



BUSINESS RESULTS 1/1/2024 - 31/3/2024



VALAMAR
All you can holiday

ABOUT VALAMAR

Valamar is Croatia's leading tourism company operating in prime destinations – Istria, the islands of Krk, Rab and Hvar, Makarska, Dubrovnik, and Obertauern in Austria.

Valamar's 36 hotels and resorts and 15 camping resorts with a capacity of about 21 thousand accommodation units, can accommodate around 58 thousand guests daily and provide perfect holidays and authentic experiences for each guest. The company believes in a growth-driving strategy focused on investments in high added-value products, talents, innovative services and destination development. With investments around EUR 915 million in the last 20 years, Valamar is one of the top Croatian and regional investors in tourism.

Valamar is Croatia's top employer in tourism, focused on creating a stimulating corporate culture where guests, employees and investors come first. Valamar leads the innovative management of leisure tourism and creates new value for guests, employees, shareholders and local communities in its destinations.

Valamar Group consists of following companies: Valamar Riviera d.d. (Parent company), Imperial Riviera d.d. (a subsidiary in 46.27% ownership) and Bugenvilia d.o.o. (100% owned subsidiary). Valamar holds minority ownership positions in following companies: Helios Faros 20% and Valamar A GmbH 24.54%.

Tourism portfolio of Valamar Group



KEY MESSAGES

BUSINESS RESULTS

Due to the seasonal nature of Croatian tourism, the share of the first quarter in the total annual revenues is commonly very small. The results of the first quarter are thus not indicative for the whole year. Additionally, the number of operating days in most hotels and campsites was higher compared to last year given that this year's Easter holidays were earlier than last year starting at the very end of the first quarter. This year, the Group started preparations for the opening of its properties earlier than last year, which resulted in increased costs for the first quarter of 2024.

The continuing trend of increase in average prices (+30.9%) and a significant increase in overnights (+44.7%) has had a positive impact on operating revenues (+56.1%) compared to the first quarter of 2023. Mainly due to an earlier start of preparations for the season and corresponding higher employment, operating profit (adjusted EBITDA) is EUR 1.7 million lower than last year and amounts to EUR -20.7 million. Following new Regulation from February 2024 costs for the lease of tourist land have increased. These costs are booked in the first quarter this year (which was not the case in previous years).

The good trends in booking point to yet another successful tourist season. We are especially pleased about a significant improvement in the booking for Dubrovnik versus last year. Market expectations about a considerable increase in the number of flights to this destination compared to last year have surely contributed to this.

One of the indicators of a potentially good tourist year is the successful completion of the winter season in Obertauern, where, after renovation and rebranding, a third hotel under Valamar's management - Obertauern [PLACESHOTEL] 4* - opened in December 2023. All three Valamar hotels in Obertauern saw certain improvements in their business operations, and 165 of our employees from Croatia were employed there. The Group and the MICE segment in Austria recorded a particularly large increase in revenues. Certainly, a good winter season does not necessarily mean that the summer season will be successful.

OVERNIGHTS
AND REVENUE
HIGHER THAN
IN FIRST QUARTER
OF 2023

ADOPTED
STRATEGY FOR
SUSTAINABLE
BUSINESS
DEVELOPMENT
UNTIL 2026

TOURIST LAND

We welcome the adoption of regulations for leasing tourist land enabling us in the tourism sector to enable further development and investment in the camping segment. We believe the benefits of clarity will significantly outweigh the additional cost over the long run. The Regulations set the prices of leasing tourist land for 50 years and define the legal framework that enables companies in the tourism sector to make concrete strategic plans and prepare investments and long-term development. Also, the framework will significantly reduce the challenges of the legal uncertainty concerning tourist land and disposal of tourist land and catering facilities (e.g. purchasing and mortgaging).

BUSINESS STRATEGY UNTIL 2026

Valamar has adopted a sustainable business strategy until 2026, which is based on a EUR 450 million investment plan aimed at building the premium resorts of Pical and Rab, continuing to enhance the quality of its hotels and campsites, internationalising its business operations and investing in socially responsible and sustainable tourism projects.

Valamar's strategic goals include achieving double-digit annual growth of its business operations and company value according to the relative multiple method. The targeted operational profit (EBITDA), following the implementation of strategic initiatives in 2026, amounts to EUR 150 million. It represents an increase in average annual profit of approximately 11% on 2022. Targeted dividend yield for Valamar's shareholders in the following period amounts to around 4%. The dividend payment will depend on realisation of Valamar's annual business plans and the development of Valamar share price (as well as current but also expected future earnings, investment plans and financial position of the Company and similar). Revenues are planned to increase to EUR 500 million, of which 50% will be realised outside the main tourist season and as much as two-thirds to come from direct sales.

INVESTMENTS

Investments for the 2023/24 season in Group's hotels, resorts and campsites amount to EUR 83 million. They represent an important further step in improving service quality and enabling the Group's growth. On top of that amount, an investment in the Pical project with a total investment value of EUR 139 million is planned within this year and next year.

Valamar Riviera d.d. will invest EUR 7.7 million in renovation of 180 accommodation units at Allegro Sunny Hotel 3* in Rabac and 90 of total 120 accommodation units at Miramar Sunny Hotel 3* in Rabac, where 30 accommodation units were already renovated in 2021. The merger of these two hotels has created a new Sunny brand product called Allegro Sunny Hotel & Residence 3*. Another significant investment of EUR 5.7 million relates to the renovation of accommodation units at Koralj Sunny Hotel 3* on the island of Krk and the introduction of children's facilities. This investment includes a complete renovation and redesign of 194 accommodation units and an increase in the hotel's bed capacity by 120, which is an increase from 429 to 549 beds.

The most significant investment of Imperial Riviera d.d. concerns the first phase of reconstruction of the existing Suha Punta resort (Valamar Collection Rab Resort 4*/5*) in the destination of Rab. This is a multi-phase project whose goal is to firmly position this destination among the best destinations for family holidays in the Adriatic. The renovation of the existing complex of Rivijera Sunny Resort by Valamar 2* (Makarska Sunny Resort 3*) in the destination of Makarska is also underway, to reposition the resort to the Sunny brand. Sunny is a brand which has already been recognised on the market as a brand offering economical and simple holidays with excellent service quality and the best value for money.

Apart from the above, Valamar Riviera d.d. has started investing in the Pical project. This project is the largest single investment in the Croatian tourism industry, and the hotel will offer top-quality tourism services all year round. A contract between Valamar Riviera d.d. as the investor and Kamgrad d.o.o. as the contractor concerning the continuation of the construction of the Pical

NEW GROUP INVESTMENTS OF 83 MILLION EUROS. IN ADDITION, INVESTMENT IN THE PICAL PROJECT BEGAN

CONTINUATION OF SIGNIFICANT INVESTMENTS IN EMPLOYEES

resort was signed in Poreč on 14 March 2024. The contract value amounts to EUR 81.7 million, with the value of the total investment being EUR 139 million. Works began on 18 March 2024 and the planned deadline for the completion of all works is December 2025. Hotel Pical 5* will have 513 accommodation units, 10 themed restaurants and bars, a wellness centre, refurbished beaches and beach clubs, outdoor and indoor pools and facilities for various types of vacation. For families, Pical will offer the Maro World educational playroom spanning more than 1,200 m², Maro clubs, children's playgrounds and a family-friendly entertainment programme. The hotel will also showcase one of the best congress centres with a multifunctional hall whose capacity will be up to 1,200 participants. Pical Beach, all sports and entertainment services, indoor swimming pool, and other recreational facilities will be available to guests, visitors, and residents alike. Hotel Pical will boast around 600 permanent employees and provide an excellent opportunity to grow a career in hospitality.

HUMAN RESOURCES

This year Valamar, the most desirable employer in the Croatian tourism industry, also continues with significant investments in its employees. In agreement with the social partners, Valamar has increased the basic salary for more than 5,000 employees. Salaries in the high season from June to August for professional positions, i.e. chefs, waiters and receptionists at Valamar's hotels, campsites and resorts, will range from EUR 1,400 to 2,000 net, while salaries for housekeepers, assistant chefs, assistant waiters, kitchen workers, servers and many others will range from EUR 1,000 to 1,300 net. Valamar also continues with its several reward programmes that are designed to reward excellence, commitment and outstanding results.

SUSTAINABILITY

In January Valamar was awarded the silver medal of EcoVadis, a global agency for rating a wide range of business sustainability practices. Valamar thus became the first Croatian tourism company whose sustainable practices have been recognised globally. In January, Valamar also achieved the best ESG rating in Croatia according to Bloomberg Adria, which analysed

the largest Croatian companies listed on the Zagreb Stock Exchange. Valamar stood out with the highest total ESG score of 4.41, being the only tourism company on the list and the only company that achieved a total score above 4.

In 2024, Valamar will continue to invest heavily in its strategic projects and initiatives within the ESG strategy. Investments in reducing the carbon footprint relate to further decarbonisation, investing in renewable energy sources, with a focus on solar energy, electric vehicles, bio-composting and others. We encourage biodiversity through afforestation and care projects for 80,000 trees, so an additional 883 trees will be planted at Valamar. Together with our guests, we plan to plant 10,000 trees in other parts of Croatia. We have continued our partnerships with local food producers and our focus remains on improving further cooperation in sustainable business practices with our suppliers. We have introduced a policy of responsible practices and behaviours to increase the number of sustainable suppliers.

Valamar Riviera has also become a member of the Energy & Environment Alliance (EEA), a global coalition of hospitality business managers working to transition hospitality businesses to net zero carbon emissions and to provide environmental, social and governance (ESG) leadership in a timely, scientifically robust and commercially sustainable way.

GENERAL ASSEMBLY

The General Assembly was held on 24 April 2024 and it adopted the decision on the utilisation of profit realised in 2023, on approving actions of the members of the Management Board and Supervisory Board, approval of the report on the remuneration to members of the Management Board and Supervisory Board for 2023, and appointment of Ernst & Young d.o.o. za reviziju and UHY RUDAN d.o.o as the Company's

DIVIDEND OF EUR
0.22 PER SHARE:
YIELD OF 4.7%

auditors for 2024. Apart from the above decisions, it also adopted the Remuneration Policy for the upcoming four-year period, i.e. from 2024 to 2027, and passed the decision about the remuneration for the work of Supervisory Board members and the decision on authorization to acquire of treasury shares.

The General Assembly also adopted the decision on dividend payout of EUR 0.22 per share (dividend yield of 4.7%), which will be paid out on 24 May 2024 from the retained earnings realised in the years 2016, 2019 and 2021. The ex-date was on 29 April 2024.



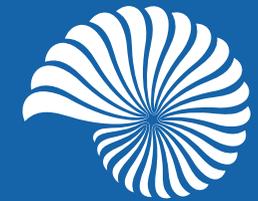
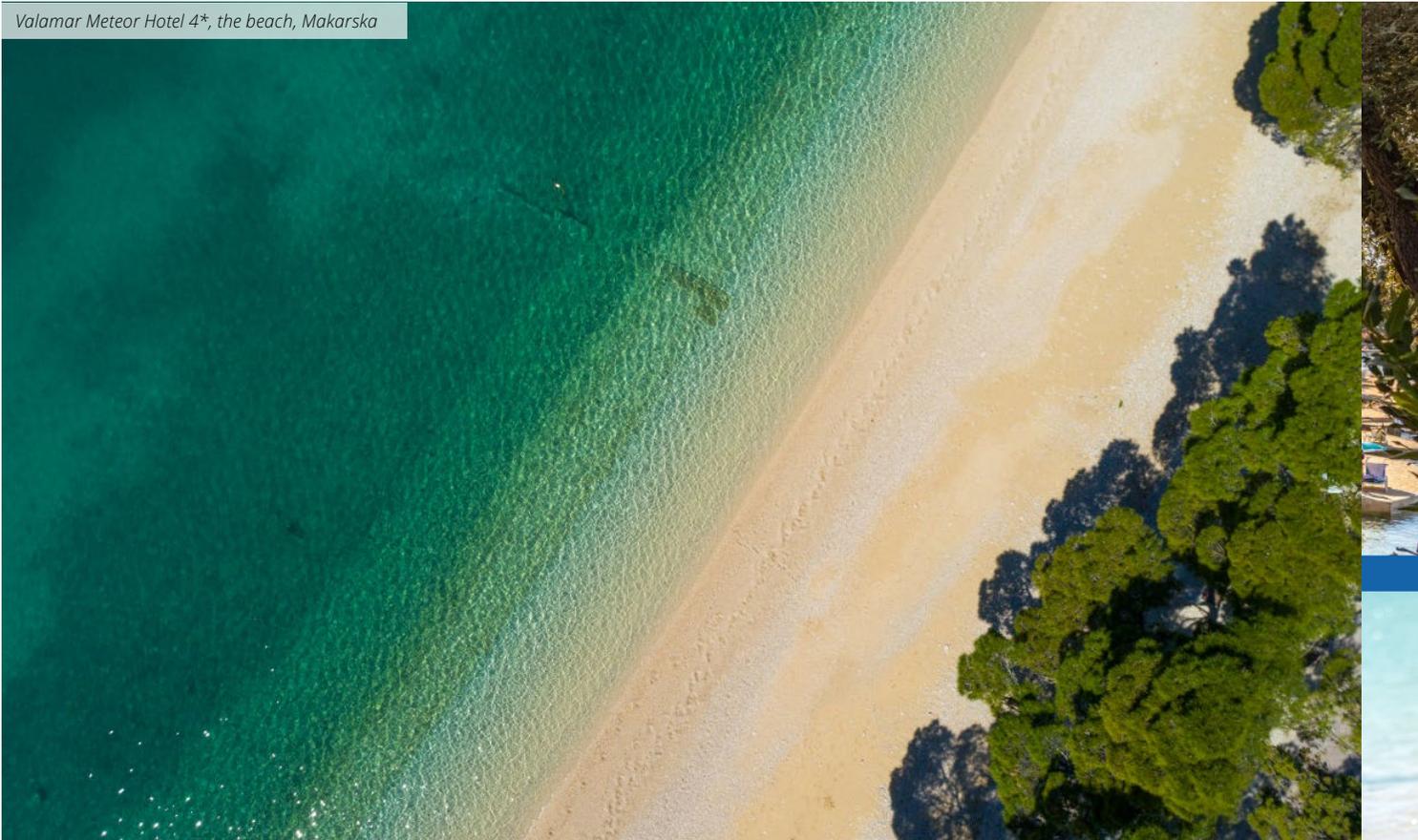
TABLE OF CONTENTS

Results of the Group	7
Results of the Company	17
Investment cycle 2023/24	19
ESG & Human resources	23
The Risks of the Company and the Group	29
Corporate Governance	35
Related-party Transactions and Subsidiaries	38
Valamar Share	40
Additional Information	44
Disclaimer	46
Responsibility for the Quarterly Financial Statements	48
Financial Statements According to TFI-POD	49

Ježevac Premium Camping Resort 4*, Krk Island



Valamar Meteor Hotel 4*, the beach, Makarska



Results of the Group

QUARTERLY FINANCIAL STATEMENTS

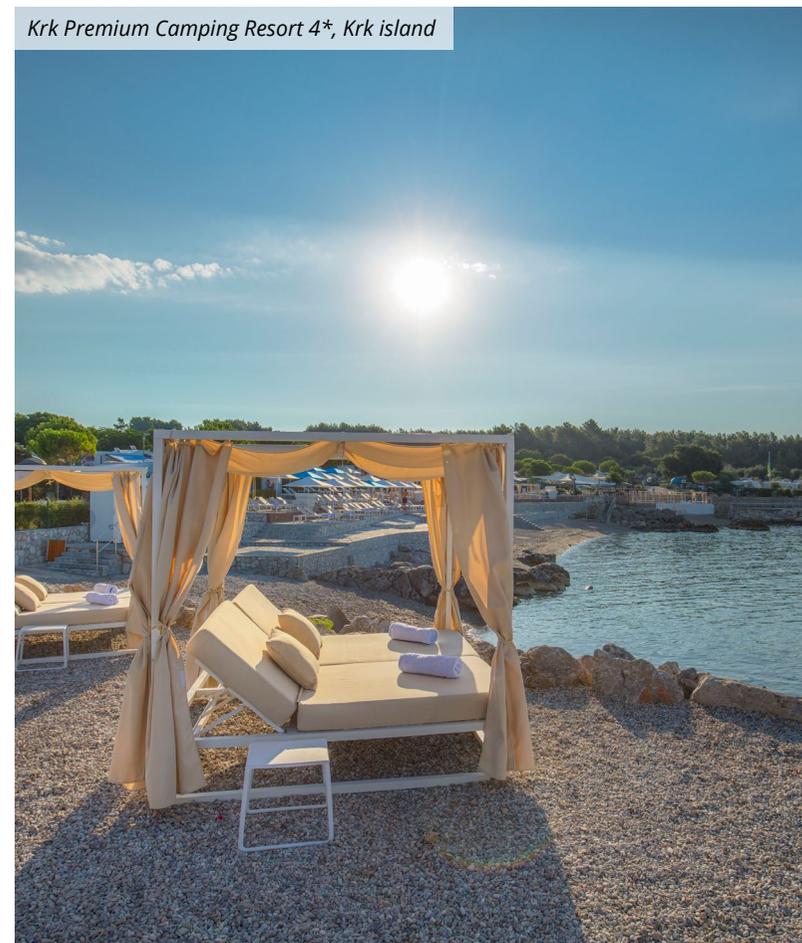
The Management Board hereby presents the unaudited quarterly financial statements for the period from 1 January 2022 to 31 March 2024.

The Group's profit and loss account for the period considered consolidates the data from the following companies: Valamar Riviera d.d. (Parent Company), Imperial Riviera d.d. (a subsidiary 46.27% owned by Valamar Riviera d.d. with its subsidiary Praona d.o.o., Makarska), Magične stijene d.o.o.* (100% owned until 3 August 2023) and Bugenvilia d.o.o. (100% owned).

The investments in the company Helios Faros d.d. (20% owned) and Valamar A GmbH (24,54% owned) are reported according to the equity method since Valamar Riviera d.d. does not exercise control but a significant influence over them.

* The company was deleted from the court register on 3 August 2023 based on the procedure for termination of the company by abbreviated procedure without liquidation.

 *The Management Board presents
the quarterly financial statements for
the first quarter of 2024*



KEY FINANCIAL INDICATORS¹

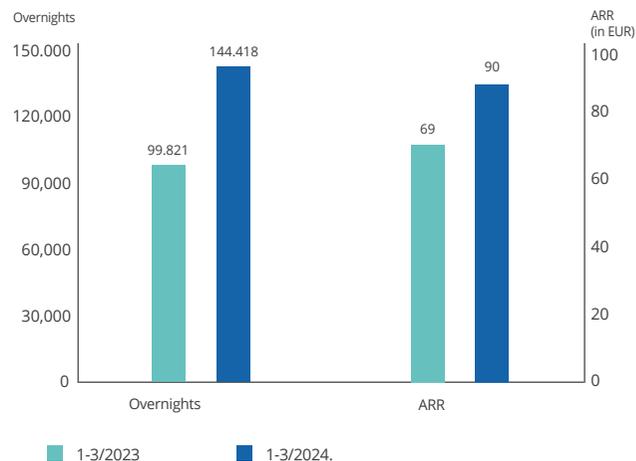
(IN EUR)	1 - 3/2023	1 - 3/2024	2024/2023
Total revenues	7.642.600	13.148.965	72,0%
Operating income	7.201.053	11.242.741	56,1%
Sales revenues	6.768.460	10.669.899	57,6%
Board revenues (accommodation and board revenues) ²	3.564.951	6.087.882	70,8%
Operating costs ³	25.904.952	31.085.394	20,0%
EBITDA ⁴	-18.993.903	-20.438.558	7,6%
Extraordinary operations result and one-off items ⁵	60.038	271.202	351,7%
Adjusted EBITDA ⁶	-19.053.941	-20.709.760	8,7%
EBIT	-34.906.834	-37.685.726	8,0%
Adjusted EBIT ⁶	-34.966.872	-37.956.928	8,6%
EBT	-37.028.710	-39.159.102	5,8%
EBITDA margin	-263,8%	-181,8%	82,0pp
Adjusted EBITDA margin	-264,6%	-184,2%	80,4pp
	31/12/2023	31/3/2024	2024/2023
Net debt ⁷	217.762.850	296.202.120	36,0%
Net debt (liabilities for tourist land under IFRS 16 excluded)	217.762.850	232.836.093	6,9%
Cash and cash equivalents	55.185.359	37.993.441	-31,2%
Market capitalization ⁸	594.849.998	652.822.668	9,7%
EV ⁹	951.166.260	1.082.669.959	13,8%
Share price	4,72	5,18	9,7%
EPS ⁹ (for the first half)	-0,21	-0,26	23,8%

- Classified according to the Annual Financial Statement (GFI POD-RDG). EBIT, EBITDA and their adjusted values and respective margins are recorded on the basis of operating income.
- In compliance with the classification under the USALI international standard for reporting in hotel industry (Uniform System of Accounts for the Lodging Industry). Non-commercial properties/data excluded.
- Operating costs include material costs, staff costs, other costs, and other operating costs reduced by extraordinary expenses and one-off items.
- EBITDA (eng. earnings before interest, taxes, depreciation and amortization) is calculated as: operating income - total operating costs + depreciation and amortisation + value adjustments.
- Adjustments were made for (i) extraordinary income (in the amount of EUR 0.8mn in Q1 2024, and EUR 0.3mn in Q1 2023), (ii) extraordinary expenses (in the amount of EUR 0.5mn in Q1 2024, and EUR 0.2mn in Q1 2023), and (iii) termination benefit costs (in the amount of EUR 0.1mn in Q1 2024, and EUR 44 thous. in Q1 2023).
- Adjusted by the result of extraordinary operations and one-off items.
- Net debt: non-current and current liabilities to banks and other financial institutions + liabilities for loans, deposits and other + other liabilities according to IFRS 16 (leases) - cash and cash equivalents - long-term and short-term investments in securities - current loans given, deposits, etc.
- Market capitalization is calculated as the total number of shares multiplied by the last share price on last day of the period
- EV refers to enterprise value; calculated as market capitalization + net debt + minority interest. EPS - earnings per share.
- Data for Helios Faros and Valamar A GmbH are not included. Non-commercial properties/data excluded.
- Average rate is recorded on the basis of cumulative board revenues (accommodation and board's food and beverage revenues).

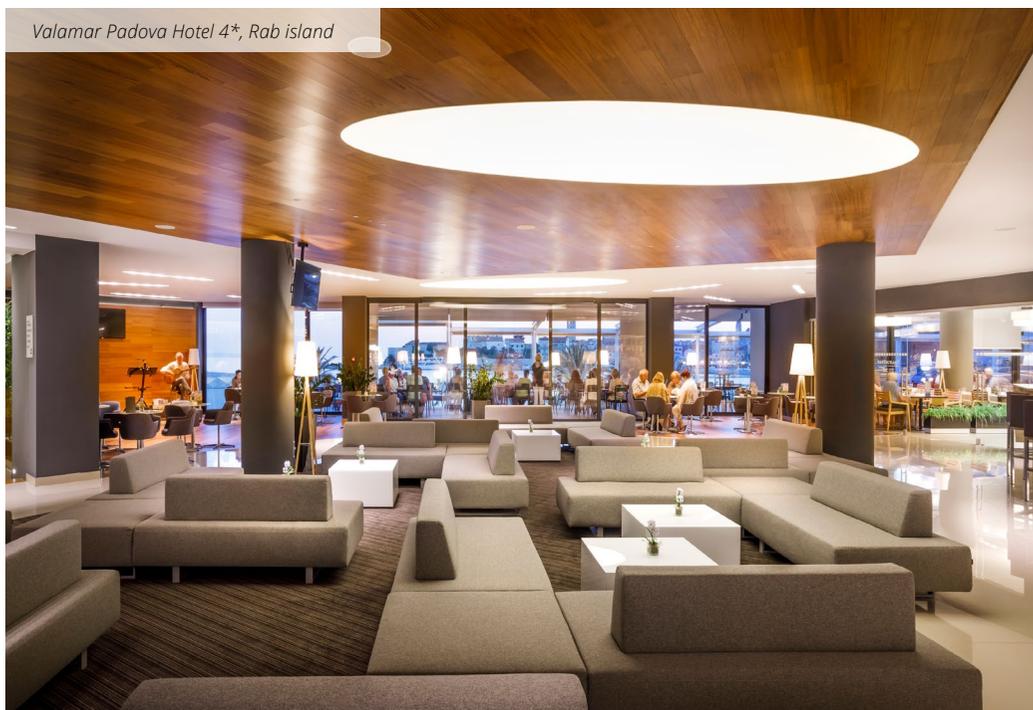
KEY BUSINESS INDICATORS¹⁰

	1 - 3/2023	1 - 3/2024	2024/2023
Number of accommodation units (capacity)	20.016	19.962	-0,3%
Number of beds	56.141	56.270	0,2%
Accommodation units sold	52.023	66.983	28,8%
Overnights	99.821	144.418	44,7%
ARR ¹¹ (in EUR)	69	90	30,9%
RevPAR (in EUR)	178	301	69,1%
EBITDA PAR (in EUR)	-926	-984	6,2%

Noćenja i ARR



Revenues and accommodation units sold



Due to the seasonal nature of Croatian tourism, the share of the first quarter in the total annual revenues is commonly very small. In the first quarter of last year, the number of operating days in most hotels and campsites was significantly reduced after a multifold increase in electricity costs. On the other hand, this year's Easter holidays were earlier than last year, with a major part of these holidays happening at the very end of the first quarter. The good trends in booking point to yet another successful tourist season. We are especially pleased about a significant improvement in the booking for Dubrovnik versus last year.

