to perform their function
- Preparation of a succession plan for re-nomination or replacement of members of the supervisory board and the management board
- Review and analysis of legal acts which the Company intends to conclude as part of the approved investment (CAPEX) in the single value exceeding the amount of EUR 4,000,000.00 (in words: four million euro) for the purpose of evaluation on the need to obtain consent from the Supervisory Board
- Review and analysis of legal acts (agreements, collective agreements) that the Company intends to conclude with trade unions if the value of the workers' material rights exceeds the amount provided by the Business Plan (Budget), for the purpose of evaluation on the need to obtain consent from the Supervisory Board
- Other issues for the preparation of decisions of the supervisory board and supervision of their implementation
- Preliminary consideration of project proposals for digitization

- Monitoring the development of digitization
- Prior consideration of strategic plans related to investments in digitization and sustainability
- Other issues for the preparation of Supervisory Board decisions in relation to digitization and sustainability

The Presidium of the Supervisory Board is, by its scope of work, the nomination committee and the remuneration committee in terms of the provisions of the relevant regulations and recommendations/standards of corporate governance. After June 12, 2025, the scope of work of the Sustainability and Digitalization Committee entered the scope of work of the Presidium of the Supervisory Board.

2. AUDIT COMMITTEE

Gudrun Kuffner, committee chairwoman
Georg Eltz, member
Gustav Wurmböck, member
Mladen Markoč, member
Boris Galić, member

THE AUDIT COMMITTEE HAS THE FOLLOWING SCOPE OF WORK:

- Reports to the Supervisory Board on the statutory audit and explains how the statutory audit has contributed to the integrity of financial reporting and explains the role of the Audit Committee in this process
- Monitors the financial reporting process and provides recommendations or suggestions to ensure its integrity
- Monitors the effectiveness of the internal quality control system and risk management system and internal audit, without violating its independence

- Monitors the performance of legal audits of annual financial reports and annual consolidated financial reports
- Supervises the implementation of measures determined as a result of external and internal audit and its own supervision
- Examines and monitors the independence of the audit company, and in particular the suitability of providing non-audit services in accordance with relevant regulations
- It is responsible for the selection process of the audit company and proposes its appointment in accordance with the relevant regulations
- It considers an additional report submitted to it by the audit company in accordance with the relevant regulations
- Supervises the application of procedures for reporting violations of laws or internal standards, rules and procedures of the Company
- Monitors the accuracy and completeness of corporate sustainability reports and sustainability reporting policies and other official communications related to the companies' sustainability-related results
- Supervises the implementation of tax planning, including the distribution of taxes on profits generated from cross-border activities
- Performs other tasks to prepare decisions of the Supervisory Board in relation to all types of audits

3. INVESTMENT COMMITTEE

Daniel Goldscheider, committee chairman
Franz Lanschützer, member
Gudrun Kuffner, member

THE INVESTMENT COMMITTEE HAS THE FOLLOWING SCOPE OF WORK:

- Preliminary consideration of investment proposals (CAPEX)
- Monitoring the progress of investments
- Preliminary consideration of strategic investment plans
- Other issues for the preparation of supervisory board decisions in relation to CAPEX

4. COMMITTEE FOR DIGITALIZATION AND SUSTAINABILITY

Petra Stolba, committee chairwoman
Franz Lanschützer, member
Daniel Goldscheider, member

THE COMMITTEE FOR DIGITALIZATION AND SUSTAINABILITY HAS THE FOLLOWING SCOPE OF WORK:

- Preliminary consideration of proposals of digitalization projects
- Monitoring the progress of digitalization
- Preliminary consideration of strategic plans in relation to investments in the digitalization and sustainability
- Other issues for the preparation of supervisory board decisions in relation to digitalization and sustainability.

After June 12, 2025, this Committee ceased its activities, and its scope of work was transferred to the remit of the Presidium of the Supervisory Board.

III. SHAREHOLDERS OF THE COMPANY

The Company's shares are listed on the Prime Market of the Zagreb Stock Exchange d.d. Information on significant shareholders of the Company is published in the Annual Report in the section Notes to the financial report (Note 24 - Share capital).

As of December 31, 2024, shareholders who are members of the Supervisory Board and the Company's Management Board are as follows:

1. Franz Lanschützer, Chairman of the Supervisory Board, who is the holder of 4,450,000 shares,
2. Mladen Markoč, Deputy Chairman of the Supervisory Board, who is the holder of 65,078 shares,
3. Gustav Wurmböck, member of the Supervisory Board, who is the holder of a 100% stake in the company Wurmböck Beteiligungs GmbH, which is the holder of 25,170,000 shares,
4. Georg Eltz, member of the Supervisory Board, who is the holder of 20,463 shares as well as holder of a 100% stake in the company Satis d.o.o., which is the holder of 6,610,048 shares,
5. Boris Galić, member of the Supervisory Board, who is the holder of 10,000 shares,
6. Ivan Ergović, member of the Supervisory Board, who is the holder of 3,579 shares,
7. Gudrun Kuffner, member of the Supervisory Board, who is the holder of 3,000 shares,
8. Željko Kukurin, President of the Management Board, who is the holder of 239,773 shares,
9. Marko Čizmek, member of the Management Board, who is the holder of 128,024 shares,
10. Ivana Budin Arhanić, member of the Management Board, who is the holder of 94,980 shares.

IV. GENERAL ASSEMBLY

The General Assembly is convened, conducted, and has power in accordance with the provisions of the Law on Companies and the provisions of the Company's Articles of Association, and the call and proposals for decisions, as well as the decisions made, are publicly announced in accordance with the provisions of the Companies Act, the provisions of the Capital Market Act and the Rules of the Zagreb Stock Exchange d.d. There is a time limit related to the exercise of the right to vote at the General Assembly in accordance with the provisions of the Companies Act - shareholders are required to register their participation within the deadline provided by law. A financial right arising from a security cannot be separated from the ownership of that security. Within the Company, no securities carry special control rights, nor are there any restrictions on voting rights. Each share entitles its holder to one vote.

The General Assembly is presided over by the Chairman of the Supervisory Board or a person authorized by him with a special power of attorney. Minutes of the work of the General Assembly are kept, drawn up by the Notary Public. The General Assembly can make decisions if shareholders holding shares that make up at least 25% of the share capital, or at least 25% of the total shares with voting rights, are present or represented.

The Company has the option to acquire its own shares based on and in accordance with the conditions determined by the decision of the General Assembly on the acquisition of own shares dated April 24, 2024, which has been in effect since November 18, 2024. Pursuant to the aforementioned decision, the Management Board of the Company adopted a decision on November 14, 2024, to implement an Own Share Buy Back Programme, which was in use until February 2025. On June 18, 2025, the Company's Management Board rendered a decision to implement a new Own Share Buy Back Programme.

V. SUSTAINABILITY REPORTING

The Company is required to report on sustainability for the year 2025. The Sustainability Report is an integral part of this Annual Report and can be found in the Management Report.

Management Board President
Željko Kukurin

Management Board Member
Marko Čizmek

Management Board Member
Ivana Budin Arhanić

VALAMAR
VALAMAR RIVIERA D.D.
POREČ (4)

Responsibility for the Annual financial statements

Poreč, February 26, 2026

In accordance with provisions of Capital Market Act, Marko Čížmek, Management Board Member and CFO, and Vedrana Ambrosi, Finance and Accounting Sector Director and Procurator, together as persons responsible for the preparation of annual financial reports of the company Valamar Riviera d.d. seated in Poreč, Stancija Kaligari 1, OIB 36201212847 (hereinafter: Company), hereby make the following

STATEMENT

According to our best knowledge:

- Annual consolidated and unconsolidated financial statements for 2025, 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,
- Report of the Company's Management board for the period from 1 January to 31 December 2025 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.



Marko Čížmek
Management Board Member

VALAMAR
VALAMAR RIVIERA D.D.
POREČ (4)



Vedrana Ambrosi
Finance and Accounting Sector Director and Procurator

Annual financial statements

Reporting period: from 01.01.2025 to 31.12.2025

In order to present data in a uniform manner throughout the Annual Report 2025 amounts are presented without decimals.

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):	3,440	
Consolidated report:	KN	(KN–non consolidated/KD–consolidated)
Audited:	RD	(RN–non audited/RD–audited)

Names of subsidiaries (according to IFRS):	Registered office:	MB:

Bookkeeping firm:	No
Contact person:	Benčić Vedran (only name and surname of the contact person)
Telephone:	052 408 034
E-mail address:	vedran.bencic@valamar.com
Audit firm:	Deloitte d.o.o., UHY Rudan d.o.o. (name of the audit firm)
Certified auditor:	Goran Končar, Vedrana Miletić (name and surname)



VALAMAR
VALAMAR RIVIERA D.D.
POREČ (4)

(authorized representative's signature)

L.S.

BALANCE SHEET

Submitter: Valamar Riviera d.d.

BALANCE AS AT 31.12.2025				in EUR
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period	
1	2	3	4	
ASSETS				
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001			
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	703,490,535	781,175,534	
I INTANGIBLE ASSETS (ADP 004 to 009)	003	8,336,873	9,563,776	
1 Research and Development	004			
2 Concessions, patents, licences, trademarks, software and other rights	005	6,548,274	7,757,653	
3 Goodwill	006	871,672	871,672	
4 Advance payments for purchase of intangible assets	007		7,800	
5 Intangible assets in preparation	008	916,927	926,651	
6 Other intangible assets	009			
II TANGIBLE ASSETS (ADP 011 to 019)	010	547,412,609	618,471,783	
1 Land	011	127,172,259	127,905,177	
2 Buildings	012	288,789,056	277,346,486	
3 Plants and equipment	013	40,741,520	39,747,128	
4 Tools, working inventory and transportation assets	014	9,268,096	9,306,119	
5 Biological asset	015			
6 Advance payments for purchase of tangible assets	016	14,608,527	4,013,134	
7 Tangible assets in preparation	017	61,705,707	155,790,387	
8 Other tangible assets	018	4,816,018	4,088,803	
9 Investments property	019	311,426	274,549	
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	146,084,631	148,238,978	
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	17,503,377	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	3,643,444	3,714,573	
7 Investments in securities	027		60,447	
8 Loans, deposits, etc. given	028	613,367	633,927	
9 Other investments accounted for using the equity method	029			
10 Other fixed financial assets	030	65,784	2,067,995	
IV RECEIVABLES (ADP 032 to 035)	031		451,250	
1 Receivables from undertakings within the group	032			
2 Receivables from companies linked by virtue of participating interests	033			

BALANCE AS AT 31.12.2025				in EUR
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period	
1	2	3	4	
3 Customer receivables	034			
4 Other receivables	035		451,250	
V Deferred tax assets	036	1,656,422	4,449,747	
C) CURENT ASSETS (ADP 038+046+053+063)	037	75,555,864	26,430,608	
I INVENTORIES (ADP 039 to 045)	038	8,580,962	10,224,509	
1 Raw materials	039	8,296,206	9,776,272	
2 Work in progress	040			
3 Finished goods	041			
4 Merchandise	042	284,756	448,237	
5 Advance payments for inventories	043			
6 Fixed assets held for sale	044			
7 Biological asset	045			
II RECEIVABLES (ADP 047 to 052)	046	13,317,840	14,106,513	
1 Receivables from undertakings within the group	047	7,559,683	1,840,219	
2 Receivables from companies linked by virtue of participating interest	048	415,736	124,563	
3 Customer receivables	049	2,318,899	3,328,540	
4 Receivables from employees and members of the undertaking	050	1,561,948	2,483,634	
5 Receivables from government and other institutions	051	634,436	5,843,506	
6 Other receivables	052	827,138	486,051	
III SHORT-TERM FINANCIAL ASSETS (ADP 054 to 062)	053	426,683	256,326	
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	154,210	108,256	
9 Other financial assets	062	272,473	148,070	
IV CASH AT BANK AND IN HAND	063	53,230,379	1,843,260	
D) PREPAID EXPENSES AND ACCRUED INCOME	064	3,376,303	3,675,448	
E) TOTAL ASSETS (ADP 001+002+037+064)	065	782,422,702	811,281,590	
F) OFF-BALANCE SHEET ITEMS	066	7,170,190	7,170,190	

BALANCE SHEET / CONTINUED

Submitter: Valamar Riviera d.d.

BALANCE AS AT 31.12.2025				in EUR
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period	
1	2	3	4	
LIABILITIES				
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	067	408,200,934	416,280,169	
I INITIAL (SUBSCRIBED) CAPITAL	068	221,915,350	221,915,350	
II CAPITAL RESERVES	069	1,615,440	2,089,284	
III RESERVES FROM PROFIT (ADP 071+072–073+074+075)	070	17,013,933	13,512,279	
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	-12,624,875	-16,149,781	
4 Statutory reserves	074			
5 Other reserves	075	384,531	407,783	
IV REVALUATION RESERVES	076			
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 083)	077			
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078			
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			
6 Exchange rate differences from translation into the presentation currency	083			
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 085-086)	084	141,723,515	138,128,750	
1 Retained profit	085	141,723,515	138,128,750	
2 Loss brought forward	086			
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 088-089)	087	25,932,696	40,634,506	
1 Profit for the business year	088	25,932,696	40,634,506	
2 Loss for the business year	089			
VIII MINORITY (NON–CONTROLLING) INTEREST	090			
B) PROVISIONS (ADP 092 to 097)	091	5,379,063	5,746,312	
1 Provisions for pensions, termination benefits and similar obligations	092	3,281,683	3,778,435	
2 Provisions for tax liabilities	093			
3 Provisions for ongoing legal cases	094	2,097,380	1,967,877	
4 Provisions for renewal of natural resources	095			
5 Provision for warranty obligations	096			
6 Other provisions	097			

BALANCE AS AT 31.12.2025				in EUR
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period	
1	2	3	4	
C) LONG-TERM LIABILITIES (ADP 099 to 109)	098	218,344,029	256,480,116	
1 Liabilities towards undertakings within the group	099			
2 Liabilities for loans, deposits, etc. to companies within the group	100			
3 Liabilities towards companies linked by virtue of participating interest	101			
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	102			
5 Liabilities for loans, deposits etc.	103			
6 Liabilities towards banks and other financial institutions	104	139,704,743	175,484,840	
7 Liabilities for advance payments	105			
8 Liabilities towards suppliers	106			
9 Liabilities for securities	107			
10 Other long-term liabilities	108	77,331,291	79,800,089	
11 Deferred tax liability	109	1,307,995	1,195,187	
D) SHORT-TERM LIABILITIES (ADP 111 to 124)	110	136,287,661	117,840,532	
1 Liabilities towards undertakings within the group	111	57,055	48,976	
2 Liabilities for loans, deposits, etc. to companies within the group	112			
3 Liabilities towards companies linked by virtue of participating interest	113	99,060	2,484	
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	114			
5 Liabilities for loans, deposits etc.	115			
6 Liabilities towards banks and other financial institutions	116	84,527,014	48,227,561	
7 Liabilities for advance payments	117	12,488,044	14,876,120	
8 Liabilities towards suppliers	118	20,983,225	36,251,881	
9 Liabilities for securities	119			
10 Liabilities towards employees	120	4,805,383	5,406,799	
11 Taxes, contributions and similar liabilities	121	5,884,813	2,263,201	
12 Liabilities arising from the share in the result	122	49,388		
13 Liabilities arising from fixed assets held for sale	123			
14 Other short-term liabilities	124	7,443,067	10,763,510	
E) ACCRUALS AND DEFERRED INCOME	125	14,211,015	14,934,461	
F) TOTAL - LIABILITIES (ADP 067+091+098+110+125)	126	782,422,702	811,281,590	
G) OFF-BALANCE SHEET ITEMS	127	7,170,190	7,170,190	

STATEMENT OF PROFIT OR LOSS

Submitter: Valamar Riviera d.d.

FOR THE PERIOD 01.01.2025 TO 31.12.2025			in EUR
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
I OPERATING INCOME (ADP 002 to 006)	001	324,026,872	350,866,423
1 Income from sales with undertakings within the group	002	18,450,009	17,274,391
2 Income from sales	003	300,617,817	328,361,693
3 Income from the use of own products, goods and services	004	88,369	106,283
4 Other operating income with undertakings within the group	005	244,174	267,964
5 Other operating income (outside the group)	006	4,626,503	4,856,092
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	288,775,101	313,594,699
1 Changes in inventories of work in progress and finished goods	008		
2 Material costs (ADP 010 to 011)	009	103,317,180	108,654,121
a) Costs of raw material	010	55,891,305	56,902,327
b) Costs of goods sold	011	4,406,140	5,787,040
c) Other external costs	012	43,019,735	45,964,754
3 Staff costs (ADP 014 to 016)	013	95,325,693	107,843,941
a) Net salaries and wages	014	59,566,760	67,854,960
b) Tax and contributions from salaries expenses	015	23,331,358	25,486,716
c) Contributions on salaries	016	12,427,575	14,502,265
4 Depreciation	017	49,038,816	54,577,205
5 Other expenses	018	36,415,772	37,941,977
6 Value adjustments (ADP 020+021)	019	32,756	58,438
a) fixed assets other than financial assets	020		
b) current assets other than financial assets	021	32,756	58,438
7 Provisions (ADP 023 to 028)	022	1,115,114	2,159,351
a) Provisions for pensions, termination benefits and similar obligations	023	1,068,539	1,477,851
b) Provisions for tax liabilities	024		
c) Provisions for ongoing legal cases	025	46,575	681,500
d) Provisions for renewal of natural resources	026		
e) Provisions for warranty obligations	027		
f) Other provisions	028		
8 Other operating expenses	029	3,529,770	2,359,666
III FINANCIAL INCOME (ADP 031 to 040)	030	6,982,513	8,081,281
1 Income from investments in holdings (shares) of undertakings within the group	031	4,978,422	4,883,391

FOR THE PERIOD 01.01.2025 TO 31.12.2025			in EUR
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
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	47,137	
6 Income from other long-term financial investments and loans	036	8,672	22,312
7 Other interest income	037	1,102,843	188,266
8 Exchange rate differences and other financial income	038	3,341	1,753
9 Unrealised gains (income) from financial assets	039		1,797,942
10 Other financial income	040	842,098	1,187,617
IV FINANCIAL EXPENDITURE (ADP 042 to 048)	041	11,217,315	7,624,632
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	9,977,181	7,223,348
4 Exchange rate differences and other expenses	045		
5 Unrealised losses (expenses) from financial assets	046	133,909	
6 Value adjustments of financial assets (net)	047		
7 Other financial expenses	048	1,106,225	401,284
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	331,009,385	358,947,704
X TOTAL EXPENDITURE (ADP 007+041+051+052)	054	299,992,416	321,219,331
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	31,016,969	37,728,373
1 Pre-tax profit (ADP 053-054)	056	31,016,969	37,728,373
2 Pre-tax loss (ADP 054-053)	057		
XII INCOME TAX	058	5,084,273	-2,906,133
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	25,932,696	40,634,506
1 Profit for the period (ADP 055-059)	060	25,932,696	40,634,506
2 Loss for the period (ADP 059-055)	061		

STATEMENT OF PROFIT OR LOSS / CONTINUED

Submitter: Valamar Riviera d.d.

FOR THE PERIOD 01.01.2025 TO 31.12.2025			in EUR
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
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 COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)			
I PROFIT OR LOSS FOR THE PERIOD	078	25,932,696	40,634,506
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 080+087)	079	-47,554	

FOR THE PERIOD 01.01.2025 TO 31.12.2025			in EUR
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	-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	-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	-7,676	
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 Exchange rate differences from translation into the presentation currency	089		
3 Profit or loss arising from subsequent measurement of debt securities at fair value through other comprehensive income	090		
4 Profit or loss arising from effective cash flow hedging	091		
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	092		
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	093		
7 Changes in fair value of the time value of an option	094		
8 Changes in fair value of the forward elements of forward contracts	095		
9 Other items that may be reclassified to profit or loss	096		
10 Income tax relating to items that may be reclassified to profit or loss	097		
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086-097)	098	-39,878	
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	099	25,892,818	40,634,506
APPENDIX to the Statement on comprehensive income (to be filled in by entrepreneurs who draw up consolidated statements)			
VII COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	100		
1 Attributable to owners of the parent	101		
2 Attributable to minority (non–controlling) interest	102		

STATEMENT OF CASH FLOWS - indirect method

Submitter: Valamar Riviera d.d.

FOR THE PERIOD 01.01.2025 TO 31.12.2025				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	31,016,969	37,728,373	
2 Adjustments (ADP 003 to 010):	002	53,955,947	56,183,488	
a) Depreciation	003	49,038,816	54,577,205	
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	876,012	456,043	
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	-11,934	-60,447	
d) Interest and dividend income	006	-6,087,516	-5,090,630	
e) Interest expenses	007	10,121,830	7,352,872	
f) Provisions	008	-905,885	367,248	
g) Exchange rate differences (unrealised)	009			
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	924,624	-1,418,803	
I Cash flow increase or decrease before changes in the working capital (ADP 001+002)	011	84,972,916	93,911,861	
3 Changes in the working capital (ADP 013 to 016)	012	-4,262,118	13,810,542	
a) Increase or decrease in short-term liabilities	013	4,897,200	11,658,127	
b) Increase or decrease in short-term receivables	014	-6,523,896	3,795,961	
c) Increase or decrease in inventories	015	-2,635,422	-1,643,546	
d) Other increase or decrease in the working capital	016			
II Cash from operations (ADP 011+012)	017	80,710,798	107,722,403	
4 Interest paid	018	-8,680,034	-6,792,396	
5 Income tax paid	019	-4,786,302	-7,667,894	
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	67,244,462	93,262,113	
CASH FLOW FROM INVESTMENT ACTIVITIES				
1 Cash receipts from sales of fixed tangible and intangible assets	021	242,882	863,150	
2 Cash receipts from sales of financial instruments	022	560,732	204,818	
3 Interest received	023	1,399,122	212,110	
4 Dividends received	024	4,978,422	4,883,644	
5 Cash receipts from repayment of loans and deposits	025			
6 Other cash receipts from investment activities	026	968,400		

FOR THE PERIOD 01.01.2025 TO 31.12.2025			in EUR	
Item	ADP code	Same period of the previous year	Current period	
1	2	3	4	
III	Total cash receipts from investment activities (ADP 021 to 026)	027	8,149,558	6,163,722
1	Cash payments for the purchase of fixed tangible and intangible assets	028	-74,276,960	-110,779,684
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	-687,120	
IV	Total cash payments from investment activities (ADP 028 to 032)	033	-78,992,092	-110,779,684
B)	NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027+033)	034	-70,842,534	-104,615,962
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	83,919,030
4	Other cash receipts from financing activities	038	370,286	
V	Total cash receipts from financing activities (ADP 035 to 038)	039	73,578,170	83,919,030
1	Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-33,429,146	-84,322,372
2	Dividends paid	041	-27,069,073	-29,527,461
3	Cash payments for finance lease	042		
4	Cash payments for the redemption of treasury shares and decrease of initial (subscribed) capital	043	-598,730	-4,953,589
5	Other cash payments from financing activities	044	-1,940,309	-5,148,878
VI	Total cash payments from financing activities (ADP 040 to 044)	045	-63,037,258	-123,952,300
C)	NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039+045)	046	10,540,912	-40,033,270
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	6,942,840	-51,387,119
E)	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	049	46,287,539	53,230,379
F)	CASH AND CASH EQUIVALENTS AT THE END OF PERIOD (ADP 048+049)	050	53,230,379	1,843,260

STATEMENT OF CHANGES IN EQUITY

Submitter: Valamar Riviera d.d.

FOR THE PERIOD FROM 01.01.2025 TO 31.12.2025		ATTRIBUTABLE TO OWNERS OF THE PARENT																	in EUR	
Item	ADP code	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	Exchange rate differences from translation into the presentation currency	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	19 (16+17+18)	20	21 (19+20)
PREVIOUS PERIOD																				
1 Balance on the first day of the previous business year	01	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	02																			
3 Correction of errors	03																			
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	221,915,350	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	05																25,932,696	25,932,696		25,932,696
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									-47,554						-61,624		-109,178		-109,178
9 Gains or losses on efficient cash flow hedging	09																			
10 Gains or losses 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 interest	11																			
12 Actuarial gains/losses on defined benefit plans	12																			
13 Other changes in equity unrelated to owners	13																			
14 Tax on transactions recognised directly in equity	14									7,676								7,676		7,676
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15																			
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					598,730												-598,730		-598,730
19 Payments from members/shareholders	19																			
20 Payment of share in profit/dividend	20															-27,069,073		-27,069,073		-27,069,073
21 Other distributions and payments to members/shareholders	21		332,405			-1,717,425		-6,109								370,286		2,414,007		2,414,007
22 Transfer to reserves according to the annual schedule	22															24,945,219	-24,945,219			
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	1,615,440	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 OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25									-39,878						-61,624		-101,502		-101,502
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26									-39,878						-61,624	25,932,696	25,831,194		25,831,194
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27		332,405			-1,118,695		-6,109								-1,753,568	-24,945,219	-25,253,796		-25,253,796
CURRENT PERIOD																				
1 Balance on the first day of the previous business year	28	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
2 Changes in accounting policies	29																			
3 Correction of errors	30																			
4 Balance on the first day of the previous business year (restated) (ADP 28 to 30)	31	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
5 Profit/loss of the period	32																40,634,506	40,634,506		40,634,506
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																			
9 Gains or losses on efficient cash flow hedging	36																			
10 Gains or losses 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 interest	38																			
12 Actuarial gains/losses on defined benefit plans	39																			
13 Other changes in equity unrelated to owners	40																			
14 Tax on transactions recognised directly in equity	41																			
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	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					4,953,589												-4,953,589		-4,953,589
19 Payments from members/shareholders	46																			
20 Payment of share in profit/dividend	47															-29,527,461		-29,527,461		-29,527,461
21 Other distributions and payments to members/shareholders	48		473,844			-1,428,683		23,252										1,925,779		1,925,779
22 Transfer to reserves according to the annual schedule	49															25,932,696	-25,932,696			
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50																			
24 Balance on the last day of the previous business year reporting period (ADP 31 to 50)	51	221,915,350	2,089,284	11,095,768	18,158,509	16,149,781		407,783								138,128,750	40,634,506	416,280,169		416,280,169
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																			
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32+52)	53																40,634,506	40,634,506		40,634,506
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54		473,844			3,524,906		23,252								-3,594,765	-25,932,696	-32,555,271		-32,555,271

NOTES TO THE ANNUAL FINANCIAL STATEMENTS - GFI

Name of issuer: **Valamar Riviera d.d.**
 Personal identification number (OIB): **36201212847**
 Reporting period: **01/01/2025 to 31/12/2025**

Notes to the financial statements are to be drawn up in accordance with the International Financial Reporting Standards (hereinafter: IFRS) in such a way that they:

- a) present information about the basis for the preparation of the financial statements and the specific accounting policies used in accordance with the International Accounting Standard 1 (IAS 1),
- b) disclose any information required by IFRSs that is not presented elsewhere in the statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity,
- c) provide additional information that is not presented elsewhere in the statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity, but is relevant for understanding any of them.
- d) in the notes to the financial statements, in addition to the information stated above, information in respect of the following matters shall be disclosed:
 1. issuer's name, registered office (address), legal form, country of establishment, entity's registration number and, if applicable, the indication whether the issuer is undergoing liquidation, bankruptcy proceedings, shortened termination proceedings or extraordinary administration
 2. adopted accounting policies

3. the total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any valuable security which has been provided; any commitments concerning pensions of the issuer within the group or company linked by virtue of participating interest shall be disclosed separately
4. the amount of advances and credits granted to the members of the administrative, managerial and supervisory bodies, with indications of the interest rates, main conditions and any amounts repaid, written-off or revoked, as well as commitments entered into on their behalf by way of guarantees of any kind, with an indication of the total for each category
5. the amount and nature of individual items of income or expenditure which are of exceptional size or incidence
6. amounts owed by the issuer and falling due after more than five years, as well as the total debts of the issuer covered by valuable security furnished by the issuer, specifying the type and form of security
7. average number of employees during the financial year
8. where, in accordance with the regulations, the issuer 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
9. the amount of the emoluments granted in respect of the financial year to the members of the administrative, managerial and supervisory bodies by reason of their responsibilities, and any commitments arising or entered into in respect of retirement pensions for former members of those bodies, with an indication of the total for each category
10. the average number of persons employed during the financial year, broken down by categories and, if they are not disclosed separately in the profit and loss account, the staff costs relating to the financial year, broken down between net salaries and wages, tax costs and contributions from salaries, contributions on salaries and other salary costs, excluding cost allowances
11. 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
12. the name and registered office of each of the companies in which the issuer, either itself or through a person acting in their own name but on the issuer's behalf, holds a participating interest, showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the company concerned for which financial statements have been adopted; the

- information concerning capital and reserves and the profit or loss may be omitted where the company concerned does not publish its balance sheet and is not controlled by another company
13. 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
14. where there is more than one class of shares, the number and the nominal value or, in the absence of a nominal value, the accounting value for each class
15. 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
16. the name, registered office and legal form of each of the companies of which the issuer is a member having unlimited liability
17. the name and registered office of the company which draws up the consolidated financial statements of the largest group of companies of which the issuer forms part as a controlled group member
18. the name and registered office of the company which draws up the consolidated financial statements of the smallest group of companies of which the issuer forms part as a controlled group member and which is also included in the group of companies referred to in point 17.
19. the place where copies of the consolidated financial statements referred to in points 17 and 18 may be obtained, provided that they are available

NOTES TO THE ANNUAL FINANCIAL STATEMENTS - GFI / CONTINUED

20. the proposed appropriation of profit or treatment of loss, or where applicable, the appropriation of the profit or treatment of the loss
21. the nature and business purpose of the company's arrangements that are not included in the balance sheet and the financial impact on the company 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 company
22. 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
23. the net income broken down by categories of activity and into geographical markets, in so far as those categories and markets differ substantially from one another, taking account of the manner in which the sale of products and the provision of services are organised.
24. the total fees for the financial year charged by each statutory auditor or audit firm for the statutory audit of the annual financial statements, i.e. annual consolidated financial statements, the total fees charged for other assurance services, the total fees charged for tax advisory services and the total fees charged for other non-audit services, total research and development expenditure as the basis for granting state aid.

