

2025

Annual Report &
Financial Accounts



ARENA

HOSPITALITY GROUP

2025 Annual Report & Financial Accounts

ARENA

HOSPITALITY GROUP

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Strategic report



Strategic report

About us

Who we are

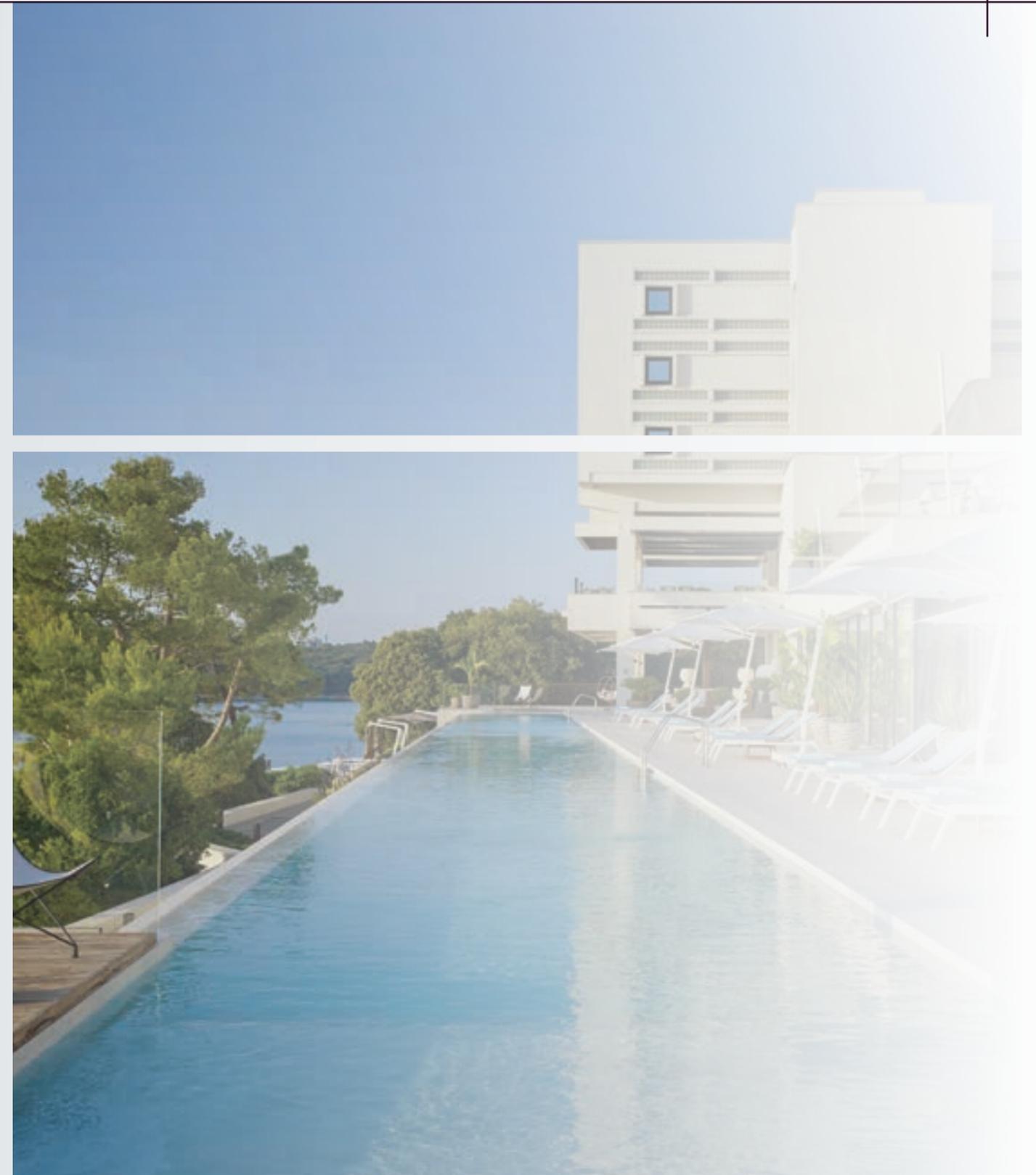
We are an international, dynamic hospitality group with a portfolio which spans five countries. We own, co-own, lease, operate and develop city centre hotels, resorts, self-catering apartment complexes, campsites and Croatia's first all-glamping property.

What we do

Our primary objective is to grow our profile in the upscale, upper upscale and lifestyle market segments in the Central Eastern Europe region (the "CEE region" - see the definition in the Glossary section) and Germany, whilst striving to create and realise shareholder value. We operate and develop our own brands, Arena Hotels & Apartments and Arena Campsites. In addition, through our majority shareholder PPHE Hotel Group Limited ("PPHE Hotel Group" or "PPHE") we have the exclusive right to operate and develop the international Park Plaza brand in 18 countries in the CEE region and Germany, and the right to manage art'otel branded properties, allowing us to further grow our presence. In 2022, through PPHE, we secured a license to operate Grand Hotel Brioni Pula as a Radisson Collection Hotel and this strategic cooperation was further extended in 2024, with the opening of two Radisson RED branded hotels, in Belgrade and Berlin. Brands currently used by the Group include Park Plaza, art'otel, Radisson Collection, Radisson RED, Arena Hotels & Apartments, Arena Campsites and TUI Blue.

How we do it

Our portfolio comprises 28 owned, co-owned, leased and managed properties with around 10,000 units located in select resort destinations in Istria (Croatia) and Nassfeld (Austria), and major cities in the CEE region and Germany such as Belgrade, Berlin, Budapest, Cologne, Nuremberg and Zagreb. Our revenue is generated from different market segments comprising predominantly leisure in Croatia and Austria with a more diversified business mix in Germany, Hungary and Serbia, where our portfolio caters for both business and leisure travellers as well as conference and trade fair delegates.



Strategic report

Highlights

Record Revenue and EBITDA

Financial KPI's

Total Revenue (EUR)

REPORTED	LIKE-FOR-LIKE ¹
144.5 M	144.5 M
▲ +1.5% vs 2024: 142.3 M	▲ +3.3% vs 2024: 139.9M

EBITDA (EUR)

REPORTED	LIKE-FOR-LIKE ¹
35.5 M	35.7 M
▲ +1.4% vs 2024: 35.0 M	▲ +4.4% vs 2024: 34.2 M

EBITDAR (EUR)

REPORTED	LIKE-FOR-LIKE ¹
37.9 M	38.0 M
▲ +1.1% vs 2024: 37.5 M	▲ +3.5% vs 2024: 36.7 M

Profit before tax (EUR)²

REPORTED	NORMALISED
18.1 M	10.7 M
▲ +108% vs 2024: 8.7 M	▲ +3.9% vs 2024: 10.3 M

Operating KPI's

Occupancy³

REPORTED	LIKE-FOR-LIKE ¹
51.6%	51.7%
▲ +5.7% vs 2024: 48.8%	▲ +6.4% vs 2024: 48.6%

REVPAR (EUR)

REPORTED	LIKE-FOR-LIKE ¹
59.5	59.5
▲ +8.2% vs 2024: 55.0	▲ +9.2% vs 2024: 54.5

Average Daily Rate (EUR)

REPORTED	LIKE-FOR-LIKE ¹
115.4	115.2
▲ +2.3% vs 2024: 112.7	▲ +2.6% vs 2024: 112.2

¹ Like-for-like comparison figures for 2024 and 2025 exclude September till December performance of Park Plaza Wallstreet Berlin Mitte, Germany.
² Also see Chief Financial Officer's Statement on page 36.
³ Occupancy is calculated based on the number of days that each property is open.

Strategic report

Our business at a glance

We are an international, dynamic hospitality group with a strong asset base and access to multiple brands and a global distribution network through our majority shareholder, PPHE Hotel Group. Our approach means that we fully understand the hospitality industry from both an owner and operator perspective and have the power and distribution that international brands bring.

Croatia – 8,374 units

Located in one of Croatia's most prominent tourist regions, Istria, our diverse accommodation property portfolio includes hotels, self-catering holiday apartment complexes as well as campsites, and provides guests with a wide choice of locations in and around Pula and Medulin. In 2023, we opened our first hotel in the Croatian capital, Zagreb. Croatia has become a popular leisure destination, and with over 40 years of experience in this market we have unrivalled expertise in providing a wide range of holiday accommodation types from mid-market to luxury, with inspirational service in areas of natural beauty.

Germany – 789 units

Our hotels are located in main cities with a strong demand from the leisure, business travel or events market segments such as Berlin, Cologne and Nuremberg. The hotels are positioned in prime city-centre locations near major landmarks and with easy access to international airports and public transport.

Hungary – 165 units

Located in Hungary's capital city Budapest, which is a popular tourist destination, our property in Budapest is situated in a prime location overlooking the River Danube and the magnificent premises of the Hungarian Parliament.

Serbia – 88 units

The RadissonRED Belgrade, which opened in February 2024, is located on Takovska Street, close to the business area, with easy access to the Belgrade Fair and the city's cultural area, near the iconic old town of Belgrade and the Danube riverbank.

Austria – 144 units

Arena Franz Ferdinand Nassfeld is a 4-star hotel in Nassfeld, which complements our existing summer leisure business, is modern mountain resort superbly located next to the valley station of the Nassfeld Ski Resort in Carinthia, providing instant access to the area's 110km of slopes for winter sports and various walking and cycling trails during the summer.



Strategic report

Attractive brands

Well-invested, trusted and recognised brands, underpinned by luxury

We are confident in the power of our trusted and recognised brands, delivered through a bespoke approach. Our four core brands - art'otel, Park Plaza, Arena Hotels & Apartments, and Arena Campsites - are mutually complementary, vibrant, unique, and continually evolving. In addition, we secured an agreement to operate Grand Hotel Brioni Pula as a Radisson Collection property in 2022 and in 2024 we further expanded our brand portfolio with two Radisson RED hotels.



Park Plaza is an upper upscale contemporary hotel brand featuring individually designed hotels in vibrant city centre locations and select resort destinations. Renowned for creating memorable moments, Park Plaza caters to both leisure and business travellers through its inspiring service, stylish guest rooms and versatile meeting facilities which are perfectly complemented by award-winning restaurants and bars. PPHE Hotel Group Limited is an international hospitality real estate group. It has an exclusive and perpetual licence from the Radisson Hotel Group, one of the world's largest hotel groups, to develop and operate Park Plaza branded hotels and resorts in Europe, the Middle East and Africa.

parkplaza.com



art'otel is a contemporary collection of upper upscale lifestyle hotels that fuse exceptional architectural style with art-inspired interiors. Located in cosmopolitan centres across Europe, each hotel is inspired by a dedicated signature artist and displays a collection of original works designed or acquired specifically for each art'otel, with each property offering a unique art gallery. art'otel has created a niche for itself in the hotel world, differentiating it from more traditional peers.

artotel.com



Arena Hotels & Apartments is a collection of hotels and self-catering apartment complexes offering relaxed and comfortable accommodation which features contemporary and warm interiors accompanied by a welcoming and friendly service. Each location offers a holiday full of opportunities for exploration and relaxation complemented by food and drink offering a touch of local flavour. The brand offers beachfront locations across the historic settings of Pula and Medulin in Istria (Croatia) and a mountain resort in Nassfeld (Austria). Arena Hotels & Apartments is a home away from home catering for families, couples and friends.

arenahotels.com



Arena Campsites are located in exclusive beachfront sites across the southern coast of Istria, Croatia. Situated within close proximity of the historic towns of Pula and Medulin, each campsite provides a distinctive offering and relaxed environment from which guests can experience Istria's areas of natural beauty and enjoy outdoor activities from April to October. Arena Stoja Campsite continues to operate during winter, making it one of the few year-round campsites in Croatia. Arena Campsite's portfolio includes Arena One 99 Glamping, Croatia's first all-glamping site.

arenacampsites.com
arenaglamping.com

PARTNER BRANDS



The Group benefits from a Radisson Collection license for Grand Hotel Brioni Pula, a Radisson Collection Hotel. Radisson Collection is a new generation of iconic properties and one-of-a-kind spaces. In the collection of exceptional hotels, no two are the same and each has a unique character authentic to its locality. The modern design blends elegance in form and function, making Radisson Collection hotels the ultimate destination for those who value a vibrant and luxury lifestyle.

radissonhotels.com/collection



The Group benefits from access to the Radisson RED brand and during 2024 opened Radisson RED properties in Belgrade and Berlin. Radisson RED hotels are different and put a twist on the normal to make them unforgettable. The brand's relaxed service style gives guests permission to be themselves. Everyone is welcome there. The Radisson RED statement design kickstarts the day or night with attitude. Business or pleasure, RED guests can dive into the vibe as easily as they can relax out of it. Get to the heart of the action.

radissonhotels.com/red

Strategic report

Chairman of the Supervisory Board's Statement



We have achieved strong results across our portfolio thanks to our team members who delivered outstanding hospitality experiences to our guests.

Boris Ivesha

Chairman of the Supervisory Board

Dear Shareholders,

In 2025, Arena Hospitality Group d.d. ("the Company") and its consolidated subsidiaries ("the Group") delivered a positive year-on-year performance, with the recent investment in property upgrades in Croatia being the key contributor to top-line growth.

Profitability in the city portfolio was affected by the discontinuation of operations at the Park Plaza Wallstreet Berlin Mitte, from September 2025. However, the Group achieved 3.3% revenue growth on a like-for-like basis.

We maintain strong liquidity, with total cash and short-term deposits amounting to EUR 25.7 million.

DIVIDEND AND SHAREHOLDER RETURNS

The Board has recommended a 13.6% increase in the final dividend to EUR 1.25 per share. This increase remains ahead of the Company's stated dividend policy to consider paying to shareholders up to 25% of its consolidated normalised net profits for the preceding business year.

The Group commenced a further Treasury Shares Buyback Programme in September 2025, the third such programme since September 2022, demonstrating the Management Board's efforts to enhance shareholders' value and boost liquidity in the Company's shares.

Subject to shareholder approval for payment of the final dividend, total shareholder returns for 2025 are expected to be around EUR 8.1 million (2024: EUR 7.7 million).

MARKETS

European tourism in 2025 remained stable compared year-on-year, although the sector was affected by ongoing cost pressures and customer price sensitivity. While the Group's overall performance lagged behind EU-wide inflation, Croatia outperformed this trend. In general, our portfolio demonstrated considerable resilience against this backdrop, supported by a well-invested, diverse, and high-quality portfolio.

The economic climate continues to be affected

by geopolitical factors which has a knock-on impact on business and leisure travel. As a result, we remain focused on preserving liquidity and maintaining standards at our campsites and hotels.

DEVELOPMENT AND PROPERTIES

Upgrades to the core facilities at Arena Stupice Campsite and Arena Indije Campsite were completed ahead of the summer season. These upgrades aligned the campsites with recent significant enhancements across the Group's portfolio and have elevated them from two to four stars, providing premium camping experiences that support higher returns.

The lease agreement for Park Plaza Wallstreet Berlin Mitte expired on 8 September 2025. The 167-room hotel had been part of the Group's German operations since acquisition in 2016. The 20-year lease was originally set to expire at the end of 2025; however, the Group reached a mutually beneficial agreement with the landlord to terminate the lease four months ahead of schedule.

Our sustainability efforts have been recognized through prestigious sustainability awards and we received a very high ESG rating.

RESPONSIBLE BUSINESS

Our sustainability strategy - focused on our guests, employees, local communities, and a proactive response to current and future climate challenges - continues to evolve and support our aim to establish the Group as a leader in sustainable and responsible tourism in the regions we operate in.

Notably, we made significant progress on the decarbonisation plan in collaboration with PPHE Hotel Group and external experts. This involved finalising the requirements for the Science Based Targets initiative (SBTi) submission process, aligning the Group with the highest global sustainability standards.

Strategic report

Chairman of the Supervisory Board's Statement

We were pleased that our efforts have been recognised through prestigious sustainability awards, and we received a very high ESG rating, which reconfirms the Group's continuous progress in implementing sustainable business practices. Further details are set out in the Company's Sustainability report on pages 53 - 154.

OUR COLLEAGUES

On behalf of the Supervisory Board, I would like to extend my gratitude to all my colleagues for their continued commitment to the success of Arena Hospitality Group. We have achieved strong results across our portfolio thanks to our team members who delivered outstanding hospitality experiences to our guests. We remain dedicated to developing our talent and fostering a positive working environment that prioritises our team members' well-being.



ARENA STUPICE CAMPSITE



ARENA INDIJE CAMPSITE

SUMMARY AND OUTLOOK

In the context of macro economic pressures and geopolitical events, we are pleased with our 2025 performance. We remain optimistic about our growth prospects, due to our unique business model, the quality and depth of our hospitality offering and our exposure spread across different geographies and market segments. Our recent investments in Arena Stupice Campsite and Arena Indije Campsite have contributed positively to our 2025 performance and in 2026 we will see the full year benefit of their improved positioning and new client base. We will continue to focus on managing our cost base and further drive technology implementations to create further efficiencies and enhance the guest experience.

Our focus for the year is to maintain our liquidity position, with focused and yield driven investments in our existing portfolio to further elevate the quality of certain properties. We are confident that our strategic approach will continue to yield positive results in the coming year and beyond.

Boris Ivesha

Chairman of the Supervisory Board

Strategic report

President of the Management Board's Statement



Our three operating segments in Croatia – hotels, campsites, and self-catering holiday apartments – saw year-on-year significant EBITDA increase of 15% to EUR 29.2 million.

Reuel ('Reli') Slonim
President of the Management Board

Welcome,

In 2025, overall trading performance showed a record revenue marking the fourth year of continuous topline growth, with campsites in Croatia being the key driver of top-line revenue. Outside of Croatia, our city portfolio was subdued in a relatively flat market environment. Against this backdrop, and on a like-for-like¹ basis, revenue grew by 3.3% and EBITDA grew by 4.4%. We are pleased to report a 1.5% increase in reported revenue, 1.4% increase in EBITDA, and a 13.6% increase in the proposed final dividend compared with 2024. We view this as a positive result given the current geopolitical and economic environment.



ARENA GRAND KAŽELA CAMPSITE

CROATIA

Our largest region, operating hotels, campsites, and self-catering holiday apartments, saw total revenues increase by 4.7% to EUR 104.5 million (2024: EUR 99.8 million) and accommodation revenue increase by 6.1%. The main drivers for the growth were 5.6% increase in average daily rate to EUR 110.9 (2024: EUR 105.0) combined with a 306.6 basis points increase in occupancy to 48.1%.

The campsites segment delivered a strong performance, especially at the Arena Stupice Campsite and Arena Indije Campsite. Both properties completed repositioning projects before the summer season, which included replacing all existing mobile homes with modern, spacious premium units, refurbishing sanitary blocks, enhancing landscaping, modernising pitches to premium standards, and improving children's recreational areas. These investments have contributed to their success, leading to significant growth compared to the previous year. Additionally, the return on investment met management's expectations in the first year.

By optimising work processes and rigorous workforce planning, we successfully managed to maintain labour costs at a similar level to the previous year, despite a 15% increase in the minimum wage, which led to a rise in average salaries.

The increase in operating costs was in line with higher activity, with the most pronounced negative inflationary effects on food and beverage expenses. However, these effects were partially offset by a reduction in utility costs, driven by lower electricity prices.

As a result, reported EBITDA increased significantly, reaching EUR 29.2 million, compared to EBITDA of EUR 25.4 million in 2024.

