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Poreč, 13/03/2020
Number: 1-27/20

Subject: **ESMA Recommendation to Issuers and Financial Market Participants Regarding Publication of Business Activities Considering the Impact of COVID-19 Virus on Financial Markets**

- *statement*

Valamar Riviera d.d., with registered office in Poreč, Stancija Kaligari 1, OIB 36201212847 (hereinafter: the Company or Valamar), pursuant to the issued recommendations of ESMA dated 11 March 2020 and the appeal of HANFA dated 12 March 2020, addressed to issuers and financial market participants in connection with the disclosure of business activities concerning the impact of the COVID-19 virus on the financial markets, states as follows.

Due to the unpredictable nature of the further escalation of COVID-19 (and related activated preventive but also remedial measures) in the Republic of Croatia and the Company's important leading source markets, it is early to make quantitative estimates at this time regarding the possible impact of COVID-19 on Valamar's operations in the future period.

Although the current annual state of bookings in the books (on 11/3/2020) is better than last year, the entry of new bookings has slowed significantly since the escalation of COVID-19 in Italy. Under current uncertain circumstances, it is not possible decisively predict the final negative effect of the booking slowdown on business, given the possibility of reimbursing them through "last-minute" bookings, as well as a simplified booking cancellation policy. The currently recorded booking cancellations are primarily related to the period from March to May 2020 and only to a lesser extent to the rest of the main season, which accounts for over 85% of annual operating revenues.

Since the occurrence of the COVID-19, the Company has been closely monitoring the development of the situation and has engaged and focused all its resources on implementing preventive measures to protect the health of guests and employees. At the same time, we have prepared and activated comprehensive

standard crisis management operational procedures, escalation plans for safeguarding liquidity and business continuity, and established transparent communication with all stakeholders (guests, partners, employees, creditors, shareholders, competent state and local authorities).

The Company emphasizes that these are conclusions based on the facts, knowledge and circumstances currently available, and the related estimates. However, due to the expected further objective development of events beyond the Company's influence, further changes in relevant circumstances can be expected. Valamar will publish all relevant information regarding the impact of COVID-19 on underlying factors, prospects or financial stability in accordance with the relevant regulations.

Valamar Riviera d.d.