Company Valamar Riviera d.d. below presents comparison tables of items in GFI POD financial statements and audited Notes for 2025.

Summary of adjustments of GFI-POD balance sheet and unconsolidated balance sheet from Audited report for 2025

GFI-POD item "Tangible assets" (ADP 010; EUR 618,472 thous.) is in Audited report presented under items "Property, plant and equipment" (EUR 541,673 thous.), "Investment property" (EUR 275 thous.) and "Right-of-use assets" (EUR 76,524 thous.).

GFI-POD item "Fixed financial assets" (ADP 020; EUR 148,239 thous.) is in Audited report presented under items "Investment in subsidiaries" (EUR 124,259 thous.), "Investment in associate" (EUR 17,503 thous.), "Financial assets" (EUR 79 thous.), in the non-current part of the item "Derivative financial instruments" (EUR 2,049 thous.) and non-current part of item "Loans and deposits" (EUR 4,349 thous.).

GFI-POD item "Receivables" (ADP 046; EUR 14,107 thous.) and GFI-POD item "Prepaid expenses and accrued income" (ADP 064; EUR 3,675 thous.) is in Audited report presented under items "Trade and other receivables" (EUR 13,517 thous.) and "Receivables for prepaid income tax" (EUR 4,265 thous.).

GFI-POD item "Short-term financial assets" (ADP 053; EUR 256 thous.) is in Audited report presented under item "Loans and deposits" - current part (EUR 108 thous.) and current part of the item "Derivative financial instruments" (EUR 148 thous.).

GFI-POD item "Cash in hand and in bank" (ADP 063; EUR 1,843 thous.) is in Audited report presented under item "Cash and cash equivalents" (EUR 1,843 thous.).

GFI-POD item "Capital and reserves" (ADP 067; EUR 416,280 thous.) is in Audited report presented under item "Share capital" (EUR 416,280 thous.).

GFI-POD item "Provisions" (ADP 091; EUR 5,746 thous.) is in Audited report presented under non-current liabilities in item "Provisions" (EUR 5,746 thous.).

GFI-POD item "Long-term liabilities" (ADP 098; EUR 256,480 thous.) is in Audited report presented under non-current liabilities in the item section "Borrowings" (EUR 175,485 thous.), "Trade and other payables" (EUR 8,524 thous.), "Lease liabilities" (EUR 71,276 thous.) and "Deferred tax liabilities" (EUR 1,195 thous.).

GFI-POD item "Short-term liabilities" (ADP 110; EUR 117,841 thous.) and GFI-POD item "Accruals and deferred income" (ADP 125; EUR 14,934 thous.) are in Audited report presented under item of short-term part item "Borrowings" (EUR 48,228 thous.), "Lease liabilities" (EUR 8,227 thous.), "Trade and other payables" (EUR 70,048 thous.), "Income tax liability" (EUR 352 thous.), "Provisions" (EUR 5,920 thous.).

Summary of adjustments of GFI-POD reclassified income statement and unconsolidated statement of comprehensive income from Audited report for 2025

GFI-POD item "Operating income" (ADP 001; EUR 350,866 thous.) is in Audited report presented under item "Sales revenue" (EUR 345,636 thous.), "Other income" (EUR 4,674 thous.) and "Other gains/(losses) - net" (EUR 556 thous.).

GFI-POD item "Operating expenses" (ADP 007; EUR 313,594 thous.) is in Audited report presented under item "Cost of materials and services" (EUR 108,654 thous.), "Staff costs" (EUR 133,775 thous.), "Depreciation and amortisation" (EUR 54,577 thous.) and "Other operating expenses" (EUR 16,588 thous.).

GFI-POD item "Material costs" (ADP 009; EUR 108,654 thous.) is in Audited report presented under item "Cost of materials and services" (EUR 108,654 thous.).

GFI-POD item "Staff costs" (ADP 013; EUR 107,844 thous.) is in Audited report presented under item "Staff costs" (EUR 133,775 thous.). The rest of the amount EUR 25,931 thous. is presented under GFI-POD item: "Other expenses" (ADP 018; EUR 24,453 thous.) and relates mainly to transport and other employee benefits and student costs) and "Provisions" (ADP 022; EUR 1,478 thous. and is related to provisions for employees).

GFI-POD item "Other expenses" (ADP 018; EUR 37,942 thous.) and "Other operating expenses" (ADP 029; EUR 2,360 thous.) is in Audited report presented under items "Other operating expenses" (EUR 15,849 thous.). The rest of the amount EUR 24,453 thous. is previously explained under staff costs.

GFI-POD item "Value adjustment" (ADP 019; EUR 58 thous.) is in Audited report presented under item "Other operating expenses" (EUR 58 thous.).

GFI-POD item "Provisions" (ADP 022; EUR 2,160 thous.) is in Audited report presented under items "Other operating expenses" (EUR 682 thous.) and in the part of the item "Staff costs" (EUR 1,478 thous.).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS - GFI / CONTINUED

GFI-POD item "Financial income" (ADP 030; EUR 8,081 thous.) is in Audited report presented under item "Finance result – net" presented under part of financial income (EUR 8,081 thous.).

GFI-POD item "Financial costs" (ADP 041; EUR 7,625 thous.) is in Audited report presented under item "Finance result – net" presented under part of financial expenses (EUR 7,625 thous.).

Summary of adjustments of GFI-POD cash flow statement and unconsolidated cash flow statement from Audited report for 2025

GFI-POD item "Net cash flow from operating activities" (ADP 020; EUR 93,262 thous.) is in Audited report presented in item "Cash flow generated from operating activities" in comparable amount of EUR 100,054 thous. and item "Interest paid" (Net cash inflow from financing activities) in the amount of EUR -6,792 thous.

GFI-POD item "Net cash flow from investment activities" (ADP 034; EUR -104,616 thous.) is in Audited report presented in item "Net cash outflow from investment activities" in comparable amount of EUR -104,616 thous.

GFI-POD item "Net cash flow from financing activities" (ADP 046; EUR -40,033 thous.) is in Audited report presented in item "Cash flow from financing activities" in comparable amount of EUR -46,825 thous. increased for the item "Interest paid" in the amount of EUR 6,792 thous.

Summary of adjustments of GFI-POD statement of changes in equity and unconsolidated statement of changes in shareholder's equity from Audited report for 2025

GFI-POD item "Capital and reserves" (ADP 067; EUR 416,280 thous.) is in Audited report presented in items "Share capital" (EUR 221,915 thous.), "Treasury shares" (EUR -16,150 thous.), "Capital reserves" (EUR 2,089 thous.), "Legal reserves" (EUR 11,096 thous.), "Other reserves" (EUR 23,679 thous.) and "Retained earnings" (EUR 173,651 thous.). Other reserves items of Audited report consist of reserve for treasury shares in the amount of EUR 18,158 thous., other reserves in the amount of EUR 409 thous. as a result of the recognition of the salary costs for payments based on shares in principal instruments, and other reserves in the amount of EUR 5,112 thous. from mergers of subsidiaries. Retained earnings from the Audited report comes from the regular business result.

Annual financial statements

Reporting period: from 01.01.2025 to 31.12.2025

In order to present data in a uniform manner throughout the Annual Report 2025 amounts are presented without decimals.

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):	4,390	
Consolidated report:	KD	(KN–non consolidated/KD–consolidated)
Audited:	RD	(RN–non audited/RD–audited)

Names of subsidiaries (according to IFRS):	Registered office:	MB:
Imperial Riviera d.d.	Rab	3044572
Bugenvilia d.o.o.	Dubrovnik	2006120

Bookkeeping firm:	No
Contact person:	Benčić Vedran (only name and surname of the contact person)
Telephone:	052 408 034
E-mail address:	vedran.bencic@valamar.com
Audit firm:	Deloitte d.o.o., UHY Rudan d.o.o. (name of the audit firm)
Certified auditor:	Goran Končar, Vedrana Miletić (name and surname)



VALAMAR
VALAMAR RIVIERA D.D.
POREČ (4)

(authorized representative's signature)

L.S.

BALANCE SHEET

Submitter: Valamar Riviera d.d.

BALANCE AS AT 31.12.2025				in EUR
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period	
1	2	3	4	
ASSETS				
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001			
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	862,393,774	975,454,062	
I INTANGIBLE ASSETS (ADP 004 to 009)	003	8,805,704	10,227,254	
1 Research and Development	004			
2 Concessions, patents, licences, trademarks, software and other rights	005	7,017,105	8,421,131	
3 Goodwill	006	871,672	871,672	
4 Advance payments for purchase of intangible assets	007		7,800	
5 Intangible assets in preparation	008	916,927	926,651	
6 Other intangible assets	009			
II TANGIBLE ASSETS (ADP 011 to 019)	010	792,216,731	892,259,537	
1 Land	011	191,149,147	191,822,934	
2 Buildings	012	411,037,030	432,939,799	
3 Plants and equipment	013	61,428,951	74,596,293	
4 Tools, working inventory and transportation assets	014	17,740,167	21,348,013	
5 Biological asset	015			
6 Advance payments for purchase of tangible assets	016	14,792,164	4,071,167	
7 Tangible assets in preparation	017	89,842,314	161,265,557	
8 Other tangible assets	018	5,915,533	5,941,225	
9 Investments property	019	311,425	274,549	
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	20,599,969	22,781,982	
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	16,108,372	15,805,789	
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	3,643,444	3,714,573	
7 Investments in securities	027	224	60,671	
8 Loans, deposits, etc. given	028	613,367	633,927	
9 Other investments accounted for using the equity method	029			
10 Other fixed financial assets	030	234,562	2,567,022	
IV RECEIVABLES (ADP 032 to 035)	031		451,250	
1 Receivables from undertakings within the group	032			
2 Receivables from companies linked by virtue of participating interests	033			

BALANCE AS AT 31.12.2025				in EUR
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period	
1	2	3	4	
3 Customer receivables	034			
4 Other receivables	035		451,250	
V Deferred tax assets	036	40,771,370	49,734,039	
C) CURENT ASSETS (ADP 038+046+053+063)	037	91,820,402	35,567,748	
I INVENTORIES (ADP 039 to 045)	038	10,177,867	12,266,058	
1 Raw materials	039	9,833,231	11,715,161	
2 Work in progress	040			
3 Finished goods	041			
4 Merchandise	042	339,835	546,072	
5 Advance payments for inventories	043	4,801	4,825	
6 Fixed assets held for sale	044			
7 Biological asset	045			
II RECEIVABLES (ADP 047 to 052)	046	8,328,541	13,390,556	
1 Receivables from undertakings within the group	047			
2 Receivables from companies linked by virtue of participating interest	048	415,736	124,563	
3 Customer receivables	049	2,945,305	3,760,212	
4 Receivables from employees and members of the undertaking	050	1,589,196	2,485,074	
5 Receivables from government and other institutions	051	2,506,983	6,495,917	
6 Other receivables	052	871,321	524,790	
III SHORT-TERM FINANCIAL ASSETS (ADP 054 to 062)	053	13,559,927	1,917,462	
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	12,954,510	1,608,366	
9 Other financial assets	062	605,417	309,096	
IV CASH AT BANK AND IN HAND	063	59,754,067	7,993,672	
D) PREPAID EXPENSES AND ACCRUED INCOME	064	4,730,568	5,301,054	
E) TOTAL ASSETS (ADP 001+002+037+064)	065	958,944,744	1,016,322,864	
F) OFF-BALANCE SHEET ITEMS	066	7,170,190	7,170,190	

BALANCE SHEET / CONTINUED

Submitter: Valamar Riviera d.d.

BALANCE AS AT 31.12.2025				in EUR
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period	
1	2	3	4	
LIABILITIES				
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	067	448,613,607	465,478,245	
I INITIAL (SUBSCRIBED) CAPITAL	068	221,915,350	221,915,350	
II CAPITAL RESERVES	069	1,550,786	2,024,630	
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	17,013,933	13,512,279	
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	-12,624,875	-16,149,781	
4 Statutory reserves	074			
5 Other reserves	075	384,531	407,783	
IV REVALUATION RESERVES	076			
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 083)	077			
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078			
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			
6 Exchange rate differences from translation into the presentation currency	083			
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 085-086)	084	42,432,256	38,708,256	
1 Retained profit	085	42,432,256	38,708,256	
2 Loss brought forward	086			
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 088-089)	087	25,803,461	44,150,391	
1 Profit for the business year	088	25,803,461	44,150,391	
2 Loss for the business year	089			
VIII MINORITY (NON-CONTROLLING) INTEREST	090	139,897,821	145,167,339	
B) PROVISIONS (ADP 092 to 097)	091	6,602,040	6,991,830	
1 Provisions for pensions, termination benefits and similar obligations	092	4,125,118	4,682,368	
2 Provisions for tax liabilities	093			
3 Provisions for ongoing legal cases	094	2,429,282	2,309,462	
4 Provisions for renewal of natural resources	095			
5 Provision for warranty obligations	096			
6 Other provisions	097	47,640		

BALANCE AS AT 31.12.2025				in EUR
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period	
1	2	3	4	
C) LONG-TERM LIABILITIES (ADP 099 to 109)	098	319,962,162	374,592,262	
1 Liabilities towards undertakings within the group	099			
2 Liabilities for loans, deposits, etc. to companies within the group	100			
3 Liabilities towards companies linked by virtue of participating interest	101			
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	102			
5 Liabilities for loans, deposits etc.	103			
6 Liabilities towards banks and other financial institutions	104	232,030,522	284,497,125	
7 Liabilities for advance payments	105			
8 Liabilities towards suppliers	106	436,876		
9 Liabilities for securities	107			
10 Other long-term liabilities	108	82,348,815	85,473,993	
11 Deferred tax liability	109	5,145,949	4,621,144	
D) SHORT-TERM LIABILITIES (ADP 111 to 124)	110	164,473,726	149,054,678	
1 Liabilities towards undertakings within the group	111			
2 Liabilities for loans, deposits, etc. to companies within the group	112			
3 Liabilities towards companies linked by virtue of participating interest	113	99,060	2,484	
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	114			
5 Liabilities for loans, deposits etc.	115			
6 Liabilities towards banks and other financial institutions	116	101,722,030	69,558,100	
7 Liabilities for advance payments	117	15,255,638	17,929,566	
8 Liabilities towards suppliers	118	26,711,139	39,487,371	
9 Liabilities for securities	119			
10 Liabilities towards employees	120	6,101,809	6,779,405	
11 Taxes, contributions and similar liabilities	121	6,412,646	2,869,820	
12 Liabilities arising from the share in the result	122	49,388		
13 Liabilities arising from fixed assets held for sale	123			
14 Other short-term liabilities	124	8,122,016	12,427,932	
E) ACCRUALS AND DEFERRED INCOME	125	19,293,209	20,205,849	
F) TOTAL - LIABILITIES (ADP 067+091+098+110+125)	126	958,944,744	1,016,322,864	
G) OFF-BALANCE SHEET ITEMS	127	7,170,190	7,170,190	

STATEMENT OF PROFIT OR LOSS

Submitter: Valamar Riviera d.d.

FOR THE PERIOD 01.01.2025 TO 31.12.2025			in EUR
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
I OPERATING INCOME (ADP 002 to 006)	001	417,029,033	461,324,629
1 Income from sales with undertakings within the group	002		
2 Income from sales	003	411,321,821	455,264,149
3 Income from the use of own products, goods and services	004	95,465	113,281
4 Other operating income with undertakings within the group	005		
5 Other operating income (outside the group)	006	5,611,747	5,947,199
II OPERATING EXPENSES (ADP 008+009+013+017+018+019+022+029)	007	366,619,900	407,713,658
1 Changes in inventories of work in progress and finished goods	008		
2 Material costs (ADP 010 to 011)	009	128,225,196	138,587,031
a) Costs of raw material	010	73,658,599	76,772,576
b) Costs of goods sold	011	4,529,361	5,915,279
c) Other external costs	012	50,037,236	55,899,176
3 Staff costs (ADP 014 to 016)	013	118,792,828	137,969,389
a) Net salaries and wages	014	73,993,907	86,635,450
b) Tax and contributions from salaries expenses	015	29,249,357	32,763,256
c) Contributions on salaries	016	15,549,564	18,570,683
4 Depreciation	017	68,874,368	77,831,975
5 Other expenses	018	44,964,593	48,104,331
6 Value adjustments (ADP 020+021)	019	63,905	74,162
a) fixed assets other than financial assets	020		
b) current assets other than financial assets	021	63,905	74,162
7 Provisions (ADP 023 to 028)	022	1,161,918	2,258,414
a) Provisions for pensions, termination benefits and similar obligations	023	1,097,369	1,561,633
b) Provisions for tax liabilities	024		
c) Provisions for ongoing legal cases	025	64,549	696,781
d) Provisions for renewal of natural resources	026		
e) Provisions for warranty obligations	027		
f) Other provisions	028		
8 Other operating expenses	029	4,537,092	2,888,356
III FINANCIAL INCOME (ADP 031 to 040)	030	3,224,743	3,987,146
1 Income from investments in holdings (shares) of undertakings within the group	031		

FOR THE PERIOD 01.01.2025 TO 31.12.2025			in EUR
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
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	22,312
7 Other interest income	037	2,144,521	560,539
8 Exchange rate differences and other financial income	038	4,910	
9 Unrealised gains (income) from financial assets	039	192,728	2,156,640
10 Other financial income	040	873,912	1,247,655
IV FINANCIAL EXPENDITURE (ADP 042 to 048)	041	15,819,607	11,607,876
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	13,789,832	10,854,340
4 Exchange rate differences and other expenses	045		2,713
5 Unrealised losses (expenses) from financial assets	046		
6 Value adjustments of financial assets (net)	047		
7 Other financial expenses	048	2,029,775	750,823
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	829,206	302,582
VIII SHARE IN LOSS OF JOINT VENTURES	052		
IX TOTAL INCOME (ADP 001+030+049+050)	053	420,253,776	465,311,775
X TOTAL EXPENDITURE (ADP 007+041+051+052)	054	383,268,713	419,624,116
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	36,985,063	45,687,659
1 Pre-tax profit (ADP 053-054)	056	36,985,063	45,687,659
2 Pre-tax loss (ADP 054-053)	057		
XII INCOME TAX	058	4,166,837	-9,402,606
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	32,818,226	55,090,265
1 Profit for the period (ADP 055-059)	060	32,818,226	55,090,265
2 Loss for the period (ADP 059-055)	061		

STATEMENT OF PROFIT OR LOSS / CONTINUED

Submitter: Valamar Riviera d.d.

FOR THE PERIOD 01.01.2025 TO 31.12.2025			in EUR
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
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	32,818,226	55,090,265
1 Attributable to owners of the parent	076	25,803,461	44,150,391
2 Attributable to minority (non–controlling) interest	077	7,014,765	10,939,874
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)			
I PROFIT OR LOSS FOR THE PERIOD	078	32,818,226	55,090,265
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 080+087)	079	-47,554	

FOR THE PERIOD 01.01.2025 TO 31.12.2025			in EUR
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	-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	-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	-7,676	
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 Exchange rate differences from translation into the presentation currency	089		
3 Profit or loss arising from subsequent measurement of debt securities at fair value through other comprehensive income	090		
4 Profit or loss arising from effective cash flow hedging	091		
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	092		
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	093		
7 Changes in fair value of the time value of an option	094		
8 Changes in fair value of the forward elements of forward contracts	095		
9 Other items that may be reclassified to profit or loss	096		
10 Income tax relating to items that may be reclassified to profit or loss	097		
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086-097)	098	-39,878	
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	099	32,778,348	55,090,265
APPENDIX to the Statement on comprehensive income (to be filled in by entrepreneurs who draw up consolidated statements)			
VII COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	100	32,778,348	55,090,265
1 Attributable to owners of the parent	101	25,763,583	44,150,391
2 Attributable to minority (non–controlling) interest	102	7,014,765	10,939,874

STATEMENT OF CASH FLOWS - indirect method

Submitter: Valamar Riviera d.d.

FOR THE PERIOD 01.01.2025 TO 31.12.2025				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	36,985,063	45,687,659	
2 Adjustments (ADP 003 to 010):	002	82,392,501	88,063,017	
a) Depreciation	003	68,874,368	77,831,975	
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	1,097,033	602,053	
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	-11,934	-60,447	
d) Interest and dividend income	006	-2,150,768	-579,512	
e) Interest expenses	007	13,975,039	11,061,963	
f) Provisions	008	-1,728,368	389,790	
g) Exchange rate differences (unrealised)	009			
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	2,337,131	-1,182,805	
I Cash flow increase or decrease before changes in the working capital (ADP 001+002)	011	119,377,564	133,750,676	
3 Changes in the working capital (ADP 013 to 016)	012	3,406,642	9,350,031	
a) Increase or decrease in short-term liabilities	013	6,792,722	14,441,050	
b) Increase or decrease in short-term receivables	014	-595,025	-3,002,828	
c) Increase or decrease in inventories	015	-2,791,055	-2,088,191	
d) Other increase or decrease in the working capital	016	0	0	
II Cash from operations (ADP 011+012)	017	122,784,206	143,100,707	
4 Interest paid	018	-12,485,337	-10,040,061	
5 Income tax paid	019	-4,795,601	-7,779,811	
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	105,503,268	125,280,835	
CASH FLOW FROM INVESTMENT ACTIVITIES				
1 Cash receipts from sales of fixed tangible and intangible assets	021	291,775	891,318	
2 Cash receipts from sales of financial instruments	022	560,732	204,818	
3 Interest received	023	2,493,096	753,497	
4 Dividends received	024		253	
5 Cash receipts from repayment of loans and deposits	025	11,200,000	11,300,000	
6 Other cash receipts from investment activities	026	968,400		

FOR THE PERIOD 01.01.2025 TO 31.12.2025				in EUR
Item	ADP code	Same period of the previous year	Current period	
1	2	3	4	
III Total cash receipts from investment activities (ADP 021 to 026)	027	15,514,003	13,149,886	
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-116,955,199	-164,721,542	
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	-687,120		
IV Total cash payments from investment activities (ADP 028 to 032)	033	-121,670,331	-164,721,542	
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027+033)	034	-106,156,328	-151,571,656	
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	90,217,867	121,668,904	
4 Other cash receipts from financing activities	038	370,286		
V Total cash receipts from financing activities (ADP 035 to 038)	039	90,588,153	121,668,904	
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-50,252,299	-101,504,789	
2 Dividends paid	041	-32,739,429	-35,197,817	
3 Cash payments for finance lease	042	-3,728		
4 Cash payments for the redemption of treasury shares and decrease of initial (subscribed) capital	043	-598,730	-4,953,589	
5 Other cash payments from financing activities	044	-1,772,199	-5,482,283	
VI Total cash payments from financing activities (ADP 040 to 044)	045	-85,366,385	-147,138,478	
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039+045)	046	5,221,768	-25,469,574	
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	4,568,708	-51,760,395	
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	049	55,185,359	59,754,067	
F) CASH AND CASH EQUIVALENTS AT THE END OF PERIOD (ADP 048+049)	050	59,754,067	7,993,672	

STATEMENT OF CHANGES IN EQUITY

Submitter: Valamar Riviera d.d.

FOR THE PERIOD FROM 01.01.2025 TO 31.12.2025		ATTRIBUTABLE TO OWNERS OF THE PARENT																	In EUR	
Item	ADP code	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	Exchange rate differences from translation into the presentation currency	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	19 (a+b+c+d+e+f+g+h+i)	20	21 (19+20)
PREVIOUS PERIOD																				
1 Balance on the first day of the previous business year	01	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	02																			
3 Correction of errors	03																			
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	221,915,350	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	05																25,803,461	25,803,461	7,014,765	32,818,226
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									-47,554						-61,624		-109,178		-109,178
9 Gains or losses on efficient cash flow hedging	09																			
10 Gains or losses 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 interest	11																			
12 Actuarial gains/losses on defined benefit plans	12																			
13 Other changes in equity unrelated to owners	13																			
14 Tax on transactions recognised directly in equity	14									7,676								7,676		7,676
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15																			
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					598,730												-598,730		-598,730
19 Payments from members/shareholders	19																			
20 Payment of share in profit/dividend	20															-27,069,073		-27,069,073	-5,670,356	-32,739,429
21 Other distributions and payments to members/shareholders	21		332,405			-1,717,425		-6,109								370,286		2,414,007		2,414,007
22 Transfer to reserves according to the annual schedule	22															27,027,615	-27,027,615			
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	1,550,786	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 OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25									-39,878						-61,624		-101,502		-101,502
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26									-39,878						-61,624	25,803,461	25,701,959	7,014,765	32,716,724
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27		332,405			-1,118,695		-6,109								328,828	-27,027,615	-25,253,796	-5,670,356	-30,924,152
CURRENT PERIOD																				
1 Balance on the first day of the previous business year	28	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
2 Changes in accounting policies	29																			
3 Correction of errors	30																			
4 Balance on the first day of the previous business year (restated) (ADP 28 to 30)	31	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
5 Profit/loss of the period	32																44,150,391	44,150,391	10,939,874	55,090,265
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																			
9 Gains or losses on efficient cash flow hedging	36																			
10 Gains or losses 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 interest	38																			
12 Actuarial gains/losses on defined benefit plans	39																			
13 Other changes in equity unrelated to owners	40																			
14 Tax on transactions recognised directly in equity	41																			
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	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					4,953,589												-4,953,589		-4,953,589
19 Payments from members/shareholders	46																			
20 Payment of share in profit/dividend	47															-29,527,461		-29,527,461	-5,670,356	-35,197,817
21 Other distributions and payments to members/shareholders	48		473,844			-1,428,683		23,252										1,925,779		1,925,779
22 Transfer to reserves according to the annual schedule	49															25,803,461	-25,803,461			
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50																			
24 Balance on the last day of the previous business year reporting period (ADP 31 to 50)	51	221,915,350	2,024,630	11,095,768	18,158,509	16,149,781		407,783								38,708,256	44,150,391	320,310,906	145,167,339	465,478,245
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																			
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32+52)	53																44,150,391	44,150,391	10,939,874	55,090,265
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54		473,844			3,524,906		23,252								-3,724,000	-25,803,461	-32,555,271	-5,670,356	-38,225,627

NOTES TO THE ANNUAL FINANCIAL STATEMENTS - GFI

Name of issuer: **Valamar Riviera d.d.**
 Personal identification number (OIB): **36201212847**
 Reporting period: **01/01/2025 to 31/12/2025**

Notes to the financial statements are to be drawn up in accordance with the International Financial Reporting Standards (hereinafter: IFRS) in such a way that they:

- a) present information about the basis for the preparation of the financial statements and the specific accounting policies used in accordance with the International Accounting Standard 1 (IAS 1),
- b) disclose any information required by IFRSs that is not presented elsewhere in the statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity,
- c) provide additional information that is not presented elsewhere in the statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity, but is relevant for understanding any of them.
- d) in the notes to the financial statements, in addition to the information stated above, information in respect of the following matters shall be disclosed:
 1. issuer's name, registered office (address), legal form, country of establishment, entity's registration number and, if applicable, the indication whether the issuer is undergoing liquidation, bankruptcy proceedings, shortened termination proceedings or extraordinary administration
 2. adopted accounting policies

3. the total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any valuable security which has been provided; any commitments concerning pensions of the issuer within the group or company linked by virtue of participating interest shall be disclosed separately
4. the amount of advances and credits granted to the members of the administrative, managerial and supervisory bodies, with indications of the interest rates, main conditions and any amounts repaid, written-off or revoked, as well as commitments entered into on their behalf by way of guarantees of any kind, with an indication of the total for each category
5. the amount and nature of individual items of income or expenditure which are of exceptional size or incidence
6. amounts owed by the issuer and falling due after more than five years, as well as the total debts of the issuer covered by valuable security furnished by the issuer, specifying the type and form of security
7. average number of employees during the financial year
8. where, in accordance with the regulations, the issuer 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
9. the amount of the emoluments granted in respect of the financial year to the members of the administrative, managerial and supervisory bodies by reason of their responsibilities, and any commitments arising or entered into in respect of retirement pensions for former members of those bodies, with an indication of the total for each category
10. the average number of persons employed during the financial year, broken down by categories and, if they are not disclosed separately in the profit and loss account, the staff costs relating to the financial year, broken down between net salaries and wages, tax costs and contributions from salaries, contributions on salaries and other salary costs, excluding cost allowances
11. 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
12. the name and registered office of each of the companies in which the issuer, either itself or through a person acting in their own name but on the issuer's behalf, holds a participating interest, showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the company concerned for which financial statements have been adopted; the

- information concerning capital and reserves and the profit or loss may be omitted where the company concerned does not publish its balance sheet and is not controlled by another company
13. 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
14. where there is more than one class of shares, the number and the nominal value or, in the absence of a nominal value, the accounting value for each class
15. 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
16. the name, registered office and legal form of each of the companies of which the issuer is a member having unlimited liability
17. the name and registered office of the company which draws up the consolidated financial statements of the largest group of companies of which the issuer forms part as a controlled group member
18. the name and registered office of the company which draws up the consolidated financial statements of the smallest group of companies of which the issuer forms part as a controlled group member and which is also included in the group of companies referred to in point 17.
19. the place where copies of the consolidated financial statements referred to in points 17 and 18 may be obtained, provided that they are available

NOTES TO THE ANNUAL FINANCIAL STATEMENTS - GFI / CONTINUED

20. the proposed appropriation of profit or treatment of loss, or where applicable, the appropriation of the profit or treatment of the loss
21. the nature and business purpose of the company's arrangements that are not included in the balance sheet and the financial impact on the company 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 company
22. 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
23. the net income broken down by categories of activity and into geographical markets, in so far as those categories and markets differ substantially from one another, taking account of the manner in which the sale of products and the provision of services are organised.
24. the total fees for the financial year charged by each statutory auditor or audit firm for the statutory audit of the annual financial statements, i.e. annual consolidated financial statements, the total fees charged for other assurance services, the total fees charged for tax advisory services and the total fees charged for other non-audit services, total research and development expenditure as the basis for granting state aid.