GERMANY

The performance of our hotels in Berlin, Cologne, and Nuremberg was affected by a slowstart to the year and a softer than expected summer, attributed to fewer sporting events and trade fairs, as well as lower demand. This is reflected in occupancy levels, which stood at 69.6% (2024: 69.5%), and average daily

¹ Like-for-like comparison figures for 2024 and 2025 exclude September till December performance of Park Plaza Wallstreet Berlin Mitte, Germany.

Strategic report

President of the Management Board's Statement

rates, which decreased by 6.3% compared to the previous year. However, some recovery in demand was observed in Q4.

Following the Group's agreement with the landlord to terminate the lease for the Park Plaza Wallstreet Berlin Mitte, operations at the 167-room hotel were discontinued. This resulted in a revenue reduction of approximately EUR 2.4 million compared to last year.

As a result, revenue for the Germany segment decreased by 12.8%, falling to EUR 25.2 million from EUR 28.9 million in 2024. This decline is attributed to a 8.4% decrease in rooms available and 8.0% in rooms sold. When considering the discontinued operations, we are pleased with these results, especially given the challenging market environment.

CEE REGION (HUNGARY, SERBIA, AUSTRIA)

The Central and Eastern Europe (CEE) operating region reported a notable increase in business activity during the year.

The hotel in Budapest (Hungary) continued to improve, with a solid year-on-year increase in occupancy.

The hotel in Nassfeld (Austria) also recorded a positive performance with a 13% year-on-year increase in revenues, which is the result of growth in both average daily rate and occupancy. Consequently, EBITDA improved significantly.

Despite ongoing political tensions in Serbia, the Radisson RED Belgrade hotel achieved both revenue and EBITDA year-on-year growth.

Overall, total revenue for the CEE region rose by 7.1% to EUR 13.6 million (2024: EUR 12.7 million). The average daily rate reached EUR 133.0, while occupancy increased to 63.8%. EBITDA increased significantly to EUR 2.1 million, up from EUR 1.8 million in 2024.

FINANCIAL REVIEW

The Group's strong financial performance benefited from our strategy of driving performance through well-invested properties and maintaining strong financial discipline to minimise the impact of increased operating costs and inflationary effects (from food and beverage in particular).

Reported revenue increased by 1.5% to EUR 144.5 million (2024: EUR 142.3 million), reflecting the success of our previous investment to

upgrade our portfolio and enhance guest experience, supporting increased average daily rates.

Accommodation revenue increased by 2.0% to EUR 120.0 million (2024: EUR 117.7 million) due to increased occupancy at 51.6% (2024: 48.8%) and 2.3% growth in average daily rate to EUR 115.4 (2024: EUR 112.7). RevPAR was 8.2% higher compared to the previous year at EUR 59.5 (2024: EUR 55.0).

Reported EBITDA increased by 1.4% to EUR 35.5 million (2024: EUR 35.0 million), reflecting the variable performance across our regions. Net profit also benefited from the termination of the lease for Park Plaza Wallstreet Berlin Mitte four months early, which resulted in EUR 2.4 million additional profits from lower lease payments and reduced dilapidation costs.

Overall, our performance across the portfolio was slightly below EU-wide inflation, except in Croatia, where we outperformed. The Group continues to optimise its cost base, and the cash and short-term deposit position amounted to EUR 25.7 million at the year-end.

INNOVATION AND RESPONSIBILITY

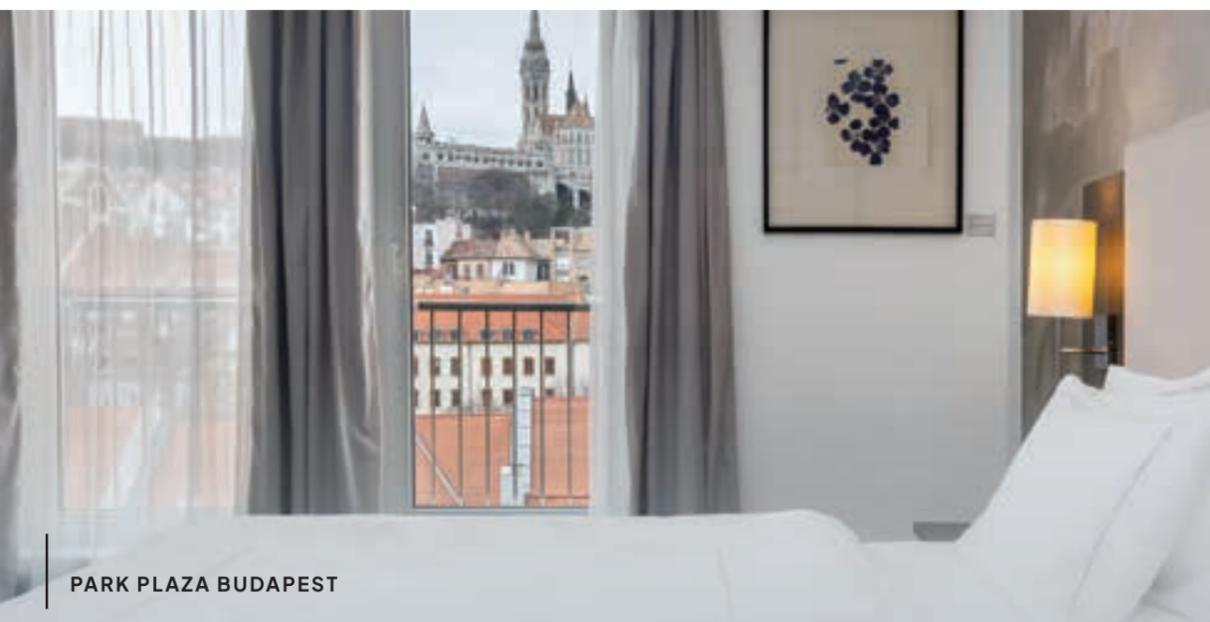
As we strengthen and expand our hospitality portfolio, we know that the success of our business is intrinsically linked to our ability to change, evolve, and grow sustainably. We recognise the importance of looking after our people, local communities and our planet. We aim to establish the Group as a leader in responsible tourism across the regions in which we operate, centred around quality, excellence, stakeholders' participation, local community inclusion and high-level green and social competitiveness.

In 2025, we published a Sustainability Report aligned with the Corporate Sustainability Reporting Directive (CSRD), ensuring full compliance with the new regulatory requirements.

We were pleased to be recognised with several prestigious awards for our efforts in sustainability, including being nominated as one of the five finalists for the esteemed Corporate Sustainability Reporting Directive (CSRD) Awards for Best Double Materiality Assessment. Additionally, we achieved a high ESG rating in the latest assessment conducted by the Croatian Chamber of Economy (HGK) for 2025, placing third among tourism companies in the Croatian market. These results confirm Arena's ongoing progress in strengthening sustainable practices and highlight its position in the tourism sector.

Our ESG rating reflects the engagement of the entire organisation, a clear strategy, and the consistent achievement of concrete sustainability goals. Key accomplishments include our transition to renewable energy, resulting in a significant reduction in the Company's carbon footprint.

New initiatives during the year included our participation in a successful reforestation initiative as part of the "Compensating by Planting" project. The project aims to actively and symbolically offset CO₂ emissions,



PARK PLAZA BUDAPEST



ARENA FRANZ FERDINAND NASSFELD

Strategic report

President of the Management Board's Statement

reduce our carbon footprint, and promote environmental responsibility through tree planting. The project near Pula, Croatia, is in an area that was significantly impacted by a devastating wildfire in 2022.

In our commitment to developing the next generation of hospitality professionals, we were proud to introduce a new scholarship programme for second-year graduate students of the "Culture and Tourism" and "Tourism and Development" programmes at the Faculty of Economics and Tourism in Pula, Croatia. The scholarship aims to support outstanding students in completing their education and developing professionally in the field of culture and tourism, providing not only financial assistance but also the opportunity to begin their careers through an internship at Arena Hospitality Group.

GROWTH STRATEGY

We continually optimise the value of our assets while consistently delivering and exceeding our guests' expectations. Our hotel acquisitions and developments in recent years across our three key regions have supported seasonal, geographic and product diversification of our portfolio.

Following a period of expansion and investment, with more than EUR 221.0 million deployed since 2018, we are now prioritising liquidity preservation and maximising the performance of our existing assets. We are implementing a rolling investment programme across our portfolio, and the properties that have been refurbished and upgraded continue to demonstrate improved performance and higher average daily rates.

In 2025, we invested EUR 20.1 million compared to EUR 7.5 million in 2024.

OUR COLLEAGUES

Our employment strategy ensures that our well-trained team delivers exceptional guest experiences year-round. Most of our permanent workforce are locally sourced, reflecting our commitment to employee retention and long-term service. As a core policy, we prioritise hiring locally and from neighbouring countries. In Croatia, due to a limited local talent pool for certain skilled seasonal roles, we supplement our workforce from further overseas to meet operational needs.

Our dedicated recruitment team from Croatia travels to countries outside the EU to interview and recruit candidates who meet the high standard we expect. As a result, we have an exemplary skilled workforce from diverse countries, including Indonesia, the Philippines, Argentina, Ukraine, Serbia, North Macedonia, Bosnia and Herzegovina, and other neighbouring countries. Consequently, our Croatian team members have diverse backgrounds, with approximately 22.5% from outside the EU.

We actively engage with our team members, with the support of an external partner, through our anonymous annual online employee engagement survey, 'Let's Talk'. In 2025, we saw a record level of engagement with nearly 1,150 employees participating. Our survey questionnaire has evolved to focus on important topics for the seasonal workforce and foreign employees, thereby giving us more appropriate feedback that will help tailor our action plan to maximise employee engagement.

With a workforce of more than 1,476 employees during the peak season, we are nearing completion on the rollout of the first phase of a new HR and payroll system with the plan to cover all five countries of operation. This will support the current HR strategy, improve data management, streamline compliance and enhance efficiency and productivity, along with an enhanced employee experience.

On behalf of the Management Board, I would like to thank all team members and colleagues, past and present, for their commitment and professionalism throughout the year.

CURRENT TRADING AND OUTLOOK

Taking into consideration ongoing economic and geopolitical uncertainty, our focus in the year ahead is to preserve liquidity, continue investing in our existing portfolio, and to adopt a slightly more careful approach to property and geographical expansion.

We do not have any major new investments planned, as we have made significant investments in recent years, and our focus is on driving the maturity of these properties. Although we intended to undertake a major refurbishment at Arena Medulin Campsite, this plan is subject to obtaining respective permissions and considering the recent changes to local planning regulations.

Current trading remains at levels similar to 2025. The completion of work at Arena Stupice Campsite and Arena Indije Campsite, along with their successful upgrades to four-star standard, is expected to continue driving performance in 2026 as these properties mature. In parallel, we will continue to enhance average daily rates and occupancy levels across the broader portfolio. Consequently, we remain optimistic about the growth in 2026.



Reuel ('Reli') Slonim

President of the Management Board

Investment and development



Since 2018, we have invested more than EUR 221.0 million in the business, expanding from a largely seasonal Croatian operation into a year-round diversified portfolio that includes hotel properties in Germany, Hungary, Serbia and Austria. In parallel, the Group has focused on raising standards and has extended its higher-end and upper-scale product offering, driving operational performance to meet and exceed guest expectations.

Following a period of intensive activity, the Group is focusing on smaller investments and optimising the operational performance of recently completed projects.

The Group is actively evaluating high-growth opportunities in Croatia and across the broader Central and Eastern European markets, conducting detailed project assessments while maintaining a strong commitment to investments within its existing portfolio.

In reviewing expected returns, certain projects—such as the planned conversion of Hotel Riviera in Pula into a premium destination—have been postponed until there is greater certainty that the targeted hurdle rates can be achieved. The Group will continue with its regular capital investments across the portfolio, allocating up to EUR 8.0 million in organic investments aimed at elevating operational standards and better addressing customer expectations across the portfolio.

INVESTMENTS COMPLETED IN 2025



ARENA STUPICE CAMPSITE, PREMANTURA & ARENA INDIJE CAMPSITE, BANJOLE

Relaunched ahead of the 2025 summer holiday season, we completed upgrades to the core facilities at our Stupice and Indije campsites, to bring these sites in line with the recent major improvements at the Group's other campsites. These upgrades have elevated the campsites from two to four stars, aligning with the Group's strategy to provide premium camping experiences that yield higher returns.

The project included replacing all existing mobile homes with modern, spacious units, refurbishing sanitary blocks, enhancing landscaping, modernising pitches to premium standards, and improving recreational areas for children.

ARENA STUPICE CAMPSITE

Facilities:

Campsite, two restaurants, fast food outlet, grocery store, coffee shop, water sports and recreation centre.

ARENA INDIJE CAMPSITE

Facilities:

Campsite, upscale mobile homes of 45 to 58 sqm, restaurant, bar, grocery store, and diving school.

PROPERTIES COMPLETING FIRST FULL YEAR OF OPERATION IN 2025

PROPERTIES COMPLETING FIRST FULL YEAR OF OPERATION IN 2025



RADISSON RED BELGRADE (FORMERLY ARENA 88 ROOMS)

Group's first Radisson RED property opened in February 2024 following a ten-month refurbishment of EUR 3.0 million to reposition and rebrand the property. The hotel offers a guest gym, an all-day restaurant, flexible event spaces, a co-working area, and a rooftop bar with views of the historic city centre.

Rooms and facilities:

88 bedrooms and public spaces, consisting of a common lounge and workspace, flexible meeting and event spaces, a gym, and food and beverage options, including a rooftop bar with views of the historic city centre.

RADISSON RED BERLIN KUDAMM (FORMERLY PARK PLAZA BERLIN KUDAMM)

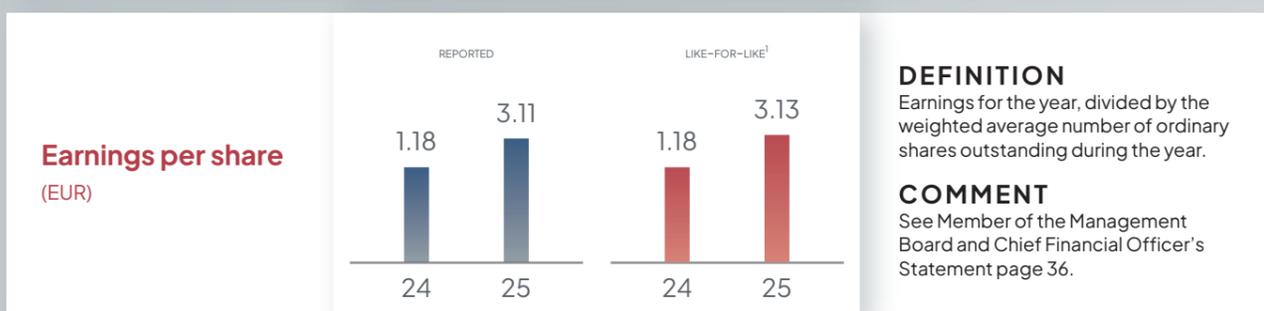
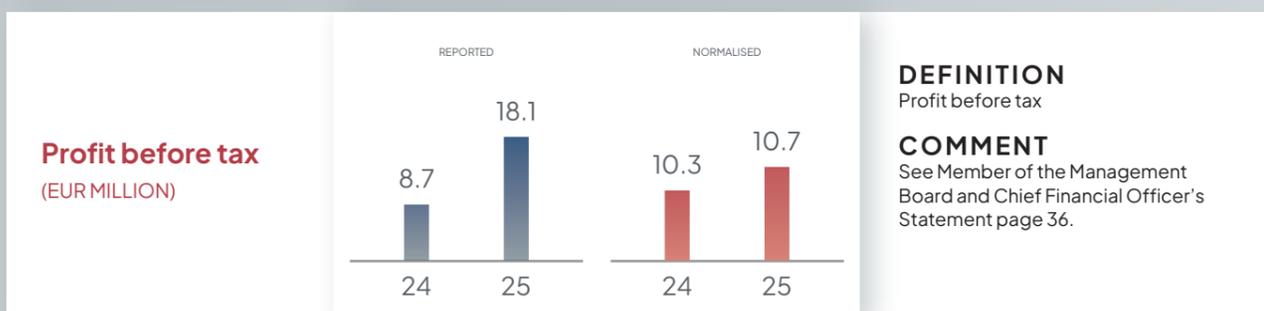
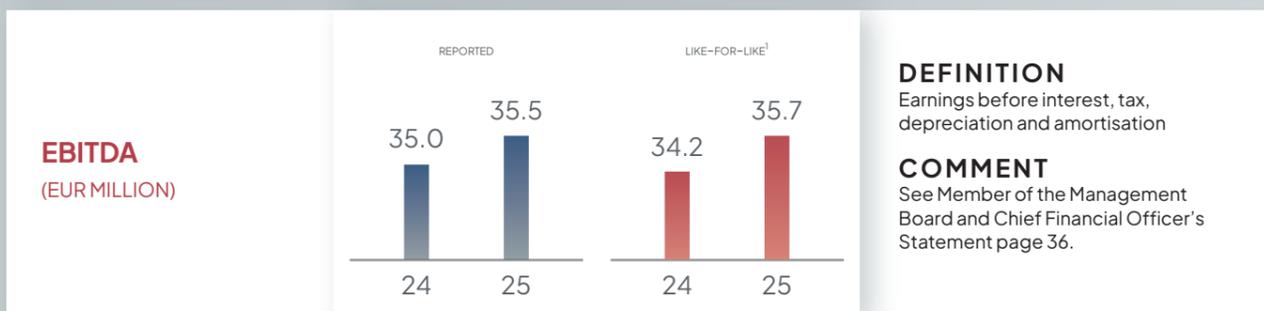
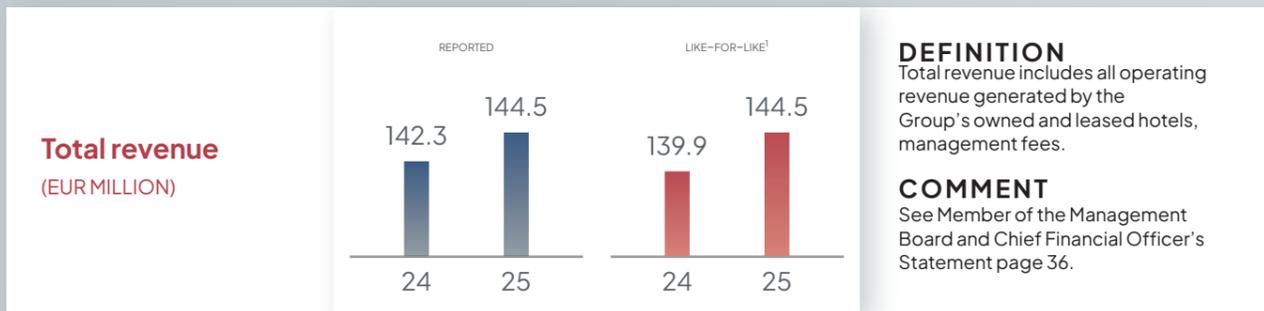
Our second Radisson RED property, the 133-room former Park Plaza Berlin Kudamm (joint venture investment), had a soft launch in June 2024 to take advantage of the high demand in Berlin during the European UEFA Football Championship in June and July. The hotel was fully operational from September 2024. In close proximity to the Kaiser Wilhelm Memori Church and the boulevard "Kudamm," the property continues to perform well.