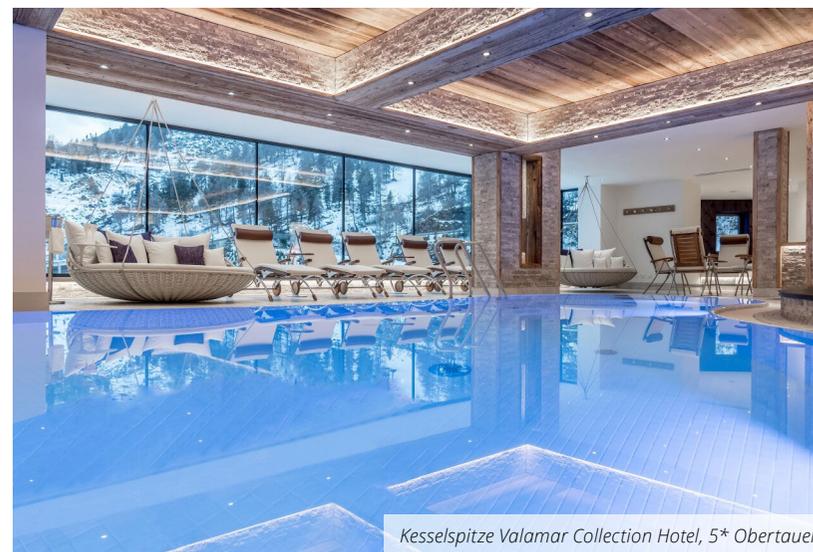
REVENUES

In the first quarter of 2024, total revenues amounted to EUR 13.1 million, which represents an increase of 72.0% (EUR 5.5 million). The total generated revenues have been influenced by:

a) growth in sales revenue by 57.6% (3.9 million euros) to the amount of 10.7 million euros, which is primarily made up of board revenue (6.1 million euros). There was a slight change in the revenue structure: sales in the country amounted to EUR 5.0 million with a share of 47.0% in total sales (49.1% in the first quarter of 2023) and compared to 2023 higher by 1.7 million euros. With a share of 53.0% in total sales (50.9% in the first quarter of 2023), sales on foreign markets amount to EUR 5.7 million and are higher by EUR 2.2 million.

b) increase in other operating revenue by EUR 135 thousand compared to 2023 to EUR 550 thousand mainly due to recognized revenue from previous periods

c) financial revenue amounts to EUR 1.4 million and is 224.6% higher than realized in 2023, mostly as a result of unrealized revenue from financial assets (on the basis of the increase in the fair value of interest rate swaps).



Kesselspitze Valamar Collection Hotel, 5* Obertauern

TOTAL OPERATING EXPENSES OF VALAMAR GROUP¹²

(in EUR)	1-3/2023	1-3/2024	24/23
Operating costs ¹³	25.904.952	31.085.394	20,0%
Total operating expenses	42.107.887	48.928.467	16,2%
Material costs	9.166.436	10.598.841	15,6%
Staff cost	13.237.198	15.821.031	19,5%
Depreciation and amortisation	15.912.931	17.247.168	8,4%
Other costs	3.536.860	4.703.860	33,0%
Provisions and value adjustments	0	513	-
Other operating expenses	254.462	557.054	118,9%

TOTAL OPERATING EXPENSES

In the first quarter of 2024, after two regulations defining the prices and the legal framework relating to tourist land were adopted in February 2024, Valamar Group did the following:

- assessed the value of the right-of-use assets and liabilities according to IFRS 16 as of 1 January 2024 in the amount of EUR 62.5 million for the Group (EUR 57.7 million for the Company) and booked the expenses on that basis as follows:

-depreciation amounting to EUR 339 thousand for the Group (EUR 313 thousand for the Company)

- interest rate amounting to EUR 877 thousand for the Group (EUR 782 thousand for the Company)

- concerning the variable part of the lease, the Group booked the lease costs of EUR 223 thousand for the Group (EUR 223 thousand for the Company) under item Other External Costs within Material Costs.

In the first quarter of 2023, the Company did not book any costs relating to tourist land.

Total operating expenses amount to EUR 48.9 million and are 16.2% higher than last year. The development of operating expenses is as follows:

a) material costs amount to EUR 10.6 million and are higher by 15.6%, mainly as a result of increased costs of raw materials, maintenance, consumables, costs of promotional activities and marketing, and costs of lease of tourist land (explained earlier)

b) personnel costs increased by 19.5% and amount to EUR 15.8 million, after a higher average number of employees and additional investments in increasing wages for employees

c) depreciation amounts to 17.2 million euros, which represents an increase of 8.4%, mostly due to increased capital investments in 2023 and depreciation related to tourist land

d) other expenses increased by 33.1% to the amount of 4.7 million euros. The increase is mainly due to increased costs for food, accommodation and education of employees and travel costs

e) other operating expenses amount to 557 thousand euros, which represents an increase of 303 thousand euros, mostly due to the recognition of expenses from past periods.

¹² Classified according to Annual Financial Statements standard (GFI POD-RDG).

¹³ Operating costs include material costs, staff costs, other costs, and other operating costs reduced by extraordinary expenses and one-off items.

EBITDA AND PROFIT FOR THE PERIOD

The first quarter is generally marked by a characteristic negative EBITDA due to seasonally decreased business volume. Thus, in the first quarter of 2024, a negative adjusted EBITDA of -20.7 million euros was realized. It represents a deterioration of 8.7% (or by 1.7 million euros) compared to the negative adjusted EBITDA realized in the first quarter of 2023 in the amount of -19.0 million euros. The main reasons for this are the earlier start of preparations for the season and thus higher employment. An additional negative impact came from the costs related to the lease of tourist land (EUR 223 thousand), which, in accordance with the new Regulations from February 2024, were increased and this year are booked already in the first quarter (which was not the case in previous years).

After increased depreciation and a slightly improved net financial result (explained in more detail in the next chapter), earnings before tax (EBT) amount to -39.2 million euros, which is 2.1 million euros lower than last year. The Group estimated the increase in deferred tax assets on the realized loss and recognised tax revenue of EUR 7.1 million accordingly. The net loss for the period is EUR 32.1 million. Due to the highly pronounced seasonality of business, the profit tax estimate for the quarterly reports is not an indicator of the final profit tax on 31 December 2024.

Valamar Carolina Hotel & Villas 4*, Krk Island



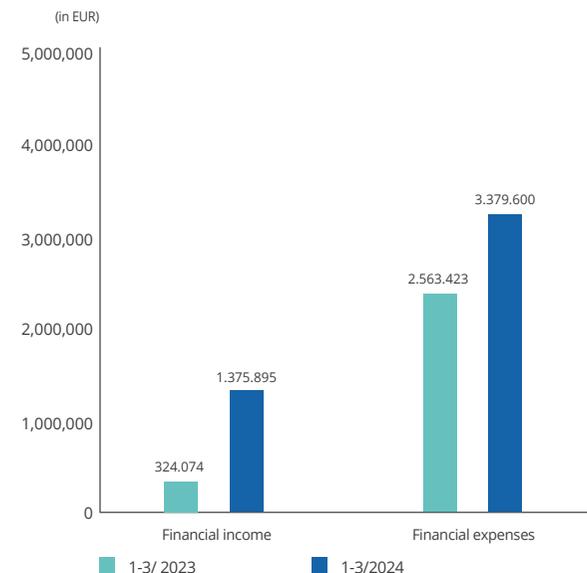
RESULT FROM FINANCIAL ACTIVITIES

The result of financial activities for the first three months of 2024 is -2.0 million euros, which is 0.2 million euros higher than in the same period of 2023, when it was -2.2 million euros.

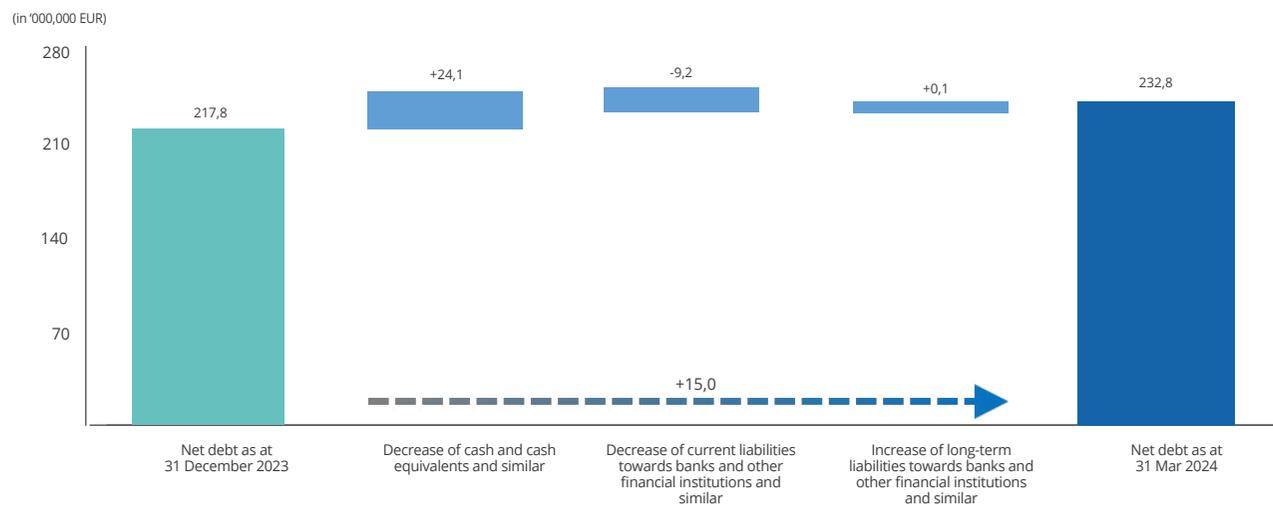
The better net financial result was mostly influenced by unrealized income from financial assets (based on the increase in the fair value of interest rate swaps) of EUR 0.9 million compared to the same period last year. The growth of interest rates on deposits resulted in 0.2 million euros higher other income from interest.

The growth in interest expenses of EUR 0.9 million is almost entirely due to the interest expense under the liability item for IFRS 16 Rent of tourist land, which is included in the balance sheet of the Company and the Group as of 1 January 2024 (explained in chapter Total operating expenses).

Financial income and expenses



Net debt ¹⁴



¹⁴ Net debt: non-current and current liabilities to banks and other financial institutions + liabilities for loans, deposits and other + other liabilities according to IFRS 16 (leases) – cash and cash equivalents – long-term and short-term investments in securities – current loans given, deposits, etc. Liabilities for tourist land under IFRS 16 excluded.

ASSETS AND LIABILITIES

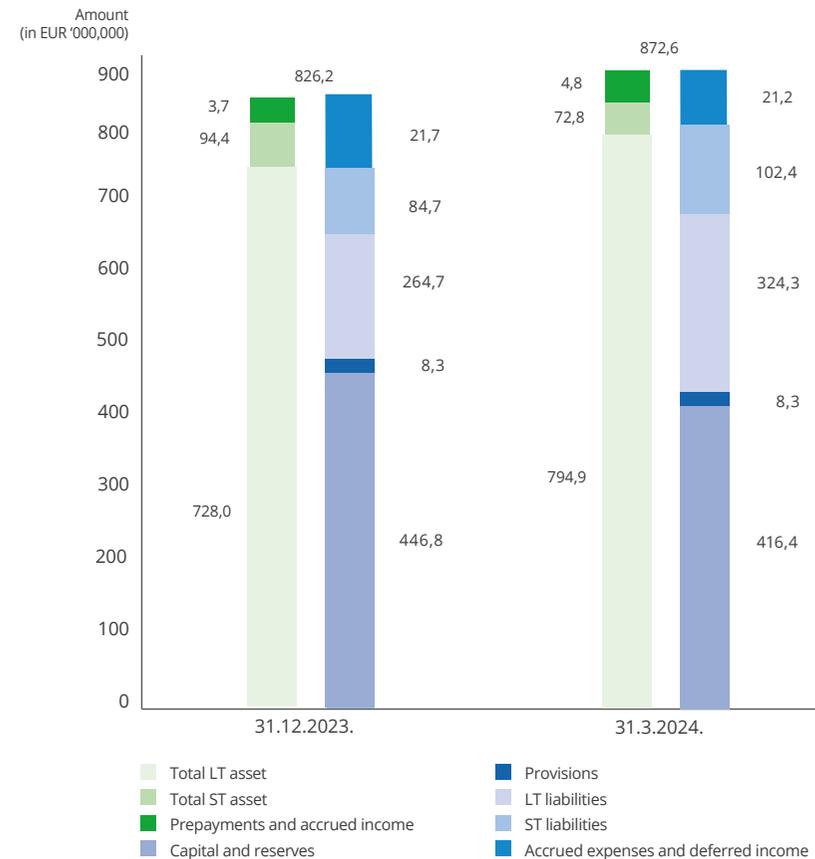
On 31 Mar 2024, the total value of the Group's assets is EUR 867.6 million, which is 5.0% higher than on 31 Dec 2023. The total share capital and reserves amount to EUR 411.3 million and are lower by 8.0% as a result of the realized loss in the first quarter of 2024.

As explained earlier in the chapter Total operating expenses, in the first quarter of 2024, Valamar Group carried out an assessment of the value of assets and liabilities with the right of use in accordance with IFRS 16 on 1 January 2024 in the amount of EUR 62.5 million. By this, the balance sheet of the Group increased by the stated amount: assets in the position Land (within Tangible assets) and liabilities in the position Other long-term liabilities (within Long-term liabilities) and Other short-term liabilities (within Short-term liabilities).

Total long-term and short-term liabilities to banks and other financial institutions as of 31 Mar 2024 amount to EUR 285.1 million and are 3.0% lower than on 31 Dec 2023 as a result of loan repayment.

Almost entire loan portfolio consists of long-term loans with an agreed fixed interest rate or loans protected by derivative instruments (IRS) for the purpose of protection against interest rate risk. This largely eliminated the interest rate risk. Additionally, most of the Group's cash receipts are in euros, as is the entire credit portfolio, which largely eliminates currency risk.

Assets and liabilities



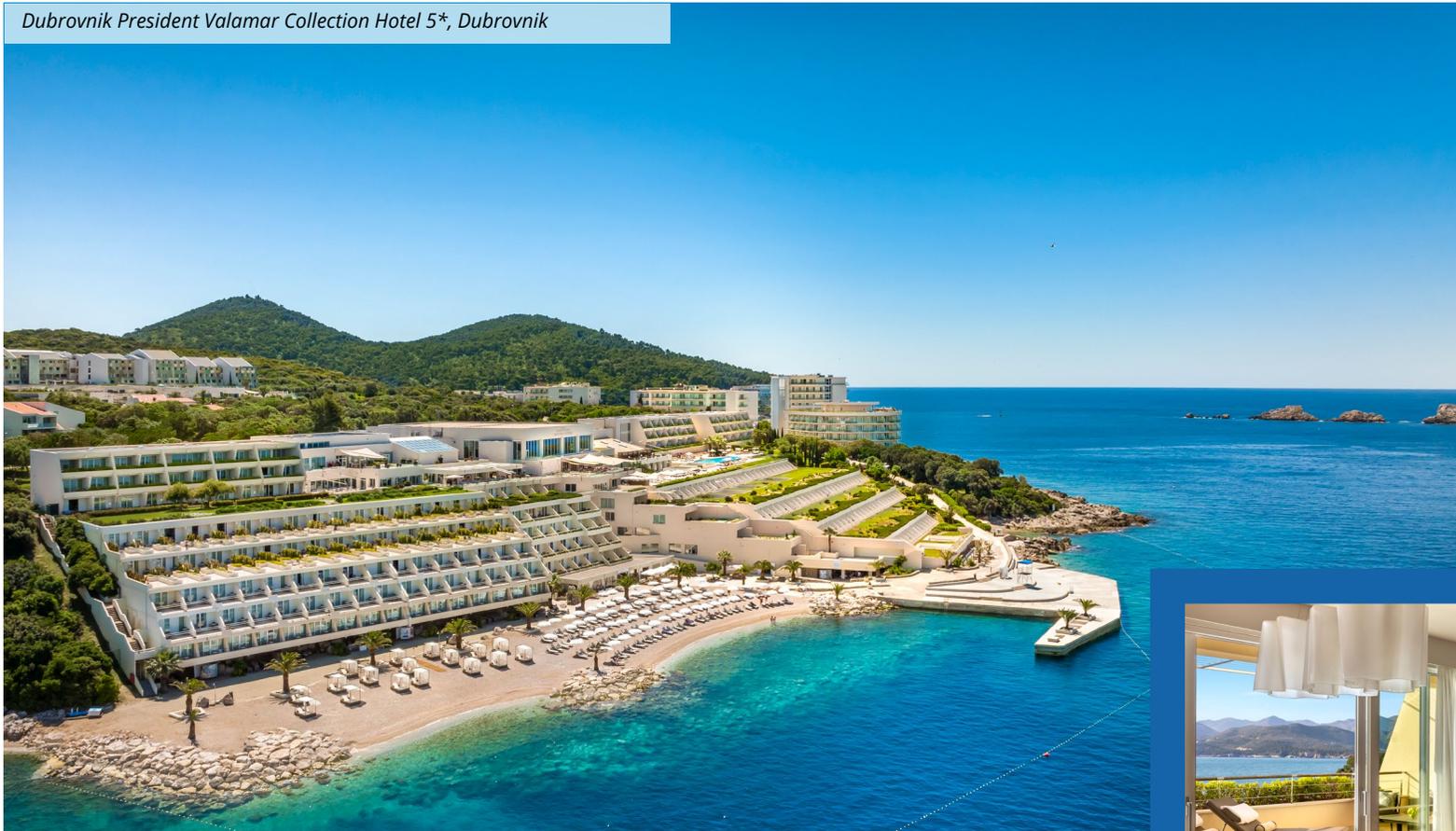
On 31 Mar 2024 the Group's cash balance is EUR 38.0 million, which represents a decrease of 31.2% compared to 31 Dec 2023. The main reasons for the decrease in cash in the first quarter of 2024, in which high seasonal inflows are usually absent, are loan repayments, investments in long-term assets and expenses needed to prepare for the high season. High cash balance of the Group together with i) the contracted credit lines, ii) valuable tourism assets and iii) a strong operational business model made the Group's balance sheet position stable.



HOTEL AND CAMPING RESORTS OVERVIEW

HOTELS AND RESORTS OVERVIEW			LOCATION	KEYS	CAMPING RESORTS OVERVIEW			LOCATION	KEYS
Hotels and Resorts				9.053	Camping Resorts				11.649
VALAMAR COLLECTION				1.308	CAMPING ADRIATIC BY VALAMAR - PREMIUM RESORTS				5.473
Marea Valamar Collection Suites	5*	Poreč		108	Istra Premium Camping Resort	5*	Poreč	963	
Dubrovnik President Valamar Collection Hotel	5*	Dubrovnik		292	Krk Premium Camping Resort	5*	Island Krk	500	
Isabella Valamar Collection Island Resort	4* / 5*	Poreč		334	Lanterna Premium Camping Resort	4*	Poreč	2.959	
Girandella Valamar Collection Resort	4* / 5*	Rabac		391	Ježevac Premium Camping Resort	4*	Island Krk	632	
Imperial Valamar Collection Hotel	4*	Island Rab		116	Padova Premium Camping Resort	4*	Island Rab	419	
Kesselspitze Valamar Collection Hotel	4*	Austria		67					
VALAMAR HOTELS & RESORTS				3.792	CAMPING ADRIATIC BY VALAMAR - RESORTS				4.600
Valamar Amicor Green Resort	4*	Island Hvar		131	Baška Beach Camping Resort	4*	Island Krk	601	
Valamar Parentino Hotel	4*	Poreč		329	Marina Camping Resort	4*	Rabac	329	
Valamar Diamant Hotel & Residence	3*/4*	Poreč		372	Bunculuka Camping Resort	4*	Island Krk	414	
Valamar Riviera Hotel & Residence	4*	Poreč		130	San Marino Camping Resort	4*	Island Rab	810	
Valamar Tamaris Resort	4*	Poreč		506	Orsera Camping Resort	3*	Poreč	595	
Valamar Bellevue Resort	4*	Rabac		372	Solaris Camping Resort	3*	Poreč	1.851	
Valamar Sanfior Hotel & Casa	4*	Rabac		242					
Valamar Atrium Baška Residence & Villa Adria	4* / 5*	Island Krk		92	CAMPING ADRIATIC BY VALAMAR - SUNNY			1.576	
Valamar Padova Hotel	4*	Island Rab		175	Solitude Sunny Camping	3*	Dubrovnik	347	
Valamar Carolina Hotel & Villas	4*	Island Rab		176	Škrila Sunny Camping	3*	Island Krk	342	
Valamar Meteor Hotel	4*	Makarska		268	Brioni Sunny Camping	2*	Pula	725	
Valamar Argosy Hotel	4*	Dubrovnik		308	Tunarica Sunny Camping	2*	Rabac	162	
Valamar Lacroma Dubrovnik Hotel	4*	Dubrovnik		401					
Valamar Tirena Hotel	4*	Dubrovnik		208					
Valamar Obertauern Hotel	4*	Austria		82					
[PLACES] by Valamar				504					
Hvar [PLACESHOTEL] by Valamar	3*	Island Hvar		194					
Dalmacija [PLACESHOTEL] by Valamar	3*	Makarska		190					
Obertauern [PLACESHOTEL] by Valamar	4*	Austria		120					
SUNNY BY VALAMAR				3.449					
Crystal Sunny Hotel	4*	Poreč		223					
Zvonimir Sunny Hotel	4*	Island Krk		85					
Corinthia Baška Sunny Hotel	3*	Island Krk		341					
Rabac Sunny Hotel & Residence	3*	Rabac		300					
Rubin Sunny Hotel	3*	Poreč		253					
Krk Sunny Hotel	3*	Island Krk		194					
Club Dubrovnik Sunny Hotel	3*	Dubrovnik		338					
Makarska Sunny Resort	3*	Makarska		250					
Lanterna Resort	2*	Poreč		578					
San Marino Sunny Resort by Valamar	3*	Island Rab		457					
Arkada Hotel	2*	Island Hvar		146					
Eva Sunny Hotel & Residence	2* / 3*	Island Rab		284					

Dubrovnik President Valamar Collection Hotel 5*, Dubrovnik



Results of the Company

In the first quarter of 2024, total revenues amount to 11.6 million euros, which is an increase of 43.6% or 3.5 million euros compared to the same period in 2023, when they amounted to 8.1 million euros. Sales revenues amount to 8.2 million euros and are 47.4% higher than in the same period last year.

Material costs amount to 8.5 million euros with a growth of 9.0% as a result of increased costs of raw materials, maintenance, consumables, costs of promotional activities and marketing and costs of renting tourist land (explained in chapter Total operating expenses).