Group Valamar Riviera below presents comparison tables of items in GFI POD financial statements and audited Notes for 2025.

Summary of adjustments of GFI-POD balance sheet and consolidated balance sheet from Audited report for 2025

GFI-POD item "Tangible assets" (ADP 010; EUR 892,260 thous.) is in Audited report presented under items "Property, plant and equipment" (EUR 809,471 thous.), "Investment property" (EUR 275 thous.) and "Right-of-use assets" (EUR 82,514 thous.).

GFI-POD item "Fixed financial assets" (ADP 020; EUR 22,782 thous.) is in Audited report presented under items "Investment in associated" (EUR 15,806 thous.), "Financial assets" (EUR 83 thous.), the non-current part of the item "Derivative financial instruments" (EUR 2,544 thous.) and non-current part of the item "Loans and deposits" (EUR 4,349 thous.).

GFI-POD item "Receivables" (ADP 046; EUR 13,391 thous.) and GFI-POD item "Prepaid expenses and accrued income" (ADP 064; EUR 5,301 thous.) are in Audited report presented under items "Trade and other receivables" (EUR 14,427 thous.) and "Receivables for prepaid income tax" (EUR 4,265 thous.).

GFI-POD item "Short-term financial assets" (ADP 053; EUR 1,917 thous.) are in Audited report presented under item "Loans and deposits" - current part (EUR 1,608 thous.) and current part of item "Derivative financial instruments" (EUR 309 thous.).

GFI-POD item "Cash in hand and in bank" (ADP 063; EUR 7,994 thous.) is in Audited report presented under item "Cash and cash equivalents" (EUR 7,994 thous.).

GFI-POD item "Capital and reserves" (ADP 067; EUR 465,478 thous.) is in Audited report presented under item "Share capital" (EUR 465,478 thous.).

GFI-POD item "Provisions" (ADP 091; EUR 6,992 thous.) is in Audited report presented under non-current liabilities in item "Provisions" (EUR 6,992 thous.).

GFI-POD item "Long-term liabilities" (ADP 098; EUR 374,592 thous.) is in Audited report presented under non-current liabilities "Borrowings" (EUR 284,497 thous.), "Lease liabilities" (EUR 76,574 thous.), "Trade and other payables" (EUR 8,900 thous.) and "Deferred tax liabilities" (EUR 4,621 thous.).

GFI-POD item "Short-term liabilities" (ADP 110; EUR 149,055 thous.) and GFI-POD item "Accruals and deferred income" (ADP 125; EUR 20,206 thous.) are in Audited report presented under item of short-term part item "Borrowings" (EUR 69,558 thous.), "Lease liabilities" (EUR 9,328 thous.), "Trade and other payables" (EUR 82,871 thous.), "Derivative financial instruments" (EUR 423 thous.), "Income tax liability" (EUR 34 thous.), "Provisions" (EUR 7,047 thous.).

Summary of adjustments of GFI-POD reclassified income statement and consolidated statement of comprehensive income from Audited report for 2025

GFI-POD item "Operating income" (ADP 001; EUR 461,325 thous.) is in Audited report presented under items "Sales revenue" (EUR 455,264 thous.), "Other income" (EUR 5,405 thous.), "Other gains/(losses) - net" (EUR 584

thous.) and the rest of the amount EUR 72 thous. is explained under item "Other operating expenses".

GFI-POD item "Operating expenses" (ADP 007; EUR 407,714 thous.) are in Audited report presented under items "Cost of materials and services" (EUR 138,587 tis.), "Staff costs" (EUR 170,530 tis.), "Depreciation and amortisation" (EUR 77,832 thous.), "Other operating expenses" (EUR 20,693 thous.) and the rest of the amount EUR 72 thous. is previously explained under item "Other income".

GFI-POD item "Material costs" (ADP 009; EUR 138,587 thous.) are in Audited report presented under item "Cost of materials and services" (EUR 138,587 thous.).

GFI-POD item "Staff costs" (ADP 013; EUR 137,969 thous.) is in Audited report presented under item "Staff costs" (EUR 170,530 thous.). The rest of the amount EUR 32,562 thous. is presented under GFI-POD item: "Other expenses" (ADP 018; EUR 31,000 thous. and relates mainly to transport and other employee benefits and student costs) and "Provisions" (ADP 022; EUR 1,562 thous. and is related to provisions for employees).

GFI-POD items "Other expenses" (ADP 018; EUR 48,104 thous.) and "Other operating expenses" (ADP 029; EUR 2,888 thous.) is in Audited report presented under item "Other operating expenses" (EUR 19,992 thous.) The rest of the amount EUR 31,000 thous. is previously explained under staff costs.

GFI-POD item "Value adjustments" (ADP 019; EUR 74 thous.) is in Audited report presented under item "Other operating expenses" (EUR 74 thous.).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS - GFI / CONTINUED

GFI-POD item "Provisions" (ADP 022; EUR 2,258 thous.) is in Audited report presented under item "Other operating expenses" (EUR 697 thous.) and in the part of the item "Staff costs" (EUR 1,561 thous.).

GFI-POD item "Financial income" (ADP 030; EUR 3,987 thous.) is in Audited report presented under item "Finance result - net" presented under part of financial income (EUR 3,987 thous.).

GFI-POD item "Financial costs" (ADP 041; EUR 11,608 thous.) is in Audited report presented under item "Finance result - net" presented under part of financial expenses (EUR 11,608 thous.).

Summary of adjustments of GFI-POD cash flow statement and consolidated cash flow statement from Audited report for 2025

GFI-POD item "Net cash flow from operating activities" (ADP 020; EUR 125,281 thous.) is in Audited report presented in items "Net cash inflow from operating activities" in comparable amount of EUR 135,321 thous. and item "Interest paid" (Net cash inflow from financing activities) in the amount of EUR -10,040 thous.

GFI-POD item "Net cash outflow from investment activities" (ADP 034; EUR -151,572 thous.) is in Audited report

presented in item "Net cash outflow from investment activities" in comparable amount of EUR -151,572 thous.

GFI-POD item "Net cash flow from financing activities" (ADP 046; EUR -25,470 thous.) is in Audited report presented in item "Net cash inflow from financing activities" in comparable amount of EUR -35,510 thous. increased for the item "Interest paid" in the amount of EUR -10,040 thous.

Summary of adjustments of GFI-POD statement of changes in equity and consolidated statement of changes in shareholder's equity from Audited report for 2025

GFI-POD item "Capital and reserves" (ADP 067; EUR 465,478 thous.) is in Audited report presented in items "Share capital" (EUR 221,915 thous.), "Treasury shares" (EUR -16,150 thous.), "Capital reserves" (EUR 2,025 thous.), "Legal reserves" (EUR 11,096 thous.), "Other reserves" (EUR 22,140 thous.), "Retained earnings" (EUR 79,284 thous.) and "Non-controlling interest" (EUR 145,168 thous.). Other reserves in Audited report consist of reserve for treasury shares in the amount of EUR 18,566 thous., other reserves in the amount of EUR 3,574 thous. as a result of the recognition of the salary costs for payments based on shares in principal instruments, and the remaining amount consists of the effects of consolidation. Retained earnings from the Audited report comes from the regular business result.

Management Board's decision on Annual Report determination

Valamar Riviera d.d.
MANAGEMENT BOARD
Number: 10-1/26
Poreč, February 17, 2026

Pursuant to Articles 250a, 250b, 300a and 300b of the Companies Act, Articles 462 and 463 of the Capital Market Act, Articles 3 and 4 of the Content and structure of the Issuer's annual report and form and manner of delivering it to the Croatian Financial Services Supervisory Agency Regulation and Articles 18, 19, 20, 21, 22, 24, 25 and 29 of the Accounting Act, at its meeting held on February 17, 2026, the Management Board of Valamar Riviera d.d. from Poreč, Stancija Kaligari 1 (hereinafter: Valamar Riviera d.d. or the Company) rendered the following

DECISION

I

The Annual Report of Valamar Riviera d.d. for 2025 is hereby determined as stated in the text of the enclosed "ANNUAL REPORT 2025".

Annual Report 2025 includes the following:

1. Annual financial statements for the year 2025, audited, non consolidated and consolidated, consist of the following: Balance Sheet, Statement of profit or loss, Statement of Other Comprehensive Income, Statement of cash flows, Statement of changes in equity and Notes to the Annual financial statements;
2. Corporate Governance Code Implementation Report;
3. Management Report, including Sustainability Report;
4. Auditor's Report by Deloitte d.o.o. za usluge revizije from Zagreb and UHY RUDAN d.o.o. za porezno savjetovanje i reviziju from Zagreb.

II

The proposed decision to distribute the Company's realized profits in 2025 totalling EUR 40,634,505.77 to the Company's retained profits is hereby determined.

III

Pursuant to Article 300b of the Companies Act:

1. the reports mentioned in points I of this Decision are submitted to the Supervisory Board for examination. It is proposed that the Supervisory Board approves the said reports
2. the Auditor's Report mentioned in point I of this Decision is submitted to the Supervisory Board for approval
3. It is proposed that the Supervisory Board approves the proposed pursuant to point II of this Decision, and to pass it as such to be adopted at the General Assembly.

IV

The Zagreb Stock Exchange will be informed of this Decision.

After the Supervisory Board decides on the matters presented in point III, the reports determined in this Decision and the proposal for the distribution of profits from point II will be published in the prescribed period, pursuant to Article 462 and Article 463 of the Capital Market Act and Article 4 Regulation on content and structure of the Issuer's annual report and form and manner of delivering it to the Croatian Financial Services Supervisory Agency.

V

Upon their adoption, the following decisions and reports will be submitted to the Financial Agency to be disclosed in the prescribed period, pursuant to Article 47 paragraph 2 of the Accounting Act: this Decision together with the proposed decision on the distribution of profits in point II, the reports determined by this Decision and the decisions rendered by the Supervisory board in point III.



VALAMAR
VALAMAR RIVIERA D.D.
POREČ (4)

Željko Kukurin
Management Board President

Supervisory Board's decision on Annual Report determination

Valamar Riviera d.d.
SUPERVISORY BOARD
Number: 11-1/26
Zagreb, February 26, 2026

Pursuant to the provisions of Article 300b, Article 300c and Article 300d of the Companies Act and Management Board Decision no. 10-1/26 dated February 17, 2026, at its meeting held on February 26, 2026, the Supervisory Board of Valamar Riviera d.d. from Poreč rendered the following

DECISION

I

The Supervisory Board hereby approves the 2025 ANNUAL REPORT of Valamar Riviera d.d. that includes the following:

1. Annual financial statements for the year 2025, audited, non-consolidated and consolidated, consist of the following: Balance Sheet, Statement of profit or loss, Statement of Other Comprehensive Income, Statement of cash flows, Statement of changes in equity and Notes to the Annual financial statements;
2. Corporate Governance Code Implementation Report;
3. Management Report, including Sustainability Report;
4. Auditor's Report by Deloitte d.o.o. za usluge revizije from Zagreb and UHY RUDAN d.o.o. za porezno savjetovanje i reviziju from Zagreb.

II

Pursuant to Article 300d of the Companies Act, by granting approval as stated in point I of this Decision, the 2025 Annual Financial Statements of Valamar Riviera d.d. from Poreč are considered to be approved both by the Management Board and by the Supervisory Board.



VALAMAR
VALAMAR RIVIERA D.D.
POREČ (4)

Franz Lanschützer
Supervisory Board Chairman

Supervisory Board's report to the General Assembly of the Company

Valamar Riviera d.d.
SUPERVISORY BOARD
Number: 11-4/26
Zagreb, February 26, 2026

Pursuant to the provisions of Article 263, paragraph 3 and Article 300.c, paragraph 3 of the Companies Act, at its meeting held on February 26, 2026, the Supervisory Board of Valamar Riviera d.d. from Poreč takes note, evaluates effectiveness, determines and submits the following

REPORT

to the General Assembly of Valamar Riviera d.d. from Poreč on the performed supervision of Company's business management for

I
In the course of the reporting period of 2025, the Supervisory Board consisted of nine members: Franz Lanshützer, Chairman, Mladen Markoč and Daniel Goldscheider, Deputy Chairmen and members as follows: Gustav Wurmböck, Georg Eltz, Boris Galić, Petra Stolba, Gudrun Kuffner and Ivan Ergović, worker's representative.

In addition to the Supervisory Board, the members of the Supervisory Board also worked in four boards and committees of the Supervisory Board as follows:

- Presidium of the Supervisory Board is composed of:

Franz Lanschützer, Chairman, Mladen Markoč and Daniel Goldscheider as Deputy Chairmen. According to its scope of work, the Presidium of the Supervisory Board is both the nomination committee and the remuneration committee in terms of the provisions of the relevant regulations and recommendations/ standards of corporate governance;

- Audit Committee is composed of: Gudrun Kuffner, Chairwoman of the board and members Georg Eltz, Gustav Wurmböck, Mladen Markoč and Boris Galić.
- Investment Committee is composed of: Daniel Goldscheider, Chairman of the board and members Franz Lanschützer and Gudrun Kuffner.

- Digitalization and Sustainability Committee until June 12, 2025 was composed of: Petra Stolba, Chairwoman of the board and members Daniel Goldscheider and Franz Lanschützer. After June 12, 2025 the Digitalization and Sustainability Committee ceased its activities, and the scope of its work was incorporated into the scope of the work of the Presidium of the Supervisory Board.

II
During 2025, the Supervisory Board held six meetings, of which two by correspondence, at which it discussed many issues related to the Company's business and

supervised the business management of the Company, all in accordance with the Company's Articles of Association and Rules of Procedure of the Supervisory Board. All members of the Supervisory Board participated in the work of the Supervisory Board at all six meetings, two of which by correspondence using appropriate electronic communication, while at one meeting did not participate Georg Eltz. In part of two meetings in terms of paragraph 2 of Article 263.b of the Companies Act, Gustav Wurmböck was excluded from participating, while in part of one meeting Georg Eltz was excluded from participating.

Boards and committees of the Supervisory Board are the following: Presidium, Audit Committee, Investment Committee and Digitalization and Sustainability Committee held seventeen meetings in 2025, of which Presidium held nine meetings, Audit Committee four meetings, Investment Committee three meetings and Digitalization and Sustainability Committee held one meeting. All members of all boards and committees participated in all meetings, while Georg Eltz did not participate in one meeting.

III

During 2025, the Supervisory Board regularly received written business reports and other reports and proposals of the Management Board, as well as Management Board's decisions which, in accordance with regulations, the Articles of Association and acts of the Company, it considered and decided on.

In 2025, the Company achieved the strong growth and delivered robust results, continuing its trajectory of sustainable growth. All Valamar's destinations achieved strong results in 2025, with Rab, Makarska, Krk, and Istria leading in revenue growth. Dubrovnik, following an exceptional 2024 season, recorded stable performance. The Company's operations in 2025 continued with the growth of operating costs. In order to ensure the necessary human resources, the Company continued to make significant investments in employee wages, training, benefits as well as numerous programs to reward excellence, dedication and outstanding results. Furthermore, throughout 2025, the Company continues to strengthen its leadership in sustainable development and ESG performance.

The members of the Supervisory Board paid special attention to supervising and directing the development of activities and measures intended to enhance the

company's performance and maximise its revenues. At the meetings of the Presidium of the Supervisory Board, the members, together with the Management Board, responsible persons and experts of the Company, regularly previously discussed all materials and decision proposals which were then subject to decision-making or approval of the Supervisory Board, all for the timely preparation and the efficient functioning of the Supervisory Board in supervision of the Company's business management. Thus, the members of the Presidium previously discussed the conditions for concluding legal transactions in the area of the Company's business and real estate, as well as approving the conditions for legal transactions related to loans and other relations with banks; they also considered business plans and reports as well as information on the course of business and operations of each property individually and of the Company as a whole. In 2025, members of the Presidium paid special attention to monitoring continuation of investment in Pical Resort 5*, Valamar Collection in Poreč, the largest single investment in Croatian tourism as well as the financial and cash flow during 2025. Also, special attention was paid on monitoring the measures taken by the Management Board to find and maintain the necessary structure and number of employees in the peak season, as well as ensure the necessary goods and services despite increase of operational costs, all with the basic goal of generating as much income as possible.

At the meetings of the Audit Committee, the members discussed, proposed and took positions in accordance with the function determined by the relevant regulations and general acts of the Company. Thus, the Audit Committee during 2025 considered the plan and realization of internal audit work, submitted internal audit reports both implemented in accordance with the annual plan, and those carried out by internal

regulations (especially by the Code of Business Conduct). Additionally, the Audit Committee reviewed the revised documents of internal audit – Internal Audit Charter and Internal Audit Manual as well as new Regulation on cooperation with affiliated companies in statutory and internal audit. Furthermore, presentations were made on the revisions relating to real estate management, the Code of Business Conduct, the risk management system, as well as the IT audits addressing the theft of protected data, change management, and the management of business continuity. The Audit Committee also considered the audited financial reports of the Company, made a recommendation to the Supervisory Board on the selection of auditors for 2025 and 2026. Audit Committee, during 2025, performed all other activities in accordance with relevant regulations and internal acts, which relate to the work of auditors of financial statements.

At the meetings of the Investment Committee, the members, together with the Management Board, responsible persons and experts of the Company, previously discussed the realization of previously approved investments and thus discussed and proposed to the Supervisory Board preliminary investment approvals for 2026 in order for their timely preparation. They also proposed final investment proposals for 2026 both for the Company and for the facilities and amenities of the companies under the management of the Company.

At the meeting of the Digitalization and Sustainability Committee, the members, together with the management, responsible persons and experts of the Company, previously discussed the key digitalization and sustainability strategies, including ESG strategy and neutrality of greenhouse gases until 2026, as well as the need to re-evaluate double materiality.

IV

In accordance with its obligations, the Supervisory Board performed its supervisory role through meetings, boards and committees as well as through the acts and detailed information received from the Management Board throughout 2025, and thus

determined

that Valamar Riviera d.d. from Poreč operates in accordance with the relevant regulations, the Articles of Association and other general acts and decisions of the Company.

V

The Supervisory Board examined in particular the reports and proposals for decisions submitted to it by the Management Board, as follows:

- 1 2025 ANNUAL REPORT of the company Valamar Riviera d.d., that includes the following:
 - Annual financial statements for the year 2025, audited, non-consolidated and consolidated, consist of the following: Balance Sheet, Statement of profit or loss, Statement of Other Comprehensive Income, Statement of cash flows, Statement of changes in equity and Notes to the Annual financial statements;
 - Corporate Governance Code Implementation Report;
 - Management Report, including Sustainability Report;
 - Auditor's Report by Deloitte d.o.o. za reviziju from Zagreb and UHY RUDAN d.o.o. za porezno savjetovanje i reviziju from Zagreb.
- 2 Proposal of decision on distribution of profit realized in 2025,
- 3 Report on related party transactions for 2025 with the Auditor's Report.

Both the Audit Committee at its meeting held in the presence of auditors from the auditing company Deloitte d.o.o. za reviziju from Zagreb and UHY RUDAN d.o.o. from Zagreb, and the Supervisory Board at its meeting, examined the submitted Annual Financial Reports for 2025, Corporate Governance Code Implementation Report as well as Management Report, including Sustainability Report. The Supervisory Board determined that the mentioned reports have been prepared in accordance with the balance in the Company's business books and show the correct property and business condition of the Company, and that there are no objections to them.

The Supervisory Board, in accordance with the previously submitted opinion of the Audit Committee, has no objections to the Auditor's Report on the performed audit. Also, the Supervisory Board has no objections to the Management Report, including Sustainability Report.

The Supervisory Board also examined the previously submitted Report of the Management Board on related-parties relations with the Auditor's Report, to which there are no objections.

VI

In addition to the examinations presented in the previous item, the Supervisory Board supervised the management of the Company's business in accordance with the provisions of the Company's Articles of Association in terms of prior consideration of proposed decisions of the Company's Management Board, the valid adoption of which requires the consent of the Supervisory Board. In this part, the Supervisory Board paid special attention to the approval of the conditions for concluding legal transactions in the area of the Company's business activities, especially

in relation to transactions with significant agencies, legal affairs in relation to the disposal of the real estate as well as the approval of conditions for legal affairs related to loans and other relation with banks. The Supervisory Board also regularly monitored the financial and cash flows of the Company.

Apart from the above mentioned, the Supervisory Board regularly considered the booking status and preparations for the tourist season, the monthly business results of each business facility individually and the Company as a whole, in relation to previously adopted business plans. In this area, the Supervisory Board paid special attention to the business plan for 2026.

In 2025, the Supervisory Board continued to carefully supervise the Management Board in managing hotel and tourist facilities and amenities of the company Imperial Riviera d.d. and company Helios Faros d.d., all in accordance with the provisions of previously concluded Agreements regarding the management of hotel and tourist facilities and amenities of those companies.

The Company in 2025 continued to operate with hotels in Austria by the lease model through its branch Zweigniederlassung Austria.

Furthermore, the Supervisory Board, together with the Company's Management Board, in accordance with the relevant regulations, determined the Report on Remuneration of Members of the Management Board and the Supervisory Board for 2025, which Report shall be submitted to the General Assembly for approval.

Finally, The Supervisory Board has independently evaluated its effectiveness and composition, as well as the effectiveness and composition of its boards

and committees and the individual results of its members. The evaluation was led by the Chairman of the Supervisory Board through a transparent discussion with all members of the Supervisory Board at the meeting held on February 26, 2026, within the agenda item at which this Report was determined. In doing so, the Supervisory Board concluded that it effectively supervises the conduct of the Company's business management. It also concluded that the boards and the committee of the Supervisory Board effectively and professionally prepare proposals and recommendations to the Supervisory Board and that these preparations, i.e. previous discussions and deliberations with the Management Board, responsible persons and experts in the Company regarding all materials and proposals which the Management Board directs to the Supervisory Board, contribute to its efficient supervision of the Company's business management. The Supervisory Board also concluded that the members of the Supervisory Board and the members of its boards and committees use their education, knowledge and experience at the highest possible level in order to ensure the best possible results of the Supervisory Board's work. In this way, the members of the Supervisory Board contribute to the results of the Company's operations, as well as to the protection of the Company's interests. The Company has an obligation to have a balanced representation of women and men in the Supervisory Board, and the mandates of the existing convocation of the Supervisory Board almost fully complies with this requirement.

The Supervisory Board also assessed the effectiveness of cooperation between the Supervisory Board and the Management Board and concluded that mutual cooperation is good, that the Management Board and persons in charge of the Company provide adequate

support to members of the Supervisory Board in performing their functions, that the Management Board regularly and adequately provides information, proposals, reports and other materials to the Supervisory Board and its boards and committee regarding the Company's operations in accordance with the relevant regulations and acts of the Company, providing the Supervisory Board with overall supervision over the conduct of the Company's affairs.

The Supervisory Board will continue to conduct such an assessment, at least once a year, as a rule when considering the audited annual report for the previous year.

VII

Based on all the above said, and in accordance with the overall knowledge from the supervision of the Company and the information obtained during the work of the Supervisory Board and the work of boards and committees of the Supervisory Board in the period from January 1 to December 31, 2025, and conducted surveys given in point V of this Report, the Supervisory Board at its meeting held on February 26, 2026:

A)
gave its consent to

1 2025 ANNUAL REPORT of the company Valamar Riviera d.d., that includes the following:

- Annual financial statements for the year 2025, audited, non-consolidated and consolidated, consist of the following: Balance Sheet, Statement of profit or loss, Statement of Other Comprehensive Income, Statement of cash flows, Statement of changes in equity and Notes to the Annual financial statements;
- Corporate Governance Code Implementation Report;
- Management Report, including Sustainability Report;
- Auditor's Report by Deloitte d.o.o. za reviziju from Zagreb and UHY RUDAN d.o.o. za porezno savjetovanje i reviziju from Zagreb.

2. Proposal of decision on distribution of profit realized in 2025,

and thus, in accordance with Article 300. d of the Companies Act, the Annual Report of Valamar Riviera d.d. from Poreč for 2025 are considered determined by the Management Board and the Supervisory Board.

B)
has no objection

to the statement of the Management Board issued pursuant to the provision of Article 497, paragraph 3 of the Companies Act in the Report on related party transactions for 2025

and issued its agreement with
the report of the auditors Deloitte d.o.o. and UHY RUDAN d.o.o given on the Report of the Management Board on related party transactions for 2025.



VALAMAR
VALAMAR RIVIERA D.D.
POREČ (4)

Franz Lanschützer
Supervisory Board Chairman

Supervisory Board's decision on distribution of profit

Valamar Riviera d.d.
SUPERVISORY BOARD
Number: 11-5/26
Zagreb, February 26, 2026

Pursuant to Article 300b, and Article 300c of the Companies Act and the Management Board Decision no. 10-1/26 dated February 17, 2026, at its meeting held on February 26, 2026, the Supervisory Board of Valamar Riviera d.d. from Poreč rendered the following

DECISION

I

The proposal to distribute EUR 40,634,505.77 of the Company's achieved profit in 2025 in the Company's retained profit is hereby determined.

II

It is proposed that the General Assembly accepts the proposal determined in point I of this decision that was previously approved by the Supervisory and Management Board.



VALAMAR
VALAMAR RIVIERA D.D.
POREČ (4)

Franz Lanschützer
Supervisory Board Chairman

Annual Financial Statements

including the independent Auditor's Report for the year ended on 31 December 2025

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Responsibility for the Financial Statements

Pursuant to the Croatian Accounting Law, the Management Board is responsible for ensuring that consolidated and separated financial statements are prepared for each financial year in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, which give a true and fair view of the state of affairs and results of Valamar Riviera d.d. ("the Company") and its subsidiaries ("the Group") for that period.

After making enquiries, the Management Board has a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Management Board continues to adopt the going concern basis in preparing the financial statements.

In preparing consolidated and separate financial statements, the responsibilities of the Management Board include ensuring that:

- suitable accounting policies are selected and then applied consistently;
- judgments and estimates are reasonable and prudent;
- applicable accounting standards are followed;
- the financial statements are prepared on the going concern basis.

The Management Board is responsible for keeping proper accounting records, which disclose with reasonable

accuracy at any time the financial position of the Group and the Company, and must also ensure that the financial statements comply with the Croatian Accounting Law. The Management Board is also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Pursuant to the Accounting Act, the Management Board is obliged to prepare the Annual Report, which comprises the annual financial statements, the management report and the corporate governance statement. The management report and the corporate governance statement have been prepared in accordance with the requirements of Articles 22, 24 and 25 of the Accounting Act.

The Management Board is responsible for submitting the Company's and the Group's Annual Report, including the annual financial statements, to the Supervisory Board; if the Supervisory Board gives its consent to those financial statements, they are thereby approved by the Management Board and the Supervisory Board. Such financial statements are then submitted to the General shareholders Assembly.

The consolidated and separate financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union and presented on the following pages, were approved by the Management Board on 17th of February 2026 and were given consent by the Supervisory Board on 26th of February 2026.

Signed by the Management Board:

President of the Management Board:
Željko Kukurin



Member of the Management Board:
Marko Čižmek



Member of the Management Board:
Ivana Budin Arhanić

VALAMAR
VALAMAR RIVIERA D.D.
POREČ (4)

Independent Auditor's Report



To the Shareholders of Valamar Riviera d.d.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the separate financial statements of Valamar Riviera d.d. (the Company) and consolidated financial statements of the Valamar Riviera d.d. and its subsidiaries (the Group) which comprise the separate and the consolidated statement of financial position as at 31 December 2025, the separate and the consolidated statement of comprehensive income, the separate and the consolidated statement of changes in equity and the separate and the consolidated statement of cash flows for the year then ended, and notes to the separate and the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) and Regulation (EU) 537/2014 of the European Parliament and of the Council, dated 16 April 2014, on specific requirements regarding statutory audit of public-interest entities. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate and the Consolidated Financial Statements section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Croatia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the separate and the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the separate and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

This version of the auditor's report is translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over this translation.