Rooms and facilities:

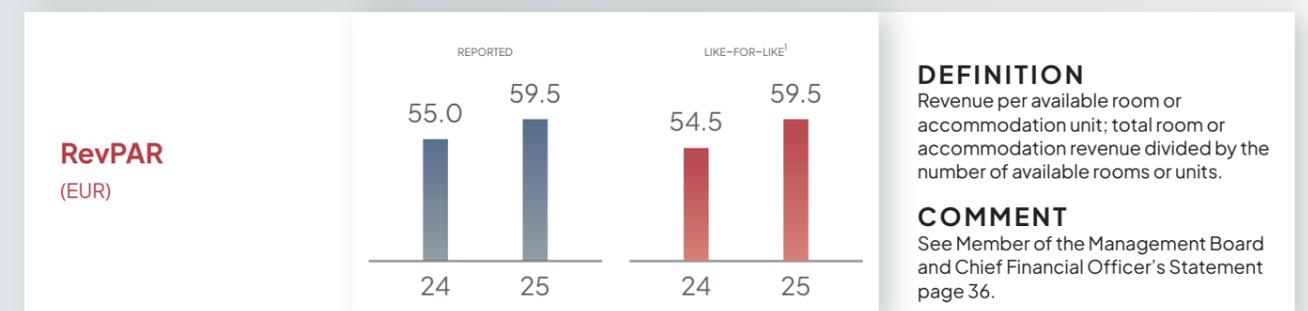
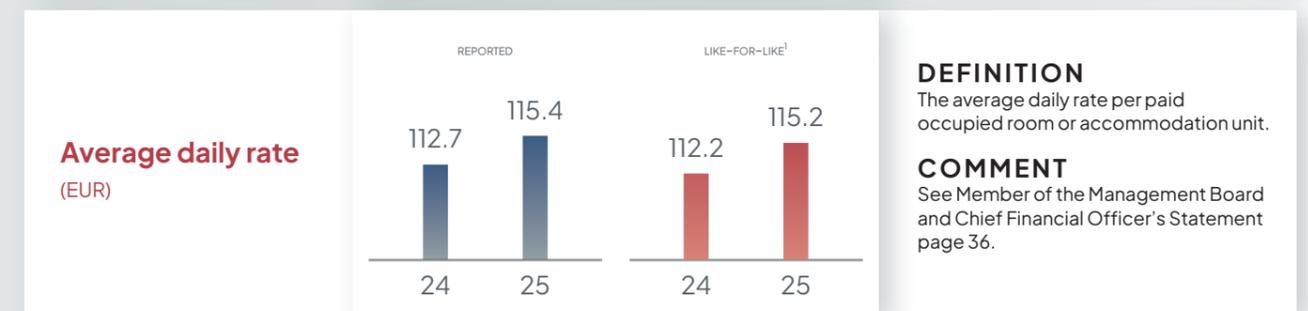
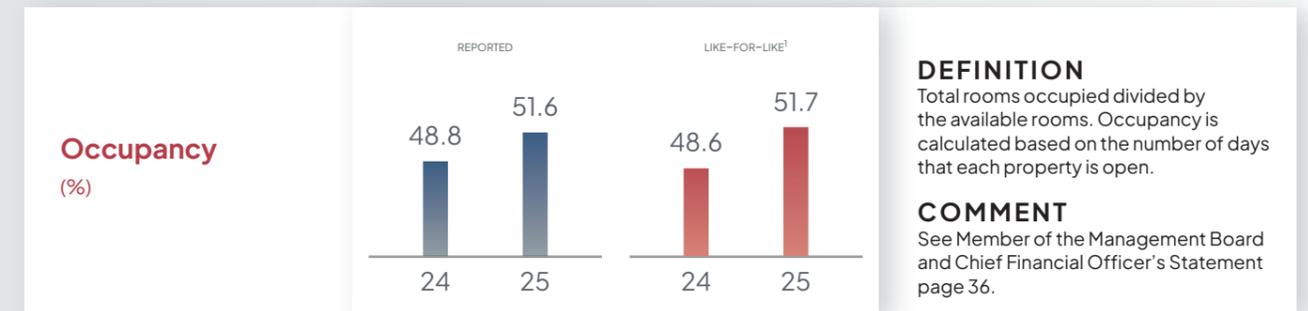
133 rooms, breakfast restaurant and lounge and two meeting rooms

Key performance indicators

GROUP FINANCIAL KPIS



GROUP OPERATING KPIS



¹Like-for-like comparison figures for 2024 and 2025 exclude September till December performance of Park Plaza Wallstreet Berlin Mitte, Germany.

Key performance indicators

COMPANY FINANCIAL KPIs

COMPANY OPERATING KPIs

<p>Total revenue (EUR MILLION)</p>	<table border="1"> <tr> <th>Year</th> <th>Revenue (EUR Million)</th> </tr> <tr> <td>24</td> <td>96.6</td> </tr> <tr> <td>25</td> <td>100.9</td> </tr> </table>	Year	Revenue (EUR Million)	24	96.6	25	100.9	<p>DEFINITION Total revenue includes all generated operating revenue.</p> <p>COMMENT See Consolidated and Separate Income Statement page 208.</p>
Year	Revenue (EUR Million)							
24	96.6							
25	100.9							
<p>EBITDA (EUR MILLION)</p>	<table border="1"> <tr> <th>Year</th> <th>EBITDA (EUR Million)</th> </tr> <tr> <td>24</td> <td>23.2</td> </tr> <tr> <td>25</td> <td>25.4</td> </tr> </table>	Year	EBITDA (EUR Million)	24	23.2	25	25.4	<p>DEFINITION Earnings before interest, tax, depreciation and amortisation.</p> <p>COMMENT See Consolidated and Separate Income Statement page 208.</p>
Year	EBITDA (EUR Million)							
24	23.2							
25	25.4							
<p>Profit before tax (EUR MILLION)</p>	<table border="1"> <tr> <th>Year</th> <th>Profit before tax (EUR Million)</th> </tr> <tr> <td>24</td> <td>10.6</td> </tr> <tr> <td>25</td> <td>13.3</td> </tr> </table>	Year	Profit before tax (EUR Million)	24	10.6	25	13.3	<p>DEFINITION Profit before tax</p> <p>COMMENT See Consolidated and Separate Income Statement on page 208.</p>
Year	Profit before tax (EUR Million)							
24	10.6							
25	13.3							

<p>Occupancy (%)</p>	<table border="1"> <tr> <th>Year</th> <th>Occupancy (%)</th> </tr> <tr> <td>24</td> <td>45.0</td> </tr> <tr> <td>25</td> <td>48.1</td> </tr> </table>	Year	Occupancy (%)	24	45.0	25	48.1	<p>DEFINITION Total rooms occupied divided by the available rooms. Occupancy is calculated based on the number of days that each property is open.</p> <p>COMMENT See Operating Review page 42.</p>
Year	Occupancy (%)							
24	45.0							
25	48.1							
<p>Average daily rate (EUR)</p>	<table border="1"> <tr> <th>Year</th> <th>Average daily rate (EUR)</th> </tr> <tr> <td>24</td> <td>105.0</td> </tr> <tr> <td>25</td> <td>110.9</td> </tr> </table>	Year	Average daily rate (EUR)	24	105.0	25	110.9	<p>DEFINITION The average daily rate per paid occupied room or accommodation unit.</p> <p>COMMENT See Operating Review page 42.</p>
Year	Average daily rate (EUR)							
24	105.0							
25	110.9							
<p>RevPAR (EUR)</p>	<table border="1"> <tr> <th>Year</th> <th>RevPAR (EUR)</th> </tr> <tr> <td>24</td> <td>47.2</td> </tr> <tr> <td>25</td> <td>53.3</td> </tr> </table>	Year	RevPAR (EUR)	24	47.2	25	53.3	<p>DEFINITION Revenue per available room or accommodation unit; total room or accommodation revenue divided by the number of available rooms or units.</p> <p>COMMENT See Operating Review page 42.</p>
Year	RevPAR (EUR)							
24	47.2							
25	53.3							

Strategic report

Member of the Management Board and Chief Financial Officer's Statement

Welcome,

We are pleased to report revenue and EBITDA growth in 2025. The financial performance reflected a period of stable growth, supported by demand across our city centre hotels and leisure properties, the growing contributions to the Group's performance from our new and renovated properties, and the success of our strategic focus on premium offerings and operational efficiency.

CONTINUED FOCUS ON COSTS AND LIQUIDITY

Cost optimisation and discipline alongside strong liquidity remained priorities throughout 2025, which led to the cash and short-term deposits position to EUR 25.7 million (2024: EUR 37.3 million). The Group's cashflow remains consistent with its current expectations, considering changes in working capital requirements due to the seasonal nature of part of its business.

The optimisation of work processes and rigorous workforce planning has enabled the Group to maintain labour costs at similar levels to 2024, despite a 15% increase in the minimum wage in

Croatia, which resulted in a 3% increase in payroll expenses compared with 2024.

Overall, operating costs increased by 2% compared with 2024, which was primarily related to the higher level of activity, 3% increase in maintenance costs and higher accommodation operating expenses related both increased revenue and the enhancement of properties, which led to the provision of higher-quality services at these properties. Additionally, we increased insurance and property taxes. The most pronounced inflationary pressure was seen in food and beverage expenses in Croatia and CEE region. However, these effects were partially offset by lower utility costs, driven by a decline in electricity prices achieved through favourable pricing and a well balanced hedging strategy in our German, Hungarian, and Austrian markets.

WELL-INVESTED PORTFOLIO

In recent years, we have invested in new hotels as well as repositioning and upgrading projects to increase the attractiveness and returns of our portfolio and improve the value proposition for



Strong organic growth and resilient performance in Croatia supported attractive returns and a 15% increase in EBITDA year on year.

Devansh Bakshi

Member of the Management Board and Chief Financial Officer

our guests. The benefits of these investment programmes continue to be seen through the growing contributions from these investments to the Group's performance. Consequently, this has continued to drive growth in occupancy and average daily rate.

In addition to the previously disclosed combined investment of EUR 11.9 million, the Group invested an additional EUR 2.2 million in 2025 to refurbish the facilities at our Arena Stupice and Arena Indije campsites, which repositioned them from two-star to four-star. Both campsites performed strongly during the summer season and have delivered improved both revenues and EBITDA. We have now upgraded five of our eight campsites and continue to anticipate that recent investments will provide incremental financial benefits in the coming years.

The Group remains committed to improving and maintaining the quality of its portfolio through regular investment projects and rebranding opportunities to maximise returns, while continuing to explore new high-potential growth opportunities in Croatia and Central and Eastern

Europe. This approach will be balanced with the current economic climate and the Group's focus on conserving liquidity.

Further information is set out on pages 26 - 31.

DEBT STRUCTURE AND FINANCING

The Company continues to benefit from its long-standing debt structure with long tenures to protect its cash position, secure repayment commitments and enhance cash flow management.

At the year-end, 93% of the Group's existing loans bear a fixed interest rate and were 100% either fixed or hedged. The weighted cost of debt is 2.4% and the average term of debt is 4.1 years. The Group is preparing to refinance the one of its German loan facility in Q4 2026 and is in constructive dialogue with its banking partners to ensure a favorable refinancing solution.

During the year, the Group took the opportunity to draw down a EUR 3.0 million long-term loan based on an existing arrangement with OTP Bank d.d., with a fixed interest rate of 3.7% and maturing in 2032. The funds were used for the

Strategic report

Member of the Management Board and Chief Financial Officer's Statement

investment upgrade projects at Arena Stupice and Arena Indije Campsites.

The Group's net leverage ratio has slightly decreased, reflecting further improvement of financial stability and stronger balance sheet. This reduction highlights the Group's effective debt management, lowering financial risk and enhancing investor confidence. By reinforcing long-term financial resilience, the Group also gains greater flexibility to pursue strategic investment opportunities while returning value to shareholders through share buybacks and a robust dividend policy.

The table below presents 2025 net leverage ratio, which has decreased primarily due to regular debt servicing of bullet repayment in Serbia in amount of EUR 3.0 million, final repayment of HBOR liquidity loan of EUR 4.4 million, regular debt servicing of EUR 13.4 million and improved cash from operating activities.

In addition, the Group carries a significant long-term lease liability associated with its leased hotel agreements, with an average maturity of 26.5 years. This liability impacts the net leverage ratio; therefore, we have presented an adjusted net leverage ratio in the table below, excluding the effects of IFRS 16.

This IFRS 16 lease liability adjustment is provided to enhance transparency and offer a clearer understanding of the debt structure influencing net leverage. Looking ahead, the Group anticipates further improvements in its net leverage over the coming financial year.

EUR'000	ADJUSTED ¹			
	2025	2024	2025	2024
Bank debt	149,853	167,570	149,853	167,570
Lease liability	34,028	39,288	-	-
Cash and deposits	(30,954)	(43,674)	(30,954)	(43,674)
Net debt	152,927	163,184	118,899	123,896
EBITDA	35,490	35,038	31,527	30,908
Net debt/ EBITDA	4.3	4.7	3.8	4.0

¹ Adjusted Net leverage ratio is adjusted for impact of IFRS 16 (lease liability is excluded from calculation, while lease payments reduced EBITDA for the respective year).

BUSINESS PERFORMANCE

We saw a continuation of improved demand during the first half of the financial year across Croatia, Germany and CEE, with a focus on driving the performance of our year-round city hotel portfolio and winter resort in Austria.

The Group delivered 1.5% reported revenue growth to EUR 144.5 million (2024: EUR 142.3 million). On a like-for-like⁵ basis, which excludes Park Plaza Wallstreet Berlin Mitte in Germany for the last four months in 2024 and 2025, total revenue grew by 3.3%.

Accommodation revenue rose by 2% to EUR 120.0 million (2024: EUR 117.7 million). RevPAR increased by 8.2% to EUR 59.5 (2024: EUR 55.0), driven by a 279.5 basis points improvement in occupancy to 51.6% (2024: 48.8%), and a 2.3% increase in average daily rate to EUR 115.4 (2024: EUR 112.7).

Reported Group EBITDA grew by 1.4% to EUR 35.5 million, which reflected solid topline growth in Croatia and a more subdued performance from our portfolio of city hotels. Like-for-like⁵ EBITDA grew by 4.4%, supported by the increase in revenue and RevPAR growth.

CONSOLIDATED KEY PERFORMANCE INDICATORS

	REPORTED			LIKE-FOR-LIKE ⁵		
	Year ended 31 December 2025	Year ended 31 December 2024	Variance ¹ %	Year ended 31 December 2025	Year ended 31 December 2024	Variance ¹ %
Total revenue (EUR million)	144.5	142.3	1.5	144.5	139.9	3.3
Accommodation revenue (EUR million)	120.0	117.7	2.0	120.0	115.6	3.8
EBITDAR (EUR million)	37.9	37.5	1.1	38.0	36.7	3.5
EBITDA (EUR million)	35.5	35.0	1.4	35.7	34.2	4.4
Profit/(loss) before tax (EUR million)	18.1	8.7	108.0	18.2	8.7	109.2
Rooms available ²	2,016,545	2,139,847	(5.8)	2,016,545	2,119,473	(4.9)
Occupancy% ²	51.6	48.8	279.5 ⁴	51.7	48.6	310.0 ⁴
Average daily rate (EUR) ³	115.4	112.7	2.3	115.2	112.2	2.6
RevPAR (EUR)	59.5	55.0	8.2	59.5	54.5	9.2

¹ Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table. Unless otherwise indicated, all figures in this report compare 12 months ended 31 December 2025 with 12 months ended 31 December 2024. All financial information in this report for accommodation revenue, total revenue, EBITDAR and EBITDA reflects the Group's interest.

² Rooms available and the occupancy calculation are based on operating days.

³ Average daily rate represents total room revenues divided by the total number of paid units occupied by guests.

⁴ In Basis Points (BPS).

⁵ Like-for-like comparison figures for 2024 and 2025 exclude September till December performance of Park Plaza Wallstreet Berlin Mitte, Germany.

NORMALISED PROFIT BEFORE TAX

EUR M	Year ended 31 December	
	2025	2024
Reported profit before tax	18.1	8.7
Impairment on property, plant and equipment	(3.7)	-
Exchange rate differences	(1.3)	1.6
Park Plaza Wallstreet Berlin Mitte lease termination	(2.4)	-
Normalised profit before tax	10.7	10.3

Adjustments made to normalise reported results relate to items that the Group considers unrelated to its day-to-day business activities and important for the understanding of the underlying performance, for which a reconciliation is provided in the table above.

As explained in Note 3, the Group assessed the value in use for each cash generating unit (CGU).

Based on this assessment, certain assets of the Group were impaired, while for several properties the recoverable amounts were significantly higher than their net book values, reflecting the reversal of previously recognised impairments. Overall, the impact on the profit and loss statement was positive, resulting in a decrease in depreciation and impairment expenses in the total amount of EUR 3.7 million. The 20-year lease for Park Plaza Wallstreet Berlin Mitte, the 167-room hotel in Berlin, Germany, was originally set to expire at the end of 2025, however the Group reached a mutually beneficial agreement with the landlord to terminate the lease four months ahead of schedule, effective 8 September 2025. Although the early termination of the lease had a negative impact on total revenue during the last four months of 2025, its overall effect on profit and cash flows is positive, as it resulted

Strategic report

Member of the Management Board and Chief Financial Officer's Statement



ART'OTEL ZAGREB

in the recognition of income from liability write-off in the amount of EUR 2.4 million.

PROFIT AFTER TAX

Consolidated profit after tax increased to EUR 15.7 million, representing an increase of 166% (2024: EUR 5.9 million).

STRONG FINANCIAL POSITION

Non-current assets increased by EUR 1.1 million to EUR 402.3 million (2024: EUR 401.2 million) largely attributable to investments in new projects undertaken during the period, supporting the Group's long-term growth and operational capabilities.

Current assets decreased by EUR 13.1 million to EUR 30.6 million (2024: EUR 43.7 million), primarily due to a reduction in the Group's cash and cash equivalents during the period.

At 31 December 2025, the Group's cash and short term deposit position decreased by EUR 11.6 million to EUR 25.7 million (2024: EUR 37.3 million), mainly due to repayment of bank loans.

Non-current liabilities decreased by EUR 36.4 million to EUR 149.9 million (2024: EUR 186.3 million), mostly due to repayment of bank loans. Current liabilities amounted to EUR 60.7 million,

an increase of EUR 15.8 million (2024: EUR 44.9 million), primarily due to current liability toward bank relating to loans maturing in 2026. The Group remains in compliance with its banking covenants.

EARNINGS AND SHAREHOLDER VALUE

The Board remains committed to delivering long-term value to its shareholders through a balanced capital allocation strategy, including share buybacks and a consistent dividend policy.

On fulfilment of the Treasury Shares Buyback Programme launched in September 2024, the Management Board launched its third Treasury Shares Buyback Programme in September 2025.

The Company has the authority to purchase up to 100,000 treasury shares until August 2027, with a total value of up to EUR 4.0 million. Between the two Programmes, 51,075 treasury shares with an average price of EUR 36.7 per share were acquired during 2025 for a total of EUR 1.9 million. The programme marks a continuation of the Management's effort to enhance its shareholders' value and is aimed, among other things, to boost the liquidity of the shares.

On 20 March 2025, the Company released a total of 15,000 treasury shares, which were awarded

to members of the Management Board to satisfy the exercise of the Share Award Plan within the Company.

At 31 December 2025, the Company held 165,639 treasury shares, representing 3.23% of the issued share capital. Consequently, the number of Ordinary Shares in circulation at the year-end had reduced by 3.2%.

Earnings per share was EUR 3.11 per share, an increase of 164% per share compared with EUR 1.18 per share in 2024.

DIVIDEND

The Company's dividend policy is to return up to 25% of its consolidated normalised net profits for the preceding business year to its shareholders. When considering the payment of dividends to shareholders, the Management Board takes into account the Group's performance, future capital investment plans and the overall business environment. Although in the past, the Management Board has proposed higher dividends than the policy guideline.