Personnel costs amount to EUR 13.1 million and are 15.0% higher compared to last year, after a higher average number of employees and additional investments in increasing salaries and rewards for employees. Depreciation amounts to EUR 3.7 million and is 28.1% higher than last year, mostly due to increased capital investments in 2023 and depreciation related to tourist land (explained in chapter Total operating expenses).

In the first quarter of 2024, net financial result is -1.5 million euros (-1.2 million euros in the same period of 2022). Lower net financial result was mostly influenced by the growth of interest expenses of EUR 0.6 million, which is entirely the result of the interest expense under the liability item for IFRS 16 Rental of tourist land. On the other hand, the largest positive effect of EUR 0.3 million comes from net unrealized income from financial assets (on the basis of the increase in the fair value of interest rate swaps).

The first quarter generally has a characteristic negative EBITDA due to the significantly lower seasonal business. Thus, in the first quarter of 2024, a negative EBITDA was realized in the amount of -14.9 million euros, which represents a deterioration of 0.3 million euros compared to the EBITDA realized in the first quarter of 2023. This is primarily the result of the previously described increase in costs. After increased depreciation and a slightly weaker net financial result, earnings before taxation (EBT) amounts to -28.5 million euros. The Company estimated the increase in deferred tax assets on the realized loss and recognized tax revenue

SALES REVENUES
OF EUR 8.2
MILLION

of EUR 5.1 million, accordingly. The net loss for the period is EUR 23.4 million. Due to the highly pronounced seasonality of business, the profit tax estimate for the quarterly reports is not an indicator of the final profit tax on 31 December 2024.

On 31 Mar 2024 the total value of the Company's assets is EUR 707.3 million, which is 7.1% higher than on 31 Dec 2023. The total share capital and reserves amount to EUR 385.8 million and are 5.3% lower as a result of the realized loss in the observed period. On 31 Mar 2024 the Company's cash balance amounts to EUR 31.4 million, which represents a decrease of 32.1% compared to 31 Dec 2023.

Tirena Sunny Hotel by Valamar 3*, Dubrovnik



Investment cycle 2023/24

Valamar Riviera's continued success and growth is a result of investing in products, employees and tourist destinations, always ensuring sustainable and socially responsible development through Valamar's commitment to reducing its carbon footprint and constant investment in renewable energy sources. Along with enhancing our tourist offering, we have also been developing Valamar's service concepts to meet the current market demands and guest expectations. The planned portfolio repositioning and development toward high added-value offerings and services, with emphasis on the premium resorts and campsites segment, has been appropriately adjusted to a reduced investment intensity all the while preparing for the new growth and development projects. Following the harmonisation of our planned portfolio and development with the tourist flows and a proactive approach to cash flow management and financing, we have focused the implementation of our investments in the 2023/24 cycle mostly on realising new investments aimed at boosting our quality level and guest satisfaction.

The total of the approved investments for the 2023/24 investment cycle at the Valamar Group level amounts to EUR 83 million. Investments are mainly directed towards renovating accommodation units in hotels and campsites. Apart from that, Valamar is also actively investing in environmental protection and energy efficiency, safety and digitalisation, and innovation for a new period of growth.

VALAMAR RIVIERA

Valamar Riviera d.d. continues its 2023/24 investment cycle worth EUR 44.1 million. The planned investments aim to improve business processes, enhance operations, raise the quality of facilities and services, and increase energy efficiency and digitalisation.

The largest single capital investment in 2023/2024 amounts to EUR 7.7 million and relates to the renovation of 180



accommodation units at Allegro Sunny Hotel 3* in Rabac and 90 of the total 120 accommodation units at Miramar Sunny Hotel 3* in Rabac, while the remaining 30 accommodation units were renovated in 2021. The merger of these two hotels has created a new Sunny brand product called Rabac Sunny Hotel & Residence 3*. In addition to room renovations, this investment also includes investing in children's facilities in both hotels, an outdoor trampoline park and the expansion and increase in the capacity of the restaurant for hotel guests by adding an outdoor terrace with an additional 80 seats due to the enhancement of the hotel's total accommodation capacity. The F&B service concept will be Sunny Breakfast & Brunch and Sunny Dinner. This unique Sunny brand product will provide accommodation in a fantastic location and focus primarily on families.

Another significant investment of EUR 5.7 million pertains to reconstructing accommodation units at Koralj Sunny Hotel 3* on the island of Krk and installing children's facilities. The investment includes a complete renovation and redesign of 194 accommodation units and an increase in the hotel's bed capacity by 120, whereby the hotel's capacity will increase from 429 to 549 beds. The implementation of children's facilities on the ground floor includes a new children's playroom, a Multimedia Game Lounge, a Family Lounge, Maro Smart Play Rooms and an upgrade of the Chill and Play Zone.

The plans for Isabella Valamar Collection Island Resort 4*/5* Hotel in Poreč include upgrading the level of its Oliva Grill restaurant and expanding the outdoor terrace and kitchen. Meanwhile, at Valamar Argosy Hotel 4* in Dubrovnik, an investment has commenced to cover its Mezzino Pool Bar with a roof.

In addition to investing in hotels, Valamar actively invests in its campsites. Given the growing demand for camping tourism, this investment cycle has started with the plan to invest more than EUR 2.5 million in expanding and enhancing the standard of our campsites and their facilities. At our Lanterna Premium Camping Resort 4* in Poreč, two supermarkets are being reconstructed, along with two sanitary blocks, and quality improvement is ongoing for 24 existing pitches in Zones A and C from Standard to Comfort as well as quality improvement of 2 pitches in Zone K from Comfort Mare to Premium Mare. 12 new Premium mobile homes

IN 2023/24
CYCLE.
VALAMAR
RIVIERA'S
INVESTMENTS
ARE PLANNED
IN THE
AMOUNT OF
44.1 MILLION,
AND IMPERIAL
RIVIERA'S 38.4
MILLION

with terraces are being set up at Marina Camping Resort 4* in Rabac, 7 new mobile homes are being set up at Baška Beach Camping Resort 4* in Baška, and 20 pitches for mobile homes and 5 Mega Comfort pitches are being built at Solaris Camping Resort 3* in Poreč. Apart from that, quality enhancement of 15 existing pitches in Zone A to Mega Comfort pitches is ongoing at Orsera Camping Resort 3* in Poreč, as well as of 10 pitches in Zones A and B at Istra Premium Camping Resort 5* in Poreč and of 7 Comfort pitches to Premium Mare pitches in Zone F at Škrila Sunny Camping 3* on the island of Krk.

Valamar Riviera is committed to sustainable and socially responsible business practices. Therefore, we are investing more than one million euros in various energy efficiency projects and EUR 3.7 million in sustainability projects by purchasing electric vehicles, planting trees, recycling bio-waste and other initiatives. Notable ongoing investments include the continuation of the 'Eco Corners' project at Lanterna campsite and the bio-waste projects at Lanterna apartments, Diamant Hotel and President Hotel in Dubrovnik, along with the installation of the new heat pumps at hotels Sanfior and Girandella.

In addition to environmental protection and energy efficiency, we pay particular attention to the investment maintenance of all our destinations by investing in the regular maintenance of properties and facilities for the safety of our guests. In the 2023/2024 investment cycle, we plan to invest about EUR 11.7 million. Notable investments that have been initiated include the reconstruction of two sanitary blocks at Lanterna campsite and the construction of the Maro playground. At Tamaris Hotel, the reconstruction of Vila, Casa Agava and Casa Palma has begun, valued at one million euros. Accommodation units are being refurbished, bathrooms reconstructed and the pool area revamped. We are additionally investing in the reconstruction of the terraces of the Spinnaker restaurant in Poreč and Miramare restaurant on Isabella Island, as well as the arrangement of Piazza at Baška Beach campsite. We also place great importance on investing in accommodation for our seasonal workers. In the destination of Dubrovnik, the third phase of accommodation refurbishment has been completed, which included interior decoration and furnishing of an additional 36 rooms (72 beds) valued at EUR 980 thousand. Additionally, the interior decoration and furnishing of the Lanterna and Diamant apartments have been

finalized, with an investment exceeding EUR 400 thousand. We are investing about 600 thousand euros in the purchase of furniture and equipment, with an additional 800 thousand euros in an upgrade of beaches and over 800 thousand in safety improvements.

With the development of digitalisation, we have been making continuous efforts to enhance our service quality. For this reason, in this investment cycle, we are investing over EUR 5.8 million in digitalisation and innovation projects, with the largest allocation being earmarked for the development of the Valamar.com website. In addition to investments in digitalisation, an additional EUR 1.7 million are being invested in IT maintenance projects, and more than 200 thousand euros in branding and signage.

On top of above investments, an investment in the Pical project with a total investment value of EUR 139 million is planned within this year and next year. The Pical project is the largest single investment in Croatian tourism, which will offer top-quality tourism services all year round. A contract between the investor Valamar Riviera d.d. and the contractor Kamgrad d.o.o. to continue the construction of the Pical resort was officially signed in Poreč, on 14 March 2024. The value of the contract is EUR 81.7 million, with the total investment valued at EUR 139 million. Construction began on 18 March 2024, with the planned completion date for all works being December 2025. In addition to the reconstruction of this hotel, a plan of investing in beaches in the upcoming period 2024 – 2026 is also being prepared.

Hotel Pical 5* will feature 513 accommodation units, 10 themed restaurants and bars, a wellness centre, landscaped beaches and beach clubs, outdoor and indoor pools and facilities for various types of vacation. For families, Pical will offer the educational Maro World playroom spanning more than 1,200 m², Maro clubs, children's playgrounds and an entertainment programme tailored for families. There will also be a range of facilities for an active vacation, such as the new Bike Centre Parenzana, outdoor running trails, water sports and an indoor 25m swimming pool. Pical Beach, all sports and entertainment facilities, indoor pool, promenades and other recreational facilities will be open to the public and available for the use of our guests and visitors as well as the local community. The Pical Zone will become the most attractive tourist zone in Croatia and will showcase one of the best congress centres with a multifunctional hall capable of accommodating up to 1,200 participants.

IMPERIAL RIVIERA

Imperial Riviera d.d. continues its 2023/2024 investment cycle worth EUR 38.4 million with the key objective being a further improvement of the company's offerings in all of its destinations.

The most significant investments are focused on repositioning and improving service quality, digitalisation, green building, sustainable energy sources and tourism infrastructure in all destinations. They primarily relate to the first phase of the reconstruction of the existing tourist resort Suha Punta (Punta Arba Resort 4*/5* Valamar Collection in the destination of Rab). This project is foreseen to be carried out in several phases and is aimed at firmly positioning this destination among the top family vacation destinations on the Adriatic. In early March, a contract was signed with the main contractor, the construction company Radnik d.d., for building that tourist resort Punta Arba Resort 4*/5* Valamar Collection in Suha Punta on Rab. Works on the pool have begun (excavation and concrete works) as well as works on demolishing the existing and constructing a new and larger hotel wing. Craftsmanship and installation works on existing rooms, facades, and roofing are planned to begin soon.

Renovations are currently underway at the existing complex of Rivijera Sunny Resort by Valamar 2* (now rebranded to Makarska Sunny Resort 3*) in the destination of Makarska, where this complex will also be repositioned under the Sunny brand, which has been already recognised by the market as a brand offering economical and simple vacation with excellent service quality and the best value for money. Additionally, construction has begun on the Bike Centre Valamar at Parentino Hotel 4* in Poreč, while further investments continue in the destination of Rab to enhance the offering of Imperial Valamar Collection 4*, along with the renovation of the new Brdo Zone at Padova Premium Camping Resort 4*. The additional refurbishment of Valamar Padova 4* Hotel was completed, and it opened its doors to guests on 1 March 2024. In the destination of Dubrovnik, further investments are being made to enhance the offering of Valamar Lacroma 4* Hotel and construction work is being carried out in a part of Solitudo Sunny Camping, which is planned for the accommodation of our workers.

The company continues to intensively work on the preparation of project and zoning documentation for investments in the destination of Rab concerning the complex of Suha Punta, San Marino Sunny Resort by Valamar 3* and San Marino Premium Camping Resort by Valamar 4*.

SUSTAINABILITY

Valamar has been awarded the prestigious silver medal from EcoVadis, a leading global agency renowned for evaluating business sustainability practices. This recognition marks a significant milestone for Valamar as the first Croatian tourism company to earn global acclaim for its sustainable initiatives. EcoVadis assesses companies based on environmental impact, labor and human rights, ethics, and sustainable procurement, earning recognition from international institutions, investors, and banks. Valamar's achievement of the silver medal places it among the top 15% of companies evaluated by EcoVadis.

In January, Valamar Riviera also secured the highest ESG rating in Croatia according to Bloomberg Adria, after an analysis of major Croatian companies listed on the Zagreb Stock Exchange. Valamar distinguished itself with an outstanding overall ESG score of 4.41, standing as the sole tourism company on the list and achieving the only overall score surpassing 4. The company excelled across all categories including environment, society, and governance.

Throughout 2024, Valamar continued to invest in strategic ESG projects and initiatives. Investments were directed towards reducing the company's carbon footprint through decarbonization efforts, investments in renewable energy sources—particularly solar energy—deployment of electric vehicles, and biocomposting initiatives. Valamar actively promoted biodiversity through afforestation projects, caring for over 80,000 trees, with plans to plant an additional 883 trees on its properties and engage guests in planting 10,000 trees across Croatia. The company continued to foster partnerships with local food producers, enhancing collaboration with suppliers to promote sustainable business practices, and implementing responsible policies to expand its network of sustainable suppliers.

In 2024, Valamar allocated around EUR 20 million towards employee development and reward programs, encompassing various educational, developmental, and housing incentive initiatives at its destinations. Investments were also channeled into enhancing tourism infrastructure such as promenades, bike paths, playgrounds, and beaches, alongside support for destination events, community outreach, and local CSR organizations.

VALAMAR
RECEIVED
RECOGNITION
FROM ECOVADIS
AND BLOOMBERG
ADRIA

VALAMAR JOINED
THE UN GLOBAL
COMPACT, THE
WORLD'S LARGEST
INITIATIVE FOR
SUSTAINABLE
DEVELOPMENT
AND CORPORATE
SUSTAINABILITY

Noteworthy projects such as “Valamar brine za marende fine” in Labin and the Valamar Kindergarten in Poreč continued to thrive.

Furthermore, Valamar joined key global initiatives for sustainable development, including the Science Based Targets initiative and the UN Global Compact. By partnering with the UN Global Compact (the world's largest sustainable development and corporate sustainability initiative encompassing over 15,000 members in 162 countries and 69 local networks worldwide) Valamar commits to conducting business in accordance with its Ten Principles, which emphasize human rights, labor standards, environmental protection, and anti-corruption measures. Joining the Science Based Targets initiative underscores Valamar's dedication to reducing emissions in alignment with global climate goals. In the period between 2015 and 2022, Valamar achieved in reducing greenhouse gas emissions by 67% and implementing photovoltaic power plants to cover 6% of its electricity needs, and reducing total waste per overnight.

Valamar Riviera has also become a member of the Energy & Environment Alliance (EEA), a global coalition of hoteliers dedicated to transitioning hospitality businesses to net-zero carbon operations while prioritizing ESG management in a scientifically sound and commercially viable manner.

ESG STRATEGY

At the beginning of 2024, Valamar adopted a new strategy for sustainable business development until 2026, which will also be presented as part of the integrated report for 2023. The sustainability strategy covers 12 key objectives in the field of environment (E), society (S) and governance (G). Valamar is the first tourism company in Croatia to integrate sustainable development into business and development management and to announce sustainability goals according to the ESG framework.

MONITORING 12 ESG GOALS

	GOAL	KPI	STRATEGIC INITIATIVE	unit	###	2023	GOAL 2026	2026 TRACK	PROGRESS
ENVIRONMENT									
1	DECARBONISATION SCOPE 1 AND 2	REDUCTION OF EMISSION IN SCOPE 1 AND 2 BY 75%	PROTECT THE CLIMATE	KG CO ₂ E/OCC. ROOM % OF TOTAL	3,1	2,8	2,1	<ul style="list-style-type: none"> Full use of renewable electricity. In 2024, the plans to reduce CO2 emissions were aligned with the SBTi initiative. New solar panels planned for 2025 Measures to protect the Adriatic and its biodiversity, continuation of cleaning measures. 1032 trees planted in Valamar in 2023 Additional biocomposters were installed at Valamar properties, a total of 347 t of biowaste was produced. Various activities to increase waste separation are planned. Continued optimization of water consumption - additional education for employees and more control over loss in the water supply system. Continuation of single use plastic items replacement in operations. 	
2	15% OF SOLAR ELECTRICITY	PRODUCED OWN ELECTRIC ENERGY FROM RENEWABLE SOURCES			6%	6%	15%		
3	HIGHEST SEA QUALITY	ADRIATIC SEA QUALITY IN OUR DESTINATIONS (EEA)	TAKE CARE OF THE ADRIATIC, BIODIVERSITY AND FOOD	%	100%	95%	> 95%		
4	REFORESTATION AND 80,000 TREES PROGRAM	MANAGED TREES	PROTECT THE CLIMATE	#	79.229	80.261	> 80,000		
5	WASTE RECYCLING RATE HIGHER THAN EU AVERAGE	REDIRECTED WASTE RATE		[%]	46,3%	53,10%	> EU Aug		
6	LOW WATER WITHDRAWAL INTENSITY (0.55 M3/OCC. ROOM)	WATER WITHDRAWAL INTENSITY	ENSURE RESPONSIBLE WATER AND WASTE MANAGEMENT	[M ³ /OCC. ROOM]	0,55	0,55	0,55		
7	REMOVING SINGLE-USE PLASTIC	SINGLE-USE PLASTIC USAGE		[KG / OCC. ROOM]	0,07	0,06	0		
SOCIETY									
8	SHARE OF DOMESTIC EMPLOYEES 70%	DOMESTIC EMPLOYEES	EMPOWER EMPLOYEES	[%]	87%	83%	70%	<ul style="list-style-type: none"> Ongoing program to attract and retain domestic employees. Local family farms and active cooperation in the field of ESG towards suppliers. We continue to invest in tourism infrastructure, employee education and local communities 	
9	SHARE OF LOCAL FOOD 80%	SHARE OF LOCAL FOOD AND BEVERAGES	DEVELOP DESTINATIONS	[%]	78%	78%	80%		
10	ESG INVESTMENTS WORTH EUR 50 MILLION	TOTAL ESG INVESTMENTS	DEVELOP DESTINATIONS	[€M]	13,1	13,5	10		
MANAGEMENT									
11	SHARE OF RESPONSIBLE SUPPLIERS 80%	VALUE SHARE OF RESPONSIBLE SUPPLIERS	IMPLEMENT RESPONSIBLE GOVERNANCE	% OF SUPPLY VALUE	-	20%	80%	<ul style="list-style-type: none"> Engagements with suppliers; in 2024, the Supplier Code of Conduct was introduced in contracts. Continue sustainability certifications. 	
12	100% OF PROPERTIES WITH SUSTAINABILITY CERTIFICATES	SUSTAINABILITY CERTIFICATES		% OF ASSETS	100%	100%	100%		

ESG PROJECTS AND ACHIEVEMENTS

Environment

Reducing greenhouse gas emissions stands as one of the 12 key Environmental, Social, and Governance (ESG) targets outlined in Valamar’s strategic framework. Valamar is committed to reducing its carbon footprint

by progressively transitioning from fossil fuels to electricity sourced from renewable channels. Initiatives such as the deployment of heat pumps, installation of photovoltaic power plants across its properties, and adoption of various energy-efficient practices contribute significantly to this endeavour. In collaboration with E.ON, Valamar has successfully installed photovoltaic power plants at its tourist facilities, covering 6% of our total electricity demand. In 2024, our focus persists on upgrading to LED lighting, integrating electric vehicles, furthering decarbonization

efforts, and ensuring that 100% of our electricity derives from renewable sources. Additionally, rigorous measurement and management of scope 3 emissions remain integral to our strategy, with defined actions set to achieve scope 1 and 2 decarbonization targets by 2026. Valamar remains dedicated to Valfresco Direkt platform – Valamar’s online platform for showcasing products from local family farms, wineries, olive orchards, and other domestic producers. This initiative not only safeguards local biodiversity but also fosters socio-economic sustainability by promoting regional production and consumption.

Efforts to minimize waste generation and promote responsible disposal practices remain a priority. With additional investments in our own biocomposting facilities, we’ve scaled up biocompost production to 347 tons in 2023, maintaining this momentum. Notably, Valamar has made significant strides in eliminating single-use plastics across its hotels and campings. Cosmetic amenities are provided in eco-conscious packaging, made from natural or biodegradable materials such as wood, bamboo, and cotton. Digital menus have replaced paper counterparts, while environmentally friendly alternatives have supplanted plastic straws since 2018. Ongoing communication with guests, employees, and suppliers underscores our commitment to effective waste management.

Valamar oversees the care of over 80,000 trees and remains dedicated to conservation efforts through initiatives like the “Easy as One, Two, Tree” campaign, which aims to plant over 10,000 trees in Croatia in 2024—1,000 more than the previous year. Collaborating with BioM, we’ve installed 250 bird nesting houses, alongside 70 insect hotels, 90 bat houses, and 30 hedgehog dwellings across our properties, totalling more than 400 habitats. Furthermore, our partnership with WWF involves rigorous analysis of seafood products within our supply chain to prioritize those with minimal impact on biodiversity and marine ecosystems.

Society

As the leading investor in Croatian tourism, Valamar has invested over one billion euros into the sector over the past two decades, repositioning the portfolio towards high-quality with added value. Over the last seven years, Valamar has remained the best employer in Croatian tourism.

SINGLE-USE
PLASTIC IN
HOTELS AND
CAMPSITES
ALMOST
COMPLETELY
REMOVED

NUMEROUS
CERTIFICATES
AND MARKS OF
SUSTAINABILITY
OBTAINED

In the current year alone, an additional EUR 25 million has been allocated towards enhancing employee wages and benefits. Socially responsible investments, comprising 3-5% of annual revenue, are prioritized for employee advancement, student scholarships, and the development of tourism infrastructure such as promenades, bike paths, playgrounds, and beaches. Additionally, support for cultural and sporting events in destination, alongside numerous community initiatives, underscore Valamar’s commitment to enhancing local quality of life. The company’s dedication to environmental protection and energy transition has earned it accolades at the European level, positioning it as a prominent leader in sustainable tourism practices.

In 2024, Valamar continues its substantial investment in its workforce, exemplified by an agreement with social partners to increase basic salaries for over 5,000 employees. Professional positions can expect remunerations ranging between 1,400 and 2,000 euros net during peak season. Furthermore, Valamar plans to create an additional 400 permanent job opportunities this year. Through the “Živi destinaciju” initiative, employees residing in destination areas or opting for permanent relocation stand to benefit from an extra EUR 400 net, incentivizing year-round employment and local engagement.

Valamar has again been named the most desirable employer in tourism and is still the only tourism company on the list of the 20 best Croatian employers - according to the latest research conducted by Alma Career Croatia, which manages the MojPosao portal. Valamar’s continued presence on this prestigious list for the seventh consecutive year underscores its commitment to employee satisfaction and professional development.

In March 2024, Valamar hosted the esteemed Istarska Rivijera, Croatia’s oldest international tennis tournament, reaffirming its dedication to fostering sports development and promotion within the communities it operates in. The company remains committed to ongoing investments in infrastructure and sports facilities, ensuring that its destinations remain highly desirable for sports and leisure enthusiasts alike.

Governance

Valamar's commitment to sustainability is underscored by the array of certifications and accolades bestowed upon Valamar Group and properties by esteemed certification bodies and organizations. Notably, in January 2024, Valamar Riviera attained the highest Environmental, Social, and Governance (ESG) rating for management in Croatia, an exceptional achievement marked at 4.9, according to Bloomberg Adria.

These sustainability certificates confirm Valamar's adherence to rigorous standards of environmental protection and social responsibility. They affirm our dedication to incorporating ecological considerations, health and safety protocols, labour and human rights principles, and community welfare into our business decisions. Valamar upholds ISO 9001 quality certifications, ISO 14001 environmental certifications, ISO 50001 energy management standards across all properties, Travelife sustainability certifications for 28 hotels, EU Ecolabel recognition for 6 campsites, and a notable tally of 16 Blue Flag certifications for our beaches.