Key Audit Matter / CONTINUED

KEY AUDIT MATTER

Recognition of capital investments and subsequent measurement of recoverable amount of touristic properties

For accounting policies please refer to Notes 2.6 *Property, plant and equipment*, 2.8 *Impairment of Non-Financial Assets*, 4 (a) *Key accounting judgments and estimates - Impairment of Non-Financial Assets*, 4 (b) *Key accounting judgments and estimates - Estimated useful lives* as well as Note 14 *Property, plant and equipment* within the separate and consolidated financial statements.

The Company and the Group have significant investments in Property, plant and equipment, including Buildings and Asset under construction, relating to tourism touristic properties in the financial statements for the year ended 31 December 2025.

These assets represent a significant portion of the total assets of the Company and the Group and are presented at EUR 417,089 thousand for the Company (31 December 2024: EUR 349,931 thousand) and EUR 577,053 thousand for the Group (31 December 2024: EUR 500,797 thousand) in the accompanying financial statements as of 31 December 2025.

The Company and the Group continuously undertake significant investment projects in both existing and new tourism facilities. The recognition of costs related to construction and investments requires Management judgment in distinguishing capital expenditures from costs recognised in profit or loss. Given the amount of such expenditures, any inappropriate capitalisation of costs as property, plant and equipment could have a significant impact on the financial position and operating results.

In addition, determining the point at which asset under construction is transferred to assets in use requires

significant Management judgment, including an assessment of the asset's readiness for its intended use and the determination of its useful life. These judgments directly affect the commencement of depreciation and the amount of depreciation expense.

After being brought into use, tourism facilities are subsequently measured at cost less accumulated depreciation and any impairment losses. As certain tourism facilities are pledged as collateral and represent separate cash-generating units (CGUs), Management performs an annual assessment of whether impairment indicators exist. In this context, the assessment of recoverable amount is based on significant assumptions and estimates, including expected future cash flows, growth rates, discount rates, occupancy levels and the operating profitability of individual facilities.

Given the significant amount of investments in touristic properties, the level of judgment needed in determining costs to be capitalised as part of the cost of assets and in assessing when assets are available for use, as well as the complexity of the assumptions applied in the subsequent measurement, this matter required significant attention during our audit and was therefore identified as a key audit matter.

HOW WE ADDRESSED KEY AUDIT MATTER

In order to respond to risks associated with Recognition of capital investments and subsequent measurement of recoverable amount of touristic properties, identified as key audit matter, we designed audit procedures that enabled us to obtain sufficient appropriate audit evidence for our conclusion on this matter.

Our audit procedures, relating to identified key audit matter area, included among others:

- Obtaining understanding of the process and the control environment relating to the recognition of capital investments, the transfer of asset under construction to asset in use, and the annual review of touristic properties for the purpose of identifying indicators of impairment;
- Examining appropriateness of the design and implementation of identified and relevant control activities implemented by the Management, to address risks related to the recognition of capital investments and the assessment of impairment of touristic properties;
- Testing operating effectiveness identified control activities;
- Inspecting Minutes of the Management and Supervisory Board's meetings to identify information regarding approved capital investment plans and amounts, indications of difficulties or delays in the execution of capital investment and indications of operational challenges, changes in individual operating plans or physical damage to assets;
- Reconciliation of the fixed asset register with obtained financial information on the relevant asset
- Performing test of details on selected sample of Buildings and Asset under construction, to verify the appropriateness, accuracy, and timing of the recognition of capital investments;
- Inspecting and evaluating the appropriateness of the Company's and Group's annual review and impairment model again the requirements of the relevant financial standards;
- Identifying relevant judgements, assumptions, and sources of data used in the models and assessing whether such are reasonable and appropriate for their application;
- Inspecting accuracy and completeness of the annual depreciation charge by recalculating amounts.

Other Matter

The separate and consolidated financial statements of the Company and the Group for the year ended 31 December 2024 were audited by another auditor, who on 15 April 2025 expressed an unmodified opinion on those financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the separate and the consolidated financial statements and our auditor's report.

Our opinion on the separate and the consolidated financial statements does not cover the other information.

In connection with our audit of the separate and the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. With respect to the Management Report, the Corporate Governance Report, which is included in the Annual Report, we have also performed the other procedures prescribed by the Accounting Act. These procedures include examination of whether the Management Report include required disclosures as set out in the Articles 22 and 24 of the Accounting Act and whether the Corporate Governance Report includes the information specified in the Articles 22 and 25 of the Accounting Act.

Based on the procedures performed during our audit, to the extent we are able to assess it, we report that:

1. Information included in the other information is, in all material respects, consistent with the attached separate and consolidated financial statements.
2. Management Report has been prepared, in all material respects, in accordance with the Articles 22 and 24 of the Accounting Act, excluding the requirements on sustainability reporting. In respect of the Sustainability Report, which is included as part of the other information and constitutes a separate part of the Management Report, Auditor performed a limited assurance engagement, the results of which were presented in a separate limited assurance report with an unmodified conclusion.
3. Corporate Governance Report has been prepared, in all material aspects, in accordance with the Articles 22 and 25 of the Accounting Act.

Based on the knowledge and understanding of the Company and the Group and its environment, which we gained during our audit of the separate and the consolidated financial statements, we have not identified material misstatements in the other information.

Responsibilities of Management and Those Charged with Governance for the Separate and the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and the consolidated financial statements in accordance with IFRSs and for such internal control as Management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and the consolidated financial statements, Management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate and the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and the consolidated financial

statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Separate and the Consolidated Financial Statements / CONTINUED

- Evaluate the overall presentation, structure and content of the separate and the consolidated financial statements, including the disclosures, and whether the separate and the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and the consolidated financial statements of the current period and are therefore the key audit matter. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report based on the requirements of Delegated Regulation (EU) No. 2018/815 amending Directive No. 2004/109/EC of the European Parliament and of the Council as regards regulatory technical standards for the specification of the uniform electronic format for reporting (ESEF)

Auditor's reasonable assurance report on the compliance of separate and consolidated financial statements (financial statements), prepared based on the provision of Article 462 (5) of the Capital Market Act by applying the requirements of the Delegated Regulation (EU) 2018/815 specifying for the issuers a single electronic reporting format ("ESEF Regulation"). We conducted a reasonable assurance engagement on whether the financial statements of the Company the Group for the financial year ended 31 December 2025 prepared to be made public pursuant to Article 462 (5) of the Capital Market Act, contained in the electronic file [valamarrivieradd-2025-12-31-1-en.zip], have been prepared in all material aspects in accordance with the requirements of the ESEF Regulation.

Responsibilities of the Management and Those Charged with Governance

Management is responsible for the preparation and content of the financial statements in line with the ESEF Regulation.

In addition, Management is responsible for maintaining the internal controls system that reasonably ensures the preparation of financial statements without material differences with the reporting requirements from the ESEF Regulation, whether due to fraud or error.

Furthermore, Company Management is responsible for the following:

- public reporting of financial statements presented in the Annual Report in valid XHTML format

- selection and use of XBRL markups in line with the requirements of the ESEF Regulation.

Those charged with governance are responsible for supervising the preparation of financial statements in ESEF format as part of the financial reporting process.

Auditor's Responsibilities

It is our responsibility to carry out a reasonable assurance engagement and, based on the audit evidence obtained, give our conclusion on whether the financial statements have been prepared without material differences with the requirements from the ESEF Regulation. We conducted our reasonable assurance engagement in accordance with the *International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000)*. This standard requires that we plan and perform the engagement to obtain reasonable assurance for providing a conclusion.

Quality management

We have conducted the engagement in compliance with independence and ethical requirements as provided by the Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, as well as in compliance with the independence and the ethical requirements in Croatia. The code is based on the principles of integrity, objectivity, professional competence and due diligence, confidentiality, and professional conduct.

Report on Other Legal and Regulatory Requirements / CONTINUED

Report based on the requirements of Delegated Regulation (EU) No. 2018/815 amending Directive No. 2004/109/EC of the European Parliament and of the Council as regards regulatory technical standards for the specification of the uniform electronic format for reporting (ESEF) / CONTINUED

We comply with the *International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* (ISQM 1) and accordingly maintain an overall management control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and statutory requirements.

Procedures performed

As part of the selected procedures, we have conducted the following activities:

- We have read the requirements of the ESEF Regulation;
- We have gained an understanding of internal controls of the Company and the Group, relevant for the application of the ESEF Regulation requirements;
- We have identified and assessed the risks of material differences with the ESEF Regulation due to fraud or error;
- We have devised and designed procedures for responding to estimated risks and obtaining reasonable assurance in order to give our conclusion.

Our procedures focused on assessing whether:

- Financial statements included in the separate and the consolidated report have been prepared in valid XHTML format;
- Data included in the separate and the consolidated financial statements required by the ESEF

Regulation have been marked up and meet all of the following requirements:

- XBRL has been used for markups.
- Core taxonomy elements stipulated in the ESEF Regulation with the closest accounting meaning were used unless an extension taxonomy element was created in line with the Annex IV of the ESEF Regulation;
- Markups comply with the common rules on markups in line with the ESEF Regulation.

We believe the evidence we obtained to be sufficient and appropriate to provide a basis for our conclusion.

Conclusion

We believe that, based on the procedures performed and evidence obtained, the financial statements of the Company and the Group presented in the ESEF format, contained in the aforementioned electronic file, and based on the provision of Article 462 (5) of the Capital Market Act, have been prepared to be published for public, in all material aspects in accordance with the requirements of articles 3, 4 and 6 of the ESEF Regulation for the year ended 31 December 2025.

In addition to this conclusion, as well as the audit opinion contained in this Independent Auditor's Report for the accompanying financial statements and Annual Report for the year ended 31 December 2025, we do not express any opinion on the information contained in these documents or other information contained in the above mentioned file.

Other reporting obligations as required by Regulation (EU) No. 537/2014 of the European Parliament and the Council and the Audit Act

We were appointed as the statutory auditor of the Company and the Group by the shareholders on General Shareholders' Meeting held on 12 June 2025 to perform audit of accompanying separate and consolidated financial statements. Deloitte d.o.o.'s total uninterrupted engagement has lasted 1 year and covers period 1 January 2025 to 31 December 2025. UHY Rudan d.o.o.'s total uninterrupted engagement has lasted 7 years and covers period 1 January 2019 to 31 December 2025.

We confirm that:

- our audit opinion on the accompanying separate and consolidated financial statements is consistent with the additional report issued to the Audit Committee of the Company on 26 February 2026 in accordance with the Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council;

- no prohibited non-audit services referred to in the Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided.

There are no services, in addition to the statutory audit, which we provided to the Company and its controlled undertakings, and which have not been disclosed in the Annual Report.

The engagement partners on the audit resulting in this independent auditor's report is Goran Končar on behalf of Deloitte d.o.o. and Vedrana Miletić on behalf of UHY Rudan d.o.o.

For signature, please refer to the original Croatian auditor's report, which prevails.

Goran Končar

Director and Certified auditor
26 February 2026
Deloitte d.o.o.
Radnička cesta 80, Zagreb; Croatia

Vedrana Miletić

Director and Certified auditor
26 February 2026
UHY RUDAN d.o.o.
Ilica 213, Zagreb; Croatia

CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025			GROUP		COMPANY
(all amounts in thousands of EUR)	Note	2024	2025	2024	2025
Sales revenue	5	411,322	455,264	319,068	345,636
Other income	6	5,572	5,405	4,846	4,674
Cost of materials and services	7	(128,225)	(138,587)	(103,317)	(108,654)
Staff costs	8	(148,974)	(170,530)	(119,988)	(133,775)
Depreciation and amortisation	14,15,27	(68,874)	(77,832)	(49,039)	(54,577)
Other operating expenses	9	(20,547)	(20,693)	(16,431)	(16,588)
Other gains/(losses) – net	10	135	584	113	556
Operating profit/(loss)		50,409	53,611	35,252	37,272
Finance income	11	3,225	3,987	6,982	8,081
Finance expense	11	(15,820)	(11,608)	(11,217)	(7,625)
Finance result – net	11	(12,595)	(7,621)	(4,235)	456
Share of net profit/(loss) of associate	17	(829)	(302)	-	-
Profit/(loss) before tax		36,985	45,688	31,017	37,728
Income tax	12	(4,167)	9,402	(5,084)	2,906
Profit/(loss) for the year		32,818	55,090	25,933	40,634
Other comprehensive income					
<i>Items that cannot be reclassified to P&L account</i>					
Change in financial assets value		(48)	-	(48)	-
Tax on other comprehensive income	12	8	-	8	-
Total comprehensive income for the year		32,778	55,090	25,893	40,634
Profit/(loss) attributable to:					
Owners of the Parent Company		25,803	44,150	-	-
Non-controlling interests		7,015	10,940	-	-
		32,818	55,090	-	-
Total comprehensive income attributable to:					
Owners of the Parent Company		25,763	44,150	-	-
Non-controlling interests		7,015	10,940	-	-
		32,778	55,090	-	-
Earnings per share (in EUR) attributable to equity holders of the Group during the year:					
- basic and dilute	13	0.21	0.36	-	-

These financial statements were approved by the Management Board of the Company on 17 February 2026.

President of the Management Board:
Željko Kukurin



Member of the Management Board:
Marko Čizmek



Member of the Management Board:
Ivana Budin Arhanić



VALAMAR
VALAMAR RIVIERA D.D.
POREC (4)

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

		GROUP 31 December		COMPANY 31 December	
(all amounts in thousands of EUR)	Note	2024	2025	2024	2025
ASSETS					
Non-current assets					
Property, plant and equipment	14	714,268	809,471	474,068	541,673
Investment property		311	275	311	275
Right-of-use assets	27	77,638	82,514	73,034	76,524
Goodwill	15	872	872	872	872
Other intangible assets	15	7,934	9,356	7,465	8,692
Investment in subsidiaries	16	-	-	124,259	124,259
Investment in associate	17	16,108	15,806	17,503	17,503
Other financial assets		23	83	19	79
Other receivables	21	-	451	-	451
Derivative financial instruments	22	212	2,544	47	2,050
Loans and deposits	19	4,257	4,348	4,257	4,348
Deferred tax assets	12	40,771	49,734	1,656	4,450
		862,394	975,454	703,491	781,176
Current assets					
Inventories	20	10,178	12,266	8,581	10,225
Trade and other receivables	21	13,059	14,427	16,695	13,517
Income tax receivable		-	4,265	-	4,265
Loans and deposits	19	12,955	1,608	154	108
Derivative financial instruments	22	605	309	272	148
Cash and cash equivalents	23	59,754	7,994	53,230	1,843
		96,551	40,869	78,932	30,106
Total assets		958,945	1,016,323	782,423	811,282

		GROUP 31 December		COMPANY 31 December	
(all amounts in thousands of EUR)	Note	2024	2025	2024	2025
EQUITY AND LIABILITIES					
Share capital	25	221,915	221,915	221,915	221,915
Treasury shares	25	(12,625)	(16,150)	(12,625)	(16,150)
Capital reserves	25	1,551	2,025	1,615	2,089
Legal reserves	25	11,096	11,096	11,096	11,096
Other reserves	25	22,117	22,140	23,656	23,679
Retained earnings	25	64,662	79,285	162,544	173,651
		308,716	320,311	408,201	416,280
Non-controlling interest	30	139,898	145,167	-	-
Total equity		448,614	465,478	408,201	416,280
LIABILITIES					
Non-current liabilities					
Borrowings	26	232,030	284,497	139,705	175,485
Lease liabilities	27	73,449	76,574	68,807	71,276
Trade and other payables	28	9,337	8,900	8,524	8,524
Provisions	29	6,602	6,992	5,379	5,746
Deferred tax liabilities	12	5,146	4,621	1,308	1,195
		326,564	381,584	223,723	262,226
Current liabilities					
Borrowings	26	101,722	69,558	84,527	48,228
Lease liabilities	27	6,101	9,328	5,916	8,227
Trade and other payables	28	65,973	82,871	51,052	70,048
Derivative financial instruments	22	-	423	-	352
Income tax liability		3,465	34	3,403	-
Provisions	29	6,506	7,047	5,601	5,921
		183,767	169,261	150,499	132,776
Total liabilities		510,331	550,845	374,222	395,002
Total equity and liabilities		958,945	1,016,323	782,423	811,282

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025											GROUP
(all amounts in thousands of EUR)	Note	Share capital	Treasury shares	Capital reserves	Legal reserves	Fair value reserves	Other reserves	Retained earnings	Total	Non-controlling interests	Total
Balance as at 1 January 2024		221,915	(13,743)	1,219	11,096	40	22,123	65,618	308,268	138,553	446,821
Profit/loss for the year		-	-	-	-	-	-	25,803	25,803	7,015	32,818
Other comprehensive income/loss	25	-	-	-	-	(40)	-	-	(40)	-	(40)
Total comprehensive income/loss for the year		-	-	-	-	(40)	-	25,803	25,763	7,015	32,778
Treasury shares acquired	25	-	(599)	-	-	-	-	-	(599)	-	(599)
Return of uncollected dividend	25	-	-	-	-	-	-	370	370	-	370
Dividend	25	-	-	-	-	-	-	(27,068)	(27,068)	(5,670)	(32,738)
Reserves for payments with equity instruments	25	-	1,717	332	-	-	(6)	-	2,043	-	2,043
Sale of financial assets	25	-	-	-	-	-	-	(61)	(61)	-	(61)
Total contributions by and distributions to company owners, recognised directly in equity		-	1,118	332	-	-	(6)	(26,759)	(25,315)	(5,670)	(30,985)
Balance at 31 December 2024		221,915	(12,625)	1,551	11,096	-	22,117	64,662	308,716	139,898	448,614
Profit/loss for the year		-	-	-	-	-	-	44,150	44,150	10,940	55,090
Total comprehensive income/loss for the year		-	-	-	-	-	-	44,150	44,150	10,940	55,090
Treasury shares acquired	25	-	(4,954)	-	-	-	-	-	(4,954)	-	(4,954)
Dividend	25	-	-	-	-	-	-	(29,527)	(29,527)	(5,671)	(35,198)
Reserves for payments with equity instruments	25	-	1,429	474	-	-	23	-	1,926	-	1,926
Total contributions by and distributions to company owners, recognised directly in equity		-	(3,525)	474	-	-	23	(29,527)	(32,555)	(5,671)	(38,226)
Balance at 31 December 2025		221,915	(16,150)	2,025	11,096	-	22,140	79,285	320,311	145,167	465,478

SEPARATE STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025									COMPANY
(all amounts in thousands of EUR)	Note	Share capital	Treasury shares	Capital reserves	Legal reserves	Fair value reserves	Other reserves	Retained earnings	Total
Balance as at 1 January 2024		221,915	(13,743)	1,283	11,096	40	23,662	163,370	407,623
Profit/loss for the year		-	-	-	-	-	-	25,933	25,933
Other comprehensive income/loss		-	-	-	-	(40)	-	-	(40)
Total comprehensive income/loss for the year		-	-	-	-	(40)	-	25,933	25,893
Treasury shares acquired	25	-	(599)	-	-	-	-	-	(599)
Return of uncollected dividend	25	-	-	-	-	-	-	370	370
Dividend	25	-	-	-	-	-	-	(27,068)	(27,068)
Reserves for payments with equity instruments	25	-	1,717	332	-	-	(6)	-	2,043
Sale of financial assets	25	-	-	-	-	-	-	(61)	(61)
Total contributions by and distributions to company owners, recognised directly in equity		-	1,118	332	-	-	(6)	(26,759)	(25,315)
Balance at 31 December 2024		221,915	(12,625)	1,615	11,096	-	23,656	162,544	408,201
Profit/loss for the year		-	-	-	-	-	-	40,634	40,634
Total comprehensive income/loss for the year		-	-	-	-	-	-	40,634	40,634
Treasury shares acquired	25	-	(4,954)	-	-	-	-	-	(4,954)
Dividend	25	-	-	-	-	-	-	(29,527)	(29,527)
Reserves for payments with equity instruments	25	-	1,429	474	-	-	23	-	1,926
Total contributions by and distributions to company owners, recognised directly in equity		-	(3,525)	474	-	-	23	(29,527)	(32,555)
Balance at 31 December 2025		221,915	(16,150)	2,089	11,096	-	23,679	173,651	416,280

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025		GROUP		COMPANY	
(all amounts in thousands of EUR)	Note	2024	2025	2024	2025
Cash flow generated from operating activities					
Cash from operations	31	122,784	143,101	80,711	107,722
Income tax (paid)/received		(4,796)	(7,780)	(4,786)	(7,668)
Net cash inflow/(outflow) from operating activities		117,988	135,321	75,925	100,054
Cash flow from investment activities					
Investment in associate	17	(687)	-	(687)	-
Purchase of property, plant, equipment and intangible assets		(116,955)	(164,721)	(74,277)	(110,780)
Proceeds from disposal of property, plant and equipment		292	891	243	863
Proceeds of derivative financial instruments (IRS)		522	205	522	205
Proceeds from the sale of financial instruments (shares)		38	-	38	-
Loans and deposits granted		(4,028)	-	(4,028)	-
Loans and deposits repayments received		12,168	11,300	968	-
Dividend received		-	-	4,978	4,884
Interest received		2,493	753	1,399	212
Net cash outflow from investment activities		(106,157)	(151,572)	(70,844)	(104,616)
Cash flow from financing activities					
Dividend paid		(32,738)	(35,198)	(27,068)	(29,527)
Treasury shares acquired		(599)	(4,954)	(599)	(4,954)
Interest paid	26	(10,256)	(6,291)	(6,696)	(3,352)
Interest paid (IFRS 16)	27	(2,230)	(3,749)	(1,984)	(3,440)
Proceeds from borrowings	26	90,219	121,670	73,208	83,919
Repayments of borrowings	26	(50,256)	(101,505)	(33,429)	(84,322)
Lease costs (principal portion of IFRS 16)	27	(1,772)	(5,482)	(1,940)	(5,149)
Return of uncollected dividend	25	370	-	370	-
Net cash inflow/(outflow) from financing activities		(7,262)	(35,509)	1,862	(46,825)
Net increase/(decrease) in cash and cash equivalents		4,569	(51,760)	6,943	(51,387)
Cash and cash equivalents at beginning of year		55,185	59,754	46,287	53,230
Cash and cash equivalents at year end	23	59,754	7,994	53,230	1,843

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. 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. In 2025 shares were traded in an organized market in compliance with the relevant regulations.

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

- Bugenvilla d.o.o., Dubrovnik, 100% ownership;
- Imperial Riviera d.d., Rab, 46.27% ownership with the subsidiary Praona d.o.o., Makarska.

Associated Companies make:

- 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, along with dependent companies 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, Austria 10% direct ownership and 22.08% indirect ownership (90% ownership holds Valamar A GmbH).

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

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 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. The specified amount was spent by the Company on 20 February 2025. The Company's Management made a decision on 18 June 2025 to adopt a new Share Buyback Program in the amount of up to EUR 3.6 million. The specified amount was spent by the Company on 30 December 2025.

From the basis of the Program, the Company acquires its own shares through the investment company on the regulated market of the Zagreb Stock Exchange d.d. 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 the accordance with the long-term reward program.

Based on the decision from the General Assembly on 12 June 2025, the Company paid a dividend in the amount of EUR 0.24 per share, in the total amount of EUR 29,527,461.

NOTE 2 – SUMMARY OF INFORMATION ON THE SIGNIFICANT ACCOUNTING POLICIES

Material information on the accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented herein.

2.1 Basis of preparation

These financial statements represent the separate and consolidated financial position and results of the Group and the Company, respectively.

(a) Statement of compliance

The financial statements of the Group and Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. 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 through other comprehensive income (OCI).

(b) Significant accounting estimates

The preparation of financial statements in accordance with IFRS requires the use of certain significant accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's and Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are relevant to the financial statements, are disclosed in the notes.

(c) Functional currency and presentation currency

The items included in the Group's and Company's financial statements are expressed in the currency of the primary economic environment in which the Group and the Company operate (functional currency). Financial statements are presented in thousands of euros.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special-purpose entities) controlled by the Group. The Group controls the entity when it is exposed or has the right to variable returns from its participation in the entity and has the ability to influence those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are excluded from consolidation from the date on which that control ends. In the event of a loss of control, the remaining interest in the former subsidiary company is measured at fair value and the difference is recognised in the profit and loss account. Consolidated financial statements exclude all intra-Group transactions, balances, revenues and expenses, as well as unrealised profit and loss arising from intra-Group transactions.

The accounting policies of subsidiary companies are, where appropriate, aligned with the accounting policies of the Group. Non-controlling interests are the portion of the profit and loss and net assets of subsidiary companies that are not attributable to the Group. In the consolidated balance sheet, non-controlling interests are reported separately within equity, separately from the equity of the Group. The profit or loss and each component of other comprehensive income are allocated between the Group owners and non-controlling interests, even if this results in a negative balance of non-controlling interests.

(b) Changes in ownership interests in subsidiaries without change of control

Changes in ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions, and the differences between the amount

paid and the carrying amount of the corresponding share of the subsidiary's net assets are recognised in equity. No gain or loss is recognised in the statement of profit or loss in relation to such transactions.

(c) Associates

Associate is a company in which the group has significant influence. The significant influence refers to the power to participate in the decision making of financial and business policies of the company that is the subject of investment but does not have the control over those policies.

The Group's shares at the associate are presented using the equity method. Under this method, share in an associate is initially recognised by cost and subsequently adjusted by changes related to acquisition of share in net assets of the associate. Under the equity method, an investment in an associate is initially recognized at cost. The carrying amount of the investment is subsequently adjusted to reflect changes in the Group's share of the associate's net assets since the date of acquisition. Goodwill related to the associate is included in the carrying amount of the investment and is not subject to a separate impairment test. Consequently, impairment reversals may in practice also include the reversal of goodwill impairment.

At each reporting date, the Group assesses whether there is objective evidence that the investment in the associate is impaired. If such evidence exists, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its book value and recognizes the loss under the item "Share of net profit/(loss) of associate" in the statement of comprehensive income. In case of loss of significant influence over the associate, the Group measures and recognizes the remaining investment at fair value. Any

difference between the carrying amount of the investment in the associate at the date of loss of significant influence and the fair value of the remaining investment and proceeds from disposal is recognised in profit or loss.

2.2.1 Subsidiaries in separate financial statements

The Company discloses its subsidiaries in the separate financial statements at cost value less impairment (Note 16 – *Investment in subsidiaries*).

2.3 Merger of entities and transactions with companies under common control

A merger or a business combination involving entities under common control is a business combination in which all of the entities participating in the business combination are controlled by the same party (or parties) both before and after the business combination, so that no transfer of control occurs. The predecessor method of accounting is used to account for the mergers of entities under common control. According to the predecessor method of accounting, the carrying amount of the assets (including goodwill, if any) and liabilities of the acquired or merged Company (or the Company that ceased to exist as a result of the merger) are transferred to the successor Company from the consolidated financial statements of the highest entity that has common control and which prepares consolidated financial statements or a lower level entity if justified. The merged entity's results and balance sheet are incorporated prospectively from the date on which the merger or business combination between entities under common control occurred.

On the date of the merger, inter-company transactions, balances and unrealised gains and losses on mutual transactions are eliminated.

NOTE 2 – SUMMARY OF INFORMATION ON THE SIGNIFICANT ACCOUNTING POLICIES / CONTINUED**2.3 Merger of entities and transactions with companies under common control / CONTINUED**

The difference between the transferred fee and the carrying amount of the net assets of the acquired Company is recognised in equity (in retained earnings).

2.4 Segment reporting

The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is a person or group responsible for allocating the resources and assessing the performance of the operating segments. The chief operating decision-makers are the Group and Company Management, which are in charge of managing the hotel and tourist properties and facilities.

2.5 Foreign currencies*Transactions and balances in foreign currency*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions and assets and liabilities denominated in foreign currencies are translated into the functional currency at the middle exchange rate of the Croatian National Bank valid on the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Foreign exchange gains and losses are recorded in the statement of comprehensive income within 'finance income/(costs) – net'.

2.6 Property, plant and equipment

Property, plant and equipment are included in the statement of financial position at historical cost less

the accumulated depreciation and accumulated impairment, where required. Historical cost includes expenditure that is directly attributable to the acquisition of the items and bringing it to a condition ready for use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item shall flow to the Group and Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they incurred. The cost of replacement of larger items of property, plant and equipment is capitalised, and the carrying amount of replaced parts is derecognised.

Land, arts and assets under construction are not depreciated. Depreciation of other items of property, plant and equipment is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

Buildings	10-25 years
Plant and equipment	4-10 years
Furniture, tools and plantations	3-10 years

Depreciation is calculated for each asset until the asset is fully depreciated or to its residual values if significant. The residual value of an asset is the estimated amount that the Group and Company would currently obtain from disposal of the asset less the estimated costs of disposal if the asset were already of the age and in the condition expected at the end of its useful life. The residual value of an asset is zero if the Group and Company expect to use the asset until the end of its

physical life. The operating asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.7 Intangible assets**(a) Goodwill**

Goodwill arises in a business combination and is the excess of the acquisition value of the investment surpassing the acquisition-date fair value of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill is initially recognised at cost and reported as an intangible asset.