In respect of the 2025 financial year, the Management Board has proposed a final dividend of EUR 1.25 per share, an increase of 13.6% compared with 2024. This will be paid to shareholders in 2026, subject to approval at the Company's Annual General Assembly in June 2026.

We remain highly focused on maximising returns to shareholders. Through a combination of dividends for 2024 and share buybacks, total shareholder returns in 2025 amount to EUR 7.4 million (2024: EUR 5.9 million).

LOOKING AHEAD

The Group continues to deliver solid like-for-like growth and maintains attractive medium-term investment returns as its portfolio matures. Sustained and resilient

travel demand, alongside improving operating metrics in its leisure-led markets, particularly Croatia, continues to underpin performance. The Croatian market remain relatively insulated from broader economic volatility, benefiting from premium summer offerings and a strong, recurring demand base from neighbouring source markets. In parallel, core and urban markets such as Germany and Hungary are exhibiting moderate but steady growth, supported by domestic travel, improving corporate and MICE demand, and the gradual normalisation of international tourism flows.

While seasonality and labour cost inflation remain key considerations, underlying demand fundamentals across the portfolio remain robust, supporting value preservation and enhancement.

Overall, our visibility on booking trends for the upcoming season in Croatia, our most significant operating region, is limited as it is still early in the year. However, we are optimistic for 2026 as our unique business model consists of a balanced mix of resilient leisure tourism exposure and growing city centre demand. Capital allocation remains focused on optimising the existing portfolio, strengthening the balance sheet through reduced leverage, and enhancing shareholder returns, including through the renewed share buyback programme.

Against this backdrop, the Group's strong financial discipline underpinned by good liquidity, effective use of technology, and continuous operational optimisation positions it well to outperform in the coming year.

Devansh Bakshi

Member of the Management Board and Chief Financial Officer

Strategic report

Operating Review

Croatia

The following table sets out the results for the Group's operations in Croatia for the financial year ended 31 December 2025.

Hotels, self-catering holiday apartment complexes and campsite operations

KEY PERFORMANCE INDICATORS

	Year ended 31 December 2025	Year ended 31 December 2024	Variance ¹ %
Total revenue (EUR million)	104.5	99.8	4.7
Accommodation revenue (EUR million)	88.1	83.0	6.1
EBITDAR (EUR million)	31.4	27.7	13.4
EBITDA (EUR million)	29.2	25.4	15.0
Rooms available ²	1,652,255	1,757,530	(6.0)
Occupancy% ²	48.1	45.0	306.6 ⁴
Occupancy% 365 days ²	26.0	25.5	47.0 ⁴
Average daily rate (EUR) ³	110.9	105.0	5.6
RevPAR (EUR)	53.3	47.2	12.8
RevPAR 365 days (EUR)	28.8	26.8	7.6
FTE ⁵	755.1	815.5	(7.4)

¹ Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table. Unless otherwise indicated, all figures in this report compare 12 months ended 31 December 2025 with 12 months ended 31 December 2024. All financial information in this report for accommodation revenue, total revenue, EBITDAR and EBITDA reflects the Group's interest.

² Rooms available and the occupancy calculation are based on operating days.

³ Average daily rate represents total room revenues divided by the total number of paid units occupied by guests.

⁴ In Basis Points (BPS).

⁵ The FTE number is an estimate based on the total hours paid for all employees divided by the hours paid for an average full-time employee to arrive at a total for Full Time Equivalent Employees.



GRAND HOTEL BRIONI PULA, A RADISSON COLLECTION HOTEL



ARENA STOJA CAMPSITE

The timing of Easter meant most of our seasonal Croatian properties in Pula and Medulin reopened in the second quarter, compared with the first quarter in 2024. Overall, our Croatian operations performed well across all segments during the summer season and reported revenue and EBITDA growth. Notably, significant growth was reported in the campsites segment, particularly in the renovated properties, Arena Stupice Campsite and Arena Indije Campsite. Grand Hotel Brioni Pula and art'otel Zagreb continue to build their market presence and are growing steadily.

Our largest operating region saw total revenue increase by 4.7% to EUR104.5 million (2024: 99.8 million) and accommodation revenue increase by 6.1%. The main drivers for growth were 5.6% increase in the average daily rate to EUR 110.9 (2024: EUR 105.0) combined with a 306.6 basis points increase in occupancy to 48.1% (2024: 45.0%).

By optimising work processes and rigorous workforce planning, we managed to keep labour costs at a similar level to the previous year, despite a 15% increase in the minimum wage, which led to a rise in the average salary within the Company.

The increase in operating costs was in line with the higher level of activity, with the most pronounced inflationary effects observed in food and beverage expenses. However, these effects were partially offset by a reduction in utility costs, driven by a decline in electricity prices.

We continue to extend two hotels (Park Plaza Belvedere Medulin and art'otel Zagreb) and two campsites (the Arena Stoja Campsite and Arena Grand Kažela Campsite) into the shoulder seasons, in line with our portfolio diversification strategy.

Reported EBITDA increased 15% to EUR 29.2 million, compared to EBITDA of EUR 25.4 million in 2024.

Strategic report

Operating review

Hotel operations

KEY PERFORMANCE INDICATORS

	Year ended 31 December 2025	Year ended 31 December 2024	Variance ¹ %
Total revenue (EUR million)	53.7	52.1	3.1
Accommodation revenue (EUR million)	41.9	40.0	4.8
EBITDAR (EUR million)	10.1	9.3	8.6
EBITDA (EUR million)	9.9	9.1	8.8
Rooms available ²	432,954	440,323	(1.7)
Occupancy% ²	55.4	55.1	30.9 ⁴
Occupancy% 365 days ²	38.7	38.4	26.2 ⁴
Average daily rate (EUR) ³	174.5	164.9	5.8
RevPAR (EUR)	96.7	90.8	6.4
RevPAR 365 days (EUR)	67.5	63.4	6.5

¹ Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table. Unless otherwise indicated, all figures in this report compare 12 months ended 31 December 2025 with 12 months ended 31 December 2024. All financial information in this report for accommodation revenue, total revenue, EBITDAR and EBITDA reflects the Group's interest.

² Rooms available and the occupancy calculation are based on operating days.

³ Average daily rate represents total room revenues divided by the total number of paid units occupied by guests.

⁴ In Basis Points (BPS).



PARK PLAZA ARENA PULA

Revenue from hotel operations increased by EUR 1.6 million to EUR 53.7 million (2024: EUR 52.1 million). Accommodation revenue increased to EUR 41.9 million (2024: EUR 40.0 million). This increase was supported by a 5.8% increase in the average daily rate of EUR 174.5 (2024: EUR 164.9), which was supported by an increase in occupancy from 55.1% to 55.4%. RevPAR increased by 6.4% year-on-year to EUR 96.7. The hotel operations generated an EBITDA profit of EUR 9.9 million (2024: EUR 9.1 million).

Self-catering holiday apartment complexes operations

KEY PERFORMANCE INDICATORS

	Year ended 31 December 2025	Year ended 31 December 2024	Variance ¹ %
Total revenue (EUR million)	15.9	16.1	(1.2)
Accommodation revenue (EUR million)	13.1	13.2	(0.8)
EBITDAR (EUR million)	4.0	4.0	0.0
EBITDA (EUR million)	3.6	3.8	(5.3)
Rooms available ²	159,783	158,247	1.0
Occupancy% ²	51.6	54.0	(241.6) ⁴
Occupancy% 365 days ²	24.6	25.6	(90.7) ⁴
Average daily rate (EUR) ³	158.9	154.0	3.2
RevPAR (EUR)	81.9	83.1	(1.5)
RevPAR 365 days (EUR)	39.1	39.3	(0.5)

¹ Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table. Unless otherwise indicated, all figures in this report compare 12 months ended 31 December 2025 with 12 months ended 31 December 2024. All financial information in this report for accommodation revenue, total revenue, EBITDAR and EBITDA reflects the Group's interest.

² Rooms available and the occupancy calculation are based on operating days.

³ Average daily rate represents total room revenues divided by the total number of paid units occupied by guests.

⁴ In Basis Points (BPS).

Total revenue from self-catering holiday apartment complexes, which typically attract visitors who drive to Croatia from surrounding countries, decreased by 1.2% year-on-year to EUR 15.9 million (2024: EUR 16.1 million). Accommodation revenue decreased to EUR 13.1 million (2024: 13.2 million). This was driven by our strategy to push RevPAR and the average daily rate despite lower occupancy levels. EBITDA decreased by 5.3% to EUR 3.6 million (2024: EUR 3.8 million).



SPLendid & ZLATNE STIJENE RESORT

Strategic report

Operating review

Campsite operations

KEY PERFORMANCE INDICATORS

	Year ended 31 December 2025	Year ended 31 December 2024	Variance ¹ %
Total revenue (EUR million)	34.9	31.6	10.4
Accommodation revenue (EUR million)	33.1	29.9	10.7
EBITDAR (EUR million)	17.3	14.4	20.1
EBITDA (EUR million)	15.7	12.5	25.6
Rooms available ²	1,059,518	1,158,960	(8.6)
Occupancy% ²	44.5	39.9	460.4 ⁴
Occupancy% 365 days ²	22.4	21.7	76.1 ⁴
Average daily rate (EUR) ³	70.2	64.6	8.7
RevPAR (EUR)	31.3	25.8	21.2
RevPAR 365 days (EUR)	15.8	14.0	12.5

¹ Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table. Unless otherwise indicated, all figures in this report compare 12 months ended 31 December 2025 with 12 months ended 31 December 2024. All financial information in this report for accommodation revenue, total revenue, EBITDAR and EBITDA reflects the Group's interest.

² Rooms available and the occupancy calculation are based on operating days.

³ Average daily rate represents total room revenues divided by the total number of paid units occupied by guests.

⁴ In Basis Points (BPS).

Our campsite operations continued to benefit from the investment programme, which led to the relaunch of Arena Stupice Campsite and Arend Indije Campsite as four-star properties ahead of the summer season. These investments expanded our portfolio of four-star rated campsites, which also includes projects at Arena Stoja Campsite, Arena Grand Kažela Campsite, and Arena One 99 Glamping. Furthermore, Arena Stoja and Arena Grand Kažela remained opened throughout the winter.

As a result, total revenue from our campsites increased significantly by 10.4% to EUR 34.9 million (2024: EUR 31.6 million). Accommodation revenue increased to EUR 33.1 million (2024: EUR 29.9 million) due to an increase in average daily rate from EUR 64.6 in 2024 to EUR 70.2 in 2025, as well as an increase in occupancy from 39.9% to 44.5%. EBITDA performance of EUR 15.7 million (2024: EUR 12.5 million) benefited from improved revenue performance, lower utility costs, while labour costs showed no material change compared with the previous year.

Tourism in 2025*

In 2025, Croatia recorded more than 21.8 million tourist arrivals and 110.1 million overnights. Compared to 2024, this represents an increase of 2% in arrivals and 1% in overnights. Of this total, 104.6 million overnights were recorded along the Adriatic coast, which is 1% more than in 2024, while the continental part of the country, including Zagreb, recorded 5.6 million overnights, representing a 2% increase compared to 2024.

By counties, the highest number of overnights last year was recorded in Istria (30.3 million overnights), followed by Split-Dalmatia County (20.9 million), Kvarner (18.5 million), Zadar County (15.5 million), Dubrovnik-Neretva County (9.3

million), Šibenik-Knin County (6.6 million), and Lika-Senj County (3.5 million). Looking at destinations, the highest number of overnights in 2025 was recorded in Dubrovnik, Rovinj, Split, Poreč, and Umag.

Looking at source markets, tourists from Germany recorded the highest number of overnights in Croatia last year (22.3 million), followed by domestic tourists from Croatia (13.8 million), Slovenia (11.1 million), Austria (8.2 million), Poland (7.3 million), the Czech Republic (4.9 million), and the United Kingdom (4.1 million).

*Source: htz.hr, January 2026



ARENA ONE 99 GLAMPING

Strategic report

Operating review

Germany

The following table sets out the results for the Group's operations for Germany for the year ended 31 December 2025.

City hotels

KEY PERFORMANCE INDICATORS

	REPORTED			LIKE-FOR-LIKE ⁵		
	Year ended 31 December 2025	Year ended 31 December 2024	Variance %	Year ended 31 December 2025	Year ended 31 December 2024	Variance %
Total revenue (EUR million)	25.2	28.9	(12.8)	25.2	26.5	(4.9)
Accommodation revenue (EUR million)	21.3	24.8	(14.1)	21.3	22.7	(6.2)
EBITDAR (EUR million)	6.0	8.1	(25.9)	6.1	7.4	(17.6)
EBITDA (EUR million)	6.0	8.1	(25.9)	6.2	7.4	(16.2)
Rooms available ¹	239,401	261,324	(8.4)	239,401	240,950	(0.6)
Occupancy% ¹	69.6	69.5	7.5 ³	70.2	69.5	70.0 ³
Average daily rate (EUR) ²	128.0	136.6	(6.3)	126.7	135.5	(6.5)
RevPAR (EUR)	89.0	94.9	(6.2)	89.0	94.2	(5.5)
FTE ⁴	109.1	119.3	(8.5)	109.0	110.0	(0.9)

¹ Rooms available and the occupancy calculation are based on operating days.

² Average daily rate represents total room revenues divided by the total number of paid units occupied by guests.

³ In Basis Points (BPS).

⁴ The FTE number is an estimate based on the total hours paid for all employees divided by the hours paid for an average full-time employee to arrive at a total for Full Time Equivalent Employees.

⁵ Like-for-like comparison figures for 2024 and 2025 exclude September till December performance of Park Plaza Wallstreet Berlin Mitte, Germany.

In Germany, trading was more subdued with lower revenue and EBITDA compared with 2024. Our hotels faced tough comparatives, without the benefit of the UEFA European Football Championship in June 2024 and fewer events and trade fairs. This put pressure on average daily rates and impacted profit conversion. The 20-year lease for Park Plaza Wallstreet Berlin Mitte was set to expire at the end of December 2025; however, it was terminated four months earlier by mutual agreement with the landlord, effective from 8 September 2025. While early termination negatively impacted our total Group revenue,

with the loss of EUR 2.4 million and EUR 0.7 million EBITDA in the last four months of 2025, it overall had a positive effect on profit and cash flows, due to lower lease payments and significantly reduced dilapidation costs than initial estimates.

Germany experienced a decline in major sports events and trade fairs compared to the previous year, although these activities resumed in the fourth quarter. Occupancy levels in 2025 were consistent with those recorded in 2024.

The region noted a decline in reported average daily rates compared to 2024 to EUR 128.0 (2024: EUR 136.6). Consequently, RevPAR

decreased by 6.2% to EUR 89.0 (2024: EUR 94.9).

Total revenue decreased by 12.8% to EUR 25.2 million (2024: EUR 28.9 million), with approximately EUR 2.4 million attributed to discontinued operations.

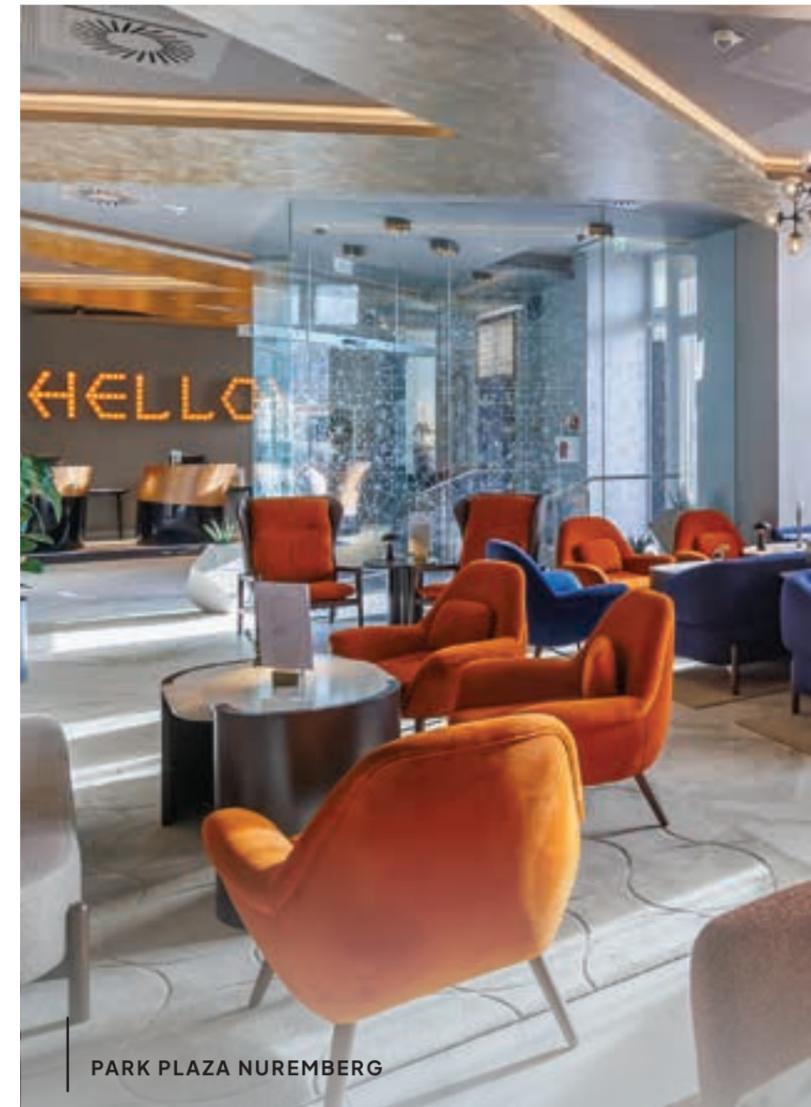
Although we maintained disciplined cost control, reported EBITDA declined in line with revenue to EUR 6.0 million (2024: EUR 8.1 million). This was also due to a reduction of approximately EUR 0.7 million in contributions from the discontinued operations. However,

this was partially offset by an additional profit of EUR 2.4 million, driven by lower lease payments and significantly reduced dilapidation costs compared to initial estimates.

On a like-for-like⁵ basis, excluding results for Park Plaza Wallstreet Berlin Mitte in 2024 and 2025, revenue was EUR 25.2 million and EBITDA was EUR 6.2 million.



RADISSON RED BERLIN KUDAMM



PARK PLAZA NUREMBERG

Strategic report

Operating review

CEE region

The following table sets out the results for the Group's operations for Hungary, Austria and Serbia for the year ended 31 December 2025.

KEY PERFORMANCE INDICATORS

	Year ended 31 December 2025	Year ended 31 December 2024	Variance %
Total revenue (EUR million)	13.6	12.7	7.1
Accommodation revenue (EUR million)	10.6	9.9	7.1
EBITDAR (EUR million)	2.2	1.9	15.8
EBITDA (EUR million)	2.1	1.8	16.7
Rooms available ¹	124,889	120,993	3.2
Occupancy% ¹	63.8	59.3	453.0 ³
Average daily rate (EUR) ²	133.0	137.5	(3.3)
RevPAR (EUR)	84.9	81.5	4.1
FTE ⁴	120.4	126.6	(4.9)

¹ Rooms available and the occupancy calculation are based on operating days.

² Average daily rate represents total room revenues divided by the total number of paid units occupied by guests.

³ In Basis Points (BPS).

⁴ The FTE number is an estimate based on the total hours paid for all employees divided by the hours paid for an average full-time employee to arrive at a total for Full Time Equivalent Employees.