In 2024, Valamar remains committed to fostering sustainable partnerships with suppliers, employing sustainability criteria in procurement processes. We actively engage with suppliers to heighten awareness and facilitate the transition towards more environmentally responsible practices, including the adoption of eco-friendly packaging materials. Our initiatives encompass new tender procedures, comprehensive scope 3 emissions assessments, ongoing efforts to eliminate disposable plastics from our properties, and the administration of ESG surveys. In alignment with our strategic goals, we aim to ensure that 80% of our procurement value is sourced from responsible and sustainable suppliers by 2026. To this end, we've introduced a Supplier Code of Conduct, outlining fundamental principles for ethical conduct among Valamar's partners to foster responsible operations and contribute to sustainable business practices.

In December 2023, Valamar received the prestigious "Building Public Trust Award" by PwC Croatia and the Zagreb Stock Exchange, in recognition of its commitment to transparency and open communication with stakeholders. This award further affirms Valamar's adherence to the highest standards of corporate reporting. Valamar places great importance on cultivating

THE GOAL BY 2025 IS TO ACHIEVE THAT 80% OF THE PROCUREMENT VALUE COMES FROM RESPONSIBLE AND SUSTAINABLE SUPPLIERS

VALAMAR GROUP EMPLOYED MORE THAN 4,000 EMPLOYEES ON 31 MARCH 2024

trust among the public, employees, investors, institutions, and partners, especially evident during challenging periods such as the recent crisis, where concerted efforts were made to safeguard all jobs and ensure the long-term sustainability of our business.

Valamar will publish its integrated report for 2023 within the statutory timeframe in the first half of 2024, accessible through the following link: <https://valamar-riviera.com/hr/mediji/integrirana-godisnja-izvjesca/>. Looking ahead, Valamar has adopted a sustainable business development strategy until 2026, with a EUR 450 million investment plan aimed at building premium resorts in Pical and on the island of Rab, internationalization and investing in socially responsible and sustainable tourism projects. The new strategy is geared towards leisure tourism that is beneficial for its destinations, employees, guests and local communities, while generating new value for investors.

HUMAN RESOURCES

Valamar is one of the largest employers in Croatia. As of 31 March 2024, the Valamar Group employed a total of 4,041 employees, of which 2,516 permanent employees and an additional 1,102 employees with a fixed-term contract receiving year-round income through the Permanent Seasonal Employee measure. On that same day, the Company had 3,126 employees, of which 1,976 permanent employees and an additional 847 employees with year-round income.

This year Valamar also continues with significant investments in its employees. In agreement with its social partners, Valamar is increasing the basic salary for more than 5,000 employees. The salaries for professional positions – chefs, waiters, receptionists and several other positions in hotels, campsites and resorts – are also increasing and will amount from EUR 1,400 to 2,000 net in the high season. Housekeepers, assistant chefs, assistant waiters, kitchen staff, servers and other positions will receive between EUR 1,000 and 1,300 in the high season.

This year, Valamar has once again been recognised as the most desirable employer in the tourism and hospitality sector and is the only tourism company on the list of top 20 Croatian employers.

As was the case in the previous year, Valamar is continuing with a series of reward programmes designed to reward excellence, dedication and outstanding results. Apart from salary increases, several initiatives have been launched to improve the working conditions in tourism and to adapt the jobs in Valamar to the new trends and employee needs. As of this year, employees who live in our destinations and employees who permanently move to our destinations will receive an additional EUR 400 net within the 'Live the Destination' measure, whereby Valamar incentivises year-round local work and local employment and offers a range of benefits to its employees. This includes, e.g., the 'Roof Over Your Head' programme, which offers permanent employees and permanent seasonal employees in the V+3 programme the possibility to be eligible for an add-on of up to EUR 500 per month for rent as well as discounts on more than three hundred points of sale.

In the last 5 years, EUR 18.5 million has been invested in building high-quality accommodation for seasonal workers called Valamar House. Five such employee hotels are available to seasonal employees at two locations in Poreč, and in Krk, Rabac and Dubrovnik. Throughout the years we have been investing in this project, improving our concept of providing modern high-quality accommodation and meals for seasonal employees during their stay in the destination where they work.

Through the programmes of providing year-round income, our seasonal employees are ensured to have a job for at least 6 to 9 months a year. In cooperation with the Croatian Employment Service, Valamar has been implementing an active employment policy, meaning that these employees receive prolonged pension insurance payments in the months when they do not work. In addition to that, Valamar employees have the opportunity to work during the winter in Valamar hotels in ski resorts in Austria, which ensures them a year-round income.

From the very beginning, Valamar has been involved in the Programme of Boosting the Education of Hospitality and Tourism Workforce, implemented by the Ministry of Tourism and Sports, which is used to co-finance the scholarships for students of vocational tourism and hospitality schools. Valamar is the largest provider of scholarships in Croatia. In the school year

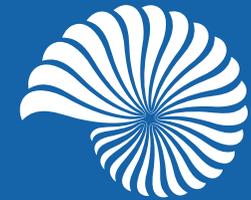
VALAMAR
CONTINUES
WITH A SERIES
OF REWARD
PROGRAMS
THAT
SPECIFICALLY
REWARD
EXCELLENCE

2023/2024, Valamar has given scholarship to 156 secondary school students and 37 college students.

Valamar, as an employer, is involved in a wide range of activities aimed at motivating students to pursue education for jobs in tourism. This includes presentations to students, showcasing career opportunities in tourism, and active participation in improving education quality by having Valamar's specialists and mentors give lectures in schools. Students can also visit Valamar's hotels and campsites to gain firsthand knowledge about the actual needs and working requirements. In 2024, Valamar has continued its business training programme in tourism and hospitality, the V-Executive, in collaboration with five Croatian higher education institutions: the Faculty of Economics and Business of the University of Zagreb, the Faculty of Economics and Tourism in Pula, the Faculty of Tourism and Hospitality Management in Opatija, the Faculty of Economics in Split and the University of Dubrovnik. The two-year business training programme V-Executive offers Valamar employees the comprehensive knowledge and skillset necessary for a successful career in the tourism and hospitality industry. The programme started in February with the 'Organisation and Business Strategy' module and continued in March with the topic 'Trends in Tourism'. Valamar managers had the opportunity to learn about the changes in the industry over the past few years and about the future of tourism. The programme is designed with a total of 20 modules divided into 7 thematic units, and its goal is to familiarise the attendees with new trends, enable new knowledge transfer about the industry and teach attendees how to apply innovations, all in line with an organisational culture focused on knowledge and progress.

The Company and the Group have systematically and continuously invested in developing human resources. This includes a comprehensive strategic approach to HR management, a transparent recruitment process, clear goals, measuring employee performance, investing in employee development and career advancement and encouraging two-way communication.

Bunculuka Camping Resort 4*, Krk island



The Risks of the Company and the Group

Tourism is a global industry, closely connected with the real and financial economy, geopolitical position and environmental sustainability. The integrity of this industry will determine its future growth. Given the importance of tourism and its overall impact on society, the Company and the Group monitor and assess risks at micro and macro levels. Moreover, when defining the strategy, particular attention is given to the short and medium-term risk impact in order to maintain business sustainability over time.

When monitoring and assessing risks the Company and Group use a proactive approach thus assessing the potential impact of each individual risk. The Company and Group consider risk management to be a key factor of differentiation among competitors. Risk management aims at creating sustainable value, thus offering reliability and security to numerous stakeholders.

5

KEY STEPS IN RISK MANAGEMENT PROCESS

There are five key steps in a risk management process:

- 1) Identifying potential risks;
- 2) Assessing identified risks;
- 3) Determining actions and responsibilities for efficient risk management;
- 4) Monitoring and overseeing preventive actions;
- 5) Exchanging information on risk management results conducted by the Management board.

The different types of risks facing Valamar can be classified into the following groups:

- Financial risks - related to financial variables, can have a negative impact on meeting liabilities for the company and the Group, liquidity, debt management etc.;
- Business risks - related to the way company business is conducted in terms of supply and demand, competition, adapting to market trends, investments, growth etc.;
- Operational risks - can arise from inadequate use of information, errors in business operations, non-compliance with internal procedures, human error, IT system, financial reporting and related risks, etc.;
- Global risks - can arise from natural disasters, pandemics, food shortage, social unrest, wars and other force majeure events beyond Valamar's control;
- Compliance risks - can arise from failure to comply with state laws and local regulations; risks related to changes in tax and other regulations.



FINANCIAL RISKS

In their day-to-day business activities, the Company and Group face a number of financial threats, especially:

- 1) Foreign exchange risk;
- 2) Interest rate risk;
- 3) Credit risk;
- 4) Price risk;
- 5) Liquidity risk;
- 6) Share-related risks;
- 7) Risk of inflation and increase in prices of purchased goods.

The Company and Group have a proactive approach in mitigating interest rate and foreign exchange risks, by employing available market instruments. Internal risk management goals and policies aim at protecting foreign currency inflows during seasonal activity and partial interest hedging of the principal loan amount.

1) Foreign exchange risk

The Company and the Group operate internationally and are exposed to currency risks. Until 1.1.2023, the currency risk was mainly due to the changes in the nominal exchange rate of euro/kuna. Namely, a large part of liabilities was expressed in euros, while most sales revenues were historically realised in euros as well. At the level of the Company and the Group, the business with other currencies accounts for less than 1% of the total turnover. After the introduction of the euro as the national currency, a significant currency risk exposure is no longer expected.

2) Interest rate risk

Variable rate loans expose the Company and Group to cash flow interest rate risk. Actively, the Company and Group resort to derivative instruments in order to hedge cash flow and interest rate by applying interest rate swaps. The economic effect of such swaps is the conversion of variable interest rate loans into fixed interest rate loans for a precommitted hedged part of the loan principal. Therefore, a major part of the loan portfolio is comprised of long-term fixed interest loans or, respectively, loans hedged by a derivative instruments (IRS). The Company and Group have interest-bearing assets (cash assets and deposits) so their revenue and cash flow depend on changes in market interest rates. This becomes evident especially during the season when the Company

and Group have significant cash surpluses at their disposal. The Company and the Group expect a limited impact from the increased interest rate volatility consequent to the recent coronavirus pandemic, since almost entire Group's loan portfolio is made up of long-term fixed-rate loans or loans protected by derivative instruments (IRS).

3) Credit risk

Credit risk arises from cash assets, time deposits and receivables. According to the Company and Group sales policy, business transactions are conducted only with customers with suitable credit history, i.e. by agreeing advances, bank securities and (for individual customers) payments made through major credit card companies. In order to reduce credit risk, the Company and the Group continuously monitor their exposure to the business parties and their creditworthiness, obtain instruments for securing receivables (bills of exchange, debentures and guarantees), thus reducing the risks of uncollectability of their receivables for the services provided. In view of the negative effects of COVID-19, inflationary development and the growth of interest rates on the customers of the Company and the Group, especially tour operators and travel agencies, the impact of the currently unfavourable circumstances on the related parties is being closely monitored, while actively reviewing the credit ratings and their potential to overcome current challenges.

4) Price risk

The Company and Group hold equity securities and are exposed to equity price risk due to security price volatility. Valamar is not an active participant in the market trade in terms of trading in equity and debt securities. However, with investments in buying Imperial Riviera and Helios Faros shares, the company is exposed to the said risk to a certain extent.

5) Liquidity risk

The Company and Group have a sound liquidity risk management. Sufficient funds for meeting liabilities are available at any given moment through adequate amounts from contracted credit lines and by ensuring credit line availability in the future. Liquidity risk is managed by generating strong positive net operating cash flows, while capital investments are financed by credit lines. Credit lines for 2020 and 2021 have been contracted with reputable financial institutions, while credit repayments in general are in line with the period of significant cash inflows from operating activities. The repayment of the major credit lines coincides with periods of strong cash inflows from operations. The Company and Group monitor

the level of available funds through daily cash and debt reports. Long-term cash flow forecasts as well as annual (monthly) forecasts are based on the set budget. After meeting the needs of working capital management the surplus is deposited in the treasury. From there the funds are invested in current accounts, time deposits, money market deposit accounts and marketable securities. Only instruments with suitable maturities and sufficient liquidity are selected, according to the forecast needs for liquid funds.

6) Share-related risks

The market value of shares is the riskiest asset class due to its volatility resulting from the volatile nature of the whole capital market, macroeconomic trends on markets where the Company and Group operate and discrepancies between the expectations of financial analysts and the actual results. Furthermore, other contributing factors are also changes in the dividend policy, various activities in the segment of consolidations, mergers, acquisitions and forming of strategic partnership, the instability of the business model of the Company and Group as well as the fluctuations in the financial results for the Company and Group. In case any negative implications happen to be associated with these factors there is a considerable risk of market value drop that will in turn prevent investors from selling their shares at a fair market price.

7) Risk of inflation and increase in prices of purchased goods

COVID-19 pandemic and related movement restrictions as well as supply disruptions, along with strong rising energy prices and the war in Ukraine, have induced global inflation and rising prices at the end of 2021, with a noticeable influence to this day.

The Croatian Bureau of Statistics (CBS) reported in mid-April 2024 that prices for goods and services for personal consumption measured by the consumer price index increased by 4.1% on average in March 2024 compared to March 2023 (at the annual level). This means that this rate of inflation represents the same level of annual inflation rate as observed in January and February 2024.

Given the weakening impact of past shocks and the stronger influence of favourable base effects compared to the beginning of the year, the CNB expects a slowdown in the annual inflation rate of consumer prices in the coming months. This expectation is supported by a significant easing of inflationary pressures stemming from the trends in the earlier stages of the pricing chain. It is still projected that the average annual inflation rate for consumer prices in Croatia could in 2024 slow down to

3.5% (down from 8.4% in 2023), reflecting the expected decrease in inflation across all major components, especially core inflation (both service price inflation and industrial product price inflation) as well as food price inflation.

Inflation and rising prices of purchased goods may have an effect on the purchasing power of foreign and domestic guests, as well as on the level of our selling prices. The Company and the Group have also been exposed to the impact of the changes in the purchase prices for energy products (especially electrical energy) as well as prices for food and beverages and consumables. The Company and the Group have been continually making considerable investments in energy efficiency and renewables in order to mitigate the impact of a possible increase in energy prices as well as to decrease their dependence on suppliers. The Company and the Group have a very high share of direct channels and other online channels in total sales, and sales prices are largely formed dynamically, during the year. Accordingly, the Company and the Group have the flexibility to manage selling price levels.

BUSINESS RISK

The Company and Group are constantly exposed to risks threatening its competitiveness and future stability. Since the Company and Group own significant number of real estates, this business model requires a large amount of capital in order to maintain high product and service standards. Various large capital investments in the upgrade of products and services can surpass budget expectations, delay the end of construction works, as well as the town-planning regulations and fiscal policy may be changed. These risks can increase costs for the Company and Group, and have a negative impact on the cash flow and revenues. In the previous period, the company and Group's business decisions improved their results in the demanding Mediterranean market. These positive trends are expected to continue in the future through a prudent long-term strategic management.

Around 90% of Valamar's guests come from other countries and they are very careful when choosing their vacation destination in the competitive Mediterranean environment. Stable domicile countries macroeconomic indicators are important decision-making factors especially those relating to exchange rates and the price of goods and services because they directly affect the guests' purchasing power.

However small, the share of domestic guests is also important; it is a segment

directly influenced by various other macroeconomic indicators: employment/unemployment rate, GNP rise/ fall, industrial production and others. They all have a direct impact not only on the purchasing power of Croatian residents, but they also determine whether they will choose to spend their vacation in one of our properties.

When considering risks related to the tourism and hospitality industry, in previous years, the Croatian economy has been afflicted by the consequences of a global financial crisis and economic standstill. In this period, the tourism and hospitality industry has been among the rare growing industries in Croatia. Moreover, the marked seasonality of this industry leads to insufficient use of the Company and Group's resources. After joining the European Union, the Croatian market became part of a large European market, while safety risks decreased after joining the NATO. Good management of human resources is vital for the future growth of the Company and Group. Risks related to shortages of specific skills, expertise and jobs are connected with the opening and expansion of the labour market. Valamar Riviera is one of the largest and most desirable employers in tourism. The active approach towards HR management develops key talents and supports investments in training opportunities. We determine the needs for new skills and expertise by following emerging global trends in tourism. In this way, we are able to respond to challenges effectively. Through a continual dialogue with our social partners, we have ensured a high level of workers' rights in terms of competitive salaries, reward systems, career development, employees' wellbeing and cooperation with training institutions from all parts of Croatia.

The Company is the respondent in two court proceedings from which potentially significant financial obligations for the Company may arise.

The first lawsuit from 2010 is related to the payment for the works on hotel Lacroma during its reconstruction and extension. In 2013, the Commercial Court issued a verdict rejecting the plaintiffs' claims in their entirety. In 2020, the High Commercial Court of the Republic of Croatia overturned the first-instance verdict, and the case was returned for retrial. In the repeated proceedings, the Commercial Court, by the verdict from May 2023, largely accepted the claim and the Company is charged with the payment of principal in the amount of EUR 2,264,861.17 and litigation costs in the amount of EUR 702,752.22 as well as the corresponding statutory default interest. In the appeal procedure, the High Commercial Court of the Republic of Croatia on 31 January 2024 adopted a final verdict in favour of the Company whereby it altered the verdict of the Commercial Court of Dubrovnik from May 2023 and rejected all the claims of the plaintiff as unjustified.

The second lawsuit from 2012 also refers to the payment for the works on hotel Lacroma. The first-instance verdict of the Commercial Court from 2015, later confirmed in the second instance 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 overturned the verdicts of the Commercial Court and the High Commercial Court and returned the case for retrial. Based on the receivables referred to in the plaintiff's claim, the principal in this case amounts to EUR 1,498,608.42. In February 2024, in repeated proceedings, the Commercial Court in Dubrovnik passed the first-instance verdict in favour of the Company. Until now, the Company has not made provisions in its books for the two disputes mentioned above.

In 2023, the Company initiated an administrative dispute to annul a Resolution of the Ministry of the Maritime Affairs, Transport and Infrastructure issued after an inspection control of the economic use of the maritime domain in the area of the Ježevac campsite on the island of Krk. This Resolution relates to a prohibition to provide housing services on several cadastral plots and a prohibition to provide anchoring services. In 2024, a non-final verdict was passed against the Company, and the Company plans to file a complaint about this verdict with the competent court. In the fourth quarter of 2023, the Company made provisions for this case amounting to EUR 130,0000 and it will continue to pursue future legal proceedings in this matter.

OPERATIONAL RISKS

Operational risks are risks connected with direct or indirect losses that arise from inadequate or wrong internal or external processes within the Company and the Group. They include the creation and analysis of financial reporting data (also known as "financial reporting risk") and also the potential insufficient and inadequate internal and external information sharing. When implementing the system of operational risk management, the Company and Group focused on its continuity and complexity due to the size of the organization. The benefits of the system include i) defining and identifying the Company and Group risk profile in relation to the operating risk ii) identifying and managing the known risk occurrences in order to decrease the Company and Group costs and iii) data analysis which indicates the business trends for the Company and Group and trends in the domestic economy. The Company and Group are aware of the reliability of IT business solutions and safety in the cyber world. Hence, they continually upgrade, develop and implement new technologies and protective mechanisms in everyday business operations. A special focus is given to providing sufficient resources for the development and implementation of

new technologies related to ICT, data protection, and upgrade of the current business systems and implementation of new ones.

GLOBAL RISKS

Despite improved security and political conditions, which have encouraged to a certain extent investments into tourism and hospitality, there are challenges that the Croatian tourism has to face, such as:

- Periods of global economic and financial crisis which reduce the purchasing power of the travelling-prone population;
- Security and political issues related to global terrorism threats;
- Security and political instability in the immediate environment of the neighbouring countries.
- geopolitical risks connected with the Russian invasion of Ukraine in February 2022.

Environmental risks can also have an adverse effect on the Company and Group's business results, primarily in terms of customer satisfaction with the whole experience while staying at one of Valamar's properties and this can affect the number of arrivals. The possible risks can include: sea pollution (caused by oil or chemical spillage), but also long-term water quality reduction and coast pollution due to inadequate waste disposal and waste water treatment as well as extensive use of agricultural fertilizers. Other environmental conditions typical for climate changes such as long drought periods or long rainy periods can directly influence the guests' length of stay in the hotels and campsites as well as increasing the operating costs. A number of other natural disasters and calamities (earthquakes, fires, floods and rainstorms), air pollution caused by toxic gas emissions from industrial plants and vehicles, as well excessive urbanization and the introduction of plant and animal invasive species should also be taken into consideration. Likewise, disease outbreaks and pandemics can adversely affect Valamar's business results. In order to minimize their impact, Valamar is actively tracking pandemic and health risk levels worldwide, especially on its source markets, and taking proactive steps in their management. The COVID-19 pandemic is a recent example of the operational and financial disruption to the global economy, especially tourism flows, since almost all global destinations were blocked by travel restrictions. The emergence of exceptional circumstances in the Republic of Croatia and the introduction of extraordinary measures to prohibit gatherings, movements and the operation of restaurants and shops, all with the primary objective of protecting the population from the risk of contagion, resulted in the expected consequential and immediate disruption of

the Company's and the Group's operations, cancellation of accommodation and other contracted services by partner agencies and guests.

The risks related to Russia's invasion of Ukraine in February 2022 are still present. The source Russian and Ukrainian markets historically made up a maximum of 2% of Valamar's turnover so their disappearance has been compensated by other source markets.

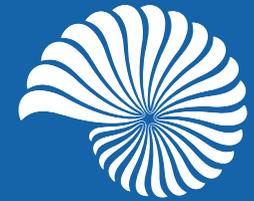
REGULATORY RISKS

Changes in tax laws and other regulations pose a very serious threat and represent a demanding segment in risk management because in this particular situation the possibilities for the Company and Group are limited.

Frequent changes in laws regulating taxes and parafiscal charges often take place only after the business policy and budget for the next financial year have been approved and commercial terms and conditions with partners agreed. All this jeopardizes the Company and Group financial position and future investment plans as well as credibility towards shareholders. One of the recent examples is the introduction of the Law on Additional Profit Tax from December 2022.

The Company and Group are also threatened by changes in regulations governing concession fees for maritime domain and tourism land use, the latter still presenting unresolved legal issues. Given the nature of the Company and Group's business, the right to use parts of the maritime domain as well as land for tourism purposes is of vital importance for future growth, especially for campsite-related operations.

Valamar Collection Imperial Hotel 4*, Rab island



Corporate Governance

The Company and the Group continuously strive to develop and operate according to good corporate governance practices. The business strategy, corporate policy, key corporate by-laws and business practice have set a high standard of corporate governance and are all geared towards creating a transparent and efficient business operation while forging solid bonds with the local community. The Management Board fully complies with the provisions of the adopted corporate governance acts. After the company was listed on the regulated market of the Zagreb Stock Exchange, the Company also complied with the Zagreb Stock Exchange Corporate Governance Code.

The Company complies with and implements the prescribed corporate governance measures, as reported in more detail in the annual questionnaire published on the Zagreb Stock Exchange and Valamar Riviera websites as prescribed (2023 questionnaire available at <https://valamar-riviera.com/media/482338/corporate-governance-code-compliance-questionnaire-2023-pdf.pdf>). The Company adopted its Code of Business Conduct and policies that make an integral part of this Code, whereby it aligned its internal corporate governance rules with the Zagreb Stock Exchange Corporate Governance Code. The Code of Business Conduct is available at the Company's corporate website (<https://valamar-riviera.com/media/479268/code-of-business-conduct-valamar-riviera-dd-october-24-2023.pdf>).