After initial recognition, goodwill is not amortised but rather tested for impairment at least once a year, as well as in the case of impairment indicators, in accordance with the policy specified under 2.8 *Impairment of non-financial assets*.

For impairment testing purposes, goodwill is allocated to units generating cash flow, or groups of such units, that are expected to benefit from the synergistic effects of a business combination. The recoverable amount of a unit generating cash flow is determined as the fair value with selling costs deducted or the value in use, whichever is higher.

If the carrying amount of the unit generating cash flow, including goodwill, exceeds its recoverable amount, an impairment loss is recognised. Impairment losses on goodwill cannot be subsequently reversed.

When a unit generating cash flow is disposed of, in whole or in part, the goodwill relating to the disposed part is included in the carrying amount when determining the profit or loss on the sale.

(b) Software

Separately acquired computer software licenses are capitalised on basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of up to 4 years.

2.8 Impairment of non-financial assets

When applying IAS 36 – *Impairment of Assets*, the relationship between the carrying amount of an asset and its recoverable amount is analysed, with no impairment if the recoverable amount is equal to or greater than the carrying amount. The recoverable amount is determined using the fair value of an asset with disposal costs deducted or its value in use, whichever is higher.

The Group and the Company determines the indicators for the impairment of property, unless there are indications of damage or rapid obsolescence of assets or usage limitations (technological advances, legal restrictions, etc.), by applying the method of multiplying the net book value of individual assets, or their segment (identified as a cash-generating unit), with the achieved operating profit of the asset or segment.

Where, for an individual asset or segment (cash-generating unit), the multiplier of the net carrying amount and the profit of the segment exceeds the default values, its recoverable amount is determined using the fair value with selling costs deducted or the value in use, whichever is higher.

NOTE 2 – SUMMARY OF INFORMATION ON THE SIGNIFICANT ACCOUNTING POLICIES / CONTINUED

2.9 Financial instruments**2.9.1 Financial assets****Classification**

The Group and the Company classify its financial assets in the following categories: financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income (OCI), and financial assets at amortised cost. The classification depends on the purpose for which the financial assets were acquired. The Management determines the classification of financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit or loss

This category includes financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by the Management. Assets in this category are classified as current assets except derivative financial instruments.

(b) Financial assets at fair value through other comprehensive income (OCI)

The Group and the Company measure financial assets at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of holding the financial assets to collect and selling contractual cash flows,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of the principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment

losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for the financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is reclassified to profit or loss.

Changes in the fair value of equity instruments are recognised in other comprehensive income. After derecognition, the cumulative change in fair value in other comprehensive income is not recycled through profit or loss.

(c) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective of holding financial assets in order to collect contractual cash flows,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Financial assets at amortised cost include trade receivables, receivables for deposits made and loans granted and cash.

Measurement and recognition

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the

Group and the Company committed to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group and the Company has transferred substantially all risks and rewards of ownership. Loans and receivables, other than trade receivables, are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the statement of comprehensive income within 'other (losses)/gains – net' in the period in which they arise.

Interest arising from funds deposited with banks, loans granted and interest from customers is recognised on time-proportionate basis using the effective interest rate method and in the statement of profit and loss as part of financial income. When the value of receivables is impaired, the Group and the Company reduce the carrying amount of the receivables to their recoverable amount, being the estimated present value of expected future cash inflows discounted at the instrument's original effective rate. The systematic cancellation of the discount in future periods is recognised as interest income. Interest income from loans whose collection is doubtful is recognised using the original effective interest rate method. Dividends from equity securities

is recognised in the statement profit and loss as part of financial income when the right to receive the dividend is established.

The fair value of quoted investments is based on the current bid prices. If the market for financial instrument is not active (as is the case with unlisted securities) the Group and the Company establish fair value using various valuation techniques, making maximum use of market inputs and inputs specific to the business entity.

2.9.2 Financial liabilities

The Group and the Company classify their financial liabilities in accordance with the requirements of IFRS 9 – *Financial Instruments*, into the following categories:

- Financial liabilities measured at amortised cost,
- Financial liabilities measured at fair value through profit and loss.

This classification depends on the nature and purpose of the financial instrument and the business model for managing liabilities. Financial liabilities at amortised cost include liabilities to banks and other interest-bearing liabilities, liabilities to suppliers and other non-derivative liabilities as well as other long-term and short-term financial liabilities. Such liabilities are initially recognised at fair value with transaction costs deducted and are subsequently measured at amortised cost using the effective interest method. Financial liabilities at fair value through profit and loss include derivative liabilities. Changes in the fair value of such liabilities are recognised in the statement of comprehensive income.

NOTE 2 – SUMMARY OF INFORMATION ON THE SIGNIFICANT ACCOUNTING POLICIES / CONTINUED**2.9 Financial instruments / CONTINUED****2.9.3 Impairment of financial assets**

The Group and the Company recognise provision for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

At each reporting date, the Group and the Company measure expected credit losses and recognises net impairment losses on financial assets. The Group and the Company, in accordance with IFRS 9, Financial Instruments, applies a simplified approach to the calculation of expected credit losses on trade receivables, which results in the recognition of lifetime expected credit losses, since such expected credit losses are not significant for the Group and the Company.

Expected credit losses on receivables are estimated individually, for each customer, taking into account past experience regarding defaulting debtors and an analysis of the current financial position of the debtor, adjusted for factors specific to the debtors, the general economic conditions of the industry in which the debtors operate and an assessment of the current and projected manner of recovery at the reporting date. Receivables are adjusted to the amount that the Group and the Company consider to be recoverable. The value adjustment related to cash and cash equivalents is determined individually for funds in separate financial institutions.

Since all money components have low credit risk at the reporting date, the Group and Company considers that the expected credit losses on cash and non-cash equivalents as well as the loans and deposits made to related parties are not material for disclosure in the financial statements.

2.10 Derivative financial instruments

Derivative financial instruments relate to interest rate swaps. Derivative financial instruments are recognised in the statement of financial position at fair value. The fair value is determined according to the market value, if appropriate. All derivatives are recorded in the statement of financial position as assets when their fair value is positive, and as liabilities when their fair value is negative. These derivatives do not classify as hedge accounting and are recognised as derivatives held for trading.

2.11 Leases

At the beginning of the contract, the Group and the Company assess whether the contract contains elements of a lease, in particular the identification of the leased asset and the right to control the use of the asset concerned over a specified period in exchange for remuneration, in accordance to IFRS 16 – Leases.

The Group and the Company as lessees

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases, leases of low-value assets and leases that cannot be considered leases under IFRS 16, which includes leases of exchangeable property, “ad hoc” leases (e.g. providing one-day hall rental services), licenses, etc. The Company determines the lease term as the non-cancellable period of the lease, together with periods covered by an option to extend the lease if it is reasonably certain that the option will be exercised, or periods covered by an option to terminate the lease if it is reasonably certain that they will not be exercised.

(a) Right-of-use assets

The Group and the Company recognize the right-of-use assets on the lease's commencement (i.e., the date

when the property in question is ready for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and is reconciled with any remeasurement of the lease liabilities. The cost of right-of-use assets includes the amount of recognised lease obligations, the initial direct costs, and all lease payment incurred on or before the lease commences, less any received rental incentives, if any. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.8 – *Impairment of non-financial assets*.

(b) Lease liabilities

At the beginning of the lease period, the Group and the Company recognize lease liability, measured at the present value of future lease payments over the period. The lease payments include fixed payments, variable lease payments that depend on the index or rate, and the amount expected to be paid under the residual value guarantee, if any. If included in the contract, lease payments also include the purchase price for which it is reasonably certain that the Group and the Company will use, and the payment of penalties for termination of the lease, if it is reasonably certain that the Group and the Company will exercise the option of terminating the lease. Variable lease payments that do not depend on an index or rate are recognised as expenses in the period in which they are incurred. In calculating the present value of lease payments, the Group and the Company use their incremental borrowing rate at the lease's commencement if the lease interest rate is not easily determined. The carrying amount of lease liabilities is remeasured if a change in the lease term occurs.

(c) Lease modifications and terminations

The Group and the Company implement certain lease modifications relating to changes in the scope of the lease and/or lease fee which were not part of the original contractual terms. Modifications that meet the criteria for a separate lease are recognised as new leases. Other modifications that do not qualify as separate leases result in a remeasurement of the lease liability using a revised discount rate at the effective date of the modification, with a corresponding adjustment to the carrying amount of the right-of-use asset.

Upon termination of the lease agreement, the right-of-use asset and the associated lease liability are derecognized, and the difference between the carrying amounts and any payments related to termination is recognized in profit or loss for the period.

(d) Short-term leases and leases of low-value assets

The Group and the Company apply an exemption for the recognition of short-term leases for short-term leases (i.e. leases that have a lease term of 12 months or less from the commencement date and do not include a purchase option).

The Group and the Company also recognize the exemption for the recognition of leases of low value assets, up to approximately EUR 5 thousand. Payments for short-term and low-value assets leases are recognised as an expense on a straight-line basis over the lease term.

The Group and the Company as lessors

Leases in which the Group and the Company do not transfer substantially all the risks and rewards of asset ownership are classified as operating leases. Rental income is explained in more detail in Note 2.22 – *Revenue from contracts with customers*.

NOTE 2 – SUMMARY OF INFORMATION ON THE SIGNIFICANT ACCOUNTING POLICIES / CONTINUED**2.12 Inventories**

Inventories are stated at purchase cost or net realisable value, whichever is lower. The cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the applicable variable selling expenses.

Small inventory is written-off in full at the moment of commencement of the use (porcelain, glass, metal, kitchen appliances, sports inventory, work clothing and other small items), except of the part of small inventory (linens, sheets and towels) for which the useful life is estimated up to 3 years.

2.13 Trade receivables

Trade receivables are amounts due from the customers for the goods delivered and services rendered in the ordinary course of business. If collection is agreed in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables do not contain a significant financing component and are initially recognised at their transaction price. Subsequently, they are measured at amortised cost using the effective interest method, less the impairment. Given that trade receivables do not have a significant financing component, the amortised cost equals the nominal amount of the receivables less impairment.

The Group and the Company write off trade receivables when there is information indicating that the debtor is in serious financial difficulty and there is no serious possibility of recovery, for example when the debtor has been put in liquidation or has entered bankruptcy proceedings, etc.

2.14 Loans and deposits

Provided loans and deposits represent non-derivative financial asset with fixed or defined payments. It is included in current assets, except for assets with a maturity of more than 12 months after the balance sheet date. Such assets are classified as non-current assets. A discount rate that corresponds to the cost of borrowings to invest in the asset of same type, risk and maturity is used to calculate fair value of loans and deposit.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks and other short-term highly liquid instruments with original maturities of three months or less.

2.16 Share capital

Ordinary shares are classified as equity. Where the Group and the Company purchase their equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from the equity attributable to the Group and Company equity holders until the shares are issued or purchased. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects and is included into the equity attributable to the Group and the Company equity holders.

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred which is fair value. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction

costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility shall be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility shall be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it refers.

Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.18 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired, i.e. provided in the ordinary course of business from, i.e. by the suppliers. Accounts payable are classified as current liabilities if the payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.19 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income or loss, except to the extent in which it refers to items recognised in profit or loss and equity.

Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination or in transactions that give rise to equal taxable and deductible temporary differences) of other assets and liabilities in a transaction that affects neither taxable profit nor accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred income tax is determined using tax rates (and tax acts) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit shall be available, against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the temporary difference reversal is controlled by the Group and the Company and it is probable that the temporary difference shall not be reversed in the foreseeable future.

NOTE 2 – SUMMARY OF INFORMATION ON THE SIGNIFICANT ACCOUNTING POLICIES / CONTINUED**2.19 Current and deferred income tax / CONTINUED****Investment tax credits**

Investment tax credits are incentives arising from government incentive schemes, which enable the Group and the Company to reduce their income tax liability or liabilities arising from other specified taxes in future periods, and are linked to the construction or acquisition of certain assets and / or the performance of certain activities and / or the fulfilment of certain specific conditions prescribed in the relevant regulation on investment incentives adopted by the relevant authorities. Tax investment credits are recognised as a deferred tax asset and an income tax benefit when the criteria for recognition is fulfilled (Note 12 – *Income Tax*) in the amount which the Group and the Company shall be able to utilize until the incentive expires. Deferred tax assets recognised as a result of investment tax credits is utilised during the period of the incentive, i.e. until the expiration of the credits (if so specified) in accordance with and subject to the availability of the tax obligations in the future years, against which the credits can be offset.

2.20 Employee benefits**(a) Pension obligations and post-employment benefits**

In the normal course of business, the Group and the Company make payments to mandatory pension funds on behalf of their employees through salary deductions as required by law. All contributions made to the mandatory pension funds are recorded as salaries expense when incurred. The Group and the Company do not have any other pension scheme. The Group and the Company recognize a liability for post-employment benefits (retirement severance payments) evenly over the period in which the benefits are earned, based on the actual number of years of service. The liability includes assumptions regarding the number of employees entitled

to such benefits, the estimated cost of those benefits and the discount rate.

(b) Termination benefits

Termination benefits are recognised when the Group and the Company terminate employment contracts of employees before their normal retirement date in accordance with pension and labour regulations. The Group and the Company recognize termination benefits when they have made an individual decision on the termination of an employment agreement due to business or personal reasons, whereby the liability to pay termination benefits are objectively determined, in accordance with regulations and by-laws.

(c) Short-term employee benefits

The Group and the Company recognise a provision for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation. In addition, the Group and the Company recognise a liability for accumulated compensated absences based on unused vacation days at the reporting date and if the liability can be reliably estimated.

(d) Long-term employee benefits

The Group and the Company recognise the obligation for long-term employee benefits (jubilee awards) evenly over the period in which the benefit is realised, based on the actual number of years of service. The long-term employee benefit obligation includes the assumptions on the number of employees to whom the benefits should be paid, the estimated cost of the benefits and the discount rate.

(e) Employee benefits in the form of own shares

The cost of transactions that are settled to employees with equity instruments is recognised as an expense in the vesting period. The total employee cost is

determined according to a predefined award fund for each employee and the number of shares awarded depends on the share fair value on the date of award.

Employee benefits in the form of shares are presented within salaries and other employee costs (Note 8 – *Staff costs*), together with a corresponding increase within equity for the shares value (as part of Other reserves – Note 25 – *Reserves and retained earnings*) and Liabilities for calculated tax - rewarding in shares (Note 28 – *Trade and other payables*).

2.21 Provisions

Provisions are recognised when: the Group and the Company have a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources shall be required to settle the obligation; and the amount has been reliably estimated.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. The amount of provisions is increased in each period to reflect the past period. The increase in the provision due to the passage of time is recognised as interest expense. More details explained in Note 29 – *Provisions and other accrued expenses*.

2.22 Revenue from contracts with customers

Revenue from contracts with customers is recognised at the time of the transfer of goods or services to customers in the amount corresponding to the remuneration expected by the Group and the Company as compensation for the goods or services transferred. The remuneration is the transaction price with the amounts collected on behalf of third parties deducted (e.g. value added tax, tourist tax, etc.). When determining the remuneration amount, the terms of the contract and standard business practices are taken into account.

The most important types of revenue are described below:

(a) Revenue from services

The core business of the Group and the Company comprise a wide range of services, including accommodation, services related to food and beverage, wellness, sports services, etc. Revenue from accommodation is the most important type of revenue recognised per day of stay or under certain contracts where accommodation facilities are available to the customer. Revenue from food and beverages is recognised where the service is performed, i.e. when guests consume food and beverages. Revenue from other (additional) services, such as wellness, sports, etc., is recognised at the time of performing the service.

In the operations of the Group and the Company, the most common collection model is advance payment, i.e. the receipt of prepayments for goods and services, which represent a contract liability and are recognised as revenue at the point when the related performance obligation is performed. In addition to advance payments, collections are also made during and after the stay (upon guest departure) in cash, by card or by payment to the transaction account when due, within 30 days. Trade receivables arise primarily from business with legal people and travel agencies. The Group and the Company conclude mostly short-term contracts, with terms of usually up to one year, and with fixed and variable prices.

The Group and the Company do not expect to conclude any contracts under which the period between the transfer of the contracted goods and services to the customer and the collection for that transfer exceeds one year. As a result, the Group and the Company do not adjust transaction prices for the present value of money.

NOTE 2 – SUMMARY OF INFORMATION ON THE SIGNIFICANT ACCOUNTING POLICIES / CONTINUED**2.22 Revenue from contracts with customers / CONTINUED****(b) Revenue from leases**

Revenue from lease services is recognised during the term of the contract concluded with lessors and are presented in the statement of comprehensive income under “revenues from sales due to its operational nature”. For leases, collection is by payment to a transaction account with a maturity of up to 30 days. The Group and the Company conclude short-term and long-term lease agreements, predominantly with a fixed price.

(c) Revenue from trade

Revenue from trade arises from trade through online stores, retail stores (at campsites) and wholesale. Revenue from the sale of goods through online stores and retail stores is recognised at the time of sale to the customer or at the time of transfer of ownership to the customer. For these types of stores, collection in cash and by card is common. Revenue from the wholesale of goods is recognised at the time of delivery of the goods or at the time of pick-up by the customer, i.e. at the time of transfer of control to the customer. For wholesale, collection is by payment to a transaction account with a maturity of up to 30 days. The Group and the Company conclude short-term contracts, usually with a term of up to one year and with a fixed price that is adjusted according to market changes.

The Group's revenue is reported after excluding intra-Group sales.

2.23 Earnings/(loss) per share

Earnings/(loss) per share are determined by dividing the profit or loss attributable to equity holders of the Group by the weighted average number of participating shares outstanding during the reporting year less ordinary

shares purchased by the Company, which are held as treasury shares.

2.24 Value added tax

The individual entities within the Group are subject to value-added tax (VAT). The Tax Authorities require the settlement of VAT on a net basis. VAT related to sales and purchases is recognised and disclosed in the statement of financial position on a net basis. Where a provision has been made for the impairment of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

2.25 New and amended standards and interpretations**2.25.1 Changes in accounting policies and disclosures**

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Group/Company as of 1 January 2025.

In the current year, the Company applied the amendments to IAS 21 “Lack of exchangeability” issued by the International Accounting Standards Board (IASB) and adopted by the European Union, which are mandatorily effective for periods beginning on or after 1 January 2025. Adoption of the aforementioned standards and interpretations had no impact on the financial statements of the Group and the Company.

2.25.2 New and revised Standards adopted by the EU, but not yet effective

- Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial

Instruments, (IASB effective date: 1 January 2026). Mentioned amendments were issued by IASB on 30 May 2024. Amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features. Amendments also clarify the date on which a financial asset or financial liability is derecognised and introduce additional disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features.

- Amendments to IFRS 9 and IFRS 7, Contracts Referencing Nature-dependent Electricity, (IASB effective date: 1 January 2026). Mentioned amendments were issued by IASB on 18 December 2024. The “own-use” requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9.2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent. The hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met and to measure the hedged item using the same volume assumptions as those used for the hedging instrument. Amendments to IFRS 7 and IFRS 19 to introduce disclosure requirements about contracts for nature-dependent electricity with specified characteristics.
- Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7, Annual improvements to IFRS Accounting Standards – Volume 11, (IASB effective date 1

January 2026). Mentioned amendments were issued by IASB on 18 July 2024. These amendments include clarifications, simplifications, corrections and changes in the following areas: (a) hedge accounting by a first-time adopter (IFRS 1); (b) gain or loss on derecognition (IFRS 7); (c) disclosure of deferred difference between fair value and transaction price (IFRS 7); (d) introduction and credit risk disclosures (IFRS 7); lessee derecognition of lease liabilities (IFRS 9); (f) transaction price (IFRS 9); (g) determination of a “de facto agent” (IFRS 10); (h) cost method (IAS 7).

2.25.3 New and revised Standards issued by the EU, but not adopted

At the date of authorization of these financial statements the following standards, revisions and interpretations were in issue by the International Accounting Standards Board but not yet adopted by the EU:

- IFRS 18 Presentation and Disclosure in Financial Statements (IASB effective date: 1 January 2027). The mentioned standard was issued by IASB on 9 April 2024. It replaces IAS 1 Presentation of Financial Statements. The Standard introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies. The main changes in the new standard compared with IAS 1 comprise: (a) The introduction of categories (operating, investing, financing, income tax and discontinued operations) and defined subtotals in the statement of profit or loss; (b) the introduction of requirements to improve aggregation and disaggregation; (c) The introduction of disclosures on Management-defined Performance Measures (MPMs) in the notes to the financial statements.

NOTE 2 – SUMMARY OF INFORMATION ON THE SIGNIFICANT ACCOUNTING POLICIES / CONTINUED**2.25 New and amended standards and interpretations / CONTINUED****2.25.3 New and revised Standards issued by the EU, but not adopted / CONTINUED**

- IFRS 19 (with further amendments) Subsidiaries without Public Accountability: Disclosures (IASB effective date: 1 January 2027). The mentioned standard was issued by IASB on 9 May 2024 and amended by IASB on 21 August 2025. Standard permits a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply for it.
- Amendments to IAS 21 Translation to a Hyperinflationary Presentation Currency (IASB effective date: 1 January 2027). The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.
- IFRS 14 Regulatory Deferral Accounts. The mentioned Standard was issued by IASB on 30 January 2014. It is a temporary standard for entities adopting IFRS for the first time that have previously

recognised regulatory deferred items under local standards. The European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard.

- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an investor and its associate or joint venture and further amendments. The mentioned Standards are IASB effective from 11 September 2014. It explains the scope of recognizing profit or loss, depending on whether the sold/transferred asset constitutes a business.

The Group and the Company does not anticipate that the adoption of these Standards and Interpretations will have a significant impact on the financial statements of the Group and the Company.

Hedge accounting for portfolios of financial assets and liabilities whose principles the EU has not yet adopted, and which are still not regulated. The Group and the Company does not anticipate that the application of hedge accounting to a portfolio of financial assets or liabilities in accordance with IAS 39: "Financial instruments: recognition and measurement" would not result in significant changes to the financial statements if applied as of the reporting date.

NOTE 3 – FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

In their day-to-day business activities, the Group and the Company face a number of financial risks, especially market risk (including currency risk, interest rate risk and price risk – is not materially significant for the Group and the Company), credit risk and liquidity risk. The Group and the Company 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.

(a) Market risk

(i) Foreign exchange risk

The Group and the Company operate internationally, measured by overnight stays generated from various source markets. With the Republic of Croatia's entry into the Eurozone on 1 January 2023, nearly 100% of revenues and cash inflows are now denominated in euros. As a result, currency risk (the potential loss due to fluctuations in exchange rates) has been nearly completely eliminated.

(ii) Interest rate risk

Interest rate risk is the risk of changes in interest rates that could lead to changes in the level of obligations and interest income.

To reduce interest rate risk, the Group and the Company actively use interest rate swaps (converting a variable interest rate to a fixed one), thereby effectively transforming variable-rate borrowings into fixed-rate ones. The impact of interest risk on operations is limited

because the majority of the Group's and the Company's loan portfolio consists of long-term loans with fixed interest rates or are secured by interest rate swaps (as described in more detail in Note 22 – *Derivative financial instruments*).

The Group and the Company have assets (cash and deposits) that generate interest income, and income and cash flows from their placements depend on changes in market interest rates. This risk is particularly pronounced in the seasonal period when the Group and the Company realize significant cash surpluses. Cash investments are mostly made on a short-term basis, at market interest rates.

As at 31 December 2025, if interest rates on borrowings denominated in foreign currency has been 1 percentage point higher/(lower), with all other variables held constant, the Group's profit for the year would have been higher/(lower) by EUR 52 thousand (2024: EUR 48 thousand), mainly as a result of higher/(lower) interest expense on variable rate borrowings.

(b) Credit risk

The assets that may potentially expose the Group and the Company to credit risk mainly include cash, time deposits, guarantee deposits, trade receivables, loan receivables from related parties and other receivables. The Group and the Company do business with a large number of unrelated customers whose receivables are regularly monitored and are generally due within 30 days. The correction of the amount of trade receivables is reported when there is objective evidence that the

Group or the Company will not be able to collect all the receivables in accordance with the agreed terms.

The maximum exposure to credit risk is equal to the carrying amount of trade and other receivables since all trade and other receivables are adjusted to their recoverable amount. The exposure of the Group and the Company to irrecoverable receivables is not significant. The impairment trend is shown in Note 21 – *Customers and other receivables*. There were no other value adjustments.

The exposure of the Group and the Company to credit risk arising from other financial assets of the Group or the Company, consisting of cash and cash equivalents as well as investments in securities, arises in the event of default by the other party, the maximum exposure being equal to the carrying amount of these instruments. The Group and the Company are exposed to limited concentration risk in terms of funds deposited in banks, since diversification is applied when investing money and cash equivalents. The Group mainly deposits money with banks rated by Standard & Poor's with a credit rating in the range between A+ and BBB (2024: A+ to BBB).

The sales policies of the Group and the Company ensure that sales are made to customers with advance payment, in cash or by credit card (individual customers, i.e. natural persons) and to customers with an appropriate credit history (mainly travel agencies). The Debt Collection Department monitors open trade receivables from Group and Company customers on a daily basis and actively manages the credit risk of trade receivables.

The Group and the Company do not grant credit limits to customers. The Management Board does not expect any additional losses arising from default by customers.

(c) Liquidity risk

The Group and the Company prudently manage liquidity risk and ensure at all times that sufficient cash is available from their own sources and available credit lines form investments and working capital. Repayments of credit obligations are aligned with periods of significant cash inflows from operational activities. Liquidity is monitored daily through reports on the status of cash balances and short-term and long-term liabilities. As at 31 December 2025, the Company has contracted unused credit lines with financial institutions for 2026 in the total amount of EUR 92,873 thousand, and the Group in the total amount of EUR 101,408 thousand. The increase in unused credit lines is a consequence of contracting long-term investment loans for Pical Resort, Valamar Collection and Arba Resort. Excess funds are invested in current accounts and time deposits, with instruments selected based on appropriate maturities and sufficient liquidity, in accordance with projected needs.

NOTE 3 – FINANCIAL RISK MANAGEMENT / CONTINUED**3.1 Financial risk factors / CONTINUED****(c) Liquidity risk / CONTINUED**

The expected contractual cash flows for financial liabilities of the Group and the Company are analysed in the table below. The amounts stated below include interest, if applicable, and represent undiscounted cash flows.

GROUP					
(in thousands of EUR)	Less than 3 months	3 months -1 year	1-3 years	3-6 years	Over 6 years
Assets					
Restricted deposits	-	-	-	3,751	-
Derivative financial instruments	280	325	76	-	136
Loans given to related parties	-	-	-	-	500
Trade receivables	5,226	-	-	-	-
Other receivables and advances	3,396	-	-	-	-
Short-term deposits	6,100	6,700	-	-	-
Cash and cash equivalents	59,754	-	-	-	-
As at 31 December 2024	74,756	7,025	76	3,751	636
Liabilities					
Borrowings	52,339	56,493	85,913	104,584	64,645
Lease liabilities	1,830	5,490	14,856	18,054	150,871
Derivative financial instruments	-	-	-	19	-
Trade payables	27,247	437	-	-	-
Other liabilities	20,624	6,610	-	-	-
Income tax liability	-	3,465	-	-	-
As at 31 December 2024	102,040	72,495	100,769	122,657	215,516
Maturity mismatch (assets - liabilities)	(27,284)	(65,470)	(100,693)	(118,906)	(214,880)

GROUP					
(in thousands of EUR)	Less than 3 months	3 months -1 year	1-3 years	3-6 years	Over 6 years
Assets					
Restricted deposits	-	-	629	3,215	-
Derivative financial instruments	89	220	141	1,204	1,199
Loans given to related parties	-	-	-	-	500
Trade receivables	5,877	-	-	-	-
Other receivables and advances	2,722	-	-	-	-
Income tax receivable	-	4,265	-	-	-
Short-term deposits	-	1,500	-	-	-
Cash and cash equivalents	7,994	-	-	-	-
As at 31 December 2025	16,682	5,985	770	4,419	1,699
Liabilities					
Borrowings	29,491	48,539	110,100	116,487	90,617
Lease liabilities	4,388	4,396	14,490	14,177	131,411
Derivative financial instruments	94	329	-	-	-
Trade payables	39,490	-	-	-	-
Other liabilities	20,992	6,990	-	-	-
Income tax liability	-	34	-	-	-
As at 31 December 2025	94,455	60,288	124,590	130,664	222,028
Maturity mismatch (assets - liabilities)	(77,773)	(54,303)	(123,820)	(126,245)	(220,329)

NOTE 3 – FINANCIAL RISK MANAGEMENT / CONTINUED

3.1 Financial risk factors / CONTINUED

(c) Liquidity risk / CONTINUED

COMPANY					
(in thousands of EUR)	Less than 3 months	3 months -1 year	1-3 years	3-6 years	Over 6 years
Assets					
Restricted deposits	-	-	-	3,751	-
Derivative financial instruments	160	113	-	-	47
Loans given to related parties	-	-	-	-	500
Trade receivables	11,509	-	-	-	-
Other receivables and advances	1,460	-	-	-	-
Cash and cash equivalents	53,230	-	-	-	-
As at 31 December 2024	66,359	113	-	3,751	547
Liabilities					
Borrowings	49,205	39,316	45,837	58,451	49,880
Lease liabilities	1,786	5,359	14,177	16,801	134,640
Trade payables	21,139	-	-	-	-
Other liabilities	15,964	5,710	-	-	-
Income tax liability	-	3,403	-	-	-
As at 31 December 2024	88,094	53,788	60,014	75,252	184,520
Maturity mismatch (assets - liabilities)	(21,735)	(53,675)	(60,014)	(71,501)	(183,973)

COMPANY					
(in thousands of EUR)	Less than 3 months	3 months -1 year	1-3 years	3-6 years	Over 6 years
Assets					
Restricted deposits	-	-	629	3,215	-
Derivative financial instruments	44	104	29	940	1,081
Trade receivables	6,770	-	-	-	-
Other receivables and advances	2,018	-	-	-	-
Income tax receivable	-	4,265	-	-	-
Cash and cash equivalents	1,843	-	-	-	-
As at 31 December 2025	10,675	4,369	658	4,155	1,081
Liabilities					
Borrowings	26,089	27,406	61,889	69,898	64,604
Lease liabilities	4,447	4,572	14,627	14,177	131,411
Derivative financial instruments	72	280	-	-	-
Trade payables	36,303	-	-	-	-
Other liabilities	16,767	6,038	-	-	-
As at 31 December 2025	83,678	38,296	76,516	84,075	196,015
Maturity mismatch (assets - liabilities)	(73,003)	(33,927)	(75,858)	(79,920)	(194,934)

NOTE 3 – FINANCIAL RISK MANAGEMENT / CONTINUED

3.2 Capital management

The objectives of the Group and the Company in managing capital are to provide long-term value to their shareholders by ensuring liquidity, profitability and an optimal financing structure, as well as a balanced capital allocation strategy, including share repurchases and a consistent dividend policy. The target dividend yield for shareholders is approximately 4% relative to the average market price of the share achieved in the last quarter of the previous financial year. The Group and the Company are not subject to externally imposed capital requirements. The capital structure is presented in more detail in Note 24 – *Share capital* and Note 25 – *Reserves and retained earnings*.