The CEE region reported revenue and EBITDA growth, supported by a notable increase in business activity.

Total reported revenue increased by 7.1% to EUR 13.6 million (2024: EUR 12.7 million), on an average daily rate of EUR 133.0 (2024: EUR 137.5), while occupancy was 63.8% compared to 59.3% in 2024. EBITDA was EUR 2.1 million (2024: EUR 1.8 million), as a result of maturing products and increased inventory.

The hotel in Budapest (Hungary) continued to improve, with a solid year-on-year increase in occupancy.

Our hotel in Nassfeld (Austria) also recorded a positive performance with a 13% year-on-year increase in revenues, which is the result of growth in both ADR and occupancy. Consequently, EBITDA improved significantly.

Despite ongoing political tensions in Serbia, our Radisson RED Belgrade hotel finished the year with improved revenue and EBITDA compared to the previous year.

Managed and centralized services

The following table sets out the Group's results of management and central services operations for the year ended 31 December 2025.

KEY PERFORMANCE INDICATORS

	Year ended 31 December 2025	Year ended 31 December 2024	Variance %
Total revenue before elimination (EUR million)	18.6	18.8	(1.1)
Elimination of intra group revenue (EUR million)	(17.3)	(17.6)	(1.7)
Total reported revenue (EUR million)	1.3	1.2	8.3
EBITDA (EUR million)	(1.8)	(0.2)	(800.0)
FTE ¹	306.8	311.7	(1.6)

¹ The FTE number is an estimate based on the total hours paid for all employees divided by the hours paid for an average full-time employee to arrive at a total for Full Time Equivalent Employees.

Arena Hospitality Management d.o.o., a subsidiary of the Company, has management agreements for all the properties owned, partially owned, leased, or managed by the Group in Croatia, Germany, Hungary, Serbia, and Austria. The Company provides management services to all these properties and generates revenue from management fees.

Hotel management revenue related to properties within the Group is eliminated upon consolidation as intra-group revenue. All revenue generated within the Group from centralised services in Croatia and Germany is eliminated upon consolidation as intra-group revenue.

In line with the operations in Croatia and the other countries in which the Group operates, total reported revenue decreased by 1.1% to EUR 18.6 million (2024: EUR 18.8 million). External revenue increased 8.3% from EUR 1.2 million to EUR 1.3 million. EBITDA loss was EUR 1.8 million compared to EBITDA loss of EUR 0.2 million in 2024.

02

Sustainability
report
2025



Sustainability report 2025

Introduction

Our Vision

As we advance and diversify our hospitality portfolio, we firmly believe that long-term success depends on our capacity to innovate, adapt, and grow responsibly. Sustainability is not an option—it is a cornerstone of our strategy. We are dedicated to fostering a culture that values our people, empowers local communities, and safeguards the environment for future generations.

Our vision is to establish Arena Hospitality Group d.d. (“The Company”) together with its consolidated subsidiaries (“the Group”) as a benchmark for sustainable and responsible tourism in the CEE region. We aspire to lead through uncompromising quality, operational excellence, active stakeholder engagement, inclusive community partnerships, and a strong commitment to environmental and social stewardship.



Sustainability Framework

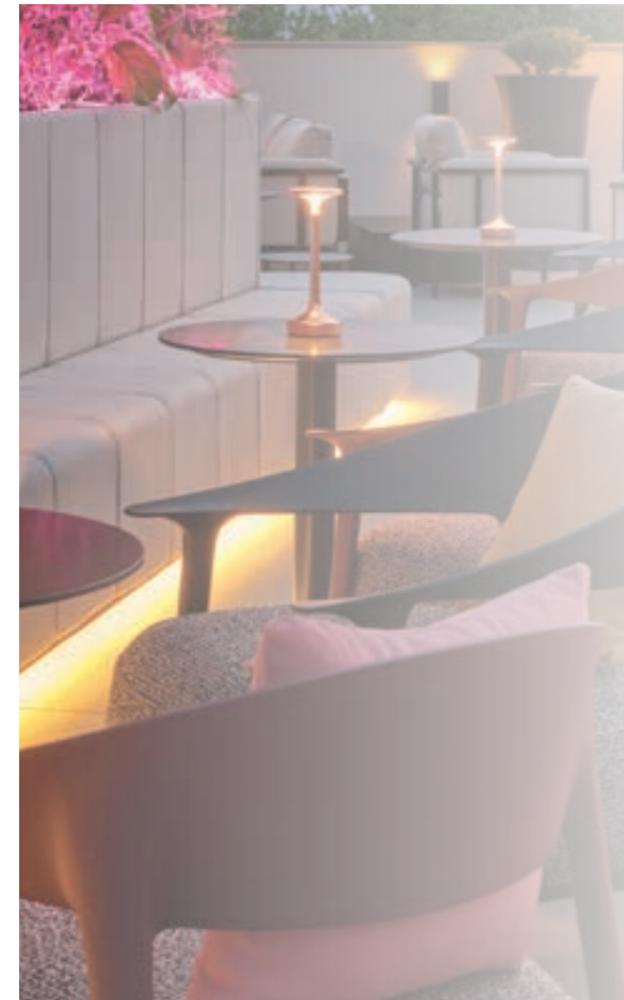
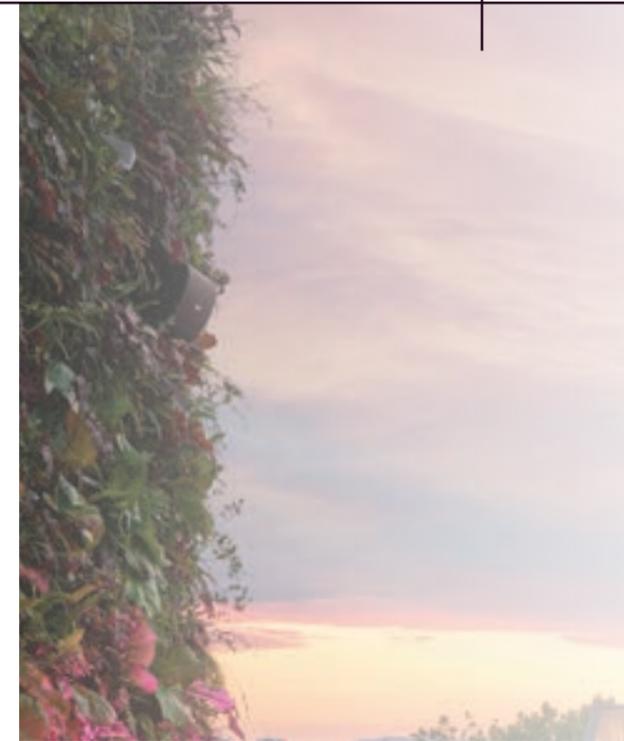
Sustainability is no longer a choice—it is a defining principle of responsible business. At the Group, we see this transformation as an opportunity to lead with purpose. By listening to and engaging with our stakeholders, we gain insights that guide us to create products, services, and investments that deliver lasting value for people, communities, and the planet.

Our Sustainability Framework embodies a holistic approach: integrating environmental stewardship, social responsibility, and sound governance into every aspect of our long-term strategy. Through clear policies and measurable actions, we ensure transparency in assessing our impact and accountability in how we operate within the communities we serve.

Our Sustainability strategy is deeply aligned with our vision and values. While our efforts contribute to most of the 17 UN Sustainable Development Goals (SDGs), we have identified 13 that resonate most strongly with our purpose—each endorsed by our Board as a foundation for meaningful progress.

Since launching our Responsible Business Programme in 2016, we have continuously evolved to anticipate change and drive a positive impact. In 2025, this commitment advanced further through a rigorous, expert-led approach to verification and the development of a new transitional plan—strengthening our ability to deliver credible, science-based outcomes and future-proof our operations.

Our ambition is clear: to create long-term competitive advantage through sustainability, not as a compliance exercise, but as a core driver of innovation and excellence. We aim to establish a benchmark for responsible tourism in the CEE region, ensuring that growth and positive impact are mutually aligned.



2025 Key highlights, awards & recognitions

A YEAR OF PURPOSE, PROGRESS, AND RECOGNITION

Following the publication of the Group's CSRD-compliant sustainability report, one of the first in Croatia, at the end of February 2025, the Group has continued to advance its commitment to responsible hospitality with determination and vision.

This year was marked by meaningful action, collaboration, and recognition affirming our role as a leader in sustainability and transparency in Croatia.

We approached 2025 with a balanced strategy that integrates employee wellbeing, community engagement, and environmental stewardship, while achieving milestones that set new benchmarks for our industry.

From empowering our people through mental health programs and fitness initiatives, to supporting local communities and restoring biodiversity, every step reflected our belief that sustainability is not a destination—it is a way forward.



Awards & Recognitions – Our Proudest Achievements

2025 was a landmark year for the Company, earning accolades that validate our progress and inspire us to aim even higher.



AmCham ESG Champion Recognition

For the second consecutive year, the Company ranked third among 59 companies in AmCham's ESG Maturity Assessment. This achievement underscores our leadership in advancing sustainability practices and maintaining strong ESG governance in Croatia.



Excellent ESG Rating by HGK

We proudly secured third place among all tourism companies in the ESG assessment by the Croatian Chamber of Economy, placing Arena Hospitality Group among the top tier of sustainable businesses in Croatia. This recognition reflects our continuous progress in implementing responsible practices across operations.



CSRD Awards – Top Five for Best Double Materiality Assessment

The Company stood among global leaders as a finalist in the prestigious CSRD Awards organized by Real Economy Progress. Our double materiality assessment was praised for transparency and methodological precision.



Inc.Q BEST Inclusive Employer Awards 2025 – category Internal Communication

The Company received the Inc.Q BEST Inclusive Employer Award 2025 in the category Best Company in Hospitality for Inclusive Internal Communication, recognizing the Company among the top ten awardees in Croatia for excellence in people management, social contribution, and ESG driven inclusivity.



EMPLOYEE WELL-BEING AND ENGAGEMENT

Through the Arena Well-being program, we introduced initiatives that prioritize mental and physical health. A series of hybrid mental health workshops, led by a certified Gestalt therapist, focused on resilience, stress management, and interpersonal relationships.

We also launched the Multisport program, enabling employees in Croatia to access sports facilities at discounted rates, with participation exceeding expectations.

Our annual Employee Engagement Survey "Let's Talk" achieved an impressive 82% response rate, reinforcing its role as a strategic tool for shaping future workforce initiatives.



COMMUNITY ENGAGEMENT

Our commitment to the community remained constant. Highlights include:

- Sponsorship of a mural at Pula General Hospital by artist Tea Jurišić, symbolizing life and health.
- Donations for medical equipment to Pula General Hospital, including a ZERO G chemotherapy chair through the "Bearded Auction" charity event.
- Support for World Prematurity Day held at Pula General Hospital
- Sponsorship of the major cultural and sporting events such as the Pula Marathon, Visualia Festival of Lights, Pula Film Festival, Jazz Waves, and the 31st Pula Book Fair, as well as the traditional humanitarian Christmas concert at the Istrian National Theatre.



ENVIRONMENTAL STEWARDSHIP

We strengthened our environmental initiatives with projects focused on biodiversity and climate action:

- Reforestation Project in Pula, planting 2,000 oak trees to restore areas affected by wildfires.
- Successful GreenKey recertification across properties in Croatia, Serbia, Germany, and Austria.
- Travelife GOLD certification for TUI BLUE Medulin.
- Active participation in the EU URBIO Bauhaus project and the Biocentrum working group organized by the City of Pula, promoting urban biodiversity.
- Symbolic tree planting on Earth Day and continued efforts under the "Compensating by Planting" program.
- Beaches Yacht and Ambrela proudly maintained their Blue Flag status.



INDUSTRY LEADERSHIP AND KNOWLEDGE SHARING

We believe that true leadership in sustainability lies in collaboration and knowledge exchange. In 2025, our team contributed to key forums and dialogues, including:

- Impact & Connect Event organized by the International Institute for Climate Action on tourism resilience and climate change.
- Deloitte ESRS Workshop, where our ESG Manager shared practical insights as a panelist.
- Presentation on accessible tourism and cultural heritage repositioning of art'otel Zagreb at the 5th Accessible Tourism Conference organized by the Ministry of Tourism and Sport.

Sustainability report 2025

Key highlights, awards & recognitions

CORPORATE CULTURE AND BUSINESS CONDUCT POLICIES

In 2025, we updated and introduced several new policies in alignment with legal and business obligations, with the goal of achieving greater operational efficiency and transparency.

New policies

1. Anti-Fraud Policy
2. Disciplinary Policy
3. Anti-Bullying and Anti-Harassment Policy
4. AI Use Policy
5. Information Security Policy
6. Acceptable Use Policy
7. Authentication Policy
8. Security Exception Policy
9. Anti-Money Laundering and Counter-Terrorism Financing Policy
10. Cash Tips Administration Policy

Throughout 2025, the Company continued its commitment to training all employees on these and other business policies, ensuring awareness and compliance across the organization.

As we look ahead, our purpose remains clear: to create long-term value for our stakeholders, foster thriving communities, and protect the environment for generations to come. 2025 was a milestone year but it is only the beginning of what we can achieve together.



Selected awards & certifications



ADAC SUPERPLATZ 5*
Arena Grand Kažela Campsite
2023 - 2026



CROATIA'S BEST CAMPSITE
Arena Grand Kažela Campsite
2015 - 2026

Arena One 99 Glamping
2019 - 2026

Arena Stoja Campsite
2024 - 2026



**RISING STAR 2025
BY EXPEDIA HUNGARY**
Park Plaza Budapest



GREEN KEY
Successful recertification
across properties in Croatia,
Serbia, Germany, and Austria



BEST CAMPSITE 2025
Arena Stupice Camping
Homes



ESG CHAMPION
Third place AmCham Croatia
2024 - 2025



Accreditations and memberships

The Group is the member of the following industry associations, membership organizations, and national or international advocacy groups:

- | | |
|---|---|
| 1. Croatian Tourist Board | 14. Wirtschaftskammer Österreich – Austrian Chamber of Commerce |
| 2. Istria Tourist Board | 15. DEHOGA- Deutscher Hotel- und Gaststättenverband |
| 3. Medulin Tourist Board | 16. Deutsch-Niederländischer Businessclub Berlin |
| 4. Pula Tourist Board | 17. SKAL International, professional organization promoting global Tourism and friendship |
| 5. Croatian Tourism Association (HUT) | 18. Serbian Chamber of Commerce Serbian Chamber of Commerce |
| 6. Association of Croatian travel agencies (UHPA) | 19. Magyar Szállodák és Éttermek Szövetsége – Hungarian Hotel Association |
| 7. Croatian Chamber of Economy (HGK) | 20. Business Association of Hotel and Restaurant Industry Serbia |
| 8. Croatian Camping Union (KUH) | 21. VDR – Germany’s business travel association |
| 9. Association of Employers in Croatian Hospitality (UPUHH) | 22. Österreichische Hotelierversammlung – Austrian Hotelier Association |
| 10. AmCham | |
| 11. Croatian Meeting Professionals Association | |
| 12. Association of Unique Croatian Hotels – Impressia | |
| 13. Stories, Experience Premium Croatia by Croatian Chamber of Commerce | |

Sustainability Statement

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General information

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Sustainability report 2025

General Information

BP-1

GENERAL BASIS FOR PREPARATION OF SUSTAINABILITY STATEMENTS

Preparation basis

The sustainability statement is prepared for on a consolidated basis including subsidiaries of Arena Hospitality Group d.d. ("the Group"). This includes the Group's operations in Croatia, Austria, Germany, Hungary and Serbia regions. The Group's primary activities include accommodation and food services across all regions. The Group's materiality assessment process is grounded in the principles of Double Materiality (DM), ensuring that both financial and non-financial impacts are considered. This approach integrates information on material Impacts, Risks, and Opportunities (IROs) across the entire value chain.

In 2025, we advanced this process through a comprehensive reassessment and in-depth analysis, applying a more rigorous methodology to validate priorities and strengthen alignment with stakeholder expectations and regulatory requirements. This enhanced approach ensures that our sustainability strategy remains credible, relevant, and future-focused.

Consolidated statement clarifications

The scope of the consolidated sustainability statement is aligned to the Group's financial statements for the corresponding period. In addition, the statement encompasses joint venture entities accounted for under the equity method in the consolidated financial position for the same period. A detailed description of the relationships between the JVs within the Group can be found in the Financial Statements section on pages 217–218, 223, 234, 238.

Under the operational control approach, the Group includes emissions from any jointly operated ventures (JVs) it controls when

calculating emission intensity.

Including joint ventures within the consolidated sustainability statement ensures that their impacts, risks, and opportunities are reflected across both upstream and downstream segments of the value chain. This approach is consistent with the principles of double materiality and meets value chain-related requirements under the European Sustainability Reporting Standards (ESRS).

A detailed list is provided in the Appendix of the Annual Report 2025 page 272–273.

Value chain coverage

In our second year of sustainability reporting, the Group continues to provide transparent coverage of its entire value chain, encompassing both upstream and downstream activities. These activities are integral to the strategic planning of core business operations and incorporate sustainability considerations throughout.

Upstream activities include sourcing raw materials, goods, services, and labour essential for our primary operations, such as accommodation, food and beverage, recreational services, and other offerings within the leisure and tourism sector. They also cover support functions such as technical services, financial services, leasing, IT, human resources, procurement, real estate management, and infrastructure development, including refurbishing and repositioning of leisure facilities.

Downstream activities focus on delivering services to guests across hotels, resorts, and campsites, including accommodation, food and beverage, meetings and events, and recreational services. Additional activities include sales and marketing, advertising, loyalty programs, and post-stay customer care.

Our sustainability reporting considers material direct and indirect relationships within this value chain, including suppliers of products and raw materials, labour agencies, service providers, customers, tour operators, travel

agencies, conference and corporate clients, and employees involved in service delivery. We also engage with regulators and local communities as key stakeholders.

We maintain visibility and engagement with suppliers upstream and with our customers and end-users downstream, ensuring practicality during this second year of ESRS reporting. Coverage may vary depending on context and relationship dynamics.

Geographically, our value chain spans multiple countries where we operate hotels, campsites, and resorts, as well as the locations of suppliers and customers. Our commitment is to apply consistent sustainability standards across all operations, regardless of location.

Omissions due to sensitive information

The option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation has not been used.

Exemption as per articles 19a(3) and 29a(3) of Directive 2013/34/EU

The exemption from disclosure of impending developments or matters in the course of negotiation, as provided for in articles 19a(3) and 29a(3) of Directive 2013/34/EU has not been used in the preparation of the Sustainability Statement.

BP-2

DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

Time horizons

The sustainability report time horizons are consistent with the Group's financial statement and in accordance with ESRS 1 section 6.4, including the assessment, identification and management of IROs. Therefore, short-term time horizon is the period adopted by Group's

financial statement i.e. up to one year, to facilitate connectivity between the two reports. Medium-term time horizon is defined as up to five years, and long-term is more than five years.

Value chain estimation

The Group has conducted an extensive double materiality assessment to identify material and non-material Impacts, Risks, and Opportunities (IROs) across its value chain. This process is inherently complex, particularly regarding information and metrics related to supply chain activities, and therefore remains ongoing.

In 2025, we completed out a comprehensive reevaluation of this process, applying enhanced methodologies to validate the quality of data, metrics, and resulting outcomes. This reassessment confirmed the robustness and reliability of our approach, ensuring that our reporting remains accurate and aligned with best practices.

The Group has defined metrics for all material IROs based on key drivers within the value chain. These metrics are calculated on a consolidated basis for the entire Group. While the initial reporting year established a strong foundation, the 2025 review has strengthened accuracy and consistency, supporting continuous improvement in future reporting cycles.