According to the data from the Central Depository and Clearing Company, significant direct holders of the Company's shares and the holders of shares who are also members of the Management Board and members of the Supervisory Board of the Company are the following persons: Supervisory Board Chairman Mr. Franz Lanschützer, who is the holder of 4,448,000 shares; Deputy Chairman of the Supervisory Board Mr. Mladen Markoč, who is the holder of 46,267 shares; member of the Supervisory Board Mr. Gustav Wurmböck, who is the holder of a 100% stake in the company Wurmböck Beteiligungs GmbH, which is the holder of 25,040,000 shares; member of the Supervisory Board Mr. Georg Eltz, who is the holder of a total of 6,630,511 shares, of which he directly holds 20,463 shares, and indirectly, through a stake in the company Satis d.o.o., 6,610,048 shares; member of the Supervisory Board Mr. Boris Galić, who is the holder of 10,000 shares; member of the Supervisory Board Mr. Ivan Ergović, who is the holder of 3,579 shares; member of the Supervisory Board, Ms. Gudrun Kuffner, who is holder of 3,000 shares; President of the Management

THE GROUP HAS
ESTABLISHED
HIGH STANDARDS
OF CORPORATE
GOVERNANCE
IN ORDER
TO OPERATE
TRANSPARENTLY
AND EFFICIENTLY

Board Mr. Željko Kukurin, who is the holder of 209,192 shares; member of the Management Board Mr. Marko Čižmek, who is the holder of 111,035 shares; and member of the Management Board Ms. Ivana Budin Arhanić, who is the holder of 77,991 shares.

The Company defined the process of preparing and publishing its financial statements in a detailed internal document. Within this document, the financial reporting procedure is set within a system of internal review and risk management. Additionally, in order to monitor and mitigate the financial reporting risk, the Company uses the measures described in the chapter 'The Risks of the Company and the Group'.

The Companies Act and the Company's Articles of Association define the General Assembly's authority and prescribe how it meets and works. The meeting invitation, proposals and the adopted resolutions are made public according to the provisions of the Companies Act, Capital Market Act and the Zagreb Stock Exchange Rules. There is a time limit related to the voting right at the General Assembly: according to the provisions of the Croatian Companies Act, shareholders are required to register their participation within the prescribed time limit in order to attend the General Assembly. Under no circumstances can the financial right arising from securities be separated from holding the securities. There are no securities with special control rights nor are there any limitations to voting rights at the Company (one share, one vote).

The Company's Articles of Association comply with the Croatian Companies Act and the provisions of the Procedure of Appointment, i.e. the Election and Profile of the Management Board and the Supervisory Board and they define the procedure of appointing and recalling members of the Management Board and Supervisory Board. There are no limitations based on gender, age, education, profession or similar. The Companies Act determines any amendments to the Company's Articles of Association, without any additional limitations. The Management Board members' authority fully complies with the provisions referred to in the Companies Act and it is defined in more detail by the provisions of the Articles of Association and the By-Laws on the Work of the Management Board.

The Company acquires treasury shares based on and in accordance with the conditions determined by the General Assembly's decision on the acquisition of treasury shares dated 9 May 2019 which has been in force as

of 17 November 2019. The Company does not have a share-buyback programme or an employee share ownership plan. The Company holds and acquires treasury shares as a form of rewarding management and key managers pursuant to the Company by-laws regulating rewarding plans and to make dividend pay-out in rights, i.e. to give the Company's shares to equity holders.

Following the adopted long-term plan for rewarding key management by giving them treasury shares in the period from 2023 to 2026, which is aimed at increasing loyalty, focusing on business targets' achievement and shareholder value increase, key managers were rewarded with treasury shares on 12 March 2024. In order to make the payout of this reward to key managers, a total of 426,160 treasury shares were disposed of. After making this disposal of treasury shares in the first quarter, the Company now holds 2,990,862 treasury shares in total, which makes 2.3732% of the Company's share capital.

THE COMPANY'S CORPORATE BODIES ARE:

The Management Board: Mr. Željko Kukurin, CEO, and Mr. Marko Čižmek and Ms. Ivana Budin Arhanić, members.

The Company appointed senior executives, who are the Company's key management, in accordance with the provisions of the Capital Markets Acts and the EU Regulation No. 596/2014. The Company's senior executives are the following – 3 Senior Vice Presidents: Alen Benković, Davor Brenko and David Poropat; 2 Vice Presidents: Ines Damjanić and Sebastian Palma; and 26 Sector Directors and Heads: Tomislav Dumančić, Mauro Teković, Bruno Radoš, Sandi Sinožić, Andrea Štifanić, Željko Jurcan, Ivan Karlić, Mario Skopljaković, Dario Kinkela, Mile Pavlica, Tomislav Poljuha, Dragan Vlahović, Flavio Gregorović, Martina Šolić, Vedrana Ambrosi Barbalić, Mirella Premeru, Ivica Vrkić, Giorgio Cadum, Vlastimir Ivančić, Lea Sošić, Roberto Gobo, Ivan Polak, Karmela Višković, Denis Prevolšek, Marko Vusić and Vlatka Kocijan.

The Supervisory Board: Mr. Franz Lanschützer, Chairman, Mr. Mladen Markoč, Deputy Chairman, Mr. Daniel Goldscheider, Deputy Chairman, Mr. Gustav Wurmböck member, Ms. Gudrun Kuffner, member, Ms. Petra Stolba, member, Mr. George Eltz, member, Mr. Boris Galić, member and Mr. Ivan Ergović, member (workers' representative).

In order to perform its functions more efficiently, as well as to perform the tasks prescribed by the provisions of the Audit Act and the Corporate Governance Code, the Supervisory Board appointed the following bodies:

The Praesidium comprised of Mr. Franz Lanschützer, Chairman, and Mr. Mladen Markoč and Mr. Daniel Goldscheider, Deputy Chairmen.

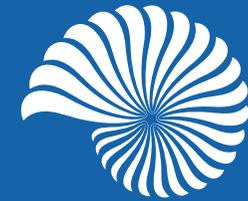
The Audit Committee comprised of Ms. Gudrun Kuffner, Chairwoman, and Mr. Georg Eltz, Mr. Gustav Wurmböck, Mr. Mladen Markoč and Mr. Boris Galić, members.

The Investment Committee comprised of Mr. Daniel Goldscheider, Chairman, and Mr. Franz Lanschützer and Ms. Gudrun Kuffner, members.

The Digitalisation and Sustainability Committee, comprised of: Ms. Petra Stolba, Chairwoman, Mr. Franz Lanschützer and Mr. Daniel Goldscheider, members.

Compliant with applicable regulations and Company by-laws, the Management and Supervisory Board primarily act through meetings and by correspondence in their decision-making. The Company has concluded employment contracts with the President and members of the Management Board for the duration of their term of office (from 1 January 2022 to 31 December 2026), and only one member of the Supervisory Board, who is a workers' representative, has an employment contract for an indefinite period.

Maro World, Dubrovnik



Related-party Transactions & Branch Offices

RELATED-PARTY TRANSACTIONS

Related party transactions among the Group companies are carried out according to usual commercial terms and conditions and deadlines and under market prices.

In the first quarter of 2024, EUR 3.8 million of revenue from transactions with related parties was generated (EUR 2.8 million in first quarter 2023) for the Company and EUR 1.3 million (EUR 736 thousand in first quarter 2023) for the Group. Expenses amounted to EUR 158 thousand (first quarter 2023: EUR 122 thousand) for the Company and EUR 71 thousand for the Group (first quarter 2023: EUR 22 thousand).

As at 31 March 2024, receivables and liabilities towards related parties are as follows: company's receivables amount to EUR 2.8 million (vs. EUR 4.7 million EO 2023), and Group's receivables amount to EUR 1.5 million (vs. EUR 2.3 million EO 2023). Company's liabilities amount to EUR 51 thousand (vs. EUR 90 thousand EO 2023), and Group's liabilities amount to EUR 17 thousand (vs. EUR 48 thousand EO 2023).

TRANSACTIONS
WITH RELATED
PARTIES
UNDER USUAL
COMMERCIAL
TERMS AND
CONDITIONS

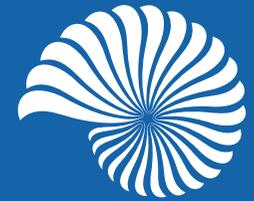
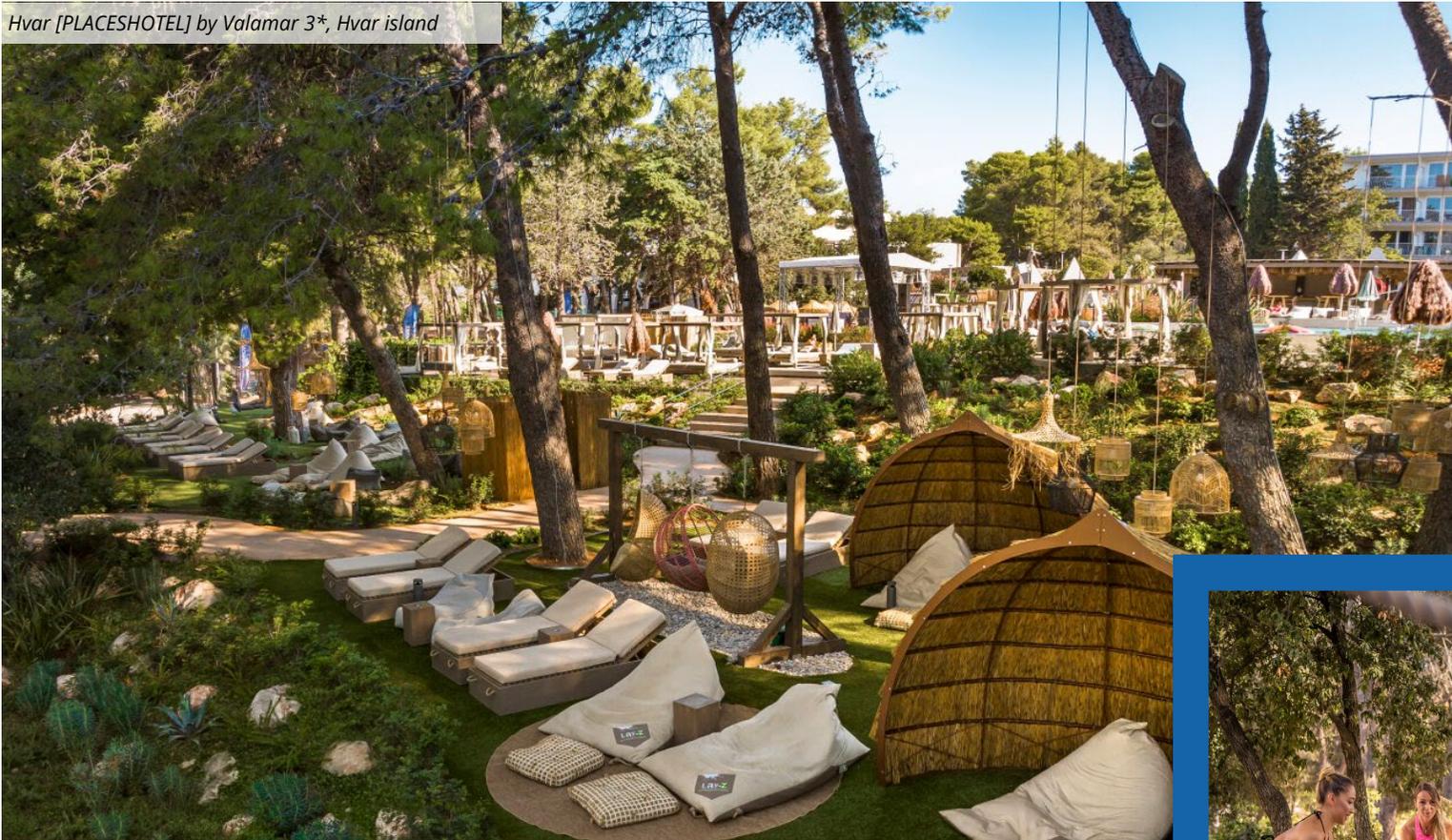
BRANCH OFFICES OF THE COMPANY

The Company has several branch offices, where it performs its business activities outside of its headquarters: Branch Office for Tourism RABAC, with the seat in Rabac, Slobode 80; Branch Office for Tourism ZLATNI OTOK, with the seat in Krk, Vršanska 8; Branch Office for Tourism DUBROVNIK-BABIN KUK, with the seat in Dubrovnik, Vatroslava Lisinskog 15a; Branch Office for Business and Administration Consulting ZAGREB, with the seat in Zagreb, Miramarska cesta 24; Branch Office for Tourism BRIONI, with the seat in Pula, Puntičela 155 and the Austria Branch Office, with headquarters in Austria, Obertauern, Gamsleitenstrasse 6.

The branch offices of Rabac, Zlatni otok, Dubrovnik-Babin Kuk and Brioni are the drivers of economic growth in their local communities. They operate in their destinations and support their development by promoting further investments and the development of tourism while participating in social and business activities. The branch offices in Zagreb and Austria ensure that the business operations of the Company in these destinations are carried out in accordance with respective regulations.

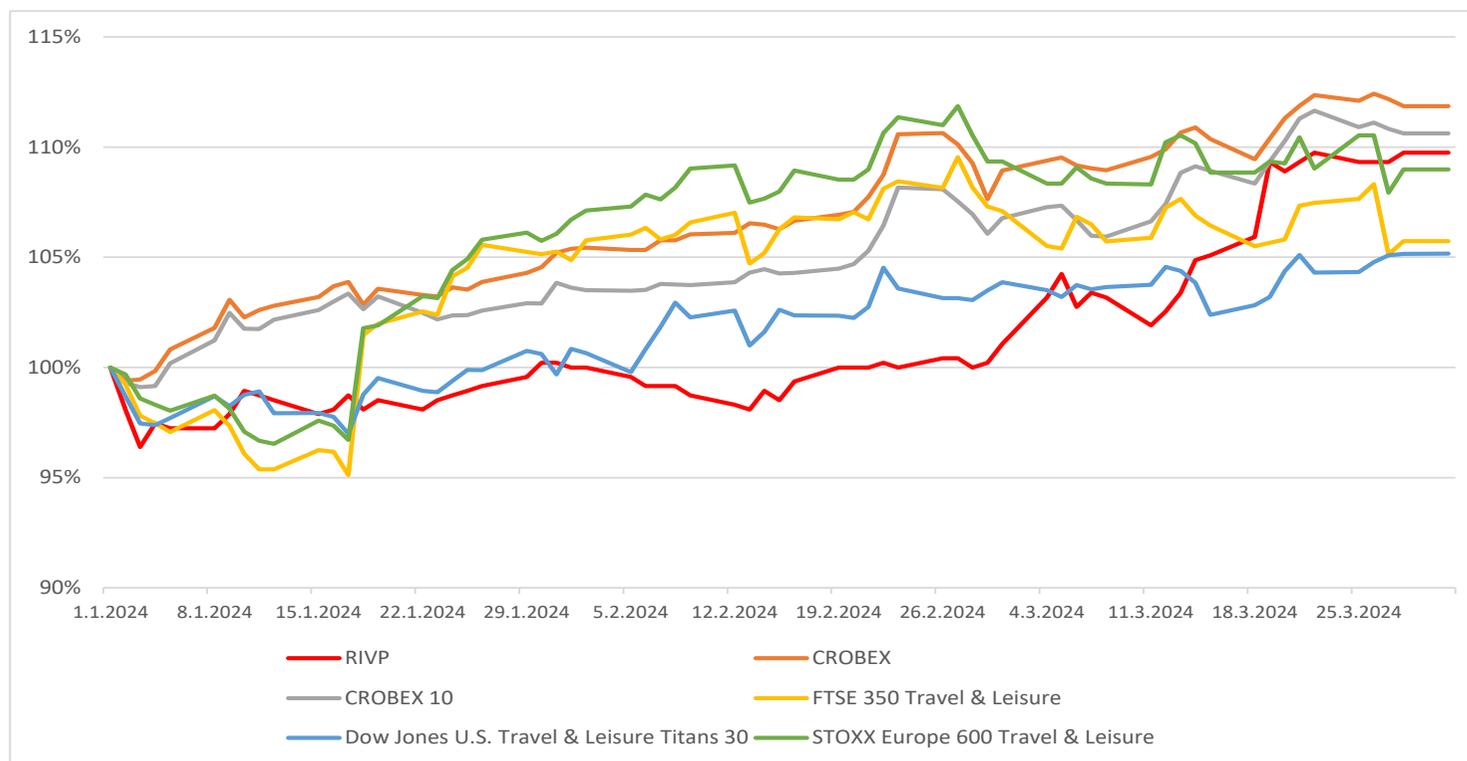
Except for the branch offices with the registered seat in Croatia and Austria, the Company also established offices on the island of Rab, in Makarska, in Stari Grad on the island of Hvar and in Obertauern in Austria to increase the efficiency and streamline the management of operations of the companies Imperial Riviera d.d., Helios Faros d.d., Valamar Obertauern GmbH, and of the company Kesselspitze GmbH & Co KG, and from March 1, 2023 of the Company Valamar Marietta GmbH, all in line with the provisions of the concluded hotel management contracts.

Hvar [PLACESHOTEL] by Valamar 3*, Hvar island



Valamar Share

Performance of Valamar Riviera's share and Zagreb Stock Exchange and travel and leisure indices in the first quarter of 2024



During the first quarter of 2024, the highest achieved share price in regular trading on the regulated market was EUR 5.20, and the lowest EUR 4.55. On 31 Mar 2024 the price was EUR 5.18 which represents an increase of 9.8% compared to the last price in 2023. With a total turnover of EUR 5.4 million¹⁵ Valamar Riviera share was the eighth share on the Zagreb Stock Exchange in terms of turnover during the first quarter of 2024.

In addition to the Zagreb Stock Exchange index, the joint stock index of the Zagreb and Ljubljana stock exchanges ADRIAprime, the stock is also a component of the Vienna Stock Exchange index

(CROX¹⁶ and SETX¹⁷) and the Warsaw Stock Exchange (CEEplus¹⁸), the SEE Link regional platform index (SEELinX and SEELinX EWI)¹⁹ and the MSCI Frontier Markets Index²⁰.

Zagrebačka banka d.d. and Interkapital vrijednosni papiri d.o.o. perform the activities of market makers with ordinary shares of Valamar Riviera listed on the Leading Market of the Zagreb Stock Exchange d.d.

In the first quarter of 2024, the Company did not acquire its own shares, while in connection with the LTIP (long-term reward plan for key managers in the Company's shares in the period from 2023 to 2026) it disposed of 426,160 of its own shares. On 31 Mar 2024 the Company has a total of 2,990,862 own shares or 2.37% of the Company's capital.

15 Block transactions are excluded from the calculation.

16 Croatian Traded Index (CROX) is a capitalization-weighted price index and is made up of 12 most liquid and highest capitalized shares of Zagreb Stock Exchange.

21 South-East Europe Traded Index (SETX) is a capitalization-weighted price index consisting of blue chip stocks traded on stock exchanges in the region of South-eastern Europe (shares listed in Bucharest, Ljubljana, Sofia, Belgrade and Zagreb).

18 CEEplus is a stock index that comprise the most liquid stocks listed on stock exchanges in the Visegrad Group countries (Poland, Czech Republic, Slovakia, Hungary) and Croatia, Romania and Slovenia.

19 SEE Link is a regional platform for securities trading. It was founded by Bulgarian, Macedonian, and Zagreb Stock Exchange. SEE LinX and SEE LinX EWI are two "blue chip" regional indices composed of ten most liquid regional companies listed on three Stock Exchanges: five from Croatia, three from Bulgaria, and two from Macedonia.

20 The MSCI Frontier Markets Index captures large and mid-cap representation across 29 Frontier Markets countries

Valamar Riviera actively holds meetings and conference calls with domestic and foreign investors, as well as presentations for investors, providing support for the highest possible level of transparency, creating additional liquidity, increasing share value and involving new investors. By continuing to actively represent Valamar Riviera, we will strive to contribute to further growth in value for all stakeholders with the intention of recognizing the Company's share as one of the leaders on the Croatian capital market and one of the leaders in the CEE region.

gth

**MOST ACTIVELY
TRADED SHARE
BY REGULAR
TURNOVER ON THE
ZAGREB STOCK
EXCHANGE IN THE
FIRST QUARTER OF
2024**

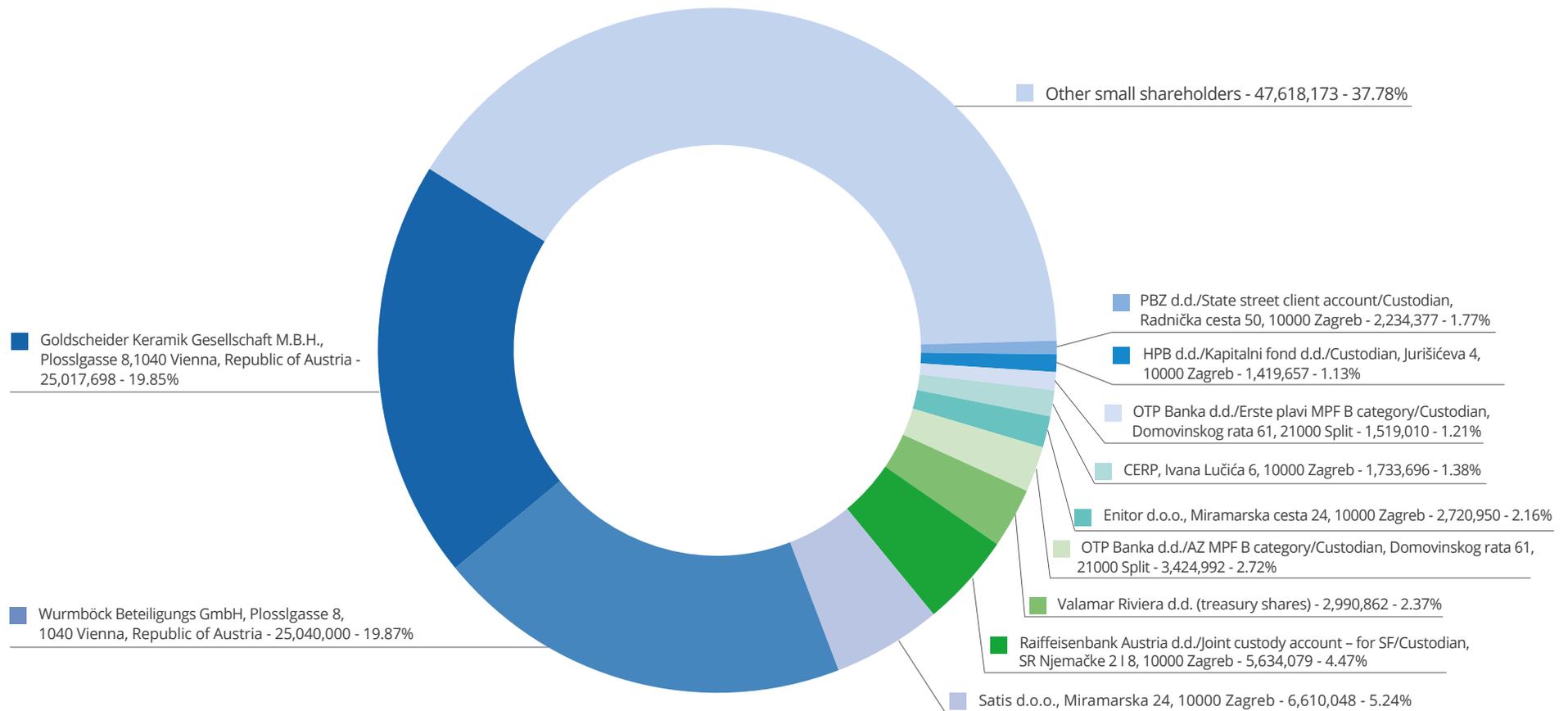
Analytical coverage of Valamar Riviera is provided by: 1) ERSTE bank d.d., Zagreb; 2) Interkapital vrijednosni papiri d.o.o., Zagreb; 3) Raiffeisenbank Austria d.d., Zagreb; 4) Zagrebačka banka d.d., Zagreb.

Our commitment to transparency and open communication with stakeholders was awarded the prestigious 'Building Public Trust Award' by PwC Croatia and the Zagreb Stock Exchange in December 2023.

Lanterna Premium Camping Resort 4*, Poreč



OVERVIEW OF MAJOR SHAREHOLDERS AS AT 31 MARCH 2024:



Hotel Kesselspitze 5*, Obertauern



Additional Information

Marea Valamar Collection Suites 5*, Poreč



 *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.*

ADDITIONAL INFORMATION

In the course of the first quarter of 2024 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 quarterly separate and consolidated financial statements for the first quarter of 2024 were adopted by the by the Management Board on 30 April 2024.