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 Group and the Company 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 specific valuation techniques used to measure financial instruments include:

- Quoted market prices or broker quotations for similar instruments.
- The fair value of interest rate swaps is calculated

as the present value of estimated future cash flows based on observable yield curves.

- An internal net asset value assessment is used to determine the fair value of the remaining financial instruments.

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 Group and the Company 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 Group's and 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).

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 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
As at 31 December 2025				
Assets measured at fair value				
Financial assets - equity securities	-	-	83	83
Derivative financial instruments	-	2,853	-	2,853
Total assets measured at fair value	-	2,853	83	2,936
Liabilities measured at fair value				
Derivative financial instruments	-	423	-	423
Total liabilities measured at fair value	-	423	-	423

COMPANY				
(in thousands of EUR)	Level 1	Level 2	Level 3	Total
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
As at 31 December 2025				
Assets measured at fair value				
Financial assets - equity securities	-	-	79	79
Derivative financial instruments	-	2,198	-	2,198
Total assets measured at fair value	-	2,198	79	2,277
Liabilities measured at fair value				
Derivative financial instruments	-	352	-	352
Total liabilities measured at fair value	-	352	-	352

NOTE 4 – CRITICAL ACCOUNTING ESTIMATES

The Group and the Company make estimates and assumptions about uncertain events, including estimates and assumptions about the future. Such accounting assumptions and estimates are regularly evaluated, and are based on historical experience and other factors such as the expected flow of future events that can be rationally assumed in existing circumstances, but nevertheless necessarily represent the sources of estimation uncertainty. These and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(a) Impairment of non-financial assets

Applying an accounting policy for impairment of non-financial assets (Note 2.8 - *Impairment of non-financial assets*) requires significant manager estimates when determining impairment indicators, as well as estimates of future cash flows and determining the fair value of an asset (or group of assets). Significant judgement calls are required in identifying and evaluating impairment indicators, expected cash flows, future investments, applicable discount rates, useful lives and residual values. When determining recoverable value, managers consider indicators such as the occupancy of facilities, revenue per unit, expected market growth in the hotel industry, etc.

The calculation of the fair value with selling costs deducted is based on the market approach method, using prices and other relevant information from market transactions of identical or comparable (similar) assets, identical or comparable (similar) liabilities or group of assets and liabilities, such as a particular segment of business activity. The Group and the Company make use of internal and external assessments.

In 2024 and 2025, there were no indicators of impairment of non-financial assets and no valuations were made. The trend in terms of goodwill is shown in Note 15 - *Intangible assets*.

(b) Estimated useful lives

By using a certain asset, the Group and the Company use the economic benefits contained in this asset, which diminish more intensely with economic and technological aging. Consequently, in the process of determining the useful life of an asset, in addition to assessing the expected physical utilisation, it is necessary to consider the changes in demand on the tourist market, which shall cause a faster economic obsolescence as well as a more intense development of new technologies. Current business operations in the hotel industry impose the need for more frequent investments, and this circumstance contributes to the fact that the useful life of an asset is decreasing.

Based on historical information, and in line with the technical department, the useful life of buildings components was assessed by the Management to be 10 to 25 years. The useful lives of equipment and other assets have also been assessed. The useful life of property, plant and equipment shall be periodically revised to reflect any changes in circumstances since the previous assessment. Changes in estimate, if any, shall be reflected prospectively in a revised depreciation charge over the remaining, revised useful life.

(c) Recognition of deferred tax assets

Deferred tax assets represent amount of corporate income tax that are recoverable based on future deductions of taxable income and are recognised in the statement of financial position. Deferred tax assets

are recognised to the amount of tax revenue that is probable that it will be realized. In determining future taxable profit and the amount of tax revenue that is probable to be realized in the future, the management makes judgments and estimates based on previous years' taxable profit and expectations of future income that are considered reasonable in the existing circumstances. Incentives for investments are realized on the basis of regulations on stimulation of investments and improving the investment environment based on the application of a specific project to the competent ministry, which issues a decision on gaining the status of incentive holder for investments and calculation of maximum incentive amount when a company meets the required conditions.

Each project involves investments in a three-year cycle that begins with acquiring incentive holder status. The competent ministry is informed about the annual investments made, and the incentives enable the tax liability to be reduced from the moment of the investment to the expiry of 10 years. Tax assets and tax revenue are recognised on the investment made when the conditions are met, and previously recognised tax assets are derecognised during the period of the incentive measure, i.e. until the expiration of the incentive. Explained detailed in Note 12 - *Income tax*.

(d) Subsidiary Imperial Riviera d.d.

The Company is a holder of 1,054,728 shares in the subsidiary Imperial Riviera d.d. which represents 46.27% of voting rights. The Company has entered into an Agreement with the AZ mirovinski fond which are significant shareholders of Imperial Riviera (Imperial Riviera's shareholders agreement). Furthermore, the Company has entered into a hotel management

agreement with Imperial Riviera d.d. which falls under other business agreements. The Company significantly influences the business of Imperial Riviera d.d. through the operational management of hotel and tourist facilities, and it is entitled to a management fee.

As a result, the Company's exposure to returns is significantly higher than the return based on voting rights.

Based on the Company's proposal, members of the Management Board of Imperial Riviera d.d. are appointed and responsible for strategic and current planning, as well as directing the business operations.

A combination of all the above factors indicates control of the Company over a subsidiary Imperial Riviera d.d. in accordance to IFRS 10.

(e) Associated company Helios Faros d.d.

The Company holds 8,528,796 shares of the associated company Helios Faros d.d., which is the equivalent of 19.54% of the voting rights. In accordance with IAS 28, the Company has significant influence because it holds 19.54% of the voting rights and participates in policy-making, including participation in decisions on dividends or other distributions. In addition, the Company has concluded a hotel management contract with Helios Faros d.d., which falls under other entrepreneurial contracts. By doing so, the Company significantly influences the operations of the associated company through the operational management of the hotel and tourism facilities and offer, and is entitled to a management fee.

NOTE 4 – CRITICAL ACCOUNTING ESTIMATES / CONTINUED

(f) Leases

The Group and the Company have several lease contracts that include extension and termination options. The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, consider all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., significant customisation to the leased asset). The Group and the Company have several leases that are expected to be extended, however the Group and the Company do not expect to terminate the contracts before the lease term expiry. The Group and the Company have included the extension term in the lease term for term that have shorter non-cancellable term (e.g. 2-3 years). The Group and the Company mainly expect to extend the leases that would have negative effect on business if a replacement asset is not readily available.

Refer to Note 27 – *Rights-of-use assets and lease liabilities* for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Leases – Estimating the incremental borrowing rate

The Group and the Company cannot readily determine the interest rate implicit in the lease, therefore, they use their incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group and the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR

therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Group and the Company estimate the IBR based on several inputs. Interest rate that is applied on lease contract presents the lessee's credit rating, lease term, security and economic environment. Interest rate is calculated based on comparable transactions. Information used by the Company to determine the IBR are changed annually at least or in the event of significant changes in the Company's credit rating.

The Group and the Company, as the lessees as regards the 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 Group and the Company that were used in the transformation process were appraised in the share capital of the Company, and a part was not appraised, there are certain ambiguities and proceedings regarding the ownership of a part of the land within the majority of tourist companies, as well as Group and the Company.

A more detailed description of proceedings and unsolved situations for properties of the Company are disclosed in the Note 31 – *Contingencies and commitments*. 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 1 August 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 Group and the Company 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 Group and the Company 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 will be 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 lease management on tourist land with hotels and tourist settlements and (2) the Regulation on lease management in camp areas owned by the Republic of Croatia (hereinafter: the Regulations).

After the adopted Regulations, the Group and the Company 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.

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 Group and the Company made detailed analysis of fees for each individual tourist facility.

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.

The estimated annual amount of rent for tourist land according to the new law (ZNGZ) is EUR 4.2 million for the Company and EUR 4.6 million for the Group. The Group and the Company estimate that the majority of the rent, which is calculated at a fixed price starting from 1 January 2024 will be accounted for in accordance with the provisions of IFRS 16 (Note 27 – *Right-of-use assets and lease liabilities*).

According to the prescribed unit rent prices from the Regulations and the determined discount rate of 5.42% and 7.96% for the Group, an 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 (Note 27 – *Right-of-use assets and lease liabilities*).

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. Variable lease payments are recognised in the statement of comprehensive income for the period (Note 7 – *Cost of material and services*).

NOTE 5 – 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. Internal reporting is based on the USALI (Uniform System of Accounts for the Lodging Industry), and internationally recognised standard for financial reporting in the hotel industry.

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 organisational 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, agency revenue and revenue from the accommodation of employees. Revenue from boarding services relate to predefined service

packages that include accommodation as well as food and beverages. Revenue from a la carte do not relate to service packages, instead guests consume food and beverages selected from the restaurant menu.

The revenues achieved in 2025 were primarily driven by a 10.7% increase in sales revenue (EUR 43.9 million), reaching a total of EUR 455.3 million, which primarily consists of board revenue (EUR 380 million). Domestic sales revenue amounted to EUR 54.5 million representing 11.96% of total sales revenue, and increased by EUR 4.8 million (+9.7%) compared to 2024.

With a share of 88.04% in total sales revenue, revenues from foreign markets amounted to EUR 400.8 million, increasing by EUR 39.1 million (+10.8%).

The growth of revenue is a result of a higher number of rooms sold, higher achieved average room rates and an increased share of the most profitable direct sales channel. In addition, consolidation of hotel operations in Austria also contributed to the growth, as well as continued investments in service quality improvements and portfolio repositioning.

The segment information related to reportable segments for the year 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
Of which:				
Pansion	237,398	101,134	2,462	340,994
A la carte	28,703	9,342	2,781	40,826
Other	7,695	5,731	16,076	29,502
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
Segment assets	497,985	220,098	97,016	815,099
Segment liabilities	278,223	124,223	76,393	478,839

The segment information related to reportable segments for the year ended 31 December 2025 is as follows:

GROUP				
(in thousands of EUR)	Hotels and apartments	Campsites	Other business segments	Total
Revenue from segments	310,745	124,609	61,791	496,145
Inter-segment revenue	(2,433)	(4)	(38,444)	(40,881)
Sales revenue	308,312	124,605	22,347	455,264
Of which:				
Pansion	269,611	110,386	-	379,997
A la carte	30,623	8,428	2,569	41,620
Other	8,078	5,791	19,778	33,647
Depreciation and amortisation	(46,418)	(19,360)	(12,054)	(77,832)
Net finance income/(expense)	(6,815)	(3,638)	2,832	(7,621)
Write-off of fixed assets	(369)	(539)	(278)	(1,186)
Profit/(loss) of segment	143,428	81,304	(78,988)	145,744
Segment assets	599,892	210,917	108,523	919,332
Segment liabilities	349,784	111,965	59,367	521,116

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

NOTE 5 – SEGMENT INFORMATION / CONTINUED

Reconciliation of the profit per segment with profit/(loss) before tax is as follows:

GROUP		
(in thousands of EUR)	2024	2025
Revenue		
Revenue from segments	450,307	496,145
Inter-segment revenue elimination	(38,985)	(40,881)
Total sales revenue	411,322	455,264
Profit		
Profit from segments	132,126	145,744
Amortisation and other unallocated expenses	(80,997)	(91,604)
Profit/(loss) from financial and extraordinary activities	(14,144)	(8,452)
Total profit/(loss) before tax	36,985	45,688

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

GROUP				
(in thousands of EUR)	2024		2025	
	Assets	Liabilities	Assets	Liabilities
Segment assets/liabilities	815,099	478,839	919,332	521,116
Hotels and apartments segment	497,985	278,223	599,892	349,784
Campsites segment	220,098	124,223	210,917	111,965
Other business segment	97,016	76,393	108,523	59,367
Unallocated	143,846	31,492	96,991	29,729
Investments in associate	16,108	-	15,806	-
Other financial assets	23	-	83	-
Loans and deposits	17,212	-	5,956	-
Cash and cash equivalents	59,754	-	7,994	-
Income tax receivable	-	-	4,265	-
Other receivables	9,161	-	10,300	-
Deferred tax assets/liabilities	40,771	5,146	49,734	4,621
Other liabilities	-	23,869	-	22,376
Derivative financial assets/liabilities	817	-	2,853	423
Provisions	-	2,477	-	2,309
Total	958,945	510,331	1,016,323	550,845

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.

GROUP				
(in thousands of EUR)	2024	%	2025	%
Revenue from sales to domestic customers	49,641	12.07	54,461	11.96
Revenue from sales to foreign customers	361,681	87.93	400,803	88.04
	411,322	100.00	455,264	100.00

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

GROUP				
(in thousands of EUR)	2024	%	2025	%
Sales to foreign customers				
EU members	290,752	80.39	319,268	79.66
Other	70,929	19.61	81,535	20.34
	361,681	100.00	400,803	100.00

NOTE 6 – OTHER INCOME

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
Income from donations and other	521	631	358	372
Income from provision release ¹	1,615	1,357	1,615	1,351
Reimbursed costs	377	271	560	555
Income from insurance and legal claims	602	1,105	347	790
Income from own consumption	95	113	88	106
Collection of receivables previously written-off	34	24	32	22
Other income	2,328	1,904	1,846	1,478
	5,572	5,405	4,846	4,674

¹ Income from provision release of the Group and the Company mostly refer to the cancellation of provisions for legal cases.

NOTE 7 – COST OF MATERIALS AND SERVICES

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
Raw materials and supplies				
Raw materials and supplies used ¹	45,885	51,401	35,353	38,819
Energy and water used	24,380	21,566	18,831	16,554
Small inventory	4,099	5,235	3,292	3,925
	74,364	78,202	57,476	59,298
External services				
Maintenance	14,306	16,508	11,815	13,460
Commission fees (tourist agencies and credit cards)	7,558	8,693	4,473	5,224
Marketing, promotion and fairs	8,095	9,532	7,629	8,173
Communal fees ²	7,815	8,142	6,914	7,007
Telecommunication and transport	3,202	3,446	2,780	2,735
Rent ³	3,841	4,008	3,532	3,556
Recreation services	1,888	1,919	1,222	1,186
Laundry services	2,056	2,218	2,699	2,385
Services of arrangement and other contents	628	988	398	662
Informatics services	1,611	1,677	1,574	1,639
Protection services	975	1,157	820	925
Other services ⁴	1,886	2,097	1,985	2,404
	53,861	60,385	45,841	49,356
	128,225	138,587	103,317	108,654

¹ Cost of materials and services of the Company is comprised of raw materials and supplies used of EUR 4,858 thousand (2024: EUR 4,627 thousand), food and beverage costs of EUR 26,520 thousand (2024: EUR 24,635 thousand) and other materials and supplies used of EUR 7,441 thousand (2024: EUR 6,091 thousand).

² Communal fees are related to sewage water disposal services, disposal and collection of bio-waste, communal and useful waste and similar.

³ Expenses related to Group's and Company's short-term leases and low-value asset leases (exemptions according to IFRS 16) are included in Rent, as well as variable leases and leases that do not meet the classification criteria according to IFRS 16.

⁴ Other services of the Group mainly comprise of provision costs of EUR 458 thousand (2024: EUR 344 thousand), health and safety testing costs of EUR 149 thousand (2024: EUR 142 thousand), costs of water rescue services EUR 229 thousand (2024: EUR 186 thousand) and market research services EUR 93 thousand (2024: EUR 26 thousand).

NOTE 8 – STAFF COSTS

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
Net salaries ¹	73,995	86,635	59,567	67,856
Pension and taxes contributions ¹	29,249	32,763	23,331	25,487
Health insurance contributions ¹	15,550	18,571	12,428	14,502
Termination benefits	186	273	121	162
Provisions for staff ²	1,097	1,561	1,069	1,478
Other staff costs ³	28,897	30,727	23,472	24,290
	148,974	170,530	119,988	133,775
Number of employees at 31 December	3,814	4,390	2,969	3,440

¹ The included cost of bonus in shares which for the Group amounts to EUR 1,577 thousand (2024: EUR 1,035 thousand), while for the Company it amounts to EUR 1,431 thousand (2024: EUR 948 thousand).

² Provisions for staff are related to long-term employee benefits (termination benefits and jubilee awards).

³ Other staff costs comprise non-taxable receipts (accommodation and meals for employees, Christmas bonuses, regress, awards and similar) in the amount of EUR 21,485 thousand (2024: EUR 18,749 thousand) for the Group and EUR 16,691 thousand for the Company (2024: EUR 14,830 thousand), remunerations for student temporary services in the amount of EUR 3,302 thousand (2024: EUR 3,001 thousand) for the Group and EUR 2,514 thousand for the Company (2024: EUR 2,353 thousand), transportation costs in the amount of EUR 3,326 thousand (2024: EUR 3,472 thousand) for the Group and EUR 2,773 thousand for the Company (2024: EUR 2,882 thousand) and other.

The Group and the Company capitalize salary costs only if they are directly attributable to bringing the asset to its intended use, or if the employee's work contributes to the creation or preparation of the long-term asset.

The Group capitalised net salaries cost in the amount of EUR 2,580 thousand (2024: EUR 1,365 thousand), cost of contributions and tax from salaries in the amount of EUR 1,011 thousand (2024: EUR 572 thousand) and cost of contributions on salaries in the amount of EUR 549 thousand (2024: EUR 302 thousand). During the year the

Group's average number of employees is 5,390 (2024: 4,983).

The Company capitalised net salaries cost in the amount of EUR 1,923 thousand (2024: EUR 1,039 thousand), cost of contributions and tax from salaries in the amount of EUR 761 thousand (2024: EUR 436 thousand) and cost of contributions on salaries in the amount of EUR 401 thousand (2024: EUR 226 thousand). During the year the Company's average number of employees is 4,116 (2024: 3,809).

NOTE 9 – OTHER OPERATING EXPENSES

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
Municipal and other charges	6,887	7,076	5,411	5,269
Professional and other services ¹	5,351	5,614	4,413	4,684
Insurance premiums	1,462	1,914	1,160	1,583
Write-off of property, plant and equipment ²	1,232	1,186	989	1,012
Entertainment	1,418	1,411	1,334	1,351
Bank charges	199	175	154	125
Provisions for legal proceedings ³	65	697	47	682
Value adjustment of assets	64	74	33	58
Membership fee to associations and other administrative expenses	564	844	350	477
Other	3,305	1,702	2,540	1,347
	20,547	20,693	16,431	16,588

¹ Professional and other services of the Group and the Company are mostly related to consulting services in the amount of EUR 1,100 thousand (2024: EUR 759 thousand) for the Group and EUR 1,042 thousand for the Company (2024: EUR 697 thousand), Supervisory Board fees in the amount of EUR 1,018 thousand (2024: EUR 820 thousand) for the Group and EUR 648 thousand for the Company (2024: EUR 518 thousand), students and scholarships fees in the amount of EUR 700 thousand (2024: EUR 641 thousand) for the Group and EUR 468 thousand for the Company (2024: EUR 454 thousand), lawyer fees in the amount of EUR 413 thousand (2024: EUR 644 thousand) for the Group and EUR 315 thousand for the Company (2024: EUR 578 thousand) and audit fees in the amount of EUR 120 thousand (2024: EUR 163 thousand) for the Group and EUR 95 thousand for the Company (2024: EUR 113 thousand).

² Write-off of property, plant and equipment relates to demolition of parts of buildings as a part of new investments. Demolition of buildings amounts to EUR 584 thousand (2024: EUR 552 thousand) for the Group and EUR 584 thousand (2024: EUR 390 thousand) for the Company, and other write-offs amounts to EUR 602 thousand (2024: EUR 680 thousand) for the Group and EUR 428 thousand (2024: EUR 599 thousand) for the Company.

³ Provisions for initiated legal proceedings mainly relate to the inspection supervision of the Ježevac campsite (Note 31 – *Contingencies and commitments*).

NOTE 10 – OTHER GAINS/(LOSSES) – NET

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
Net gains on sale of tangible assets	135	584	113	556
	135	584	113	556

NOTE 11 – FINANCE INCOME/(EXPENSE) – NET

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
Interest income	2,151	583	1,109	211
Net foreign exchange gains from financing activities	534	205	534	205
Net foreign exchange gains - other	5	-	3	2
Realised net gains from changes in value of interest rate swaps	193	2,157	-	1,798
Income from cassa sconto	340	890	308	830
Dividend income	-	-	4,978	4,883
Other financial gains	2	152	50	152
Total financial income	3,225	3,987	6,982	8,081
Interest expense ¹	(13,975)	(11,062)	(10,121)	(7,352)
Net foreign exchange losses - other	-	(3)	-	-
Realised net losses from changes in value of interest rate swaps	(1,657)	(543)	(774)	(272)
Realised net losses from changes in value of interest rate swaps	-	-	(134)	-
Other financial losses	(188)	-	(188)	-
Total financial expense	(15,820)	(11,608)	(11,217)	(7,624)
Financial income/(expense) - net	(12,595)	(7,621)	(4,235)	457

¹ Interest expenses are reduced for the income from the interest rate swaps.

NOTE 12 – INCOME TAX

Income tax comprise:

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
Current tax	5,383	85	5,318	-
Deferred tax	(1,216)	(9,487)	(234)	(2,906)
Tax (income)/expense	4,167	(9,402)	5,084	(2,906)

Reconciliation of the effective tax rate:

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
Profit/(loss) before tax¹	37,954	45,865	31,986	37,905
Income tax 18%	6,830	8,237	5,757	6,823
Tax exempt income	(99)	(55)	(964)	(969)
Non-deductible expenses	448	389	227	248
Investment tax credits	(3,074)	(17,973)	-	(9,008)
Recognition of other deferred tax assets	62	-	64	-
Tax (income)/expense	4,167	(9,402)	5,084	(2,906)
Effective tax rate	10.98%	-	15.90%	-

¹ The gross profit of the Group and the Company less the gross loss of the Subsidiary liable to pay profit tax in Austria.

The income tax liability reported in the balance sheet is the result of the current tax liability reduced by the advance income tax payments made during the reporting period.

NOTE 12 – INCOME TAX / CONTINUED

Croatian tax legislation does not allow tax losses to be transferred among group companies. In accordance with the regulations of the Republic of Croatia, the Tax Authority may at any time inspect the Group Company's books and records within three years following the year in which the tax liability was reported, and may impose additional tax assessments and penalties.

Income tax is calculated 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 23%.

The profit tax supervision for the year 2021 has been completed. An administrative proceeding at the second-instance authority is currently underway. The Company does not expect any cash outflows in the connection with the mentioned procedure.

In December 2024, the Supreme Court annulled the rulings of the High Administrative Court of the Republic of Croatia and the Administrative Court in Rijeka, which has been made in favour of the Company in the dispute related to the tax liability under the tax audit from 2010 in the legal predecessor Rabac d.d. In the case of losing in the dispute, the Company does not expect significant cash outflows.

Incentives in the Company

The Company utilized investment incentives for the project for the reconstruction and repositioning of accommodation properties (Camping Istra 5*, Valamar Collection Marea Suites 5* and Pical Resort, Valamar Collection 5*) by the end of 2023. For the mentioned application, the Company has not received the final calculation of the Gross Equivalent Subsidy (GES), for which it does not expect any impact on financial statements.

Pursuant to the Tourism Act (NN 156/23), article 41. and the Regulation on investment promotion in the tourism sector (NN 39/24) article 29., the Company submitted an application/request for the investment support in 2024 for the project "Development Project Valamar Riviera d.d. for the investment cycle 2024-2027".

The submitted project relates to capital investments planned for the period from 2024 to 2027 and includes investments in the following properties: Pical Resort, Valamar Collection, Jadran Heritage Hotel, Sunny Poreč by Valamar, Valamar Diamant Hotel & Residence.

During 2025, the Company obtained a total of EUR 9,007 thousand in tax incentives for investments made under the above-mentioned application of which EUR 6,500 thousand was used in 2025. The unused amount of tax incentives on 31 December 2025 amounts to EUR 2,507 thousand.

Incentives in subsidiary Imperial Riviera d.d., Rab

Based on the application submitted to the Ministry of Economy of the Republic of Croatia for the first investment cycle 2019-2022 and in accordance with the Investment Promotion Act, Imperial Riviera d.d. (subsidiary) received confirmation in January 2020, under which it is eligible to use tax incentives in the amount of EUR 10,618 thousand over the next ten-year period. For investments made up to 31 December 2023, subsidiary has recognised the corresponding tax incentives in its books in the amount of EUR 8,081 thousand. Of this, EUR 267 thousand were used through the corporate income tax return for 2019, a further EUR 528 thousand were used through the additional corporate income tax return for 2022, EUR 1,972 thousand were used through the corporate income tax return in 2024 and EUR 2,610 thousand were used in 2025. The unused amount of tax incentives based on the report to the Ministry of Economy for the 2019-2022 cycle was EUR 2,705 thousand.

Based on the application submitted to the Ministry of Economy of the Republic of Croatia for the second investment cycle 2022-2025 and in accordance with the Investment Promotion Act, subsidiary received confirmation on 1 August 2024, under which it is eligible to use tax incentives in the amount of EUR 24,325 thousand over the next ten-year period. For investments made up to 31 December 2025, subsidiary

has recognised the corresponding tax incentives in its books in the amount of EUR 23,267 thousand.

In the process of contracting a credit arrangement with Zagrebačka banka d.d. (a loan of EUR 25 million was granted), intended for financing investments declared for the above mentioned tax incentives, two grants were awarded to the subsidiary company in the form of: 1) guarantee fee subsidies (regional support) granted by the CBRD under the Operational Programme for the Implementation of the Financial Instrument of the Guarantee Fund for Loans in the amount of EUR 1,415 thousand and 2) interest subsidies on loans from the Operational Programme for the Implementation of the Financial Instrument of Interest Subsidy Fund — financed by the European Union — NextGenerationEU in the amount of EUR 969 thousand. As a result of being granted these subsidies, the subsidiary company stated in its books, up to the end of the reporting period, tax incentives in the amount of EUR 20,882 thousand.

NOTE 12 – INCOME TAX / CONTINUED

DEFERRED TAX ASSET

GROUP							
(in thousands of EUR)	Property, plant and equipment	Financial assets	Trade receivables and loans	Provisions	Tax losses	Tax incentive for investment	Total
As at 1 January 2024	4,169	112	420	1,230	7,362	26,827	40,120
Adjustment of deferred tax assets in profit and loss related to inter-group transaction	-	-	-	-	(147)	(44)	(191)
Credited to the income	238	46	2	207	-	3,074	3,567
Debited to the income	(21)	(100)	-	(335)	(298)	(1,971)	(2,725)
As at 31 December 2024	4,386	58	422	1,102	6,917	27,886	40,771
Adjustment of deferred tax assets in profit and loss related to inter-group transaction	-	-	-	-	(142)	(53)	(195)
Credited to the income	237	-	3	408	-	17,973	18,621
Debited to the income	(8)	(49)	(2)	(294)	-	(9,110)	(9,463)
As at 31 December 2025	4,615	9	423	1,216	6,775	36,696	49,734

Deferred tax assets on property, plants and equipment as well as other assets arose as a result of the recapitalisation of the subsidiary company Palme turizam d.o.o., and were shown in the difference between the carrying amount and the estimated value of the assets included into the share capital of the subsidiary company.