Data collection is integrated periodically throughout the year to maintain cohesion and precision. We also actively engage with third parties and partners to obtain comprehensive and consistent data, reinforcing transparency and accountability across the value chain.

Based on long-standing internal datasets – including accounting records, technical data, sales and procurement information, business process documentation, and employee-related inputs – the company conducted a detailed assessment of its upstream, downstream, and own operations. Key stakeholders were identified and evaluated according to their influence on the overall

Sustainability report 2025

General Information

business, drawing on extensive experience and long-term engagement with them. For the assessment, the company relied primarily on primary data obtained directly from these stakeholders through specially designed surveys. (Detailed description on pp. 74-78.) This revaluation not only supports compliance with the European Sustainability Reporting Standards (ESRS) but also enhances stakeholder confidence by demonstrating our commitment to credible, verifiable, and high-quality sustainability reporting. By prioritizing accuracy and transparency, we aim to build trust and create long-term value for all stakeholders. The individual metrics are disclosed under the relevant individual topic sections.

Sources of estimation and outcome uncertainty

These are provided in the individual topic sections, a generic or wholesale estimation of any and all estimations made is not available, nor is it considered of value for the reader to be presented with this information separately from the reported material IROs in topical context.

Changes in preparation or presentation of sustainability information

Disclosures are not required for any period before the date of initial application which is 2024, the first year of reporting.

Incorporation by reference

The Sustainability Report includes references to the Group's Annual Report for the same period, which is in the same reporting language and published together.

- The Group's Annual Report containing the Management Report (pag.188-191)
- The Group's Annual Report containing the Group Financial Statement and notes to the financial statements (pag.206-269)
- The Group's Annual Report containing the Corporate Governance Report (pag.178-183)

Use of phase-in provisions

The Group through its double materiality assessment applying IROs, has assessed topics ESRS E4, ESRS S1, ESRS S2, ESRS S3 or ESRS S4 in accordance with Appendix C of ESRS 1 and clearly identified topics that are material IROs and non-material IROs.

The link to the Group's strategy, policies, actions and metrics are disclosed in the relevant individual material topics and, where relevant, referenced by incorporation.

		Omitted (Yes/No)	Material (Yes/No)
ESRSE1	E1-9	Yes	Yes
ESRS S1	S1-7 S1-11 S1-12 S1-13 S1-15	Yes	Yes
ESRSE3	E3-5	Yes	Yes
ESRSE5	E5-6	Yes	Yes

Use of phase-in provisions

GOV-1

THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

REFERENCING GOV-1 & SUB SECTIONS

Information on the Company's governance structure, Management and Supervisory Board (highest governing body) composition, gender, diversity, roles and skills, can be found in the Governance section of the 2025 Annual Report pages 174-185.

The Company has a two-tier board structure with the Supervisory Board as the highest governance body, which oversees the Management Board and exercises direct oversight of strategic risks and their impact and opportunities pertaining to the Group as a whole, and in specific in matters of sustainability. The Management Board

oversees the direct management of the Group's daily business operations including short-term and long-term.

The Supervisory Board is supported by independent board members and four committees each consisting of at least three members. These are the Audit Committee, the Sustainability Committee, the Remuneration as well as the Nomination Committee, details of which can be found in the Governance section on page 174-185.

The Company confirms the independence of the Supervisory Board at the time of issuing of this Report. There are no other significant positions or commitments held by the Supervisory Board members that could compromise their ability to perform their duties in the Company.

Top-level body diversity

	VALUE
Number of executive members - Supervisory Board members	7
Number of non-executive members	-
Percentage of male members	57%
Percentage of female members	43%
Board Gender (F:M) Diversity ratio	0.75:1
Percentage of other members	0%
Percentage of total members who are independent	43%

Percentages and ratios have been rounded to nearest whole number

The Supervisory Board has seven nonexecutive members and no executive members. One member of the Supervisory Board is appointed by the Worker's Council, who acts as a representative of all the employees.

Employees are represented by the Worker's Council across the organisation, and they provide periodic feedback to the human resources department and Worker's Council's representative on the Supervisory Board.

In terms of gender composition, the Supervisory Board has four male members, three female members and no non-binary

members. Women are represented with 43% in the total composition of the Supervisory Board. There are no Supervisory Board members representing underrepresented social groups or stakeholders.

Identity of the administrative, management and supervisory bodies

Details of the Management Board and Supervisory Board, including the members of the Sustainability Committee and Audit Committee responsible for overseeing IROs relevant to the Group, are provided in the Governance section of the Group's Annual Report 2025 (pages 174-185).

The Sustainability Committee, established in 2022, plays a pivotal role in monitoring and guiding the Group's approach to environmental and social matters. Its mandate includes oversight of IROs affecting both the Group and the communities and environments in which we operate.

Management's Governance role

The Supervisory Board oversees and monitors the Group's progress concerning IROs through both the Sustainability Committee and the Audit Committee. These committees convene quarterly to ensure effective oversight and review. Their roles, responsibilities, and operating procedures are publicly available on the Company's website at www.arenahospitalitygroup.com.

The Group has appointed a dedicated ESG Manager, responsible for managing sustainability-related matters and providing regular reports to both committees on identified IROs.

In addition, the Group has adopted an Enterprise Risk Management Policy and Framework, which sets out its approach, processes, and controls for identifying, assessing, managing, and monitoring risks that could affect operations and strategic

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objectives.

This governance structure ensures alignment with the European Sustainability Reporting Standards (ESRS) and reinforces stakeholder confidence by demonstrating robust oversight, accountability, and transparency in managing sustainability-related risks and opportunities.

Sustainability skills and expertise development

The Group has access to the appropriate skills and expertise to oversee its sustainability strategies and matters.

Mrs Lorena Škuflić, member of the Supervisory Board and chair of the Sustainability Committee, has specific competencies relevant to the sustainability impacts of the Group. Mrs Škuflić is also a member of the International Association for Sustainable Economy and an advisor for International Sustainable Business affairs.

In addition, the Audit Committee as established by the Supervisory Board and responsible for the review of sustainability reporting matters, is chaired by Mrs Ivana Matovina, who has specific competences, as required by mandatory laws in terms of audit and sustainability matters.

The Group ensures team members dealing with sustainability have access to workshops, training and skill-building programs, enabling them to enhance their skills and contribute effectively to sustainability and impact management goals.

GOV-2

INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The Group has a well-established sustainability governance structure embedded within its overall strategy. Since launching the Responsible

Business Programme in 2016, the Group has ensured engagement at all organizational levels across its regions and operations. This programme enables the continuous evolution of our sustainability strategy through regular review of IROs, and supports the implementation of operational plans, policies, and standards that align business objectives with sustainability commitments.

The Supervisory Board provides strategic direction on sustainability matters. It ensures oversight and due diligence through its Sustainability Committee, which meets quarterly to review progress and assess alignment with the Group's Sustainability Strategy. The Management Board is accountable for delivering the Sustainability strategy through the Responsible Business Programme, managed by the Sustainability Steering Group. This Steering Group is chaired by the Sustainability Manager and a designated Management Board member responsible for sustainability matters, and it includes cross-functional representatives from procurement, human resources, legal, IT, technical services, and operations. Their role is to drive sustainability goals and targets across all business functions.

Progress under the Responsible Business Programme is reviewed quarterly by the Sustainability Committee and is the foundation for achieving and maintaining certification by Green Key, reinforcing transparency and credibility. Both the Management Board and Supervisory Board, including members of the Sustainability and Audit Committees, actively participated in the 2025 double materiality reassessment, confirming the quality of data, metrics, and results.

This governance structure ensures compliance with the European Sustainability Reporting Standards (ESRS) and strengthens stakeholder confidence by demonstrating robust oversight,

accountability, and integration of sustainability into strategic decision-making.

The list of IROs addressed by the Management Board and the Supervisory Board, including members of the Sustainability Committee and the Audit Committee, who were active participants in the double materiality process in determining the IROs is detailed under SBM-3.

GOV - 3

INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

REFERENCING GOV - 3

Details on integration of sustainability-related performance in incentive schemes is covered under this report section ESRS E1 page 108.

GOV-4

STATEMENT ON DUE DILIGENCE

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
a) Embedding due diligence in governance, strategy and business model	Sustainability report sections GOV-1 and GOV-2 pages 147-148
b) Engaging with affected stake-holders in all key steps of the due diligence	Sustainability report sections GOV-1, GOV-2, GOV-4 and GOV-5 pages 147-149
c) Identifying and assessing adverse impacts	Risk Management section Principal Risks Pages 166-171
d) Taking actions to address those adverse impacts	Risk management section Principal Risks Pages 166-171
e) Tracking the effectiveness of these efforts and communicating	Risk management section Risk Governance pages 162-163. Also, sustainability report sections GOV-2 and GOV-5

Statement on due diligence

GOV-5

RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

REFERENCE GOV-5 – RISK MANAGEMENT

Details of the Enterprise risk management are outlined in the management report of the Group's Annual Report 2025 pages 159-171.

The Group has an extensive and comprehensive enterprise risk management (ERM) strategy and a risk governance framework. The ERM strategy identifies principal risks and risk categories including matters relating to Sustainability. The ERM strategy clearly defined the risk appetite levels, objectives of risk management, enterprise risk assessment process, risk description, residual risk and mitigating internal controls and processes to manage these risks (including matters relating to Sustainability).

This approach encompasses all risks including financial, operational, strategic, as well as risks related to environmental, social, and governance (ESG) matters.

The Group maintains a risk register, which is reviewed quarterly by the Audit Committee and managed by the Group's internal control officer under the oversight of the Management Board. Since its establishment in 2024, the Group's Risk Forum—comprising the Group Internal Control Officer, Group General Counsel, Chief Information Security Officer, Data Protection Officer, Regional General Manager, and Heads of Group and Regional Functions - has played a pivotal role in implementing controls that strengthen risk management across the organization.

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SBM-1

STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Description of products, services, markets, and customer groups

The Group operates in the upscale, upper-upscale, and lifestyle hotel segments across the CEE region, offering premium accommodation, food and beverage, leisure, and event services in destinations designed to create memorable guest experiences. Our portfolio includes hotels, resorts, and campsites strategically located in attractive destinations, serving both leisure travellers and corporate clients, including the MICE (Meetings, Incentives, Conferences, and Events) segment.

Our business model combines operational excellence with a strong commitment to sustainability. We integrate environmental, social, and governance principles into every aspect of our operations, ensuring that products and services reflect our core values:

- **Outstanding service and guest experience** - delivering excellence and creating lasting memories for guests in premium destinations.
- **Minimize environmental impact** - striving to minimize our footprint through resource efficiency and sustainable practices.

- **Trust and transparency** - conducting business with integrity and building confidence among stakeholders.
- **Long-term viability** - reducing resource consumption and protecting the environment to ensure sustainable growth.
- **Community integration** - respecting and promoting local heritage and culture while fostering strong community ties.
- **Employee development** - creating a safe, inclusive workplace that encourages learning, engagement, and well-being.

Our value chain spans upstream activities such as sourcing goods, services, and labour, and downstream activities including guest services, marketing, and customer care. We aim to maintain visibility and engagement across these tiers to ensure sustainability standards are consistently applied.

Through this approach, the Group seeks to deliver exceptional experiences for guests, create long-term value for shareholders, and contribute positively to the environment and society.

The Group has conducted a double materiality assessment considering key stakeholders and from this has identified material IROs.

Headcount of employees by geographical areas

GEOGRAPHICAL AREA	COMPARATIVE YEAR (N-1) 2024	CURRENT REPORTING YEAR (N) 2025
GERMANY	257	239
HUNGARY	44	40
AUSTRIA	64	57
SERBIA	42	40
CROATIA	738	792
Total	1.145	1.168

Headcount of employees by geographical areas (including JVs)

Breakdown of total revenue

ESRS SECTORS	COMPARATIVE YEAR (N-1) 2024	CURRENT REPORTING YEAR (N) 2025
Year	EC has not adopted a delegate act specifying the list of ESRS sectors, undertakings are not required to disclose the information referred to in ESRS1 paragraph 40 (b)	EC has not adopted a delegate act specifying the list of ESRS sectors, undertakings are not required to disclose the information referred to in ESRS1 paragraph 40 (b)
Total		

Breakdown of total revenue

Sustainability-related goals

Our sustainability objectives are structured around three strategic pillars that guide our actions and commitments:

1. ENVIRONMENTAL

We focus on reducing resource consumption, minimizing environmental impact, and managing associated risks across our operations and supply chain. These efforts are critical to the resilience of the tourism sector. The Group remains committed to its climate action goals and continuous improvement in energy efficiency, waste reduction, and water management.

2. SOCIAL

We prioritize strong relationships with employees, suppliers, customers, and local communities. Our goal is to create positive social impact throughout the value chain by promoting diversity, inclusion, fair labour practices, and community engagement.

3. GOVERNANCE

We uphold the highest standards of corporate governance, including leadership accountability, ethical business conduct, anti-corruption measures, transparent reporting, and robust internal controls. This ensures integrity and trust across all stakeholder interactions.

Building on these pillars, we have in 2021 adopted a document called the Sustainability Roadmap that reflect our commitment to environmental stewardship, social responsibility, and sound governance. The goals within this document are reviewed regularly to ensure alignment with our business strategy, stakeholder expectations, and regulatory requirements.

Assessment of products and services

The Group's products and services are closely aligned with its core activities, encompassing premium accommodation, food and beverage offerings, recreational experiences, and related services within the leisure and tourism sector. Our customer base primarily consists of guests from Germany, Austria, Hungary, Italy, Slovenia, UK, and Croatia, travelling for diverse purposes such as leisure, corporate stays, group travel, government visits, transient bookings, tour operations, and participation in meetings, fairs, and events.

We operate across Croatia, Germany, Austria, Serbia, and Hungary, which gives us both impact and influence within these markets, their local communities, and the environment through our business activities. This geographic footprint requires us to consider local cultural heritage, community engagement, and environmental

GROUP BUSINESS MODEL AND VALUE CHAIN



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stewardship as part of our operational and strategic decisions.

Sustainability considerations are embedded in the development and delivery of our products and services. We aim to integrate resource efficiency, waste reduction, and climate action measures into accommodation and food services, while promoting local sourcing and partnerships that support regional economies. Recreational and event services are designed to minimize environmental impact and enhance social value by fostering cultural exchange and community inclusion.

All these factors—including customer expectations, market dynamics, and sustainability priorities—have been incorporated into our double materiality assessment, forming the basis for identifying material and non-material IROs across the value chain.

Elements of the undertaking's strategy with impact on sustainability matters

As part of our double materiality assessment, we have identified the following key sustainability matters which remain key for our industry and the Group's efforts to mitigate its impact.

Given the scope and scale of our business operations, we view climate change, resource use and circular economy, employee engagement, and engagement with the local communities within our operating markets as priority areas for all our stakeholders.

More details can be found in SBM-2 on pages 74-78.

Description of the business model and value chain

REFERENCING

Outlined in SBM-1 section Strategy, business model and value chain of the sustainability report page 72 above.

SBM-2

INTERESTS AND VIEWS OF STAKEHOLDERS

In alignment with the Group's Internal Double Materiality Policy and the requirements of SBM-2 under the ESRS reporting framework, the Group undertook a comprehensive re-evaluation of double materiality in 2025 following the initial assessment conducted in 2024. This re-evaluation encompassed a detailed analysis of stakeholder relationships and their influence on ESG priorities, ensuring consistency with regulatory standards and the Group's strategic objectives.

The stakeholder engagement process was structured through the double materiality approach, reinforcing the integration of ESG considerations into core business operations. Stakeholder categories identified include suppliers, employees, guests and customers, local communities, regulatory authorities, and investors, with our workforce and PPHE Hotel Group recognized as key stakeholders.

To support this process, an in-depth stakeholder analysis was conducted using three distinct questionnaire formats, designed to evaluate reciprocal impacts and relationships across ESG dimensions. This methodology enables the Group to maintain transparency and foster long-term engagement, ensuring alignment between stakeholder expectations and business objectives.

Employee engagement remains a central priority, with workforce development and well-being consistently highlighted in annual disclosures. Continuous communication with stakeholders—particularly to uphold service quality for guests and local communities—forms an integral component of operational excellence across all organizational levels. Furthermore, internal ESG coordination within the Group and across PPHE Hotel Group ensures consistency in strategy development and implementation, reinforcing our commitment to sustainability and responsible

governance.

Through these initiatives, the Group demonstrates its dedication to collaboration, transparency, and shared value creation, meeting stakeholder needs while upholding ESG standards in accordance with the ESRS framework.

STAKEHOLDER ENGAGEMENT

A summary is outlined below of the Group's Stakeholder Engagement process, its findings, and its influence on business processes. This comprehensive review was undertaken during 2025 as part of the re-evaluation of double materiality in alignment with the Group's Internal Double Materiality Policy and ESRS SBM-2 standards. The process focused on identifying key stakeholder categories, assessing engagement methods, and ensuring alignment with sustainability objectives and sustainability principles.

STAKEHOLDER ENGAGEMENT

STAKEHOLDERS IDENTIFIED



SUPPLIERS



EMPLOYEES



END USERS



REGULATORY INSTITUTIONS

KEY STAKEHOLDERS

Employees and PPHE Hotel Group

COORDINATION

Led by Sustainability Team with collaboration from relevant departments

PRINCIPLES

Inclusive, transparent and respectful engagement aligned with sustainability goals

ENGAGEMENT METHODS



EMPLOYEES

Meetings, engagement survey and the Green Key team



CUSTOMERS

Market research and feedback channels



INVESTORS

AGMs, presentations and reports



COORDINATION

Led by Sustainability Team with collaboration from relevant departments

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Double Materiality Assessment and Influence on Company Actions

→ Stakeholder engagement directly influenced:

- Identifying key wellbeing and learning and development areas (employees).
- Prioritising supply chain risks (suppliers).
- Communicating sustainability performance (investors).
- Building of beneficial relationships and addressing concerns (local communities).

Survey Implementation for 2025

- **Purpose:** Assess the impact of sustainability practices on stakeholders and mutual influences, aligned with CSRD standards.
- **Coverage:** Stakeholders representing 55-60% of turnover (as of October 31, 2025) across five regions.
- **Response Method:** Multiple formats (choice-based, rating scales, and open-ended).

Survey Findings

1. Local Communities:

- Strong relationships in Croatia, particularly in Pula and Medulin, intensifying during summer.
- Opportunities and risks include workforce employment and economic impact on local communities.
- Positive feedback on waste, water, and energy management but flagged as risk areas.

2. Financial Institutions:

- Strong sustainability knowledge and positive relations.
- Concerns include bribery, corruption, gender equality, and pay equity.
- Green financing is seen as a key enabler for transition efforts.

3. Suppliers:

- Varied sustainability knowledge necessitates tailored support, especially in Serbia and Hungary. Greater focus on Croatia due to a proportionally large number of suppliers present in the Group.
- Engagement process revealed a significant impact from the Omnibus package introduced by the European Commission, which resulted in delays and a slowdown in the application of ESRS standards among small and medium-sized enterprises (SMEs). These SMEs represent more than three-quarters of our supplier base, making this regulatory development a critical factor influencing ESG integration and compliance timelines within our supply chain.
- Most highlighted environmental goals as risks and opportunities.
- Significant cooperation challenges in Serbia (outside the EU) and Hungary (despite EU membership).