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

Željko Kukurin
Management Board
President

A blue ink signature of Željko Kukurin, written in a cursive style.

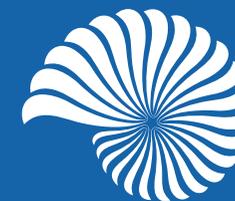
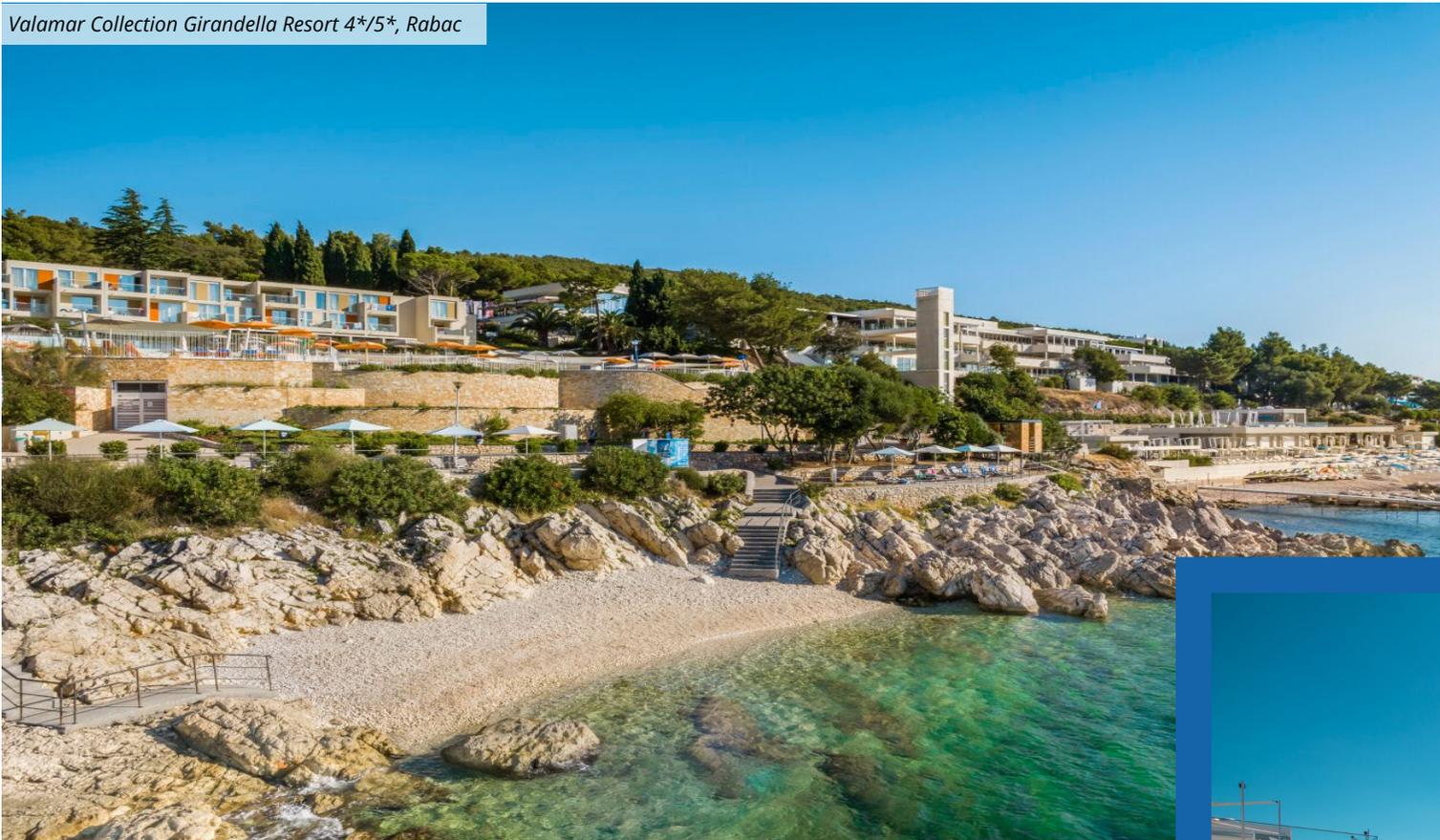
Marko Čižmek
Management Board
Member

A blue ink signature of Marko Čižmek, written in a cursive style.

Ivana Budin Arhanić
Management Board
Mem

A blue ink signature of Ivana Budin Arhanić, written in a cursive style.

Valamar Collection Girandella Resort 4*/5*, Rabac



Disclaimer

This report may contain certain outlook based on currently available facts, findings and circumstances and estimates in this regard. Our outlook is based including, but no limited on a) results achieved in the first quarter of 2024; b) operating results achieved by 26 Apr 2024; c) current booking status; d) 2024 year end business results forecast; e) the absence of further significant negative effects of the risks to which the Company and the Group are exposed.

Outlook statements are based on currently available information, current assumptions, forward-looking expectations and projections. This outlook is not a guarantee of future results and is subject to future events, risks, and uncertainties, many of which are beyond the control of, or currently unknown to Valamar Riviera, as well as potentially incorrect assumptions that could cause the actual results to materially differ from the said expectations and forecasts. Risks and uncertainties include, but are not limited to those described in the chapter "Risks of the Company and the Group". Materially significant deviations from the outlook may arise from changes in circumstances, assumptions not being realized, as well as other risks, uncertainties, and factors, including, but no limited to:

- Macro-economic trends in the Republic of Croatia and in the source markets, including currency exchange rates fluctuations and prices of goods and services, deflation and inflation, unemployment, trends in the gross domestic product and industrial production, as well as other trends having a direct or indirect impact on the purchasing power of Valamar Riviera's guests;
- Economic conditions, security and political conditions, trends and events in the capital markets of the Republic of Croatia and Valamar Riviera's source markets;
- Spending and disposable income of guests, as well as guests' preferences, trust in and satisfaction with Valamar Riviera's products and services;
- Trends in the number of overnights, bookings, and average daily rates of accommodation at Valamar Riviera's properties;
- Change in market interest rates and the price of equity securities, and other financial risks to which Valamar Riviera is exposed;
- Labor force availability and costs, transport, energy, and utilities costs, selling prices of fuel and other goods and services, as well as supply chain disruptions;
- Changes in accounting policies and findings of financial report audits, as well as findings of tax and other business audits;
- Outcomes and costs of judicial proceedings to which Valamar Riviera is a

party;

- Loss of competitive strength and reduced demand for products and services of Croatian tourism and Valamar Riviera under the impact of weather conditions and seasonal movements;
- Reliability of IT business solutions and cyber security of Valamar Riviera's business operations, as well as related costs;
- Changes of tax and other regulations and laws, trade restrictions, and rates of customs duty;
- Adverse climatic events, environmental risks, disease outbreaks and pandemics.
- Regional and global geopolitical uncertainties and wars.

Should materially significant changes to the stated outlook occur, Valamar Riviera shall immediately inform the public thereof, in compliance with Article 459 of the Capital Market Act. The given outlook statements are not an outright recommendation to buy, hold or sell Valamar Riviera's shares.

RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

In Poreč, 30 April 2024

In accordance with provisions of Law on Capital Market, Marko Čížmek, Management board member and CFO, and Vedrana Ambrosi Barbalić, director of Department of Finance and Accounting, procurator, together as persons responsible for the preparation of quarterly 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:

- Consolidated and unconsolidated financial statements for the first quarter of 2024 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 (Group);
- Report of the Company's Management board for the period from 1 January to 31 March 2024 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

Vedrana Ambrosi Barbalić
Director of Department of
Finance and Accounting /
Procurator



BALANCE SHEET (balance as at 31.03.2024)

Submitter: Valamar Riviera d.d.

in EUR

Item 1	ADP code 2	Last day of the preceding business year 3	At the reporting date of the current period 4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001		
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	728.032.913	794.937.217
I. INTANGIBLE ASSETS (ADP 004 to 009)	003	7.113.034	7.031.541
1 Research and Development	004		
2 Concessions, patents, licences, trademarks, software and other rights	005	5.327.241	4.599.403
3 Goodwill	006	871.672	871.672
4 Advance payments for purchase of intangible assets	007		
5 Intangible assets in preparation	008	914.121	1.560.466
6 Other intangible assets	009		
II. TANGIBLE ASSETS (ADP 011 to 019)	010	662.329.502	720.350.804
1 Land	011	129.883.886	191.929.562
2 Buildings	012	412.109.694	401.014.152
3 Plants and equipment	013	57.687.356	54.993.604
4 Tools, working inventory and transportation assets	014	14.412.117	13.481.184
5 Biological asset	015		
6 Advance payments for purchase of tangible assets	016	117.031	518.717
7 Tangible assets in preparation	017	41.738.408	52.379.086
8 Other tangible assets	018	6.032.708	5.695.416
9 Investments property	019	348.302	339.083
III. FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	18.469.932	20.476.392
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	16.254.440	17.471.888
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	795.420	795.420
7 Investments in securities	027	135.827	85.634
8 Loans, deposits, etc. given	028	590.532	590.319
9 Other investments accounted for using the equity method	029		
10 Other fixed financial assets	030	693.713	1.533.131
IV. RECEIVABLES (ADP 032 to 035)	031		
1 Receivables from undertakings within the group	032		
2 Receivables from companies linked by virtue of participating interests	033		
3 Customer receivables	034		
4 Other receivables	035		
V. DEFERRED TAX ASSETS	036	40.120.445	47.078.480
C) CURENT ASSETS (ADP 038+046+053+063)	037	94.414.531	72.828.257
I. INVENTORIES (ADP 039 to 045)	038	7.386.812	9.425.089
1 Raw materials	039	6.971.251	9.053.855
2 Work in progress	040		
3 Finished goods	041		
4 Merchandise	042	412.423	364.425
5 Advance payments for inventories	043	3.138	6.809
6 Fixed assets held for sale	044		
7 Biological asset	045		
II. RECEIVABLES (ADP 047 to 052)	046	6.200.436	6.981.852
1 Receivables from undertakings within the group	047		
2 Receivables from companies linked by virtue of participating interest	048	1.373.496	476.583
3 Customer receivables	049	2.436.265	2.373.074
4 Receivables from employees and members of the undertaking	050	109.278	2.147.469
5 Receivables from government and other institutions	051	1.942.981	1.321.526
6 Other receivables	052	338.416	663.200
III. SHORT-TERM FINANCIAL ASSETS (ADP 054 to 062)	053	25.641.924	18.427.875
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	24.035.528	17.159.800
9 Other financial assets	062	1.606.396	1.268.075
IV. CASH AT BANK AND IN HAND	063	55.185.359	37.993.441
D) PREPAID EXPENSES AND ACCRUED INCOME	064	3.763.787	4.829.774
E) TOTAL ASSETS (ADP 001+002+037+064)	065	826.211.231	872.595.248
F) OFF-BALANCE SHEET ITEMS	066	7.179.343	7.178.583

BALANCE SHEET (balance as at 31.03.2024) (continued)

Submitter: Valamar Riviera d.d.

Item 1	ADP code 2	in EUR	
		Last day of the preceding business year 3	At the reporting date of the current period 4
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+083+086+089)	067	446.821.035	416.380.931
I. INITIAL (SUBSCRIBED) CAPITAL	068	221.915.350	221.915.350
II. CAPITAL RESERVES	069	1.218.381	1.550.786
III. RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	15.901.347	17.210.331
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	-13.743.570	-12.043.946
4 Statutory reserves	074		
5 Other reserves	075	390.640	
IV. REVALUATION RESERVES	076		
V. FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	39.878	8.192
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	39.878	8.192
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		
VI. RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	42.165.052	69.202.574
1 Retained profit	084	42.165.052	69.202.574
2 Loss brought forward	085		
VII. PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	27.027.615	-27.151.473
1 Profit for the business year	087	27.027.615	
2 Loss for the business year	088		27.151.473
VIII. MINORITY (NON-CONTROLLING) INTEREST	089	138.553.412	133.645.171
B) PROVISIONS (ADP 091 to 096)	090	8.330.408	8.306.263
1 Provisions for pensions, termination benefits and similar obligations	091	4.156.621	4.156.296
2 Provisions for tax liabilities	092		
3 Provisions for ongoing legal cases	093	4.102.327	4.102.327
4 Provisions for renewal of natural resources	094		
5 Provision for warranty obligations	095		
6 Other provisions	096	71.460	47.640
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	264.707.353	324.315.206
1 Liabilities towards undertakings within the group	098		
2 Liabilities for loans, deposits, etc. to companies within the group	099		
3 Liabilities towards companies linked by virtue of participating interest	100		
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	101		
5 Liabilities for loans, deposits etc.	102		
6 Liabilities towards banks and other financial institutions	103	244.200.777	244.200.777
7 Liabilities for advance payments	104		
8 Liabilities towards suppliers	105		
9 Liabilities for securities	106		
10 Other long-term liabilities	107	14.787.692	74.542.776
11 Deferred tax liability	108	5.718.884	5.571.653
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	84.649.099	102.410.201
1 Liabilities towards undertakings within the group	110		
2 Liabilities for loans, deposits, etc. to companies within the group	111		
3 Liabilities towards companies linked by virtue of participating interest	112	31.800	16.550
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	113		
5 Liabilities for loans, deposits etc.	114		
6 Liabilities towards banks and other financial institutions	115	49.774.765	40.940.178
7 Liabilities for advance payments	116	6.573.592	28.995.172
8 Liabilities towards suppliers	117	16.924.444	16.192.514
9 Liabilities for securities	118		
10 Liabilities towards employees	119	4.789.942	4.708.885
11 Taxes, contributions and similar liabilities	120	4.624.581	5.691.919
12 Liabilities arising from the share in the result	121	49.388	49.388
13 Liabilities arising from fixed assets held for sale	122		
14 Other short-term liabilities	123	1.880.587	5.815.595
E) ACCRUALS AND DEFERRED INCOME	124	21.703.336	21.182.647
F) TOTAL - LIABILITIES (ADP 067+090+097+109+124)	125	826.211.231	872.595.248
G) OFF-BALANCE SHEET ITEMS	126	7.179.343	7.178.583

STATEMENT OF PROFIT OR LOSS (for the period 01.01.2024 to 31.03.2024)

Submitter: Valamar Riviera d.d.

in EUR

Item	ADP code	Same period of the previous year		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (ADP 002 to 006)	001	7.201.053	7.201.053	11.242.741	11.242.741
1 Income from sales with undertakings within the group	002				
2 Income from sales (outside group)	003	6.768.460	6.768.460	10.669.899	10.669.899
3 Income from the use of own products, goods and services	004	18.933	18.933	23.342	23.342
4 Other operating income with undertakings within the group	005				
5 Other operating income (outside the group)	006	413.660	413.660	549.500	549.500
II. OPERATING EXPENSES (ADP 008+009+013+017+018+019+022+029)	007	42.107.887	42.107.887	48.928.467	48.928.467
1 Changes in inventories of work in progress and finished goods	008				
2 Material costs (ADP 010 to 012)	009	9.166.436	9.166.436	10.598.841	10.598.841
a) Costs of raw material	010	5.065.716	5.065.716	5.635.949	5.635.949
b) Costs of goods sold	011	304.191	304.191	352.298	352.298
c) Other external costs	012	3.796.529	3.796.529	4.610.594	4.610.594
3 Staff costs (ADP 014 to 016)	013	13.237.198	13.237.198	15.821.031	15.821.031
a) Net salaries and wages	014	8.406.425	8.406.425	10.269.277	10.269.277
b) Tax and contributions from salaries expenses	015	3.147.076	3.147.076	3.539.663	3.539.663
c) Contributions on salaries	016	1.683.697	1.683.697	2.012.091	2.012.091
4 Depreciation	017	15.912.931	15.912.931	17.247.168	17.247.168
5. Other expenses	018	3.536.860	3.536.860	4.703.860	4.703.860
6. Value adjustments (ADP 020+021)	019				
a) fixed assets other than financial assets	020				
b) current assets other than financial assets	021				
7 Provisions (ADP 023 to 028)	022			513	513
a) Provisions for pensions, termination benefits and similar obligations	023			513	513
b) Provisions for tax liabilities	024				
c) Provisions for ongoing legal cases	025				
d) Provisions for renewal of natural resources	026				
e) Provisions for warranty obligations	027				
f) Other provisions	028				
8 Other operating expenses	029	254.462	254.462	557.054	557.054
III. FINANCIAL INCOME (ADP 031 to 040)	030	324.074	324.074	1.375.895	1.375.895
1 Income from investments in holdings (shares) of undertakings within the group	031				
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				
7 Other interest income	037	206.205	206.205	443.455	443.455
8 Exchange rate differences and other financial income	038				
9 Unrealised gains (income) from financial assets	039			883.092	883.092
10 Other financial income	040	117.869	117.869	49.348	49.348
IV. FINANCIAL EXPENDITURE (ADP 042 to 048)	041	2.563.423	2.563.423	3.379.600	3.379.600
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	2.071.193	2.071.193	2.965.255	2.965.255
4 Exchange rate differences and other expenses	045	3.805	3.805	2.470	2.470
5 Unrealised losses (expenses) from financial assets	046	255.450	255.450		
6 Value adjustments of financial assets (net)	047				
7 Other financial expenses	048	232.975	232.975	411.875	411.875
V. SHARE IN PROFIT FROM COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	049	117.473	117.473	530.329	530.329
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	7.642.600	7.642.600	13.148.965	13.148.965
X. TOTAL EXPENDITURE (ADP 007+041+051+052)	054	44.671.310	44.671.310	52.308.067	52.308.067
XI. PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	-37.028.710	-37.028.710	-39.159.102	-39.159.102
1 Pre-tax profit (ADP 053-054)	056				
2 Pre-tax loss (ADP 054-053)	057	-37.028.710	-37.028.710	-39.159.102	-39.159.102
XII. INCOME TAX	058	-8.799.130	-8.799.130	-7.099.388	-7.099.388
XIII. PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	-28.229.580	-28.229.580	-32.059.714	-32.059.714
1 Profit for the period (ADP 055-059)	060				
2 Loss for the period (ADP 059-055)	061	-28.229.580	-28.229.580	-32.059.714	-32.059.714

STATEMENT OF PROFIT OR LOSS (for the period 01.01.2024 to 31.03.2024) (continued)

Submitter: Valamar Riviera d.d.

in EUR

Item	ADP code	Same period of the previous year		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
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	-28.229.580	-28.229.580	-32.059.714	-32.059.714
1 Attributable to owners of the parent	076	-25.037.142	-25.037.142	-27.151.473	-27.151.473
2 Attributable to minority (non-controlling) interest	077	-3.192.438	-3.192.438	-4.908.241	-4.908.241
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I. PROFIT OR LOSS FOR THE PERIOD	078	-28.229.580	-28.229.580	-32.059.714	-32.059.714
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 080 to 087)	079	4.207	4.207	-37.564	-37.564
III. ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (ADP 081 to 085)	080	4.207	4.207	-37.564	-37.564
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	4.207	4.207	-37.564	-37.564
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	757	757	-5.878	-5.878
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 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089				
3 Profit or loss arising from effective cash flow hedging	090				
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091				
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092				
6 Changes in fair value of the time value of option	093				
7 Changes in fair value of forward elements of forward contracts	094				
8 Other items that may be reclassified to profit or loss	095				
9 Income tax relating to items that may be reclassified to profit or loss	096				
V. NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086-096)	097	3.450	3.450	-31.686	-31.686
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	-28.226.130	-28.226.130	-32.091.400	-32.091.400
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VII. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	-28.226.130	-28.226.130	-32.091.400	-32.091.400
1 Attributable to owners of the parent	100	-25.033.692	-25.033.692	-27.183.159	-27.183.159
2 Attributable to minority (non-controlling) interest	101	-3.192.438	-3.192.438	-4.908.241	-4.908.241

STATEMENT OF CASH FLOWS - indirect method (for the period 01.01.2024 to 31.03.2024)

Submitter: Valamar Riviera d.d.

Item	in EUR		
	ADP code	Same period of the previous year	Current period
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1 Pre-tax profit	001	-37.028.710	-39.159.102
2 Adjustments (ADP 003 to 010)	002	17.960.798	18.754.519
a) Depreciation	003	15.912.931	17.247.168
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-59.073	11.224
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005		
d) Interest and dividend income	006	-205.745	-443.437
e) Interest expenses	007	2.092.743	2.995.136
f) Provisions	008	-41.960	-24.145
g) Exchange rate differences (unrealised)	009		
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	261.902	-1.031.427
I. Cash flow increase or decrease before changes in the working capital (ADP 001+002)	011	-19.067.912	-20.404.583
3 Changes in the working capital (ADP 013 to 016)	012	15.175.656	17.082.909
a) Increase or decrease in short-term liabilities	013	17.993.185	20.039.538
b) Increase or decrease in short-term receivables	014	-1.261.108	-918.352
c) Increase or decrease in inventories	015	-1.556.421	-2.038.277
d) Other increase or decrease in the working capital	016		
II. Cash from operations (ADP 011+012)	017	-3.892.256	-3.321.674
4 Interest paid	018	-1.991.540	-1.989.666
5 Income tax paid	019	-296	-240
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-5.884.092	-5.311.580
CASH FLOW FROM INVESTMENT ACTIVITIES			
1 Cash receipts from sales of fixed tangible and intangible assets	021	69.226	64.696
2 Cash receipts from sales of financial instruments	022	87.500	23.168
3 Interest received	023	154.093	890.331
4 Dividends received	024		
5 Cash receipts from repayment of loans and deposit	025	839	7.000.000
6 Other cash receipts from investment activities	026		
III. Total cash receipts from investment activities (ADP 021 to 026)	027	311.658	7.978.195
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-11.670.491	-10.406.566
2 Cash payments for the acquisition of financial instruments	029		
3 Cash payments for loans and deposits for the period	030	-2.000.246	
4 Acquisition of a subsidiary, net of cash acquired	031		
5 Other cash payments from investment activities	032	-432.000	-343.560
IV. Total cash payments from investment activities (ADP 028 to 032)	033	-14.102.737	-10.750.126
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027+033)	034	-13.791.079	-2.771.931
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		
4 Other cash receipts from financing activities	038		
V. Total cash receipts from financing activities (ADP 035 to 038)	039		
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-17.509.562	-8.967.466
2 Dividends paid	041		-632
3 Cash payments for finance lease	042	-1.329	-1.399
4 Cash payments for the redemption of treasury shares and decrease of initial (subscribed) capital	043		-17.800
5 Other cash payments from financing activities	044	-128.351	-121.110
VI. Total cash payments from financing activities (ADP 040 to 044)	045	-17.639.242	-9.108.407
C) NET CASH FLOW FROM FINANCIAL ACTIVITIES (ADP 039+045)	046	-17.639.242	-9.108.407
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	-37.314.413	-17.191.918
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	049	89.299.582	55.185.359
F) CASH AND CASH EQUIVALENTS AT THE END OF PERIOD (ADP 048+049)	050	51.985.169	37.993.441

STATEMENT OF CHANGES IN EQUITY (for the period 01.01.2024 to 31.03.2024)
Submitter: Valamar Riviera d.d.

in EUR

Item	ADP code	Attributable to owners of the parent																	Total capital and reserves
		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	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent	Minority (non-controlling) interest	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 do 6 - 7 + 8 do 17)	19	20 (18+19)
Previous period																			
1 Balance on the first day of the previous business year	01	221.915.351	693.268	11.095.768	18.158.509	16.513.142		5.114.288		7.845					46.604.740	19.601.100	306.677.727	134.448.828	441.126.555
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	221.915.351	693.268	11.095.768	18.158.509	16.513.142		5.114.288		7.845					46.604.740	19.601.100	306.677.727	134.448.828	441.126.555
5 Profit/loss of the period	05															27.027.615	27.027.615	6.639.711	33.667.326
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									39.065							39.065		39.065
9 Profit or loss arising from effective cash flow hedge	09																		
10 Profit or loss 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 interests	11																		
12 Actuarial gains/losses on the defined benefit obligation	12																		
13 Other changes in equity unrelated to owners	13																		
14 Tax on transactions recognised directly in equity	14									-7.032							-7.032		-7.032
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15		-1	1															
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					1.772.315											-1.772.315		-1.772.315
19 Payments from members/shareholders	19																		
20 Payment of share in profit/dividend	20														-24.377.581		-24.377.581	-2.535.127	-26.912.708
21 Other distributions and payments to members/shareholders	21		525.112			-4.541.887		-4.723.648							336.793		680.144		680.144
22 Transfer to reserves according to the annual schedule	22														19.601.100	-19.601.100			
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	1.218.381	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
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									32.033							32.033		32.033
II. COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26									32.033						27.027.615	27.059.648	6.639.711	33.699.359
III. TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27		-1	525.113		-2.769.572		-4.723.648							-4.439.688	-19.601.100	-25.469.752	-2.535.127	-28.004.879
Current period																			
1 Balance on the first day of the previous business year	28	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	29																		
3 Correction of errors	30																		
4 Balance on the first day of the current business year (restated) (ADP 28 to 30)	31	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	32															-27.151.473	-27.151.473	-4.908.241	-32.059.714
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									-37.564					10.539		-27.025		-27.025
9 Profit or loss arising from effective cash flow hedge	36																		
10 Profit or loss 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 interests	38																		
12 Actuarial gains/losses on the defined benefit obligation	39																		
13 Other changes in equity unrelated to owners	40																		
14 Tax on transactions recognised directly in equity	41									5.878							5.878		5.878
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	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					17.800											-17.800		-17.800
19 Payments from members/shareholders	46																		
20 Payment of share in profit/dividend	47														-632		-632		-632
21 Other distributions and payments to members/shareholders	48		332.405			-1.717.424		-390.640									1.659.189		1.659.189
22 Carryforward per annual plane	49														27.027.615	-27.027.615			
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50																		
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	51	221.915.350	1.550.786	11.095.768	18.158.509	12.043.946				8.192					69.202.574	-27.151.473	282.735.760	133.645.171	416.380.931
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									-31.686					10.539		-21.147		-21.147
II. COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53									-31.686					10.539	-27.151.473	-27.172.620	-4.908.241	-32.080.861
III. TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54		332.405			-1.699.624		-390.640							27.026.983	-27.027.615	1.640.757		1.640.757

NOTES TO FINANCIAL STATEMENTS - TFI

(drawn up for quarterly reporting periods)

Name of the issuer:

Valamar Riviera d.d.