Deferred tax assets on provisions refer to provisions for litigation and long-term provisions for jubilee awards and severance payments.

Deferred tax assets on tax losses and investment incentives

The deferred tax assets consist of the investment incentives of the Company and the subsidiary company Imperial Riviera d.d. The remaining deferred tax assets on the incentives and deferred tax assets on losses are the result of transactions that occurred in previous reporting periods when the Group carried out the transfer of buildings and land between related companies. At the level of the individual company — the seller — the

transaction resulted in taxable gains, on the basis of which previously recognised deferred tax assets were realised on the basis of tax losses and investment tax incentives. In accordance with the consolidation rules, these gains were not realised at the level of the Group and were excluded from the consolidated financial statements. Consequently, the realisation of a deferred tax asset at the level of the Group does not occur at the time of the intra-Group transaction, and a temporary difference between the consolidated carrying amount of

the asset and its tax base is recognised instead. Temporary differences relating to buildings are realised gradually during the period of use of the asset, through the difference between consolidated amortisation and tax-recognised amortisation in the subsidiary company. Temporary differences relating to land are not realised over time, as land is not subject to amortisation. The realisation of the related deferred tax asset is possible only in the case of a sale of land outside the Group or through a change in the tax treatment of the asset.

COMPANY						
(in thousands of EUR)	Property, plant and equipment	Financial assets	Trade receivables and loans	Provisions	Tax incentive for investment	Total
As at 1 January 2024	56	112	420	948	-	1,536
Credited to the income	238	38	2	200	-	478
Debited to the income	(21)	(100)	-	(237)	-	(358)
As at 31 December 2024	273	50	422	911	-	1,656
Credited to the income	224	-	3	391	9,007	9,625
Debited to the income	(8)	(41)	(2)	(280)	(6,500)	(6,831)
As at 31 December 2025	489	9	423	1,022	2,507	4,450

Deferred tax assets on provisions relate to provisions for legal disputes and long-term provisions for jubilee awards and severance payments.

NOTE 12 – INCOME TAX / CONTINUED**DEFERRED TAX LIABILITY**

Fair value of land and buildings and financial assets:

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
<i>Fair value of land and buildings:</i>				
As at 1 January	5,709	5,146	1,421	1,308
Debited to the income	(563)	(113)	(113)	(113)
As at 31 December	5,146	5,033	1,308	1,195
<i>Financial assets held for sale:</i>				
As at 1 January	10	-	8	-
Debited to the income	(10)	-	(8)	-
As at 31 December	-	-	-	-

Deferred tax liability arising from business combinations with acquisition of subsidiary companies

In previous reporting periods, the Group acquired subsidiary companies in accordance with IFRS 3. At the acquisition date, compensation was allocated to the assets acquired and liabilities assumed, with buildings and land recognised at fair value in the consolidated financial statements.

Because the tax base of the assets in question in subsidiary companies was not changed, a taxable temporary difference between the consolidated carrying amount of the assets and its tax base was recognised at the level of the Group, on the basis of which a deferred tax liability on the fair value of land and buildings was recognised in accordance with IAS 12.

The deferred tax liability relating to buildings is realised over the useful life of the asset. A deferred tax liability relating to land will be realised in the event of a sale of assets outside the Group or a change in the tax treatment.

The deferred tax liability at the level of the Group was initially expressed in the acquisition of subsidiary companies, namely Hoteli Baška d.d., Krk, in 2015, Imperial Riviera d.d., Rab, in 2016 and Hoteli Makarska d.d., Makarska, in 2018. More detailed information on the acquisition of subsidiary companies is presented in the annual financial statements for the years cited.

NOTE 13 – 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 year, 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/Company did not have any convertible instruments and share options outstanding during both years.

GROUP	2024	2025
Profit/(loss) attributable to equity holders (in thousands of EUR)	25,803	44,150
Weighted average number of shares	122,946,270	122,852,955
Basic/diluted earnings per share (in EUR)	0.21	0.36

NOTE 14 – PROPERTY, PLANT AND EQUIPMENT

GROUP						
(in thousands of EUR)	Land	Buildings	Plant and equipment	Furniture, tools and horticulture	Assets under construction	Total
As at 1 January 2024						
Cost	128,650	994,340	172,961	67,564	41,856	1,405,371
Accumulated depreciation and impairment	-	(584,431)	(115,272)	(47,218)	-	(746,921)
Carrying amount	128,650	409,909	57,689	20,346	41,856	658,450
Year ended 31 December 2024						
Opening carrying amount	128,650	409,909	57,689	20,346	41,856	658,450
Transfer within the assets	-	30,536	17,851	9,212	(57,599)	-
Additions	-	-	12	43	120,378	120,433
Disposals and write-offs	(219)	(507)	(193)	(85)	-	(1,004)
Depreciation	-	(43,776)	(13,895)	(5,940)	-	(63,611)
Carrying amount at year end	128,431	396,162	61,464	23,576	104,635	714,268
As at 31 December 2024						
Cost	128,431	1,017,363	186,636	75,387	104,635	1,512,452
Accumulated depreciation and impairment	-	(621,201)	(125,172)	(51,811)	-	(798,184)
Carrying amount	128,431	396,162	61,464	23,576	104,635	714,268
Year ended 31 December 2025						
Opening carrying amount	128,431	396,162	61,464	23,576	104,635	714,268
Transfer within the assets	2,508	60,612	29,085	10,291	(102,496)	-
Additions	-	-	270	-	163,199	163,469
Disposals and write-offs	(292)	(628)	(100)	(43)	-	(1,063)
Depreciation	-	(44,431)	(16,078)	(6,694)	-	(67,203)
Carrying amount at year end	130,647	411,715	74,641	27,130	165,338	809,471
As at 31 December 2025						
Cost	130,647	1,078,631	213,903	83,796	165,338	1,672,315
Accumulated depreciation and impairment	-	(666,916)	(139,262)	(56,666)	-	(862,844)
Carrying amount	130,647	411,715	74,641	27,130	165,338	809,471

As at 31 December 2025, the carrying amount of land, buildings and movable assets of the Group pledged as collateral for borrowings amounted to EUR 263,051 thousand (2024: EUR 267,135 thousand).

NOTE 14 – PROPERTY, PLANT AND EQUIPMENT / CONTINUED

COMPANY						
(in thousands of EUR)	Land	Buildings	Plant and equipment	Furniture, tools and horticulture	Assets under construction	Total
As at 1 January 2024						
Cost	69,639	742,198	133,735	54,927	36,308	1,036,807
Accumulated depreciation and impairment	-	(456,615)	(94,964)	(42,349)	-	(593,928)
Carrying amount	69,639	285,583	38,771	12,578	36,308	442,879
Year ended 31 December 2024						
Opening carrying amount	69,639	285,583	38,771	12,578	36,308	442,879
Transfer within the assets	-	18,253	12,145	5,470	(35,868)	-
Additions	-	-	12	43	75,874	75,929
Disposals and write-offs	(219)	(340)	(145)	(40)	-	(744)
Depreciation	-	(29,879)	(10,041)	(4,076)	-	(43,996)
Carrying amount at year end	69,420	273,617	40,742	13,975	76,314	474,068
As at 31 December 2024						
Cost	69,420	756,237	143,420	59,475	76,314	1,104,866
Accumulated depreciation and impairment	-	(482,620)	(102,678)	(45,500)	-	(630,798)
Carrying amount	69,420	273,617	40,742	13,975	76,314	474,068
Year ended 31 December 2025						
Opening carrying amount	69,420	273,617	40,742	13,975	76,314	474,068
Transfer within the assets	2,508	13,896	9,579	3,477	(29,460)	-
Additions	-	-	270	-	112,949	113,219
Disposals and write-offs	(292)	(563)	(82)	(21)	-	(958)
Depreciation	-	(29,664)	(10,761)	(4,231)	-	(44,656)
Carrying amount at year end	71,636	257,286	39,748	13,200	159,803	541,673
As at 31 December 2025						
Cost	71,636	768,080	151,452	61,158	159,803	1,212,129
Accumulated depreciation and impairment	-	(510,794)	(111,704)	(47,958)	-	(670,456)
Carrying amount	71,636	257,286	39,748	13,200	159,803	541,673

As at 31 December 2025, the carrying amount of land, buildings and movable assets of the Company pledged as collateral for borrowings amounted to EUR 132,750 thousand (2024: EUR 158,189 thousand).

NOTE 14 – PROPERTY, PLANT AND EQUIPMENT / CONTINUED

Assets under construction of the Group in the amount of EUR 164,994 thousand (2024: EUR 104,635 thousand) refer to the investment in hotels and apartments of EUR 154,502 thousand (2024: EUR 84,146 thousand), investment in camping of EUR 2,437 thousand (2024:

EUR 2,521 thousand) and the reconstruction, extension and adaptation of other buildings of EUR 3,984 thousand (2024: EUR 3,176 thousand), advance payments to contractors for the mentioned works in the amount of EUR 4,071 thousand (2024: EUR 14,792 thousand).

Out of the Group's total value of equipment, leased equipment under operating leases is as follows:

(in thousands of EUR)	2024	2025
Cost	28,572	29,578
Accumulated depreciation as at 1 January	(19,302)	(20,173)
Depreciation charge for the year	(669)	(669)
Carrying amount	8,601	8,736

The operating lease mostly relates to property, i.e. the lease of hospitality and shops to third parties, and other relates to service activities, sport and recreation and similar. During 2025, the Group realised rental income of EUR 6,644 thousand (2024: EUR 6,979 thousand), where fixed amount is EUR 6,379 thousand (2024: EUR 6,736

thousand), while variable is EUR 265 thousand (2024: EUR 243 thousand). All lease agreements are renewable, usually for period of 1 to 3 years and there is no purchase option. In the contracts, the Group obliges the lessees to submit the subject of the operating lease in the condition in which it was received.

Undiscounted future payments on 31 December 2025:

(in thousands of EUR)	Up to 1 year	Up to 2 years	Up to 3 years	Up to 4 years	Up to 5 years	Over 5 years
Company	3,086	1,396	690	184	36	148
Group	3,863	1,570	745	184	36	148

NOTE 15 – INTANGIBLE ASSETS

GROUP			
(in thousands of EUR)	Goodwill ¹	Software	Total
As at 1 January 2024			
Cost	872	24,054	24,926
Accumulated amortisation	-	(17,813)	(17,813)
Carrying amount	872	6,241	7,113

Year ended 31 December 2024			
Opening carrying amount	872	6,241	7,113
Additions	-	4,309	4,309
Amortisation	-	(2,600)	(2,600)
Disposals and write-offs	-	(16)	(16)
Carrying amount at year end	872	7,934	8,806

As at 31 December 2024			
Cost	872	28,304	29,176
Accumulated amortization	-	(20,370)	(20,370)
Carrying amount	872	7,934	8,806

Year ended 31 December 2025			
Opening carrying amount	872	7,934	8,806
Additions	-	5,167	5,167
Amortisation	-	(3,746)	(3,746)
Carrying amount at year end	872	9,355	10,227

As at 31 December 2025			
Cost	872	33,472	34,344
Accumulated amortisation	-	(24,117)	(24,117)
Carrying amount	872	9,355	10,227

¹ Impairment tests for goodwill

Goodwill is allocated to the cash-generating unit (CGUs) Camping Brioni, Pula. The recoverable amount of the cash-generating unit is determined based on the value-in-use calculations.

NOTE 15 – INTANGIBLE ASSETS / CONTINUED

COMPANY			
(in thousands of EUR)	Goodwill ¹	Software	Total
As at 1 January 2024			
Cost	872	23,103	23,975
Accumulated amortisation	-	(17,410)	(17,410)
Carrying amount	872	5,693	6,565
Year ended 31 December 2024			
Opening carrying amount	872	5,693	6,565
Additions	-	4,091	4,091
Disposals and write-offs	-	(16)	(16)
Amortisation	-	(2,303)	(2,303)
Carrying amount at year end	872	7,465	8,337
As at 31 December 2024			
Cost	872	27,158	28,030
Accumulated amortisation	-	(19,693)	(19,693)
Carrying amount	872	7,465	8,337
Year ended 31 December 2025			
Opening carrying amount	872	7,465	8,337
Additions	-	4,665	4,665
Amortisation	-	(3,438)	(3,438)
Carrying amount at year end	872	8,692	9,564
As at 31 December 2025			
Cost	872	31,823	32,695
Accumulated amortisation	-	(23,131)	(23,131)
Carrying amount	872	8,692	9,564

¹ Impairment tests for goodwill.

Goodwill is allocated to the cash-generating unit (CGUs) Camping Brioni, Pula. The recoverable amount of the cash-generating unit is determined based on the value-in-use calculations.

NOTE 16 – INVESTMENT IN SUBSIDIARIES

COMPANY		
(in thousands of EUR)	2024	2025
Bugenvilia d.o.o., Dubrovnik	5,115	5,115
Imperial Riviera d.d., Rab	119,144	119,144
	124,259	124,259

The subsidiary Bugenvilia d.o.o. generate revenue from rent of property to the Company. Subsidiary Imperial Riviera d.d. generate revenues from performing their

registered activities, primarily from hospitality activities (services of accommodation, food and drinks in hotels, tourist resorts and camping).

NOTE 17A – INTEREST IN ASSOCIATE HELIOS FAROS D.D.

GROUP		
(in thousands of EUR)	2024	2025
At beginning of period at acquisition cost	10,693	10,268
Impact of change in ownership share	19	-
Share in net profit/(loss) at 31 December	(444)	(60)
At end of year on equity basis	10,268	10,208
Adjustment of share and share in net asset on 31 December		
Net asset at the beginning of the period	52,478	51,543
Capital increase ¹	1,335	-
Profit/(loss) before tax	(2,270)	(314)
Net asset at the end of the period	51,543	51,229
Share in net asset at the end of the period 19.54%	10,070	10,010
Adjustment for goodwill	198	198
At the end of the period	10,268	10,208

¹ In 2024, the capital was increased in favour of the Republic of Croatia in connection with claims arising from bankruptcy proceedings.

The Company paid EUR 11,323 thousand for a 19.54% ownership interest in the associate Company Helios Faros d.d.

HELIOS FAROS d.d. 100%		
(in thousands of EUR)	31 December 2024	31 December 2025
Assets:		
Non-current assets	56,412	54,205
Current assets	10,642	12,456
	67,054	66,661
Liabilities:		
Long-term liabilities	14,092	12,899
Short-term liabilities	1,419	2,533
	15,511	15,432
Net assets	51,543	51,229
Income	12,544	13,956
Expenses	14,799	14,270
Profit/(loss) before tax	(2,255)	(314)
Income tax	(15)	-
Profit/(loss) after tax	(2,270)	(314)
Share in profit/(loss) by equity method	(444)	(60)

The data is taken from the unaudited financial statements of Helios Faros d.d. as at 31 December 2025, prepared in accordance with International Financial Reporting Standards.

NOTE 17B – INTEREST IN ASSOCIATE VALAMAR A GMBH AND VALAMAR OBERTAUERN GMBH

Valamar Obertauern GmbH ¹		
(in thousands of EUR)	31 December 2024	31 December 2025
Share at beginning of period	363	363
Share in net profit/(loss) ²	-	1
At the end of the period	363	364
Net asset at the end of the period	3,641	3,650
Share in net asset (direct ownership 10%)	363	365
Share in net asset (indirect ownership 24.54% from 90%)	804	806
At the end of the period	1,167	1,171

Valamar A GmbH ¹		
(in thousands of EUR)	31 December 2024	31 December 2025
Share at beginning of period	5,193	5,475
Capital increase	687	-
Share in net profit/(loss) ²	(405)	(242)
At the end of the period	5,475	5,233
Net asset at the end of the period	19,035	18,041
Share in net asset (24.54%)	4,671	4,427

Valamar Obertauern i Valamar A ¹		
(in thousands of EUR)	31 December 2024	31 December 2025
Share in Valamar A at the end of the period	5,475	5,233
Share in Valamar Obertauern at the end of the period	363	365
At the end of the period	5,838	5,598
Share in net asset Valamar A 24.54%	4,671	4,427
Share in net asset Valamar Obertauern (direct and indirect) ¹	1,167	1,171
At the end of the period	5,838	5,598

¹ Explained detailed in Note 1 – General information.² 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 1.11. – 31.10., but for the purposes of financial reporting, it was adjusted to the duration of the Group's business year.

	Valamar Obertauern GmbH	Valamar A GmbH	Valamar Obertauern GmbH	Valamar A GmbH
(in thousands of EUR)	31 December 2024	31 December 2024	31 December 2025	31 December 2025
Assets:				
Non-current assets	11,985	51,881	11,659	51,386
Current assets	739	5,589	483	4,147
	12,724	57,470	12,142	55,533
Liabilities:				
Long-term liabilities	7,051	33,296	6,613	31,804
Short-term liabilities	2,032	5,139	1,879	5,688
	9,083	38,435	8,492	37,492
Net assets	3,641	19,035	3,650	18,041
Income	3,275	9,059	907	2,457
Expenses	(3,338)	(10,662)	(920)	(3,448)
Profit/(loss) before tax	(63)	(1,603)	(13)	(991)
Income tax	63	(48)	22	(3)
Profit/(loss) after tax	-	(1,651)	9	(994)
Minority interest 10%	-	-	1	-
Profit/(loss) after tax which belongs to Valamar A	-	(1,651)	8	(994)
Share in profit/(loss) in Valamar A by equity method (24.54%)¹	-	(405)	2	(245)

¹ The share in the result consists of the share in the result of Valamar Obertauern GmbH (reduced by 10% for minority interest) and 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 1.11. – 31.10., but for the purposes of financial reporting, it was adjusted to the duration of the Group's business year.

The Company paid EUR 5,848 thousand for a 24.54% ownership in the associate Valamar A GmbH and EUR 332 thousand for a 10% ownership in the associate Valamar Obertauern GmbH.

NOTE 18 – FINANCIAL INSTRUMENTS BY CATEGORY

GROUP				
(in thousands of EUR)	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income (OCI)	Total
As at 31 December 2024				
<i>Assets at the reporting date</i>				
Financial assets not measured at fair value				
Trade receivables	5,226	-	-	5,226
Loans and deposits ¹	17,211	-	-	17,211
Cash and cash equivalents	59,754	-	-	59,754
Financial assets measured at fair value				
Financial assets - equity securities	-	-	23	23
Derivative financial instruments	-	817	-	817
Total	82,191	817	23	83,031
As at 31 December 2025				
<i>Assets at the reporting date</i>				
Financial assets not measured at fair value				
Trade receivables	5,877	-	-	5,877
Loans and deposits ¹	5,956	-	-	5,956
Cash and cash equivalents	7,994	-	-	7,994
Financial assets measured at fair value				
Financial assets - equity securities	-	-	83	83
Derivative financial instruments	-	2,854	-	2,854
Total	19,827	2,854	83	22,764

¹ Detailed in Note 19 – Loans and deposits.

The above-mentioned amounts of financial assets represent the Group's maximum exposure to credit risk at the reporting date. The carrying values approximate their fair value due to their short-term maturity.

COMPANY				
(in thousands of EUR)	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income (OCI)	Total
As at 31 December 2024				
<i>Assets at the reporting date</i>				
Financial assets not measured at fair value				
Trade receivables	11,509	-	-	11,509
Loans and deposits ¹	4,411	-	-	4,411
Cash and cash equivalents	53,230	-	-	53,230
Financial assets measured at fair value				
Financial assets - equity securities	-	-	19	19
Derivative financial instruments	-	319	-	319
Total	69,150	319	19	69,488
As at 31 December 2025				
<i>Assets at the reporting date</i>				
Financial assets not measured at fair value				
Trade receivables	6,770	-	-	6,770
Loans and deposits ¹	4,457	-	-	4,457
Cash and cash equivalents	1,843	-	-	1,843
Financial assets measured at fair value				
Financial assets - equity securities	-	-	79	79
Derivative financial instruments	-	2,197	-	2,197
Total	13,070	2,197	79	15,346

¹ Detailed in Note 19 – Loans and deposits.

NOTE 18 – FINANCIAL INSTRUMENTS BY CATEGORY / CONTINUED

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
Liabilities at reporting date				
<i>Financial liabilities at amortised cost</i>				
Trade and other payables	36,147	48,390	29,663	44,827
Borrowings	333,752	354,055	224,232	223,713
	369,899	402,445	253,895	268,540
<i>Financial liabilities at fair value through profit or loss:</i>				
Derivative financial instruments	-	(423)	-	(352)
	369,898	402,022	253,895	268,188

NOTE 19 – LOANS AND DEPOSITS

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
Deposits given to financial institutions ¹	13,409	2,128	608	628
Deposits given to non financial institutions ¹	3,298	3,323	3,298	3,323
Total deposits	16,707	5,451	3,906	3,951
Loans	505	505	505	505
Total loans and deposits	17,212	5,956	4,411	4,456
Non-current part	4,257	4,348	4,257	4,348
Current portion	12,955	1,608	154	108

¹ Long-term deposits are presented at fair value.

The largest part of the given deposits relates to guarantee deposits associated with hotel rentals from related companies in Austria. The fair value of the Company's long-term deposits is calculated based on the discounted cash flow by applying the interest rate on the bonds of the Republic of Croatia in the

range of 2.40% - 2.59% depending on the maturity of the deposit. The carrying amounts of other loans and deposits approximate their fair value. The Group and the Company consider that the expected credit losses are not materially significant.

NOTE 20 – INVENTORIES

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
Raw materials and supplies	8,382	9,975	7,200	8,711
Trade goods, small inventory and packaging material	1,796	2,291	1,381	1,514
	10,178	12,266	8,581	10,225

The increase in inventories in 2025 is a result of increased purchase prices, rebranding and the procurement of supplies for the opening of Pical Resort, Valamar Collection in 2026.

NOTE 21 – TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
Domestic receivables	2,600	3,497	1,927	3,022
Foreign receivables	680	594	615	505
Related parties receivables ¹	416	125	7,975	1,965
Provision for impairment of trade receivables	(336)	(331)	(224)	(198)
Trade receivables – net	3,360	3,885	10,293	5,294
Accrued income	1,690	1,990	1,208	1,475
Interest receivables	176	2	7	2
Total trade receivables	5,226	5,877	11,508	6,771
Prepaid expenses and accrued income ²	2,862	3,052	2,150	2,192
VAT receivable	2,168	1,947	555	1,451
Advances to suppliers	537	242	519	222
Receivables from employees	1,589	2,726	1,563	2,484
Receivables from state institutions	339	284	80	128
Other non-current receivables	338	299	320	269
Other current receivables	-	451	-	451
Total other receivables	7,833	9,001	5,187	7,197
<i>Total non-current receivables</i>	-	451	-	451
<i>Total current receivables</i>	7,833	8,550	5,187	6,746
Total non-current trade and other receivables	-	451	-	451
Total current trade and other receivables	13,059	14,427	16,695	13,517

¹ Receivables from related companies at the Company level mostly relates to the subsidiary Imperial Riviera d.d. for management fees under the hotel management agreement.

² The Company calculated loan fees in the amount of EUR 858 thousand (2024: EUR 996 thousand) and the Group in the amount of EUR 1,236 thousand (2024: EUR 1,429 thousand).

Movement of provisions for impairment of trade and other receivables:

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
At 1 January	380	336	282	224
Increase of impairment	66	84	33	61
Collected receivables	(57)	(25)	(52)	(23)
Receivables written-off	(53)	(64)	(39)	(64)
At 31 December	336	331	224	198

The maturities of the trade receivables are as follows:

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
Up to one month	1,858	1,674	8,898	3,151
One to two months	1,194	2,115	1,172	2,089
Two to three months	216	34	202	20
Over three months up to 1 year	92	62	21	34
	3,360	3,885	10,293	5,294

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables (explained in more detail in Note 3.1 *Financial Risk Factors* - b) *Credit Risk*). The Group holds advances,

bank guarantees and promissory notes, and periodically mortgage as collection security. The carrying amounts of trade and other receivables approximate their fair value since they are short-term.

NOTE 22 – DERIVATIVE FINANCIAL INSTRUMENTS

Receivables / liabilities by derivative financial instruments:

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
Fair value of interest rate swap - Receivables	817	2,853	319	2,198
Non-current portion	212	2,544	47	2,050
Current portion	605	309	272	148
Fair value of interest rate swap - Liabilities	-	(423)	-	(352)
Non-current portion	-	-	-	-
Current portion	-	(423)	-	(352)

Interest rate swaps

As at 31 December 2024, the contracted value of outstanding interest rate swaps for the Company amounts to EUR 144,722 thousand (2024: EUR 86,034 thousand), and for the Group amounts to EUR 208,055 thousand (2024: EUR 128,257 thousand).

As at 31 December 2025, the weighted average fixed interest rate from the interest rate swap contract is 2.18% for the Company, while the variable interest

rate (EURIBOR) is 2.03%. As at 31 December 2025, the weighted average base interest rate fixed by the interest rate swap contract for a loan in EUR 2.12% for the Group, while the base variable interest rate (EURIBOR) is 2.03% the Group. Fair value gains and losses on interest rate swaps are recognised directly in the Statement of comprehensive income until the repayment of borrowings. Final maturity date of borrowings is 30 September 2036.

NOTE 23 – CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
Giro-accounts and current accounts	2,366	1,358	1,087	983
Cash in hand	23	28	-	-
Foreign currency accounts	263	274	116	76
Time deposits up to one month	57,102	6,334	52,027	784
	59,754	7,994	53,230	1,843

The interest rate on cash and cash equivalents is up to 1.94% (2024: up to 3.81%). The Group and the Company consider that the expected credit losses are not materially significant.

Cash and cash equivalents are exposed to credit risk as follows:

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
A+	12,528	2,197	10,226	256
A-	12,255	1,968	12,255	211
BBB+	-	839	-	361
BBB	19,289	2,119	17,212	145
BBB-	2,180	-	35	-
BB	12,642	14	12,642	14
No rating	860	857	860	856
	59,754	7,994	53,230	1,843

The credit ratings of the parent bank or bank are assigned by S&P Global Ratings / Fitch Ratings / Moody's Ratings.

NOTE 24 – SHARE CAPITAL

The authorised and registered share capital of the Company in 2025 amounts to EUR 221,915 thousand (2024: EUR 221,915 thousand) and comprises 126,027,542 ordinary shares (2024: 126,027,542) with no prescribed nominal value. All the shares are fully paid.

The ownership structure as at 31 December is as follows:

2024	Number of shares	%
Wurmbock Beteiligungs GMBH, Vienna	25,078,700	19.90
Goldscheider Keramik Gesellschaft M.B.H., Vienna	25,017,698	19.85
Satis d.o.o., Zagreb	6,610,048	5.24
Raiffeisenbank Austria d.d./Zbirni skrbnički račun – za SF/Skrbnik, Zagreb	5,646,079	4.48
OTP Banka d.d./AZ OMF kategorije B/Skrbnik, Split	4,364,708	3.46
Enitor d.o.o., Zagreb	2,657,950	2.11
Privredna banka Zagreb d.d./Skrbnički zbirni račun klijenta/Skrbnik, Zagreb	2,418,148	1.92
CERP, Zagreb	1,570,206	1.25
OTP Banka d.d./Erste plavi OMF kategorije B /Skrbnik, Split	1,519,010	1.21
HPB d.d./Kapitalni fond d.d./Skrbnik, Zagreb	1,419,657	1.13
Treasury shares	3,101,536	2.46
Other shareholders - free float	46,623,802	36.99
Total	126,027,542	100.00

2025	Number of shares	%
Wurmbock Beteiligungs GMBH, Vienna	25,170,000	19.97
Goldscheider Keramik Gesellschaft M.B.H., Vienna	25,017,698	19.85
Satis d.o.o., Zagreb	6,610,048	5.24
Raiffeisenbank Austria d.d./Zbirni skrbnički račun – za SF/Skrbnik, Zagreb	5,647,648	4.48
OTP Banka d.d./AZ OMF kategorije B/Skrbnik, Split	4,421,758	3.51
Enitor d.o.o., Zagreb	2,657,950	2.11
OTP Banka d.d./Erste plavi OMF kategorije B /Skrbnik, Split	1,519,010	1.21
HPB d.d./Kapitalni fond d.d./Skrbnik, Zagreb	1,419,657	1.13
CERP, Zagreb	1,369,579	1.09
Privredna banka Zagreb d.d./Skrbnički zbirni račun klijenta/Skrbnik, Zagreb	1,180,626	0.94
Treasury shares	3,550,868	2.82
Other shareholders - free float	47,462,700	37.65
Total	126,027,542	100.00

In 2025, there were no changes in the Company's share/capital stock.

As previously reported, based on the decision adopted by the Company's General Assembly held on 24 July 2013, the registered capital was increased by a conversion of the reinvested profit of the year 2012 by EUR 6,928 thousand. The distribution of the reinvested profit of EUR 6,928 thousand in future periods will result in tax liability, since it is based on a tax incentive.