4. Own Workforce

- An annual employee engagement survey is conducted each year throughout the organisation, covering employee wellbeing and related matters. In 2025, four target groups were defined, and each group received a tailored survey designed to address its specific needs and priorities.
- Results of the survey design future strategies.

Challenges and Actions for 2026

→ Challenges:

- Limited Sustainability awareness among some stakeholders, particularly in non-EU regions.
- Resource constraints for survey administration and follow-ups.
- Regulatory uncertainty related to the Omnibus package: The introduction of the Omnibus package by the European Commission has postponed the obligation for many companies to operate and report in accordance with CSRD and ESRS standards. The revised criteria determining which companies fall under these reporting requirements have created uncertainty and delays in implementation across the market. On 9 December 2025, the European Council and the European Parliament reached a provisional agreement on amendments to the sustainability reporting framework (the "Omnibus" package), which has since been formally endorsed by both institutions and is pending publication and entry into force.

→ Proposed Actions:

- Continued with expanding survey coverage to all stakeholders.
- Enhance engagement with Serbia and Hungary through tailored meetings.
- Increase team capacity for regional surveys and stakeholder education.

To conclude, future actions will be determined by subsequent decisions of the European Commission, as significant changes were proposed in December 2025. These changes have a substantial impact on reporting obligations and due diligence requirements. Furthermore, they introduce major shifts in efforts to achieve a circular economy aimed at reducing emissions.

Relationship between the stakeholder interests and views and the undertaking's strategy and business model

The Group aligns its strategy and business model to address the diverse interests and expectations of its stakeholders. Below is the relationship between stakeholder interests and the Group's approach:

1. Customers:

- **Interests:** Affordable, high-quality products/services; excellent customer service; ethical practices.
- **Alignment:**
 - Focus on delivering cost-effective, high-standard offerings.
 - Strong emphasis on ethical operations and customer feedback systems to enhance trust and loyalty.

2. Employees:

- **Interests:** Safe work environment, fair compensation, career development, value-aligned culture.
- **Alignment:**
 - Investment in workplace safety measures and training programs.
 - Commitment to fair wages and fostering an inclusive, supportive organisational culture.

3. Investors:

- **Interests:** Financial performance, growth potential, risk management, sustainability initiatives.
- **Alignment:**
 - Transparent financial reporting and strategic risk management.
 - Integration of Sustainability goals to drive long-term value creation.

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4. Suppliers:

- **Interests:** Fair business practices, timely payments, collaboration, human rights, environmental standards.
- **Alignment:**
 - Transparent procurement processes and prompt payment policies.
 - Engagement initiatives to promote sustainability across the supply chain.

5. Local Communities:

- **Interests:** Economic impact, employment opportunities, environmental sustainability, community development.
- **Alignment:**
 - Active participation in community development programs.
 - Minimising environmental footprint through sustainable operations and resource management.

6. Non-Governmental Organisations (NGOs):

- **Interests:** Social and environmental performance, human rights, stakeholder dialogue.
- **Alignment:**
 - Collaborating with NGOs to address societal and environmental challenges.
 - Prioritising transparency and engagement on human rights and sustainability efforts.

7. Government Regulators:

- **Interests:** Legal compliance, public policy contributions, transparency.
- **Alignment:**
 - Ensuring full regulatory compliance and ethical interactions with government entities.

- Actively supporting policies that align with public interest and sustainable development goals.

Strategic Impact

The Group's strategy integrates stakeholders' expectations by emphasising ethical practices, sustainability, transparency, and community development. This alignment not only supports long-term business success but also strengthens relationships with stakeholders, fostering mutual trust and shared value creation.

Amendments to the strategy and/or business model

The Group's sustainability strategy and business model have taken into consideration all material IROs to ensure a clear alignment with overall strategy and business model. The Group has been operating a sustainability programme since 2016; therefore, the level of amendments has been moderate. The process is aimed at continuous improvement, therefore, we will take a view on this over the coming years.

Information about views and interests of affected stakeholders

The Board and management actively participated in the double materiality process, which also includes the implementation of stakeholder engagement. The management has approved the methodology and procedures for implementing the stakeholder engagement and is familiar with the results of the engagement process. All business managers, including the Sustainability Steering Group, actively participated in the implementation of the process. The Supervisory Board is informed about double materiality activities and stakeholder engagement through Sustainability Committee meetings.



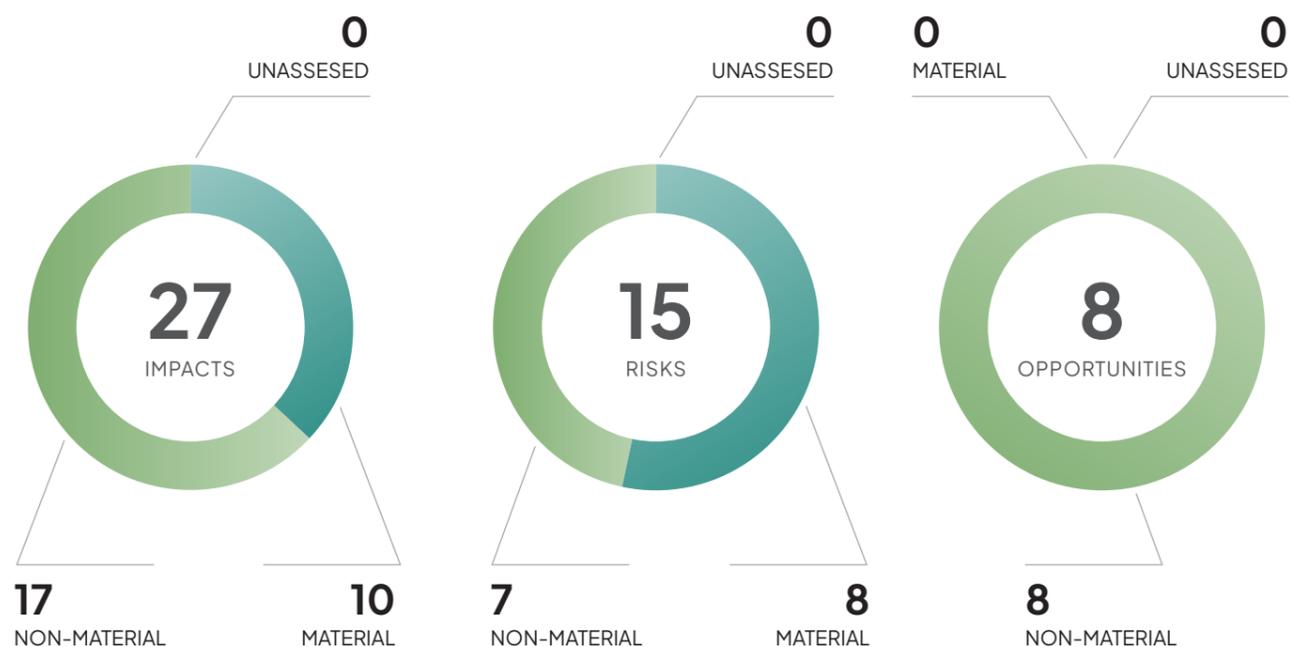
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SBM-3

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

In 2025, the Group conducted a reassessment of double materiality covering IROs. The outcome confirms the same number of material and non material IROs as previously determined. This result was expected, as no significant changes occurred in our business model or operations, stakeholder structure, or the relevant regulatory environment during the reporting period.



ESRS Category	MATERIAL IRO's				NON-MATERIAL IRO's			
	✓	✓	✓	✓	✓	✓	✓	✓
ESRS E1 CLIMATE CHANGE	1	-	2	-	-	3	-	2
ESRS E2 POLLUTION	-	-	-	-	3	-	-	-
ESRS E3 WATER AND MARINE RESOURCES	1	-	-	-	3	-	-	-
ESRS E4 BIODIVERSITY AND ECOSYSTEMS	-	-	-	-	2	1	1	-
ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY	1	-	-	-	-	-	1	1
ESRS S1 OWN WORKFORCE	1	3	1	-	-	1	2	-
ESRS S2 WORKERS IN THE VALUE CHAIN	-	-	-	-	1	-	1	-
ESRS S3 AFFECTED COMMUNITIES	-	-	-	-	1	1	2	1
ESRS S4 CONSUMERS AND END-USERS	-	-	3	-	-	-	-	-
ESRS G1 BUSINESS CONDUCT	1	2	2	-	-	1	-	4

✓ NEGATIVE IMPACT
 ✓ POSITIVE IMPACT
 ✓ RISK
 ✓ OPPORTUNITY

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DESCRIPTION OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

	MATERIAL IRO's		
	NEGATIVE IMPACT	POSITIVE IMPACT	RISK
ESRS E1 CLIMATE CHANGE			
Increase in GHG in the atmosphere resulting from our direct and indirect emissions	✓		
Asset damage (physical risk) associated with severe climate change related events			✓
Revenue losses associated with adverse weather conditions during the high season			✓
ESRS E3 WATER AND MARINE RESOURCES			
Water consumption for industrial/economic purposes	✓		
ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY			
Generation of waste which requires treatment, resulting in pressure on treatment systems	✓		
ESRS S1 OWN WORKFORCE			
Loss of worker health and safety due to any realted indicents	✓		
Maintenance of workforce equality via zero tolerance to all forms of discrimination		✓	
Protection of gender equality due to representation of women at all commercial levels		✓	
Increase in employee skill and knowledge		✓	
Aggregated reputational and liability risks associated with data breach of own workforce information			✓

	MATERIAL IRO's		
	NEGATIVE IMPACT	POSITIVE IMPACT	RISK
ESRS S4 CONSUMERS AND END-USERS			
Aggregated Sustainability performance - Reputational Risk			✓
Financial penalties associated with customer data privacy breach (customer data)			✓
Loss of revenues associated with System Downtime			✓
ESRS G1 BUSINESS CONDUCT			
Water consumption for industrial/economic purposes		✓	
Generation of waste which requires treatment, resulting in pressure on treatment systems		✓	
Water consumption for industrial/economic purposes	✓		
Generation of waste which requires treatment, resulting in pressure on treatment systems			✓
Water consumption for industrial/economic purposes			✓

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CLIMATE CHANGE (E1)

INCREASE IN GHG IN THE ATMOSPHERE RESULTING FROM OUR DIRECT AND INDIRECT EMISSION – NEGATIVE IMPACT

This impact is considered material because incidents of GHG emissions represent a negative, actual impact on the climate, which is the affected environment. The climate is supranationally protected under international agreements such as the Kyoto Protocol, highlighting its global significance. Although the scope of individual incidents may be de minimis, their cumulative effect is substantial and irreversible over the long term, contributing to climate change. The severity of this impact is assessed as severe, given its long-term, non-remediable nature and the global importance of climate stability. This information is detailed in the metrics section of ESRS E1, which covers climate Change.

ASSET DAMAGE (PHYSICAL RISKS) ASSOCIATED WITH SEVERE CLIMATE CHANGE RELATED EVENTS – RISK

There is considerable physical loss risk associated with climate change. Changing weather patterns may impact conducive weather conditions for leisure guests, thus impacting revenues. Severe climate change related perils such as floods, droughts, forest fires and strong winds can impact business operations and infrastructure, thus leading to losses associated with physical damage. This risk may influence our supply chain through any disruption caused by extreme climate change risk including risks of climate change on agricultural produce. It suffices to state that the risk and impact persist through the value chain.

REVENUE LOSSES ASSOCIATED WITH ADVERSE WEATHER CONDITIONS DURING THE HIGH SEASON, AN EMERGING RISK

Climate change-driven heatwaves, fires, floods, and sea level rise can reduce guest comfort and destination appeal (downstream), depressing occupancy and RevPAR; climate impacts on agriculture may increase procurement costs (upstream); and regulatory shifts and fuel switching can raise energy and compliance costs. Collectively, these dynamics threaten resilience and profitability across the value chain, especially in peak months. Under the CSRD double materiality lens, the risk is financially material in the long term, with impact considerations linked to adaptation and destination management. A stakeholder survey (suppliers, local communities, financial institutions) consistently identified climate change as a key risk given the Group's reliance on tourism.

WATER AND MARINE RESOURCES (E3)

WATER CONSUMPTION FOR INDUSTRIAL/ ECONOMIC PURPOSES – NEGATIVE IMPACT

Water is used across rooms, food services, landscaping, and recreational amenities within our own operations, and such demand can compete with scarce local water resources, affecting community access and ecosystems. Because water use is embedded in procurement and service delivery (upstream & downstream), periods of stress or scarcity can increase input prices and tariffs, trigger usage restrictions and compliance costs, and influence guest experience and service quality.

RESOURCE USE AND CIRCULAR ECONOMY (E5)

GENERATION OF WASTE WHICH REQUIRES TREATMENT, RESULTING IN PRESSURE ON TREATMENT SYSTEMS – NEGATIVE IMPACT

The Group generates waste from its operations, including non-hazardous and potentially hazardous waste. Through the supply chain, the selection of waste disposal companies, continuous improvement of separation processes, recycling and reuse, the Group continues to manage the process of reducing the amount of waste (upstream) resulting from its operations. The consequence may be an increase in operating costs. This waste requires collection and treatment via potentially restrained or stressed local waste handling systems.

OWN WORKFORCE (S1)

LOSS OF WORKER HEALTH AND SAFETY DUE TO ANY RELATED INCIDENTS – NEGATIVE IMPACT

This is a negative, actual impact. Any workplace injury has a negative impact. Manual working activities tend to have a higher risk profile, on average, than in office-based work and administration (own operations). It can also have financial consequences.

MAINTENANCE OF WORKFORCE EQUALITY VIA ZERO TOLERANCE TO ALL FORMS OF DISCRIMINATION – POSITIVE IMPACT

The Group (in all own operations) is determined in its commitment to fostering respect, fairness, and equal opportunities, with zero-tolerance to any form of discrimination. The Group champions equal opportunities for team members, students, and guests, regardless of various factors such as age, disability, gender, race, religion, and more. The Company operates in accordance with the Law on Suppression of Discrimination of the Republic of Croatia and has endorsed the Croatian Charter of Diversity,

promoting diversity, anti-discrimination, inclusiveness, and equal opportunities. Furthermore, this commitment is reinforced through the adoption of the Anti-Bullying and Anti-Harassment Policy, which ensures a safe and respectful workplace environment for all employees.

PROTECTION OF GENDER EQUALITY DUE TO REPRESENTATION OF WOMEN AT ALL COMMERCIAL LEVELS – POSITIVE IMPACT

This impact is considered positive and is considered to contribute towards the UN SDG 5 – Gender Equality. The impact tends to be realised or concentrated throughout the business. The impact is a consequence of our core business model. The impact is considered or expected to persist over the long term.

INCREASE IN EMPLOYEE SKILL AND KNOWLEDGE – POSITIVE IMPACT

The Group is committed to investing in its employees and cultivating a dynamic workplace that fosters the development of the skills and knowledge of its team members. The Group offers diverse training programs and university tuition payments, emphasising its core values to create a culture of engagement and value for its team members. Additionally, valued team members have successfully completed various learning and upskilling programs, including the lifelong learning program in Camping Resort Management and the "Specialist in Food and Beverage Department" program.

AGGREGATED REPUTATIONAL AND LIABILITY RISKS ASSOCIATED WITH A DATA BREACH OF OWN WORKFORCE INFORMATION – RISK

Employee data can be leaked by either a malicious actor or an insider through both intentional and accidental actions. Such breaches expose sensitive employee information, leading to regulatory, financial, and reputational consequences.

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CONSUMERS AND END-USERS (S4)

AGGREGATED SUSTAINABILITY-PERFORMANCE REPUTATIONAL RISK

Customers expect a high standard of corporate conduct and Sustainability-related performance across all topics and matters. Significant failures of sustainability-related conduct can pose a reputational risk which might result in changes in customer (particularly corporate and public body customers) preference (own operations & downstream).

FINANCIAL PENALTIES ASSOCIATED WITH CUSTOMER DATA PRIVACY BREACH (CUSTOMER DATA)- RISK

The Group could experience a serious data privacy breach which could result in investigation, significant fines in accordance with GDPR and subsequent reputational damage.

Customer data can be leaked by either a malicious actor or an insider through both intentional and accidental actions. Such breaches expose sensitive customer information, leading to regulatory, financial, and reputational consequences (own activities & downstream).

LOSS OF REVENUES ASSOCIATED WITH SYSTEM DOWNTIME- RISK

System downtime can occur due to technical failures or cyberattacks, disrupting critical operations in the hospitality sector. This disruption not only leads to immediate financial losses but also affects customer satisfaction and long-term reputation (own operation; downstream & upstream).

BUSINESS CONDUCT (G1)

INCREASED TRUST AMONG ECONOMY-PARTNERS DUE TO ETHICAL AND RESPONSIBLE BUSINESS PRACTICES- POSITIVE IMPACT

The Group adopted a Code of Conduct that sets clear ethical standards to guide responsible business practices, build stakeholders' trusts and reinforce social responsibility. By defining expectations for employee behaviour and business conduct, the Code helps mitigate risks associated with unethical practices and ensures stronger compliance with sustainability commitments across our own operations as well as downstream and upstream activities.

INCREASE IN WHISTLEBLOWER PROTECTION AND TRANSPARENCY- POSITIVE IMPACT

The Group has implemented a Whistleblowing policy that provides a secure and confidential channel for reporting unethical or non-compliant behaviour, fostering a culture of transparency and accountability. This policy helps identify and address potential issues early, mitigates risks, strengthens stakeholders' trust and reinforces ethical standards across the Group.

PROMOTION OF ETHICAL BUSINESS VIA ANTI-CORRUPTION AND INTEGRITY MEASURES- NEGATIVE IMPACT

Anti-Bribery and Anti-Corruption Policy set clear guidelines to prevent, detect and address bribery and corruption, fostering a culture of integrity and compliance. By reducing the risk of legal and reputational damage, it aligns the Group with international standards for ethical and responsible business conduct.

RISK OF FAILURE TO MEET BUSINESS CONDUCT EXPECTATIONS FROM INVESTORS AND NON-GUEST STAKEHOLDERS

Sustainability performance across all areas represents a material risk factor influencing both capital sourcing and regulatory exposure. Poor performance can adversely affect relationships with sustainability-focused institutional investors and regulators, particularly in areas related to labour practices and environmental compliance.

RISK OF LOSS OF FINANCIAL ASSETS DUE TO CORRUPTION

The Group is aware of the general risk of potential financial losses resulting from corrupt practices such as bribery, fraud, or other unethical activities, which can lead to monetary loss, regulatory penalties, reputational damage, and operational disruptions. To mitigate this risk, the Company has adopted robust measures, including the Anti-Bribery and Anti-Corruption Policy, the Gifts and Entertainment Policy, and the newly implemented Anti-Fraud Policy, which collectively establish mechanisms for prevention, detection, and reporting. These policies are supported by mandatory employee training, monitoring systems, and transparent reporting processes.

The Group reports no such violations of the rules to date.

Effects of the material impacts, risks and opportunities

Following the Group's 2025 re-evaluation of double materiality, the set of material topics remains unchanged.

After reviewing all material and non material IROs, we have elaborated the material IROs in the SMB 3 "Description of material impacts, risks and opportunities" section above.

The identified IROs—positive and negative—continue to have a considerable and wide ranging influence on the Group's business strategy and operating model, including the value chain, over the short, medium and long term. Looking ahead, we will further align business processes and decision making in operating and capital investment planning to advance reuse, recycling and GHG reduction; strengthen supply chain partnerships with sustainable suppliers; adapt our product offering to be more sustainable; continually evolve employee wellbeing and retention; and reinforce responsible business policies and procedures to ensure robust corporate governance.