Personal identification

number OIB: **36201212847**

Reporting period:

01.01.2024 to 31.03.2024

Notes to financial statements for quarterly periods include:

- a) explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the reporting semi-annual period of the issuer with respect to the last business year: information is provided regarding these events and relevant information published in the last annual financial statement is updated (items 15 to 15C IAS 34 - Interim financial reporting)
- b) information on the access to the latest annual financial statements, for the purpose of understanding information published in the notes to financial statements drawn up for the semi-annual reporting period
- c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the semi-annual reporting period as in the latest annual financial statements or, in the case where the accounting policies have changed, a description of the nature and effect of the changes (item 16.A (a) IAS 34 - Interim financial reporting)
- d) a description of the financial performance in the case of the issuer whose business is seasonal (items 37 and 38 IAS 34 - Interim financial reporting)
- e) other comments prescribed by IAS 34 - Interim financial reporting
- f) in the notes to quarterly periods financial statements, in addition to the information stated above, information in respect of the following matters shall be disclosed:
 1. undertaking's name, registered office (address), legal form, country of establishment, entity's registration number and, if applicable, the indication whether the undertaking is undergoing liquidation, bankruptcy proceedings, shortened termination proceedings or extraordinary administration
 2. adopted accounting policies (only an indication of whether there has been a change from the previous period)
 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 undertaking within the group or company linked by virtue of participating interest shall be disclosed separately
 4. the amount and nature of individual items of income or expenditure which are of exceptional size or incidence
 5. amounts owed by the undertaking and falling due after more than five years, as well as the total debts of the undertaking covered by valuable security furnished by the undertaking, specifying the type and form of security
 6. average number of employees during the financial year
 7. where, in accordance with the regulations, the undertaking 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
 8. 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
 9. the name and registered office of each of the undertakings in which the undertaking, either itself or through a person acting in their own name but on

NOTES TO FINANCIAL STATEMENTS - TFI (continued)

(drawn up for quarterly reporting periods)

the undertaking'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 undertaking concerned for which financial statements have been adopted; the information concerning capital and reserves and the profit or loss may be omitted where the undertaking concerned does not publish its balance sheet and is not controlled by another undertaking

10. 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
11. 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
12. the name, registered office and legal form of each of the undertakings of which the undertaking is a member having unlimited liability
13. the name and registered office of the undertaking which draws up the consolidated financial statements of the largest group of undertakings of which the undertaking forms part as a controlled group member
14. the name and registered office of the undertaking which draws up the consolidated financial statements of the smallest group of undertakings of which the undertaking forms part as a controlled group member and which is also included in the group of undertakings referred to in point 13
15. the place where copies of the consolidated financial statements referred to in points 13 and 14 may be obtained, provided that they are available
16. the nature and business purpose of the undertaking's arrangements that are not included in the balance sheet and the financial impact on the undertaking 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 undertaking
17. 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.

Notes to financial statements for the three month period together with detailed information on financial performance and events relevant to understanding changes in financial statements are available in PDF document "Business results 1/1/2024 – 31/03/2024" which has been simultaneously published with this document on HANFA (Croatian Financial Services Supervisory Agency), Zagreb Stock Exchange and Issuers web pages.

BALANCE SHEET (balance as at 31.03.2024)

Submitter: Valamar Riviera d.d.

Item 1	ADP code 2	in EUR	
		Last day of the preceding business year 3	At the reporting date of the current period 4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001		
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	597.799.951	657.983.662
I. INTANGIBLE ASSETS (ADP 004 to 009)	003	6.565.018	6.548.988
1 Research and Development	004		
2 Concessions, patents, licences, trademarks, software and other rights	005	4.779.225	4.116.850
3 Goodwill	006	871.672	871.672
4 Advance payments for purchase of intangible assets	007		
5 Intangible assets in preparation	008	914.121	1.560.466
6 Other intangible assets	009		
II. TANGIBLE ASSETS (ADP 011 to 019)	010	446.642.084	500.806.439
1 Land	011	70.644.262	127.913.986
2 Buildings	012	287.897.269	280.045.883
3 Plants and equipment	013	38.770.695	37.245.677
4 Tools, working inventory and transportation assets	014	7.487.134	6.972.521
5 Biological asset	015		
6 Advance payments for purchase of tangible assets	016	69.958	461.963
7 Tangible assets in preparation	017	36.238.653	42.930.997
8 Other tangible assets	018	5.185.811	4.896.329
9 Investments property	019	348.302	339.083
III. FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	143.056.928	144.015.574
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	16.816.257	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	795.420	795.420
7 Investments in securities	027	135.603	85.410
8 Loans, deposits, etc. given	028	590.532	590.319
9 Other investments accounted for using the equity method	029		
10 Other fixed financial assets	030	460.457	782.389
IV. RECEIVABLES (ADP 032 to 035)	031		
1 Receivables from undertakings within the group	032		
2 Receivables from companies linked by virtue of participating interests	033		
3 Customer receivables	034		
4 Other receivables	035		
V. DEFERRED TAX ASSETS	036	1.535.921	6.612.661
C) CURENT ASSETS (ADP 038+046+053+063)	037	59.905.492	45.946.665
I. INVENTORIES (ADP 039 to 045)	038	5.945.539	7.702.034
1 Raw materials	039	5.587.078	7.395.652
2 Work in progress	040		
3 Finished goods	041		
4 Merchandise	042	358.461	306.382
5 Advance payments for inventories	043		
6 Fixed assets held for sale	044		
7 Biological asset	045		
II. RECEIVABLES (ADP 047 to 052)	046	6.851.328	6.138.805
1 Receivables from undertakings within the group	047	2.340.631	1.395.671
2 Receivables from companies linked by virtue of participating interest	048	1.373.496	476.583
3 Customer receivables	049	1.909.335	1.575.947
4 Receivables from employees and members of the undertaking	050	88.956	2.076.069
5 Receivables from government and other institutions	051	893.990	250.966
6 Other receivables	052	244.920	363.569
III. SHORT-TERM FINANCIAL ASSETS (ADP 054 to 062)	053	821.086	687.455
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	35.528	159.800
9 Other financial assets	062	785.558	527.655
IV. CASH AT BANK AND IN HAND	063	46.287.539	31.418.371
D) PREPAID EXPENSES AND ACCRUED INCOME	064	2.611.402	3.364.807
E) TOTAL ASSETS (ADP 001+002+037+064)	065	660.316.845	707.295.134
F) OFF-BALANCE SHEET ITEMS	066	7.179.343	7.178.583

BALANCE SHEET (balance as at 31.03.2024) (continued)

Submitter: Valamar Riviera d.d.

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	407.623.536	385.846.003
I. INITIAL (SUBSCRIBED) CAPITAL	068	221.915.350	221.915.350
II. CAPITAL RESERVES	069	1.283.035	1.615.440
III. RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	15.901.347	17.210.332
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	-13.743.570	-12.043.945
4 Statutory reserves	074		
5 Other reserves	075	390.640	
IV. REVALUATION RESERVES	076		
V. FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	39.878	8.192
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	39.878	8.192
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		
VI. RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	143.538.707	168.493.833
1 Retained profit	084	143.538.707	168.493.833
2 Loss brought forward	085		
VII. PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	24.945.219	-23.397.144
1 Profit for the business year	087	24.945.219	
2 Loss for the business year	088		23.397.144
VIII. MINORITY (NON-CONTROLLING) INTEREST	089		
B) PROVISIONS (ADP 091 to 096)	090	6.284.948	6.284.622
1 Provisions for pensions, termination benefits and similar obligations	091	3.342.017	3.341.691
2 Provisions for tax liabilities	092		
3 Provisions for ongoing legal cases	093	2.942.931	2.942.931
4 Provisions for renewal of natural resources	094		
5 Provision for warranty obligations	095		
6 Other provisions	096		
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	166.870.642	222.080.032
1 Liabilities towards undertakings within the group	098		
2 Liabilities for loans, deposits, etc. to companies within the group	099		
3 Liabilities towards companies linked by virtue of participating interest	100		
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	101		
5 Liabilities for loans, deposits etc.	102		
6 Liabilities towards banks and other financial institutions	103	151.652.565	151.652.565
7 Liabilities for advance payments	104		
8 Liabilities towards suppliers	105		
9 Liabilities for securities	106		
10 Other long-term liabilities	107	13.789.397	69.033.519
11 Deferred tax liability	108	1.428.680	1.393.948
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	61.443.224	75.143.855
1 Liabilities towards undertakings within the group	110	48.042	33.681
2 Liabilities for loans, deposits, etc. to companies within the group	111		
3 Liabilities towards companies linked by virtue of participating interest	112	31.800	16.550
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interest	113		
5 Liabilities for loans, deposits etc.	114		
6 Liabilities towards banks and other financial institutions	115	33.001.611	26.273.554
7 Liabilities for advance payments	116	5.060.911	22.649.552
8 Liabilities towards suppliers	117	13.335.698	12.421.041
9 Liabilities for securities	118		
10 Liabilities towards employees	119	3.834.829	3.728.305
11 Taxes, contributions and similar liabilities	120	4.232.394	4.588.917
12 Liabilities arising from the share in the result	121		
13 Liabilities arising from fixed assets held for sale	122		
14 Other short-term liabilities	123	1.897.939	5.432.255
E) ACCRUALS AND DEFERRED INCOME	124	18.094.495	17.940.622
F) TOTAL - LIABILITIES (ADP 067+090+097+109+124)	125	660.316.845	707.295.134
G) OFF-BALANCE SHEET ITEMS	126	7.179.343	7.178.583

STATEMENT OF PROFIT OR LOSS (for the period 01.01.2024 to 31.03.2024)

Submitter: Valamar Riviera d.d.

in EUR

Item	ADP code	Same period of the previous year		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (ADP 002 to 006)	001	7.723.174	7.723.174	10.899.464	10.899.464
1 Income from sales with undertakings within the group	002	1.787.367	1.787.367	2.221.568	2.221.568
2 Income from sales (outside group)	003	5.550.530	5.550.530	8.178.946	8.178.946
3 Income from the use of own products, goods and services	004	18.720	18.720	21.661	21.661
4 Other operating income with undertakings within the group	005	47.245	47.245	74.027	74.027
5 Other operating income (outside the group)	006	319.312	319.312	403.262	403.262
II. OPERATING EXPENSES (ADP 008+009+013+017+018+019+022+029)	007	33.892.698	33.892.698	37.928.404	37.928.404
1 Changes in inventories of work in progress and finished goods	008				
2 Material costs (ADP 010 to 012)	009	7.805.459	7.805.459	8.507.118	8.507.118
a) Costs of raw materials and consumables	010	4.189.579	4.189.579	4.173.936	4.173.936
b) Costs of goods sold	011	304.037	304.037	351.109	351.109
c) Other external costs	012	3.311.843	3.311.843	3.982.073	3.982.073
3 Staff costs (ADP 014 to 016)	013	11.372.410	11.372.410	13.081.317	13.081.317
a) Net salaries and wages	014	7.176.036	7.176.036	8.408.775	8.408.775
b) Tax and contributions from salary costs	015	2.761.758	2.761.758	3.015.140	3.015.140
c) Contributions on salaries	016	1.434.616	1.434.616	1.657.402	1.657.402
4 Depreciation	017	11.619.336	11.619.336	12.174.574	12.174.574
5. Other costs	018	2.900.965	2.900.965	3.715.254	3.715.254
6. Value adjustments (ADP 020+021)	019				
a) fixed assets other than financial assets	020				
b) current assets other than financial assets	021				
7 Provisions (ADP 023 to 028)	022			513	513
a) Provisions for pensions, termination benefits and similar obligations	023			513	513
b) Provisions for tax liabilities	024				
c) Provisions for ongoing legal cases	025				
d) Provisions for renewal of natural resources	026				
e) Provisions for warranty obligations	027				
f) Other provisions	028				
8 Other operating expenses	029	194.528	194.528	449.628	449.628
III. FINANCIAL INCOME (ADP 031 to 040)	030	365.384	365.384	715.223	715.223
1 Income from investments in holdings (shares) of undertakings within the group	031				
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	47.378	47.378	40.089	40.089
6 Income from other long-term financial investments and loans	036				
7 Other interest income	037	201.605	201.605	307.435	307.435
8 Exchange rate differences and other financial income	038				
9 Unrealised gains (income) from financial assets	039			321.932	321.932
10 Other financial income	040	116.401	116.401	45.767	45.767
IV. FINANCIAL EXPENDITURE (ADP 042 to 048)	041	1.533.796	1.533.796	2.189.021	2.189.021
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	1.265.717	1.265.717	1.912.793	1.912.793
4 Exchange rate differences and other expenses	045	3.327	3.327	94	94
5 Unrealised losses (expenses) from financial assets	046	42.315	42.315		
6 Value adjustments of financial assets (net)	047				
7 Other financial expenses	048	222.437	222.437	276.134	276.134
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	8.088.558	8.088.558	11.614.687	11.614.687
X. TOTAL EXPENDITURE (ADP 007+041+051+052)	054	35.426.494	35.426.494	40.117.425	40.117.425
XI. PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	-27.337.936	-27.337.936	-28.502.738	-28.502.738
1 Pre-tax profit (ADP 053-054)	056				
2 Pre-tax loss (ADP 054-053)	057	-27.337.936	-27.337.936	-28.502.738	-28.502.738
XII. INCOME TAX	058	-5.003.435	-5.003.435	-5.105.594	-5.105.594
XIII. PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	-22.334.501	-22.334.501	-23.397.144	-23.397.144
1 Profit for the period (ADP 055-059)	060				
2 Loss for the period (ADP 059-055)	061	-22.334.501	-22.334.501	-23.397.144	-23.397.144

STATEMENT OF PROFIT OR LOSS (for the period 01.01.2024 to 31.03.2024) (continued)

Submitter: Valamar Riviera d.d.

in EUR

Item	ADP code	Same period of the previous year		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
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	-22.334.501	-22.334.501	-23.397.144	-23.397.144
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 080+087)	079	4.207	4.207	-37.564	-37.564
III. ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (ADP 081 to 085)	080	4.207	4.207	-37.564	-37.564
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	4.207	4.207	-37.564	-37.564
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	757	757	-5.878	-5.878
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 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089				
3 Profit or loss arising from effective cash flow hedging	090				
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091				
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092				
6 Changes in fair value of the time value of option	093				
7 Changes in fair value of forward elements of forward contracts	094				
8 Other items that may be reclassified to profit or loss	095				
9 Income tax relating to items that may be reclassified to profit or loss	096				
V. NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086-096)	097	3.450	3.450	-31.686	-31.686
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	-22.331.051	-22.331.051	-23.428.830	-23.428.830
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VII. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099				
1 Attributable to owners of the parent	100				
2 Attributable to minority (non-controlling) interest	101				

STATEMENT OF CASH FLOWS - indirect method (for the period 01.01.2024 to 31.03.2024)

Submitter: Valamar Riviera d.d.

Item	in EUR		
	ADP code	Same period of the previous year	Current period
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1 Pre-tax profit	001	-27.337.936	-28.502.738
2 Adjustments (ADP 003 to 010)	002	12.801.614	13.755.992
a) Depreciation	003	11.619.336	12.174.574
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-50.455	22.167
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005		
d) Interest and dividend income	006	-201.145	-307.418
e) Interest expenses	007	1.276.729	1.931.023
f) Provisions	008	-9.091	-325
g) Exchange rate differences (unrealised)	009		
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	166.240	-64.029
I. Cash flow increase or decrease before changes in the working capital (ADP 001+002)	011	-14.536.322	-14.746.746
3 Changes in the working capital (ADP 013 to 016)	012	13.657.185	13.847.899
a) Increase or decrease in short-term liabilities	013	15.049.781	14.482.766
b) Increase or decrease in short-term receivables	014	79.135	1.121.628
c) Increase or decrease in inventories	015	-1.471.731	-1.756.495
d) Other increase or decrease in the working capital	016		
II. Cash from operations (ADP 011+012)	017	-879.137	-898.847
4 Interest paid	018	-1.196.722	-1.043.210
5 Income tax paid	019		
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-2.075.859	-1.942.057
CASH FLOW FROM INVESTMENT ACTIVITIES			
1 Cash receipts from sales of fixed tangible and intangible assets	021	56.111	39.426
2 Cash receipts from sales of financial instruments	022	87.500	23.168
3 Interest received	023	149.493	532.897
4 Dividends received	024		
5 Cash receipts from repayment of loans and deposit	025	839	
6 Other cash receipts from investment activities	026		
III. Total cash receipts from investment activities (ADP 021 to 026)	027	293.943	595.491
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-5.182.110	-6.323.824
2 Cash payments for the acquisition of financial instruments	029		
3 Cash payments for loans and deposits for the period	030	-246	
4 Acquisition of a subsidiary, net of cash acquired	031		
5 Other cash payments from investment activities	032	-432.000	-343.560
IV. Total cash payments from investment activities (ADP 028 to 032)	033	-5.614.356	-6.667.384
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027+033)	034	-5.320.413	-6.071.893
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		
4 Other cash receipts from financing activities	038		
V. Total cash receipts from financing activities (ADP 035 to 038)	039		
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-15.229.312	-6.687.217
2 Dividends paid	041		-632
3 Cash payments for finance lease	042		
4 Cash payments for the redemption of treasury shares and decrease of initial (subscribed) capital	043		-17.800
5 Other cash payments from financing activities	044	-169.998	-149.569
VI. Total cash payments from financing activities (ADP 040 to 044)	045	-15.399.310	-6.855.218
C) NET CASH FLOW FROM FINANCIAL ACTIVITIES (ADP 039+045)	046	-15.399.310	-6.855.218
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	-22.795.582	-14.869.168
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	049	59.268.472	46.287.539
F) CASH AND CASH EQUIVALENTS AT THE END OF PERIOD (ADP 048+049)	050	36.472.890	31.418.371

STATEMENT OF CHANGES IN EQUITY (for the period 01.01.2024 to 31.03.2024)
Submitter: Valamar Riviera d.d.

in EUR

Item	ADP code	Attributable to owners of the parent																	Total capital and reserves
		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	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent	Minority (non-controlling) interest	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 do 6 - 7 + 8 do 17)	19	20 (18+19)
Previous period																			
1 Balance on the first day of the previous business year	01	221.915.351	757.922	11.095.768	18.158.509	16.513.142		5.114.288		7.845					93.163.896	74.415.600	408.116.037		408.116.037
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	221.915.351	757.922	11.095.768	18.158.509	16.513.142		5.114.288		7.845					93.163.896	74.415.600	408.116.037		408.116.037
5 Profit/loss of the period	05															24.945.219	24.945.219		24.945.219
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									39.065							39.065		39.065
9 Profit or loss arising from effective cash flow hedge	09																		
10 Profit or loss 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 interests	11																		
12 Actuarial gains/losses on the defined benefit obligation	12																		
13 Other changes in equity unrelated to owners	13																		
14 Tax on transactions recognised directly in equity	14									-7.032							-7.032		-7.032
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15		-1	1															
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					1.772.315											-1.772.315		-1.772.315
19 Payments from members/shareholders	19																		
20 Payment of share in profit/dividend	20														-24.377.582		-24.377.582		-24.377.582
21 Other distributions and payments to members/shareholders	21		525.112			-4.541.887		-4.723.648							336.793		680.144		680.144
22 Transfer to reserves according to the annual schedule	22														74.415.600	-74.415.600			
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	1.283.035	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
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									32.033							32.033		32.033
II. COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26									32.033						24.945.219	24.977.252		24.977.252
III. TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27		-1	525.113		-2.769.572		-4.723.648							50.374.811	-74.415.600	-25.469.753		-25.469.753
Current period																			
1 Balance on the first day of the previous business year	28	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	29																		
3 Correction of errors	30																		
4 Balance on the first day of the current business year (restated) (ADP 28 to 30)	31	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	32															-23.397.144	-23.397.144		-23.397.144
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									-37.564					10.539		-27.025		-27.025
9 Profit or loss arising from effective cash flow hedge	36																		
10 Profit or loss 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 interests	38																		
12 Actuarial gains/losses on the defined benefit obligation	39																		
13 Other changes in equity unrelated to owners	40																		
14 Tax on transactions recognised directly in equity	41									5.878							5.878		5.878
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	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					17.800											-17.800		-17.800
19 Payments from members/shareholders	46																		
20 Payment of share in profit/dividend	47														-632		-632		-632
21 Other distributions and payments to members/shareholders	48		332.405			-1.717.425		-390.640									1.659.190		1.659.190
22 Carryforward per annual plane	49														24.945.219	-24.945.219			
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50																		
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	51	221.915.350	1.615.440	11.095.768	18.158.509	12.043.945				8.192					168.493.833	-23.397.144	385.846.003		385.846.003
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									-31.686					10.539		-21.147		-21.147
II. COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53									-31.686					10.539	-23.397.144	-23.418.291		-23.418.291
III. TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54		332.405			-1.699.625		-390.640							24.944.587	-24.945.219	1.640.758		1.640.758

NOTES TO FINANCIAL STATEMENTS - TFI

(drawn up for quarterly reporting periods)

Name of the issuer:

Valamar Riviera d.d.

