

HANFA- Croatian Financial Services Supervisory Agency
6 Franje Račkog
10000 ZAGREB

HANFA – Official Registry of Regulated Information

Zagreb Stock Exchange
2a Ivana Lučića
10000 ZAGREB

HINA – Croatian News Agency
ots@hina.hr

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Subject: Notification of closing the bankruptcy proceedings related to the company HELIOS FAROS d.d. u stečaju

Valamar Riviera d.d. with registered office in Poreč, 1 Stancija Kaligari, personal identification number (OIB): 36201212847 (hereinafter: the Company or Valamar), LEI: 529900DUWS1DGNEK4C68, Member State: Republic of Croatia, ISIN: HRRIVPRA000, Securities: RIVP (RIVP-R-A), Listing: The Prime Market of Zagrebačka burza d.d., hereby announces that on 22nd July 2019 the Commercial Court in Split **rendered a Decision on Closing the Bankruptcy Proceedings Related to the Company HELIOS FAROS** dioničko društvo za ugostiteljstvo u stečaju, with registered office in Stari Grad, 5 Naselje Helios (hereinafter: HELIOS FAROS). By closing the bankruptcy, **Valamar acquires full membership rights as a holder of 2,280,000 shares** (representing a stake of 23.61% shares) in the company HELIOS FAROS.

As previously disclosed, with the implementation of the Bankruptcy Plan, confirmed by the final Decision of the Commercial Court in Split No. St-9/2015 dated 21 November 2018, on 6 May 2019 the bankruptcy trustee of HELIOS FAROS rendered a Decision on increasing the share capital by stakes in cash. Valamar has paid for the stake and acquired 23.61% while PBZ Croatia osiguranje dioničko društvo za upravljanje obveznim mirovinskim fondovima, which acts in its own name and on behalf of PBZ CROATIA OSIGURANJE obvezni mirovinski fond kategorije B, with registered office in Zagreb, 44 Radnička cesta (hereinafter: PBZ CO) has paid for the stake and acquired 70.83% of shares in the company HELIOS FAROS. The bankruptcy creditors were settled with these funds, and the preconditions for closing the bankruptcy proceedings related to HELIOS FAROS were fulfilled. The partnership between PBZ CO and Valamar (which will manage HELIOS FAROS' hospitality properties and services) will start a new development phase for tourism in Stari Grad on Hvar island.

VALAMAR RIVIERA d.d.