The Company acquired and released treasury shares during 2024 all for the purpose of paying the rewards to key executives and members of the Management Board in accordance with the adopted long-term reward plan for key executives in the Company's shares in the period from 2023 to 2026. The reward plan encourages loyalty, focus on achieving business goals and increasing shareholder value. During 2025, the Company acquired 789,069 shares which represents 0.63% of share capital in the total amount of EUR 4,954 thousand and released 339,737 of treasury shares which represents 0.27% of share capital. As at 31 December 2025, the Company owned 3,550,868 of their treasury shares (2024: 3,101,536), which represents 2.82% (2024: 2.46%) of the Company's registered capital.

NOTE 25 – RESERVES AND RETAINED EARNINGS

a) Capital reserves

As at 31 December 2025, the capital reserves of the Group amounted to EUR 2,025 thousand (2024: EUR

1,550 thousand). As at 31 December 2025, the capital reserves of the Company amounted to EUR 2,089 thousand (2024: EUR 1,615 thousand).

b) Reserves and retained earnings

GROUP		
(in thousands of EUR)	2024	2025
Legal reserves	11,096	11,096
Other reserves	22,117	22,140
Retained earnings	64,662	79,285
	97,875	112,521
Changes in reserves:		
Legal reserves		
At beginning of the year	11,096	11,096
At year end	11,096	11,096
Fair value reserves		
At beginning of the year	40	-
Financial assets sale	(40)	-
At year end	-	-
Other reserves		
At beginning of the year	22,123	22,117
Reserves for payments with equity instruments ¹	(6)	23
At year end	22,117	22,140
Retained earnings		
At beginning of the year	65,618	64,662
Result for the year	25,803	44,150
Return of uncollected dividend from retained earnings	370	-
Dividends	(27,068)	(29,527)
Financial assets sale	(61)	-
At year end	64,662	79,285

¹ Explained in Note 2.20 – Employee benefits - (e) Employee benefits in the form of own shares.

COMPANY		
(in thousands of EUR)	2024	2025
Legal reserves	11,096	11,096
Other reserves	23,656	23,679
Retained earnings	162,544	173,651
	197,296	208,426
Changes in reserves:		
Legal reserves		
At beginning of the year	11,096	11,096
At year end	11,096	11,096
Fair value reserves		
At beginning of the year	40	-
Financial assets sale	(40)	-
At year end	-	-
Other reserves		
At beginning of the year	23,662	23,656
Reserves for payments with equity instruments ¹	(6)	23
At year end	23,656	23,679
Retained earnings		
At beginning of the year	163,370	162,544
Result for the year	25,933	40,634
Return of uncollected dividend from retained earnings	370	-
Dividends	(27,068)	(29,527)
Financial assets sale	(61)	-
At year end	162,544	173,651

¹ Explained in Note 2.20 – Employee benefits - (e) Employee benefits in the form of own shares.

NOTE 25 – RESERVES AND RETAINED EARNINGS / CONTINUED

Legal reserves

The legal reserve is required under Croatian law, which require the Company to allocate one-twentieth (5%) of the profit for the current year until the total legal reserve together with capital reserves reach five percent (5%) of the Company's share capital. As at 31 December 2025, the legal reserves of the Group and the Company amounted to EUR 11,096 thousand or 5% of the share capital (2024: EUR 11,096 thousand or 5% of the share capital). This reserve is not distributable.

Other reserves

As at 31 December 2025, the Group's other reserves amounted to EUR 22,140 thousand (2024: EUR 22,117 thousand), which comprise reserves for treasury shares in the amount of EUR 18,158 thousand (2024: EUR 18,158 thousand), other reserves in the amount of EUR 409 thousand (2024: EUR 386 thousand) as a result of the

recognition of the salary costs for payments based on shares in principal instruments, and the remaining amount consists of the effects of consolidation.

As at 31 December 2025, the Company's other reserves amounted to EUR 23,679 thousand (2024: EUR 23,656 thousand), which comprise the reserves for treasury shares in the amount of EUR 18,158 thousand (2024: EUR 18,158 thousand), other reserves in the amount of EUR 409 thousand (2024: EUR 386 thousand) as a result of the recognition of the salary costs for payments based on shares in principal instruments, and other reserves in the amount of EUR 5,112 thousand from mergers of subsidiaries.

According to the decision of the General Assembly of 12 June 2025, the Company paid a dividend in the amount of EUR 0.24 per share, in the total amount of EUR 29,527,461.

NOTE 26 – BORROWINGS

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
Bank borrowings				
Current	101,722	69,558	84,527	48,228
Non-current	232,030	284,497	139,705	175,485
Total borrowings	333,752	354,055	224,232	223,713

As at 31 December 2025 non-current and current bank borrowings of the Group amounted EUR 354,055 thousand, of which EUR 328,017 thousand are pledge over Company's property facilities and movable property, while the remaining loan in the amount of EUR 26,038 thousand is secured by promissory notes.

As at 31 December 2025 non-current and current bank borrowings of the Company amounted EUR 223,713 thousand, of which EUR 197,675 thousand are

pledge over Company's property facilities and movable property, while the remaining loan in the amount of EUR 26,038 thousand is secured by promissory notes.

As at 31 December 2025, the Company had unused lines of credit contracted with financial institutions for 2025 in the total amount of EUR 92,873 thousand, and the Group in the total amount of EUR 101,408 thousand.

The carrying amount of borrowings is denominated in EUR. Effective interest rates at the reporting date were as follows:

	2024		2025	
GROUP	(in thousands of EUR)	%	(in thousands of EUR)	%
Borrowings:				
EUR	333,752	1% - 4.21%	354,055	0.72% - 3.80%
COMPANY	(in thousands of EUR)	%	(in thousands of EUR)	%
Borrowings:				
EUR	224,232	1% - 3.41%	223,713	1% - 3.41%

The highest interest rate for loans of the Company in 2025 is 3.41%. The highest interest rate for loans of the Group in 2025 is 3.80% and is based on the loan which

represents less than 5.76% of the Group's total debt as at 31 December 2025.

NOTE 26 – BORROWINGS / CONTINUED

Maturities of non-current borrowings are as follows:

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
1-3 years	75,248	95,791	39,809	53,262
3-6 years	95,724	103,877	52,819	61,659
Over 6 years	61,058	84,829	47,077	60,564
	232,030	284,497	139,705	175,485

The carrying amounts and fair value of non-current borrowings are as follows:

	Carrying amounts			Fair value
(in thousands of EUR)	2024	2025	2024	2025
Group	232,030	284,497	205,387	249,395
Company	139,705	175,485	123,210	152,220

The fair value is based on discounted cash flows discounted using a rate based on the weighted average interest rate on Group's borrowings of 2.63% (2024: 2.61%).

The carrying amounts of current portion of non-current borrowings approximate their fair value due to short-term maturity.

Movement of borrowings is as follows:

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
At 1 January	294,139	333,752	184,654	224,232
Proceeds from borrowings	90,219	121,670	73,208	83,919
Repayments of borrowings	(50,256)	(101,505)	(33,429)	(84,322)
Interest paid	(7,768)	(6,280)	(4,221)	(3,352)
Interest expense	7,418	6,418	4,020	3,236
At 31 December	333,752	354,055	224,232	223,713

NOTE 27 – RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group and the Company have leases for properties, motor vehicles and land used for their business within the scope of IFRS 16 Leases. The lease period for most contracts, excluding leases related to tourist land lease, is between 3 to 5 years, with exception of a few leases where the lease period exceeds 10 years. The lease period for the tourist land is 50 years, from 2020 to

2069, with the conditions for asset recognition being acquired at the beginning of 2024. Lease contracts for tourist land lease have not yet been concluded, but active work is underway on their preparation. The Group and the Company have a restriction regarding the lease of certain lease subjects to sublease them.

Recognised right-of-use assets and the movements during the period:

GROUP					
(in thousands of EUR)	Property	Land	Motor vehicles	Tourist land	Total
As at 1 January 2024	2,237	1,197	98	-	3,532
Additions	13,625	241	64	62,802	76,732
Depreciation	(897)	(313)	(53)	(1,363)	(2,626)
As at 31 December 2024	14,965	1,125	109	61,439	77,638
Additions	11,515	478	130	-	12,123
Depreciation	(5,088)	(351)	(45)	(1,363)	(6,847)
Modifications and other (premature termination)	(201)	(199)	-	-	(400)
As at 31 December 2025	21,191	1,053	194	60,076	82,514

COMPANY					
(in thousands of EUR)	Property	Land	Motor vehicles	Tourist land	Total
As at 1 January 2024	2,314	1,006	95	-	3,415
Additions	13,872	392	64	57,994	72,322
Depreciation	(1,014)	(379)	(49)	(1,261)	(2,703)
As at 31 December 2024	15,172	1,019	110	56,733	73,034
Additions	9,792	387	130	-	10,309
Depreciation	(4,731)	(410)	(45)	(1,261)	(6,447)
Modifications and other (premature termination)	(173)	(199)	-	-	(372)
As at 31 December 2025	20,060	797	195	55,472	76,524

NOTE 27 – RIGHT-OF-USE ASSETS AND LEASE LIABILITIES / CONTINUED

Lease liabilities and the movements during the period:

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
As at 1 January	3,144	79,550	3,036	74,723
Additions	76,857	11,447	72,186	9,622
Accretion of interest	3,551	4,398	3,425	3,987
Payments	(4,002)	(9,231)	(3,924)	(8,589)
Modifications and other (premature termination)	-	(262)	-	(240)
As at 31 December	79,550	85,902	74,723	79,503
Current assets	6,101	9,328	5,916	8,227
Non-current assets	73,449	76,574	68,807	71,276

Leases in profit and loss:

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
Depreciation expense of right-of-use assets	2,626	6,847	2,702	6,447
Interest expense on lease liabilities	3,551	4,398	3,425	3,987
Short-term leases expense	5	1,102	5	10
Variable lease payments	891	1,173	891	1,173
Total	7,073	13,520	7,023	11,617

Depreciation expense of right-of-use assets are included in Depreciation and amortization within the *Statement of comprehensive income*, while the Interest expense on lease liabilities is included in Note 11 – *Finance income/(expense) – net – item Interest Expense*. Expense relating to short-term leases and variable lease payments are included in Note 7 – *Cost of materials and services – item Rent*.

In 2025 total cash outflows for amounted to EUR 9,771 thousand (2024: EUR 4,820 thousand) for the Company and EUR 11,506 thousand (2024: EUR 4,898 thousand) for the Group

(including cash outflows for short-term leases and variable lease payments).

The Group and the Company in calculation of the present value of the lease liability on 31 December 2025, have not included potential lease contract extensions for which it is estimated they will not be realized nor the variable lease payments.

The undiscounted future cash outflows for leases – for contracts with a term up to five years based on this basis as of 31 December 2025 are as follows:

(in thousands of EUR)	GROUP	COMPANY
Extension – not certain	555	533
Leases not yet commenced to which the lessee is committed	1,173	1,173

NOTE 28 – TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
Trade payables	27,135	39,464	20,970	36,229
Trade payables – related parties	112	26	169	74
Tourist land rental fee	8,900	8,900	8,524	8,524
Total trade payables	36,147	48,390	29,663	44,827
Non-current part ¹	9,337	8,900	8,524	8,524
Current portion	26,810	39,490	21,139	36,303
Liabilities for dividend	49	-	-	-
Liabilities to employees	6,102	6,779	4,805	5,407
Liabilities for calculated vacation and redistribution hours	3,454	3,110	2,484	1,936
Liabilities for taxes and contributions and similar charges	2,948	2,836	2,482	2,263
Accrued VAT liabilities in unrealized income	150	158	93	96
Advances received for accommodation	15,256	17,930	12,489	14,875
Liabilities for calculated costs	7,727	7,852	5,923	6,866
Liabilities for calculated tax – rewarding in shares	159	117	110	117
Other liabilities	3,318	4,599	1,527	2,185
Total other liabilities	39,163	43,381	29,913	33,745
Non-current part	-	-	-	-
Current portion	39,163	43,381	29,913	33,745
Total non-current liabilities	9,337	8,900	8,524	8,524
Total current liabilities	65,973	82,871	51,052	70,048

¹ Non-current part of trade payables is mostly related to the lease of tourist land. Explained in more detail in Note 4 – (f) *Leases*.

NOTE 29 – PROVISIONS AND OTHER ACCRUED EXPENSES

GROUP				
(in thousands of EUR)	Termination benefits and jubilee awards	Legal proceedings	Bonuses	Total
As at 1 January 2024	4,256	4,173	5,756	14,185
Additional provisions	1,152	65	6,451	7,668
Used during year	(505)	(24)	(5,732)	(6,261)
Reversed during year	(723)	(1,737)	(24)	(2,484)
As at 31 December 2024	4,180	2,477	6,451	13,108
Current part	55	-	6,451	6,506
Non-current part	4,125	2,477	-	6,602
As at 1 January 2025	4,180	2,477	6,451	13,108
Additional provisions	1,728	697	6,817	9,242
Used during year	(512)	(48)	(6,394)	(6,954)
Reversed during year	(540)	(817)	-	(1,357)
As at 31 December 2025	4,856	2,309	6,874	14,039
Current part	173	-	6,874	7,047
Non-current part	4,683	2,309	-	6,992

COMPANY				
(in thousands of EUR)	Termination benefits and jubilee awards	Legal proceedings	Bonuses	Total
As at 1 January 2024	3,346	2,943	4,986	11,275
Additional provisions	1,069	47	5,600	6,716
Used during year	(410)	-	(4,961)	(5,371)
Reversed during year	(723)	(893)	(24)	(1,640)
As at 31 December 2024	3,282	2,097	5,601	10,980
Current part	-	-	5,601	5,601
Non-current part	3,282	2,097	-	5,379
As at 1 January 2025	3,282	2,097	5,601	10,980
Additional provisions	1,477	682	5,854	8,013
Used during year	(441)	-	(5,534)	(5,975)
Reversed during year	(540)	(811)	-	(1,351)
As at 31 December 2025	3,778	1,968	5,921	11,667
Current part	-	-	5,921	5,921
Non-current part	3,778	1,968	-	5,746

Legal cases of the Company

Provisions for litigation mostly relate to real estate in Dubrovnik in the amount of EUR 1,159 thousand specifically on the sold construction land from 1996 which was not included in the estimated value during the transformation and privatization of the company Dubrovnik - Babin kuk d.d.

Legal cases of the Group

Legal cases of the Group include Company's land ownership disputes and legal proceedings of Imperial Riviera d.d.

The Management Boards of the companies make decisions regarding the increase and/or removal of reservations, all based on existing disputes related to unresolved asset-legal relations, as well as other litigation procedures, and the assessments of legal advisors, the legal department, and the assets and legal affairs department in relation to the outcome of ongoing litigation proceedings.

NOTE 30 – CONSOLIDATED SUBSIDIARIES

OWNERSHIP AT 31 DECEMBER			
	Country	2024	2025
Bugenvilia d.o.o.	Croatia	100.00%	100.00%
Imperial Riviera d.d. ¹	Croatia	46.27%	46.27%

¹ The non-controlling interest in the Group's assets in 2025 amounted to EUR 145,168 thousand (2024: EUR 139,898 thousand) and relates to the non-controlling interest in Imperial Riviera d.d. which amounts to 53.73% (2024: 53.73%).

NOTE 31 – CONTINGENCIES AND COMMITMENTS

Legal proceedings

In the ordinary course of business, the Company is plaintiff and defendant in various legal actions. In the financial statements for the year ended on 31 December 2025, provisions for certain legal proceedings have been made for which the Company anticipates outflows of EUR 1,968 thousand. The Group and the Company do not anticipate other contingent liabilities based on legal disputes.

Transformation and privatisation audit and land ownership

A transformation and privatisation audit were carried out for the Company during 2002 and 2003, with a separate audit for Riviera Poreč d.d. (formerly Riviera Holding d.d., Riviera Adria d.d., now Valamar Riviera d.d.) and for companies merged into the Company: Rabac d.d., Zlatni Otok d.d. and Dubrovnik Babin kuk d.d. The reports claim that the transformation and privatisation process had not been performed entirely in accordance with legal regulations, primarily in relation to properties that are not appraised in the Company's equity, but are owned by the Company and are partly recorded in the land records, as well as properties that are reported in the Company's equity, but have not yet been recorded in the land registry. The Company, as well as its legal predecessors, submitted timely objections to the transformation and privatisation audit reports to the State Audit Office, but at the date of issue of these financial statements, they had not received any response from the State Audit Office with respect to the objection of the Company and/or the legal predecessors of the Company.

The outcome of these proceedings is not expected to have a significant impact on the financial position or results of the Company or the Group.

To protect their interests, the Company is conducting a number of legal and/or administrative procedures, which primarily refer to:

- land excluded from the valuation in the process of transformation and privatisation, but partially registered by the Company and to a portion on which catering and other facilities have been built or are in function (in the Lanterna and Solaris resorts and the Lanterna, Solaris and Istra camping grounds);
- land in Dubrovnik, which was appraised, but not registered, and
- land which has been sold, but was not appraised.

The outcome and the result of the legal and other proceedings cannot be predicted with any degree of certainty. On 1 August 2010, the Act on Tourist and Other Construction Land not appraised in the transformation and privatisation process (hereinafter: the ZOTZ) entered into force, on the basis of the provisions of which the ownership and co-ownership over land not appraised in the transformation and privatisation processes should have been finally determined, and in the spirit of the provisions of which all disputes that were ongoing in relation to unappraised tourist land, primarily the land in the area of Poreč, Rabac and Krk, should have been resolved. The Company initiated procedures in accordance with the provisions of the ZOTZ within the prescribed period, through submission of a request on 31 January 2011 for concessions on tourist land in camping grounds and tourist land in tourist resorts. With the Act on unappraised land ("the ZNGZ") entered into force on 2 May 2020, the procedures for obtaining a concession initiated under the provisions of the ZOTZ have been suspended and further assessment of the court and administrative proceedings related

to unappraised land can be predicted only after resolving property relations and determining the actual owners of tourist land, according to provisions of the ZNGZ.

The outcome of these procedures is not expected to have a significant impact on the financial statements or results of the Group or the Company.

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. On 27 May 2025, the Supreme Court of the Republic of Croatia issued a decision allowing the plaintiffs to file an appeal, and the plaintiffs subsequently lodged the appeal. 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 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.

NOTE 31 – CONTINGENCIES AND COMMITMENTS / CONTINUED

On 9 October 2025, the Company received a decision from the Constitutional Court by which the Company's constitutional complaint was upheld. By the decision of the Constitutional Court, the Supreme Court's decision granting permission to file an appeal was annulled and the case was remitted to the Supreme Court for a retrial.

In 2023, the Company initiated an administrative dispute to annul the Decision of the Ministry of the Sea, Transport, and Infrastructure, issued after an inspection of the economic use of the maritime property in the area of the Ježevac Campsite on Krk. The decision includes a ban on providing accommodation services on several cadastral plots and offering mooring services. In May 2025, the dispute was finally concluded against the Company. For the purpose of regulating property-legal relations related to the economic use of the maritime domain in June 2024, the Government of the Republic of Croatia issued a Conclusion directing the Ministry of Sea, Transport, and Infrastructure to urgently determine the boundaries of the maritime property for all camps where the boundary has not yet been established, and also ordered the Customs Administration and the Ministry of the Sea, Transport, and Infrastructure, the Navigation Safety Directorate, to suspend inspection measures banning the operation of camps until property and legal relations on the maritime property are resolved in areas where they have not yet been settled, no later than 31 December 2025. By the Conclusion of the Government of the Republic of Croatia in December 2025, the deadline for resolving property-legal relations on the maritime domain was extended to 31 December 2027. The Company has thereby been established as the legitimate user of maritime domain at the Ježevac campsite. In the same matter, in early February 2024, a notice of tax inspection was received from the Ministry of Finance, which began on 27 February 2024. The Company has made a reservation in the amount of EUR 699 thousand, which corresponds to the concession fee amount achieved through the tender at a similar

location, all in accordance with point 3 of the Conclusion of the Government of the Republic of Croatia of June 2024. The reservation made does not include the amount of any potential return of the material benefit. The outcome of this proceeding is currently uncertain and the potential final liability for the Company may differ from the above mentioned. The Company will continue actively participate in the legal process.

Capital commitments

The Company's contracted future obligations for investments in tourism properties as of 31 December 2025 amounts to EUR 53,295 thousand (2024: EUR 80,934 thousand). The Group's contracted future obligations for the investments in tourism properties as of 31 December 2025 are in the amount to EUR 54,577 thousand (2024: EUR 112,379 thousand).

The Company is a guarantor for the bank loan of its associated Company, Valamar Obertauern GmbH. The estimated maximum amount of the guarantee that may be realized is EUR 5,060 thousand. The loan of the associated Company is secured by mortgages on the properties of Valamar Obertauern GmbH. The Company assesses the likelihood of an actual obligation arising from the guarantee as very low.

The Company was a guarantor for the loan of its associated Company, Imperial Riviera d.d. in the total amount of EUR 48,889 thousand with a pledge on the properties of Imperial Riviera d.d. securing the claim up to the value of the secured debt. On 15 April 2024, the Company entered into agreements with OTP Bank d.d. to terminate the guarantee agreement for loans related to Imperial Riviera d.d. Following the termination of the guarantee agreement, on 16 April 2024, the Company signed an agreement with its associated Company Imperial Riviera d.d. to terminate the security agreement and authorized the removal of the pledge on the properties of Imperial Riviera d.d.

NOTE 32 – CASH GENERATED FROM OPERATIONS

Adjustment of profit with cash generated from operations:

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
Profit/(loss) before taxation	36,985	45,688	31,017	37,728
Adjustment for:				
Depreciation and amortisation	68,874	77,832	49,039	54,577
Net gains on sale of property, plant and equipment and intangible assets	(135)	(584)	(113)	(556)
Write-off of property, plant and equipment	1,232	1,186	989	1,012
Provision for impairment of trade and other receivables - net	9	59	(19)	38
Finance costs - net	11,302	10,278	3,512	2,057
Gain/(loss) from financial assets - net	(12)	-	(12)	-
Fair value gains/(loss) from financial instruments - net and financial assets	1,652	(1,766)	1,095	(1,678)
Share in net profit/(loss) of associates	829	302	-	-
Reserves for payments with equity instruments	371	365	371	365
Increase in provisions - net	(1,729)	390	(906)	367
Changes in:				
- Trade and other receivables	(595)	(3,003)	(6,524)	3,797
- Inventories	(2,791)	(2,088)	(2,635)	(1,644)
- Trade and other payables	6,792	14,442	4,897	11,659
Cash generated from operations	122,784	143,101	80,711	107,722

NOTE 33 – RELATED PARTY TRANSACTIONS

Related parties are those parties as defined in accordance with the provisions of IAS 24 Related Party Disclosures.

The related parties in the Valamar Group in 2024 and 2025 are: Epic Goldscheider & Wurmböck Unternehmensberatungsgesellschaft m.b.H., Vienna, Wurmböck Beteiligungs GmbH, Vienna, Bugenvilia d.o.o., Dubrovnik, Satis d.o.o., Zagreb, Casatis d.o.o., Zagreb until 31 December 2024, when Casatis d.o.o. was merged into Satis d.o.o.,Eladco Invest GmbH, Kraubath an der Mur (Austria), I.Q.M. d.o.o., Poreč, Imperial Riviera d.d., Rab, with subsidiary Praona d.o.o., Makarska, Valamar A GmbH, Tamsweg/Vienna with subsidiaries Kesselspitze GmbH, Obertauern, Kesselspitze GmbH & Co KG, Obertauern, WBVR Beteiligungs GmbH, Vienna, Valamar Marietta GmbH, Obertauern, Valamar Obertauern GmbH, Obertauern, Helios Faros d.d., Stari Grad, Kamenolom Pridraga d.o.o., Pridraga, Flexi Oscar d.o.o., Zagreb, DPN JEDAN d.o.o. Zagreb (until 16 April 2024, when the change in the Company's members was registered in the court register, and the member of the Supervisory Board ceased to be a member of the Company), B10 Istrian fusion d.o.o., Grožnjan, YES International AG, Lachen, Switzerland, dieTShirt AG, Lachen, Switzerland, NEOLITIKA d.o.o., Rovinj, Z I M – PLAN d.o.o., Zagreb and Künz Holding GmbH, Hard, Austria.

Related party are also lawyers Mladen Markoč, Relja Pečina and Fran Kušeta Zagreb and Obrt za poduku Bucolaj, Novigrad.

Management Agreement

As of 28 November 2019, a new Agreement was concluded between the Company and Imperial Riviera d.d. and in relation to the management of hotel and

tourist facilities, based on the Decision of the General Assembly of Imperial Riviera d.d. of 29 October 2019. The contract has been concluded for a period of 25 years, with the possibility of termination or extension.

As of 2 September 2019, the Agreement between the Company and Helios Faros d.d. in relation to the management of the hotel and tourist facilities and amenities is valid. The agreement was concluded for a period of 10 years, on 19 July 2023 Addition to the Agreement has been concluded in relation to the management of the hotel and tourist facilities and amenities between the Company and Helios Faros d.d. for which the agreement has been extended until 2035.

The subject of these agreements, similar to the agreements concluded with Imperial Riviera d.d., is the provision of management services and the performance of business activities related to hotels, apartments, resorts, and/or campsites, as well as other real or movable property of the individual Company. The usual term for this type of agreement is a hotel management agreement or agreement on managing hotels. For the management services provided, Valamar Riviera d.d. is entitled to a management fee, which consist of a basic fee and an incentive fee, a consultancy fee for conceptualizing and structuring investments to introduce the VALAMAR brand(s) (CAPEX fee), a fee for reservation centre services, as well as a fee for initial or "pre-opening" services that Valamar provides before the full reopening and thorough rebranding of properties, depending on the type and size of the accommodation facility.

As of 1 March 2023, new Agreements in relation to the management of the hotel and tourist facilities and amenities with Companies Valamar Obertauern GmbH

and Kesselspitze GmbH & Co K were valid, and also an Agreement between Valamar Riviera d.d. and Valamar Marietta GmbH, all for a period of 25 years. On 24 October 2024, the Supervisory Board of the Company approved a new form of business cooperation in Austria, which resulted in the termination of the previous hotel management agreements with Valamar Obertauern

GmbH, Kesselspitze GmbH & Co KG, and Valamar Marietta GmbH, effective as of 31 October 2024. Through the new leasing business model, starting from 1 November 2024 the Company, via its Austrian subsidiary continued to manage the hotels Valamar Obertauern Hotel, Kesselspitze Hotel & Chalet, Valamar Collection, and [PLACES] Obertauern by Valamar.

Related party transactions were as follows:

GROUP		
(in thousands of EUR)	2024	2025
Sale of services		
Associate with participating interest	2,573	1,317
	2,573	1,317
Purchase of services		
Associate with participating interest	1,139	1,187
Other related parties	115	94
	1,254	1,281
Trade and other receivable		
Associate with participating interest	416	125
	416	125
Liabilities		
Associate with participating interest	99	2
Other related parties	13	24
	112	26
Loans and deposits given		
Associate with participating interest	4,028	4,028
	4,028	4,028

NOTE 33 – RELATED PARTY TRANSACTIONS / CONTINUED

COMPANY		
(in thousands of EUR)	2024	2025
Sale of services		
Subsidiaries	19,535	18,462
Associate with participating interest	2,573	1,317
	22,108	19,779
Purchase of services		
Subsidiaries	2,309	2,354
Associate with participating interest	1,139	1,187
Other related parties	97	77
	3,545	3,618
Dividend income		
Subsidiaries	4,978	4,883
	4,978	4,883
Trade and other receivable		
Subsidiaries	7,559	1,840
Associate with participating interest	416	125
	7,975	1,965
Trade and other payables		
Subsidiaries	57	49
Associate with participating interest	99	2
Other related parties	13	23
	169	74
Loans and deposits given		
Associate with participating interest	4,028	4,028
	4,028	4,028

Board personnel compensation

	GROUP		COMPANY	
(in thousands of EUR)	2024	2025	2024	2025
Salaries	1,010	1,008	809	781
Pension contributions	158	174	97	105
Health insurance contribution	247	248	196	191
Other costs (contribution and taxes)	348	335	300	284
Share-based payment	251	384	203	300
	2,014	2,149	1,605	1,661

In 2025, Board personnel compensation is related to 6 Group Board members (2024: 6 Board members), and for the Company 3 members (2024: 3 members).

Company's Supervisory Board fees during 2025 amounted to EUR 632 thousand (2024: EUR 518 thousand).

NOTE 34 – AUDIT FEES

The fees for audit of the financial statements of the Group amounted to EUR 120 thousand (2024: EUR 163 thousand), while the audit fees for other services amounted to EUR 62 thousand (2024: EUR 60 thousand).

Other audit services in 2024 and 2025 are mostly related to audit of Report on Board and Supervisory Board personnel compensation, and the audit of the Sustainability Report.

NOTE 35 – SUBSEQUENT EVENTS

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

CONTACTS

Valamar Riviera d.d.

Stancija Kaligari 1,
52440 Poreč, Croatia

T +385 52 408 000

F +385 52 451 608

info@valamar.com

www.valamar.com

Investor Relations

Stancija Kaligari 1,
52440 Poreč, Croatia

T +385 52 408 159

F +385 52 451 608

ir@valamar.com

www.valamar-riviera.com



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