Personal identification

number OIB: **36201212847**

Reporting period:

01.01.2024 to 31.03.2024

Notes to financial statements for quarterly periods include:

- a) explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the reporting semi-annual period of the issuer with respect to the last business year: information is provided regarding these events and relevant information published in the last annual financial statement is updated (items 15 to 15C IAS 34 - Interim financial reporting)
- b) information on the access to the latest annual financial statements, for the purpose of understanding information published in the notes to financial statements drawn up for the semi-annual reporting period
- c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the semi-annual reporting period as in the latest annual financial statements or, in the case where the accounting policies have changed, a description of the nature and effect of the changes (item 16.A (a) IAS 34 - Interim financial reporting)
- d) a description of the financial performance in the case of the issuer whose business is seasonal (items 37 and 38 IAS 34 - Interim financial reporting)
- e) other comments prescribed by IAS 34 - Interim financial reporting
- f) in the notes to quarterly periods financial statements, in addition to the information stated above, information in respect of the following matters shall be disclosed:
 1. undertaking's name, registered office (address), legal form, country of establishment, entity's registration number and, if applicable, the indication whether the undertaking is undergoing liquidation, bankruptcy proceedings, shortened termination proceedings or extraordinary administration
 2. adopted accounting policies (only an indication of whether there has been a change from the previous period)
 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 undertaking within the group or company linked by virtue of participating interest shall be disclosed separately
 4. the amount and nature of individual items of income or expenditure which are of exceptional size or incidence
 5. amounts owed by the undertaking and falling due after more than five years, as well as the total debts of the undertaking covered by valuable security furnished by the undertaking, specifying the type and form of security
 6. average number of employees during the financial year
 7. where, in accordance with the regulations, the undertaking 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
 8. 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
 9. the name and registered office of each of the undertakings in which the undertaking, either itself or through a person acting in their own name but on

NOTES TO FINANCIAL STATEMENTS - TFI (continued)

(drawn up for quarterly reporting periods)

the undertaking'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 undertaking concerned for which financial statements have been adopted; the information concerning capital and reserves and the profit or loss may be omitted where the undertaking concerned does not publish its balance sheet and is not controlled by another undertaking

10. 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
11. 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
12. the name, registered office and legal form of each of the undertakings of which the undertaking is a member having unlimited liability
13. the name and registered office of the undertaking which draws up the consolidated financial statements of the largest group of undertakings of which the undertaking forms part as a controlled group member
14. the name and registered office of the undertaking which draws up the consolidated financial statements of the smallest group of undertakings of which the undertaking forms part as a controlled group member and which is also included in the group of undertakings referred to in point 13
15. the place where copies of the consolidated financial statements referred to in points 13 and 14 may be obtained, provided that they are available
16. the nature and business purpose of the undertaking's arrangements that are not included in the balance sheet and the financial impact on the undertaking 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 undertaking
17. 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.

Notes to financial statements for the three month period together with detailed information on financial performance and events relevant to understanding changes in financial statements are available in PDF document "Business results 1/1/2024 – 31/03/2024" which has been simultaneously published with this document on HANFA (Croatian Financial Services Supervisory Agency), Zagreb Stock Exchange and Issuers web pages.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST QUARTER PERIOD ENDED 31 MARCH 2024

NOTE 1 – GENERAL INFORMATION

Valamar Riviera d.d., Poreč (“the Company”) has been established and registered in accordance with Croatian laws and regulations. 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. Company’s business is of seasonal character. Company’s registration number (MBS) is: 040020883, while the Company’s personal identification number (OIB) is: 36201212847. The registered office of Valamar Riviera d.d. is in Poreč, Stancija Kaligari 1.

Company’s share capital amounts to EUR 221,915,350 and comprises 126,027,542 ordinary shares with no prescribed nominal value. In accordance with the provisions of the Act on the euro introduction as the official currency in the Republic of Croatia and the Act on Amendments to the Companies Act, and based on the decision of the General Assembly on the adjustment of the share capital from April 24, 2023, the share capital of the Company, applying the fixed conversion rate was converted into euros.

The Company’s shares were listed on the Prime market of the Zagreb Stock Exchange d.d., and were traded in 2024 in accordance with the relevant regulations on the organized market.

Valamar Riviera Group consists of Valamar Riviera d.d., joint-stock company for tourism services, Poreč (the Parent Company) and its subsidiaries (the Group) as follows:

- Magične stijene d.o.o., Dubrovnik, 100% ownership, until August 3, 2023, when the company Magične stijene d.o.o. was deleted from the court register;
- Bugenvilia d.o.o., Dubrovnik, 100% ownership;
- Imperial Riviera d.d., Rab, 46.27% ownership with the subsidiary Praona d.o.o., Makarska.

Associates companies are:

- Helios Faros d.d., Stari Grad, 20% ownership;
- Valamar A GmbH, Vienna, Austria, 24.54% ownership with subsidiaries 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, 10% direct ownership and 22.08% indirect ownership.

At the General Assembly of the Company Helios Faros d.d. held on 12 October 2023 the Decision on increasing the share capital by issuing new shares with stakes in cash with partial exclusion of priority rights for existing shareholders was made by investor PBZ Croatia Osiguranje D.D. in the total amount of EUR 6,435,303 for 4,838,574 shares and Valamar Riviera d.d. in the amount of EUR 1,608,825 for 1,209,643 shares.

According to the decision of the shareholders of Valamar A GmbH, the company’s capital reserves will be increased by a total of EUR 2,800,000, in proportion to the following business shares: Wurmböck Beteiligungs GmbH in the amount of EUR 2,112,880 and Valamar Riviera d.d. in the amount of EUR 687,120 of which in the first quarter of 2024 Valamar Riviera d.d. made a payment of 50% of the stated amount.

The consolidated and unconsolidated financial statements for the first quarter period ended 31 March 2024 were approved by the Management Board on 30 April 2024.

NOTE 2 – SUMMARY OF MATERIAL INFORMATION ON THE ACCOUNTING POLICIES AND ESTIMATES

2.1 Basis of preparation

The Company's and Group's financial statements for the first quarter period ended 31 March 2024 have been prepared in accordance with International Accounting Standard (IAS) 34 – *Interim Financial Reporting*. 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. The consolidated and unconsolidated financial statements for the three-month period do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's and Group's annual financial statements as at 31 December 2023 which are available on HANFA (Croatian Financial Services Supervisory Agency), Zagreb Stock Exchange and Company's web page.

2.2 Going concern

Company's and Group's first quarter financial statements have been prepared on a going concern basis. Based on current expectations Management believes that the geopolitical situation will not have significant negative impact on the Company's and Group's ability to fulfil its obligations nor prolonged impact on Company's and Group's revenues and overall business which can affect the Company's and Group's ability to continue as a going concern in the foreseeable future.

2.3 Significant accounting policies

The accounting policies adopted in the preparation of the financial statements for the first-quarter period ended 31 March 2024 are consistent with those followed in the preparation of the Company's and Group's annual financial statements for the year ended 31 December 2023.

2.4 Critical accounting estimates

The accounting policies adopted in the preparation of the financial statements for the first quarter period ended 31 March 2024 are consistent with those followed in the

preparation of the Company's and Group's annual financial statements for the year ended 31 December 2023.

The Company and the Group, 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 Company and the Group 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 Company and the Group. 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 August 1, 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 May 2, 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 Company and the Group 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 Company and the Group will enter into lease agreements for a period of 50 years. 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 is determined by Regulations from Government.

On February 8, 2024, the Government of the Republic of Croatia adopted two Regulations on tourist lands: (1) the Regulation on the method of determining the unit of lease for tourist land on which the hotel has been built and the tourist estate, the method of

NOTE 2 – SUMMARY OF MATERIAL INFORMATION ON THE ACCOUNTING POLICIES AND ESTIMATES / CONTINUED

calculation for lease and other fees and mandatory content of the lease agreement and (2) the Regulation on determining the initial amount of the unit price of the lease for the tourist land in camp, the method of calculation of lease and other fees and mandatory content of the lease agreement (hereinafter: the Regulations).

After the adopted Regulations, the Company and the Group revised the areas of tourist land and determined that the Company will use 2.6 mn m² and the Group will use 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 Company and the Group made detailed analysis of fees for each individual tourist facility.

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, i.e. the criteria for applying IFRS 16 are not met. Variable lease payments are recognized in the statement of comprehensive income for the period.

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.

According to the prescribed unit rent prices from the Regulations and the determined discount rate of 5.42% to 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 January 1, 2024 and amounts to EUR 57,702 thousand for the Company and EUR 62,509 thousand for the Group.

NOTE 3 – FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

In their day-to-day business activities, the Company and the Group face a number of financial risks, especially market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company and the Group 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.

3.2 Capital management

The Company's and Group's objectives when managing capital are to safeguard the Company's and Group's ability to continue as a going concern in order to provide returns for the owner and to maintain an optimum capital structure to reduce the cost of capital.

NOTE 3 – FINANCIAL RISK MANAGEMENT / CONTINUED

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 Company and the Group 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 Company and the Group use a variety of methods and make assumptions that are based on market conditions existing at each reporting date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

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 Company and the Group 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 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).

NOTE 3 - FINANCIAL RISK MANAGEMENT / CONTINUED

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 2023				
Assets measured at fair value				
Financial assets - equity securities	158	-	-	158
Derivative financial instruments	-	2,282	-	2,282
Total assets measured at fair value	158	2,282	-	2,440
As at 31 March 2024				
Assets measured at fair value				
Financial assets - equity securities	108	-	-	108
Derivative financial instruments	-	2,783	-	2,783
Total assets measured at fair value	108	2,783	-	2,891
COMPANY				
(in thousands of EUR)	Level 1	Level 2	Level 3	Total
As at 31 December 2023				
Assets measured at fair value				
Financial assets - equity securities	154	-	-	154
Derivative financial instruments	-	1,227	-	1,227
Total assets measured at fair value	154	1,227	-	1,381
As at 31 March 2024				
Assets measured at fair value				
Financial assets - equity securities	104	-	-	104
Derivative financial instruments	-	1,291	-	1,291
Total assets measured at fair value	104	1,291	-	1,395

NOTE 4 - 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.

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, revenue from retail, agency revenue and revenue from the accommodation of employees.

The segment information related to reportable segments for the nine-month period ended 31 March 2023 is as follows:

GROUP				
(in thousands of EUR)	Hotels and apartments	Camps	Other business segments	Total
Revenue from segments	4,452	575	4,950	9,977
Inter-segment revenue	(36)	(21)	(3,152)	(3,209)
Sales revenue	4,416	554	1,798	6,768
Depreciation and amortisation	9,726	4,361	1,826	15,913
Net finance income/(expense)	(1,431)	(368)	(440)	(2,239)
Profit/(loss) of segment	(4,983)	(1,853)	(10,116)	(16,952)

All hotels, apartments and camps (operating assets) are located in the Republic of Croatia.

NOTE 4 - SEGMENT INFORMATION / CONTINUED

The segment information related to reportable segments for the nine-month period ended 31 March 2024 is as follows:

GROUP				
(in thousands of EUR)	Hotels and apartments	Camps	Other business segments	Total
Revenue from segments	7,080	962	6,375	14,417
Inter-segment revenue	(51)	(20)	(3,676)	(3,747)
Sales revenue	7,029	942	2,699	10,670
Depreciation and amortisation	10,174	4,735	2,338	17,247
Net finance income/(expense)	(1,890)	(1,011)	898	(2,003)
Profit/(loss) of segment	(4,434)	(1,792)	(11,841)	(18,067)

All hotels, apartments and camps (operating assets) are located in the Republic of Croatia.

The segment information related to total assets and liabilities by reportable segments are as follows:

GROUP				
(in thousands of EUR)	Hotels and apartments	Camps	Other business segments	Total
As at 31 December 2023				
Total assets	409,330	178,780	92,620	680,730
Total liabilities	227,543	92,153	32,425	352,121
As at 31 March 2024				
Total assets	419,903	224,604	95,569	740,076
Total liabilities	256,777	138,564	31,395	426,736

NOTE 4 - SEGMENT INFORMATION / CONTINUED

Reconciliation of the profit per segment with profit before tax is as follows:

GROUP	January - March 2023	January - March 2024
(in thousands of EUR)		
Revenue		
Revenue from segments	9,977	14,417
Inter-segment revenue	(3,209)	(3,747)
Sales revenue	6,768	10,670
Profit/(loss)		
Profit/(loss) from segments	(16,952)	(18,067)
Other unallocated expenses	(17,811)	(19,368)
Profit/(loss) from financial and extraordinary activities	(2,266)	(1,724)
Total profit/(loss) before tax	(37,029)	(39,159)

NOTE 4 - SEGMENT INFORMATION / CONTINUED

The reconciliation of segment assets and liabilities with the Group's assets and liabilities is as follows:

GROUP (in thousands of EUR)	As at 31 December 2023		As at 31 March 2024	
	Assets	Liabilities	Assets	Liabilities
	Segment assets/liabilities	680,730	352,121	740,076
Hotels and apartments segment	409,330	227,543	419,903	256,777
Camps segment	178,780	92,153	224,604	138,564
Other business segment	92,620	32,425	95,569	31,395
Unallocated	145,481	27,269	132,518	29,480
Investments in associate	16,250	-	17,468	-
Other financial assets	158	-	108	-
Loans and deposits	25,422	-	18,546	-
Cash and cash equivalents	55,185	-	37,993	-
Other receivables	6,065	-	8,543	-
Deferred tax assets/liabilities	40,120	5,719	47,078	5,572
Other liabilities	-	17,376	-	19,414
Liabilities for investments in associate	-	-	-	344
Derivative financial assets/liabilities	2,281	-	2,783	-
Provisions	-	4,174	-	4,150
Total	826,211	379,390	872,594	456,216

NOTE 4 - SEGMENT INFORMATION / CONTINUED

The Group's hospitality services are provided in Croatia to domestic and foreign customers. The Group's sales revenues are classified according to the customers' origin.

GROUP

(in thousands of EUR)

	January - March 2023	%	January - March 2024	%
Revenue from sales to domestic customers	3,325	49.13	5,010	46.95
Revenue from sales to foreign customers	3,443	40.87	5,660	53.05
	6,768	100.00	10,670	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)

	January - March 2023	%	January - March 2024	%
EU members	2,581	74.99	4,818	85.12
Other	862	25.01	842	14.88
	3,443	100.00	5,660	100.00

NOTE 5 – STAFF COSTS

The following table shows the information of the total cost of employees during the period:

(in thousands of EUR)	GROUP		COMPANY	
	January - March 2023	January - March 2024	January - March 2023	January - March 2024
Net salaries	8,406	10,269	7,176	8,409
Tax and contributions from salary costs	3,147	3,540	2,762	3,015
Contributions on salaries	1,684	2,012	1,435	1,658
Total	13,237	15,821	11,373	13,082

For the first quarter period ended 31 March 2024 Company's average number of employees is 2,577 (31 March 2023: 2,429), while the Group's average number of employees is 3,337 (31 March 2023: 3,143).

The Company capitalised net salaries cost in the amount of EUR 262 thousand (31 March 2023: EUR 224 thousand), cost of contributions and tax from salaries in the amount of EUR 105 thousand (31 March 2023: EUR 86 thousand) and cost of contributions on salaries in the amount of EUR 48 thousand (31 March 2023: EUR 33 thousand). The Group capitalised net salaries cost in the amount of EUR 283 thousand (31 March 2023: EUR 255 thousand), cost of contributions and tax from salaries in the amount of EUR 111 thousand (31 March 2023: EUR 98 thousand) and cost of contributions on salaries in the amount of EUR 53 thousand (31 March 2023: EUR 40 thousand).

NOTE 6 - INCOME TAX

During the period in 2024 the Company and the Group estimate the period income tax expense/income according to the IAS 34 provisions, i.e. it is based on the best estimate of the weighted average annual income tax rate expected for the full financial year, adjusted for the expected changes during the period. Due to highly seasonal character of business, the profit tax estimate for quarterly reports is not an indicator of the final profit tax on 31 December 2024. 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 25%.

The Company will pay income tax advances during the year 2024, determined on the basis of the final calculation of the income tax liability for 2023.

Income tax comprise:

(in thousands of EUR)	GROUP		COMPANY	
	January - March 2023	January - March 2024	January - March 2023	January - March 2024
Deferred tax	(8,799)	(7,099)	(5,004)	(5,106)
Tax (income)/expense	(8,799)	(7,099)	(5,004)	(5,106)

For the first quarter period ended 31 March 2024, in accordance with the provisions of IAS 34, the Company and the Group estimated tax income i.e. an increase in deferred tax assets on the realized loss in the amount of EUR 5.1 million for the Company and EUR 7.1 million for the Group.

Movement overview of deferred tax assets and liabilities in 2024:

DEFERRED TAX ASSET

(in thousands of EUR)	GROUP	COMPANY
As at 1 January 2024	40,120	1,536
Credited/(debited) to the income	6,958	5,077
As at 31 March 2024	47,078	6,613

DEFERRED TAX LIABILITIES

(in thousands of EUR)	GROUP	COMPANY
As at 1 January 2024	5,719	1,429
Credited/(debited) to the income	(141)	(29)
Credited/(debited) to the other comprehensive income	1	1
As at 31 March 2024	5,572	1,394

NOTE 7 – EARNINGS/(LOSS) PER SHARE

Basic

Basic earnings/(loss) per share are calculated by dividing the profit/(loss) for the period of the Group by the weighted average number of shares ordinary in issue during the period, 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 did not have any convertible instruments and share options outstanding during both periods.

GROUP

	<u>January - March 2023</u>	<u>January - March 2024</u>
Profit/(loss) attributable to equity holders (in thousands of EUR)	(25,037)	(31,929)
Weighted average number of shares	121,887,907	122,700,487
Basic/diluted earnings/(loss) per share (in EUR)	(0.21)	(0.26)

NOTE 8 – CHANGES IN SHAREHOLDER'S EQUITY

Following the adopted long-term plan for rewarding key management by giving them treasury shares in the period from 2023 to 2026, which is aimed at increasing loyalty, focusing on business targets' achievement and shareholder value increase, key managers were rewarded with treasury shares on March, 12 2024. In order to make the payout of this reward to key managers, a total of 426,160 treasury shares were disposed of.

After making this disposal of treasury shares in the first quarter, the Company now holds 2,990,862 treasury shares in total, which makes 2.3732% of the Company's share capital.

NOTE 9 – NON-CURRENT TANGIBLE AND INTANGIBLE ASSETS

During the first quarter period ended 31 March 2024, the Group acquired assets in the amount of EUR 12,853 thousand (31 March 2023: EUR 11,670 thousand), while the Company acquired assets in the amount of EUR 8,768 thousand (31 March 2023: EUR 5,182 thousand).

During the first quarter period ended 31 March 2024, the Group disposed the assets with a net book value of EUR 50 thousand (31 March 2023: EUR 6 thousand), resulting in a net loss on disposal of EUR 4 thousand (31 March 2023: net gain EUR 63 thousand).

During the first quarter period ended 31 March 2024, the Company disposed the assets with a net book value of EUR 43 thousand (31 March 2023: EUR 5 thousand), resulting in a net gain on disposal of EUR 15 thousand (31 March 2023: EUR 51 thousand).

NOTE 10 – LIABILITIES FOR BORROWINGS AND LEASES UNDER IFRS 16

The following table shows bank borrowings and lease liabilities (IFRS 16) by maturity:

(in thousands of EUR)	GROUP		COMPANY	
	Total liabilities on 31 March 2024	Maturity over 5 years	Total liabilities on 31 March 2024	Maturity over 5 years
Bank borrowings	285,141	82,331	177,926	57,648
Lease liabilities under IFRS 16	66,300	60,591	61,269	57,229
Total	351,441	142,922	239,195	114,877

As at 31 March 2024 non-current and current bank borrowings of the Group amounted EUR 285,141 thousand, all secured with a pledge over Group's property facilities and movable property.

As at 31 March 2024 non-current and current bank borrowings of the Company amounted EUR 177,926 thousand, all secured with a pledge over Company's property facilities and movable property.

As at 31 March 2024 lease liabilities under IFRS 16 of the Group amounted EUR 66,300

thousand, of which the most significant item is the rental of tourist land in the amount of EUR 63,366 thousand.

As at 31 March 2024 lease liabilities under IFRS 16 of the Company amounted EUR 61,269 thousand, of which the most significant item is the rental of tourist land in the amount of EUR 58,463 thousand.

Detailed explanation of tourist land leases liabilities in Note 2.4 *Critical accounting estimates*.

NOTE 11 – CONTINGENCIES AND COMMITMENTS

The contracted capital commitments of the Company in respect to investments in tourism facilities at 31 March 2024 amount to EUR 98,898 thousand (31 March 2023: EUR 73,617 thousand). The contracted capital commitments of the Group in respect to investments in tourism facilities at 31 March 2024 amount to EUR 118,808 thousand (31 March 2023: EUR 93,475 thousand).

The Company is the guarantor of the loans of related-party Valamar Obertauern GmbH. The estimated maximum amount of the guarantee that can be realized is EUR 5,324

thousand. The loan of the related-party is secured by mortgages on the real estate of Valamar Obertauern GmbH. The Company estimates the very low probability of incurring an actual obligation under the guarantee.

The Company is the guarantor of the loan of related-party Imperial Riviera d.d. in the amount EUR 48,889 thousand, and to secure the claim a pledge over Imperial Riviera's property facilities was established in the amount of the claim. The Company estimates the very low probability of incurring an actual obligation under the guarantee.

NOTE 12 – ASSOCIATES

The following table shows total capital and reserves and profit or loss for the last business year of associates as at 31 December 2023:

(in thousands of EUR)				
ASSOCIATES	Country	Ownership	Total capital and reserves	Profit/(loss) for the year /ii/
Helios Faros d.d., Stari Grad	Croatia	20.00%	52,511	(1,419)
Valamar A GmbH, Vienna /i/	Austria	24.54%	20,116	(524)
Valamar Obertauern GmbH, Obertauern /i/	Austria	10% directly/ 22.08% indirectly	3,640	(267)
WBVR Beteiligungs GmbH, Vienna /i/	Austria	24.54% indirectly	4,057	(4)
Valamar Marietta GmbH, Klagenfurt am Wörthersee /i/	Austria	24.54% indirectly	1,770	(848)
Kesselspitze GmbH, Obertauern /i/	Austria	24.54% indirectly	33	(1)
Kesselspitze GmbH & Co KG, Obertauern /i/	Austria	24.54% indirectly	10,727	(806)

/i/ Explained detailed in Note 1 – *General information*.

/ii/ For the purposes of the Group's financial reporting, the profit/loss of the business year of Austrian companies includes the period from 1 January to 31 December, while the business year of the mentioned companies lasts from 1 November to 31 October.

NOTE 13 – RELATED PARTY TRANSACTIONS

Related party transactions were as follows:

GROUP	January - March 2023	January - March 2024
(in thousands of EUR)		
Sale of services		
Associate with participating interest	736	1,299
	736	1,299
Purchase of services		
Other parties related to the owners and corporate governance bodies	16	60
Associate with participating interest	6	11
	22	71
	As at 31 December 2023	As at 31 March 2024
Trade and other receivable		
Associate with participating interest	1,374	477
	1,374	477
Liabilities		
Other parties related to the owners and corporate governance bodies	32	17
Associate with participating interest	16	-
	48	17
Deposits given		
Associate with participating interest	968	968
	968	968

NOTE 13 – RELATED PARTY TRANSACTIONS / CONTINUED

Related party transactions were as follows:

COMPANY

(in thousands of EUR)

	January - March 2023	January - March 2024
Sale of services		
Subsidiaries	2,017	2,448
Associate with participating interest	736	1,299
	2,753	3,747
Purchase of services		
Subsidiaries	101	89
Associate with participating interest	16	60
Other parties related to the owners and corporate governance bodies	5	9
	122	158
	As at 31 December 2023	As at 31 March 2024
Trade and other receivable		
Subsidiaries	2,341	1,396
Associate with participating interest	1,373	477
	3,714	1,873
Trade and other payables		
Subsidiaries	48	34
Associate with participating interest	32	17
Other parties related to the owners and corporate governance bodies	10	-
	90	51
Deposits given		
Associate with participating interest	968	968
	968	968

NOTE 14 – SUBSEQUENT EVENTS

The Company and OTP banka d.d. concluded on April 15, 2024 agreements on the termination of loan guarantee contracts with the related-party Imperial Riviera d.d. Further to the termination of the guarantee contract, on April 16, 2024 the Company signed the agreement with the related-party Imperial Riviera d.d. on the termination of the guarantee insurance contract and approved the cancellation of the pledge over Imperial Riviera's property facilities.

According to the decision adopted by the General Assembly held on 24 April 2024, the Company will pay out a dividend of EUR 0,22 per share which will be paid on May 24, 2024.

Valamar Riviera d.d.

Stancija Kaligari 1
52440 Poreč, Hrvatska

T +385 (52) 408 002

F +385 (52) 451 608

E info@valamar.hr

W www.valamar.com

Investor Relations

Stancija Kaligari 1
52440 Poreč, Hrvatska

T +385 (52) 408 159

F +385 (52) 451 608

E ir@valamar.com

W www.valamar-riviera.com