Our 2025 actions and outcomes are presented throughout this report, with ongoing updates to be provided in subsequent reporting cycles.

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Impacts affecting people and environment

CLIMATE CHANGE (E1)

INCREASE IN GHG IN THE ATMOSPHERE RESULTING FROM OUR DIRECT AND INDIRECT EMISSION

The impact is considered to delay the transition to the green economy; therefore, it is considered negative. The impact tends to be realised or concentrated throughout the business. The impact results from our core business model. The impact is considered or expected to persist over the long term.

WATER AND MARINE RESOURCES (E3)

WATER CONSUMPTION FOR INDUSTRIAL/ ECONOMIC PURPOSES

The Group's operations consume water resources, which affects the availability and quality of water for people and ecosystems. These impacts, considered as negative, can lead to scarcity of water resources. The impacts originate from the Group's services across both short-term and long-term periods, as water scarcity can have immediate and lasting effects on people and the environment. The Group is directly involved with this impact through its own activities.

CIRCULAR ECONOMY (E5)

GENERATION OF WASTE WHICH REQUIRES TREATMENT, RESULTING IN PRESSURE ON TREATMENT SYSTEMS

The Group generates waste including non-hazardous and potentially hazardous waste through its own activities and its business relationships with suppliers and other partners. The reasonably expected time horizon of this impact is ongoing. The Group implements a global waste management guidelines that follows the "reduce, reuse, and recycle" policy, aiming to achieve small disposal volumes. This impact is considered negative.

OWN WORKFORCE (S1)

LOSS OF WORKER HEALTH AND SAFETY DUE TO ANY RELATED INCIDENTS

Negative impacts related to health and safety primarily stem from workplace injuries, which are a risk inherent to manual working activities, particularly in operational roles. These injuries directly affect employees' physical well-being and mental health, potentially leading to long-term physical ailments or psychological stress. To mitigate these risks, the Group implements occupational health and safety measures, which include risk and hazard management, preventive education, health monitoring and hierarchical accountability. These initiatives aim to foster a safer working environment, reducing the frequency and severity of negative impacts on employees while safeguarding operational sustainability.

MAINTENANCE OF WORKFORCE EQUALITY VIA ZERO TOLERANCE TO ALL FORMS OF DISCRIMINATION

A zero-tolerance approach to discrimination mitigates negative social impacts by promoting fairness, respect, and inclusivity within the organisation. This policy positively impacts employees' mental well-being by ensuring a respectful and supportive work culture. It prevents potential discriminatory practices

that could harm individuals' careers, emotional health, or access to opportunities. The Anti-Bullying and Anti-Harassment Policy reinforces this commitment by addressing workplace harassment and bullying, ensuring a safe and inclusive environment for all employees.

GENDER EQUALITY AND REPRESENTATION OF WOMEN

The Group's initiatives to increase the representation of women across all levels of operations positively impact societal norms by promoting gender inclusivity and reducing systemic inequality. These efforts encourage equal opportunities by focusing on gender equality, helping to break down traditional barriers and ensures equitable representation. Additionally, it fosters positive social change and sets a precedent for fairness, inspiring broader societal shifts toward gender inclusivity.

The impact extends throughout the Company's value chain and contributes directly to the United Nations Sustainable Development Goal (UN-SDG) 5: Gender Equality, reinforcing the company's role as a socially responsible entity.

INCREASE IN EMPLOYEE SKILL AND KNOWLEDGE

Investing in skill and knowledge development yields substantial positive impacts, benefiting both employees and the organisation. The impact is multifaceted: for employees: enhanced skills and access to educational opportunities improve job satisfaction, career prospects, and personal growth. For the Group: a skilled workforce boosts productivity, innovation, and operational efficiency. This impact aligns with UN-SDG 4: Quality Education, as it emphasises lifelong learning opportunities and inclusive education. It also supports economic sustainability by preparing employees for evolving market demands, ensuring long-term resilience.

The impacts identified in ESRS S1 Own Workforce are enduring and integral to the

Group's business model. Positive impacts, such as gender equality, skill development, and the zero-discrimination policy contribute to societal well-being and are persistent throughout the organisation's operations. Negative impacts, such as workplace injuries, are mitigated through ongoing measures, with continuous efforts to minimise their occurrence and severity.

BUSINESS CONDUCT (G1)

INCREASED TRUST AMONG ECONOMY-PARTNERS DUE TO ETHICAL AND RESPONSIBLE BUSINESS PRACTICES

The Code of Conduct fosters trust and promotes responsible business practices by defining ethical standards for employees. It helps prevent misconduct, strengthens adherence to sustainability commitments, and aligns with UN-SDG 16 by promoting fairness and social responsibility.

INCREASE IN WHISTLEBLOWER PROTECTION AND TRANSPARENCY

The Whistleblowing Policy supports transparency and accountability by providing secure channels for reporting unethical behaviour. The 2024 updates, including the Anti-Bribery and Anti-Corruption Policy as well as the Gifts and Entertainment Policy, strengthen governance, enhance stakeholder trust, and ensure timely risk detection, contributing to UN-SDG 16.

PROMOTION OF ETHICAL BUSINESS VIA ANTI-CORRUPTION AND INTEGRITY MEASURES

The Group's Anti-Bribery and Anti-Corruption Policy prevents bribery and corruption, reducing legal and reputational risks. It fosters a culture of integrity, aligns with international standards, and supports UN-SDG 16 by promoting ethical governance. In addition, the Anti-Fraud Policy strengthens these efforts by establishing clear mechanisms to detect, prevent, and address fraudulent activities across all operations.

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These impacts, considered as positive, embed ethical governance into the business model, ensuring long-term trust, compliance, and resilience, while aligning with global standards for responsible business conduct.

Financial impacts of the material risks and opportunities

The current financial effects of the material risks and opportunities on its financial position, financial performance and cash flows: The material risks and opportunities identified during the double materiality assessment might have a significant impact on the financial position, financial performance, and cash flows of the undertaking. Specifically: a) The risk of climate change and its potential impact on the undertaking's operations has resulted in increased costs to adapt and mitigate its effects. This may lead to a decrease in net income and cash flows. b) The opportunity to invest in renewable energy and energy efficiency measures has resulted in increased capital expenditure but is expected to generate significant cost savings and revenue opportunities in the future. This has led to a decrease in the undertaking's current financial performance and cash flows but is expected to have a positive impact in the long term. It is currently not possible to estimate the potential financial impacts—whether positive or negative—for future periods.

Resilience of the strategy and business model

The Group's sustainability governance is a comprehensive approach, which involves periodic review and assessment of risk and associated impacts and opportunities. The business model is adaptive and with medium to long-term planning in place the overall strategy is deemed resilient. The Group conducts an annual double-materiality review, an annual climate-risk analysis, as well as an annual

assessment and internal alignment with the Group Risk Strategy.

IRO-1

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

Methodologies and assumptions applied in the process

A primary methodology, as developed and supported by Code Gaia, is used to identify and assess IROs and assess which of these are material. Each of the key activities in this methodology is outlined below and covered in greater detail in the remainder of this disclosure. The entire methodology is iterative, in so far as any one of the activities might result in the adjustment of the findings of another. For this purpose, the processes within the methodology are largely conducted simultaneously, involving many of the same internal teams and expertise.

ACTIVITY 1: IDENTIFYING STAKEHOLDERS AND DETERMINING POTENTIAL IMPACT ON "KEY" STAKEHOLDERS FOR THE PURPOSES OF ENGAGEMENT

The potential stakeholders are identified to (1) include all existing communications with known stakeholders on sustainability matters, (2) to prioritizing critical business relationships and (3) to identify any additional stakeholders which might be a "key" stakeholder in so far as they emerge from the impact identification and assessment process as potentially negatively impacted.

The initial Stakeholder identification activity occurred in 2024 and was conducted by Chief Financial Officer, ESG Manager and her team, Technical Department Manager, Purchasing Manager, Human Resources Manager, Group General Counsel, Group Financial Analyst and Senior Managers from the German Region and their teams.

ACTIVITY 2: IDENTIFICATION OF IMPACTS, RISKS AND OPPORTUNITIES

The methodology identifies IROs based on (1) a review of existing documentation such as sustainability-related standards, financial reports process descriptions and reports, (2) internal experience and expertise and (3) workshops with internally responsible persons and external experts. For impact identification specifically, the methodology assumes that previous sustainability-related reporting and internal documentation (relating to Human Resources processes, environmental management, assets and energy, supply chain dependencies) can act as an initial filter to scope the likely range of impacts that are then expressed in terms of ESRS-relevant characteristics.

The IRO identification assumes that an exhaustive list of every single impact cannot be known, and that judgement is required to scope the identified impacts which will then be assessed. Furthermore, it is also assumed that in future reporting years, the increase in availability of published impacts (from other Sustainability Statements) will assist with the identification of impacts.

ACTIVITY 3: THE ASSESSMENT OF IMPACTS RISKS AND OPPORTUNITIES

All IROs, once identified are either collapsed together (where multiple impacts of the same nature have been identified and to avoid duplication or the oversight of cumulative impacts) or they are assessed explicitly according to the materiality criteria set out in ESRS 1. No IRO is exempt from the assessment process, there is no intermediate filtering or prioritization. The assessment criteria and the assumptions which relate to specific criteria, "scoring" tests and thresholds which are applied for IRO assessment are described in further detail in the remainder of this disclosure. The initial IRO assessment activity occurred in

2024 and was conducted by Chief Financial Officer, ESG Manager and her team, Technical Department Manager, Purchasing Manager, Human Resources Manager, Legal Department, Group Financial Analyst and Senior Managers from the German Region and their teams.

Process to identify, assess, prioritise and monitor the potential and actual impacts

As alluded to in the description of the methodology above, the process to identify and assess impacts is iterative.

The initial IRO identification activity occurred in 2024 and was conducted by Chief Financial Officer, Group Director Corporate Finance, ESG Manager and her team, Technical Department Manager, Purchasing Manager, Human Resources Manager, Group General Counsel, Group Financial Analyst and Senior Managers from German Region and their teams. All participants possess good knowledge and understanding of the ESRS framework. They actively engage in all processes related to ESG and follow updates as new directives and regulations emerge- Also, all participants were involved in the preparation of the 2024 Sustainability Report.

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2025 Our Reassessment process:

In 2025, the Group undertook a re-evaluation of double materiality, taking into account baseline indicators and the results from 2024.

To identify IROs we use a four-step process:

1. Stakeholders' identification and Stakeholder impact identification

- we have identified categories of Stakeholders based on the criteria of the upstream and downstream chain, regions of business, volume of mutual transactions, influence in certain parts of business (criteria set out in the ESRS). Subsequently each identified Stakeholder was actively engaged with a specific survey to receive feedback on the nature of these impacts in accordance with the Materiality tests specified in the ESRS. The conclusion of the 2025 re-evaluation is that the Key Stakeholders identified in the 2024 double materiality analysis have been confirmed and remain relevant.

2. Own impact identification - in this step, we determined internally identified impacts based on criteria set in ESRS on experience with sustainability-related issues in our business as well as in our internal experiences in our processes in previous years. The identified impacts are linked to the survey completed by Stakeholders. The following characteristics are identified for each impact: Positive or Negative; Actual or Potential; Scale; Scope; Likelihood; Irremediable Character and Human Rights Relevant. The conclusion of the 2025 re-evaluation is that the Own Impact Identification remains unchanged. Taking into account Stakeholders' opinions, we did not encounter significant differences or deviations from the initially determined positive and negative impacts.

3. Identification of Financial Risks and Opportunities

The process, for all impacts includes the explicit identification of the following attributes of each impact: this identification is based on the criteria set in the ESRS, combined with the results of the previous two steps as well as experience with sustainability related issues and internal experience and expertise within the organisation. The characteristics which we identified for each RO was Duration (the same Time Horizons which we used for Impact Irremediability - ESRS1 Section 6.4), Magnitude relative to financial Materiality threshold (ESRS 1 App. A AR14; we used the recommended McKee Single Role of Thumb, choosing a variable of 5% of pre-tax income) and Likelihood (we used binary approach ESRS 1 App. A AR15(b)). The conclusion of the 2025 re-evaluation is that the Identification of Financial Risks and Opportunities remains unchanged. Taking into account Stakeholders' opinions, we did not encounter significant differences or deviations from the initially determined Risks and Opportunities.

4. Collation of IROs, materiality assessment and documentation: once all once all IROs were collected and mapped to the relevant sustainability matters, the relevant natural scale, scope irremediable character, direction and likelihood of impacts are used to determine the materiality of those impacts. The test for financial materiality was applied to ROs in coordination with the undertakings financial and accounting functions. Any IROs that were determined to meet the criteria for materiality was accepted as material and the subsequent Topics and Matters were included in the scope of the Sustainability Statement. During this phase, we applied the EFRAG guidance that defines No-netting of Positive and Negative Impacts across our own operations and the

value chain. This process remains unchanged during the 2025 re-evaluation process.

The conclusion of the 2025 re-evaluation confirmed the Key Stakeholders identified in the 2024 double materiality analysis. Furthermore, the Own Impact Identification remained unchanged; considering Stakeholders' opinions, we did not identify significant differences or deviations from the initially determined positive and negative impacts. Similarly, the financial risk and opportunity re-evaluation concluded that we maintain the previously established risks and opportunities. Stakeholder feedback reinforced that no material changes or significant deviations were observed compared to the original assessment.

Following the publication of our first Sustainability Report in 2024, which was based on the Code Gaia Whitepaper and utilized its methodology for conducting the double materiality analysis, the Group recognized the need for an internal policy to govern this process. Consequently, in 2025, we developed the Double Materiality Policy, which continues to be grounded in the principles outlined in the Code Gaia Whitepaper.

In 2025 the Group continues to use the Code Gaia software services for the re-evaluation of double materiality.

With respect to the thresholds for determining materiality, where impact severity is required to be considered (where the impact is negative), the following formulation is used to determine how Scale, Scope and Irremediable character contribute, where the three categories for scale, scope and irremediability are expressed as numerical values for the sake of simplification (e.g. where "de minimus but cumulative" scope is 1. Severity is assessed prior to accounting for likelihood (including the precedence given to it with respect to human rights related impacts). The Negative Impact Severity is not severe if:

1. Irremediability is 1:

- The scale is 1 and the scope is 1, OR
- The scale is 1 and the scope is 2, OR
- The scale is 2 and the scope is 1.

2. Irremediability is 2:

- The scale is 1 and the scope is 1.

Within the Code Gaia approach, adopted by the Group, the following thresholds are applied in order to determine the materiality of impacts:

FOR ACTUAL POSITIVE IMPACTS:

An Actual Potential Impact (API) is not material under any of the three conditions below:

- The scale is 1 and the scope is 1, OR
- The scale is 1 and the scope is 2, OR
- The scale is 2 and the scope is 1.

FOR POTENTIAL POSITIVE IMPACTS:

A Positive Potential Impact (PPI) is material under either two conditions below:

- If the likelihood is 50% or more:
 - The scale of the impact is 3, OR
 - The scope of the impact is 3, OR
 - Both the scale and scope of the impact are 2.
- If the likelihood is less than 50%:
 - The scale is 3 and the scope is either 2 or 3, OR
 - The scope is 3 and the scale is either 2 or 3.

FOR ACTUAL NEGATIVE IMPACTS:

A Negative Actual Impact ("NAI") is Material when it is Severe (i.e. when severity = 1)

FOR POTENTIAL NEGATIVE IMPACTS:

A potential negative impact is material:

- When it is NOT a human rights impact AND it is SEVERE and More than likely, OR
- When it is a human right impact and it is SEVERE (Severity takes precedence over likelihood).

Risks and Opportunities are assessed based on the Magnitude and Likelihood.

The combination of both the Financial

Amount relative to the Financial Limit and the persistence of the RO combines to provide an overall assessment of the Magnitude of the RO. This is expressed in three categories, Low Magnitude, Medium Magnitude and High Magnitude.

If the monetary amount is NOT greater than the financial limit ($MA \leq FL$), then Magnitude is always Low.

If the monetary amount is greater than the financial limit ($MA > FL$):

- Magnitude is Medium if Persistence is Short Term or Medium Term.
- Magnitude is High if Persistence is Long Term.

An RO is considered material if and only if one of the following conditions is met::

- Likelihood is less than 50%, then the RO is material only if the Magnitude is High.
- Likelihood is 50% or more, then the RO is material if the Magnitude is either Medium or High.

Process used to identify, assess, prioritise and monitor risks and opportunities with financial effects

Identification of Financial Risks and Opportunities

The rule for measuring the magnitude

The Group will consider 0.5% of the total revenue based on the Annual Report 2024 (pag.228) EUR 142.284.000) = EUR 711.420 because:

Revenue is directly proportional to business activity levels, which is driven by the number of guests that we serve throughout our business operations. Our employee levels are considering the volume and scale of operations. The majority of expenses and costs are the result of business activity, guests, number of employees, and eventually the revenue generated.

Decision-making process and related internal control procedures

The decision-making process and related internal control procedures in our Sustainability implementation plan reflect a structured governance framework designed to ensure accountability, collaboration, and progress monitoring. Details of the sustainability governance decision making is covered in ESRS 2 (pag.68-70; 174-185). The internal controls process and framework is described in the risk management section of the Annual Report 2025.

The Group employs various feedback and review mechanisms, including regular evaluations by the Sustainability Committee. These processes enable the assessment and enhancement of strategies and initiatives, fostering continuous improvement. In essence, the decision-making framework ensures alignment from the top down with the Group's strategic sustainability objectives, while internal control systems uphold operational integrity, transparency, and accountability across the organisation.

Integration into the undertaking's overall risk management process

These have been well integrated into the Group's overall strategy and in specific sustainability. Details of this can be found in the management reports Risk Management section pages 160-171.

Integration into the undertaking's overall management process

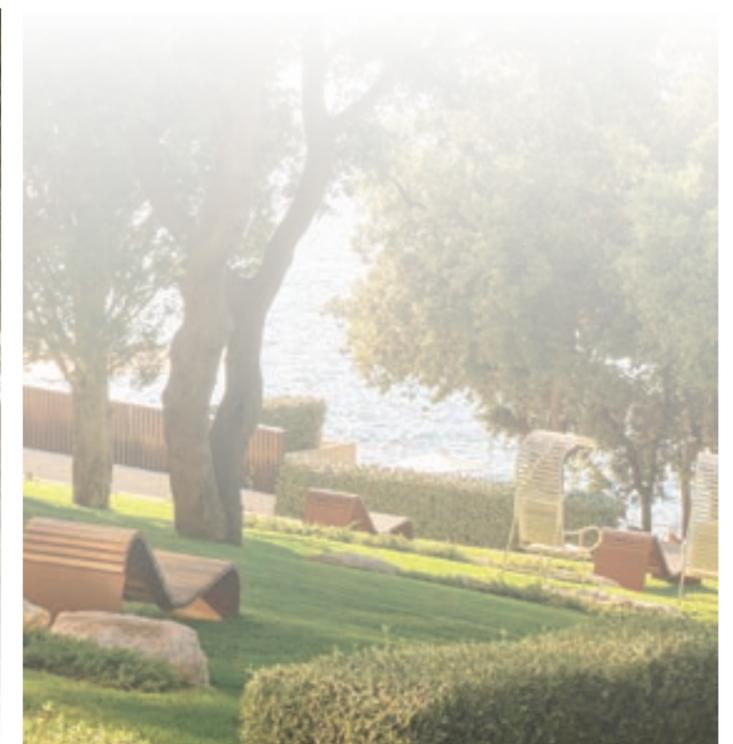
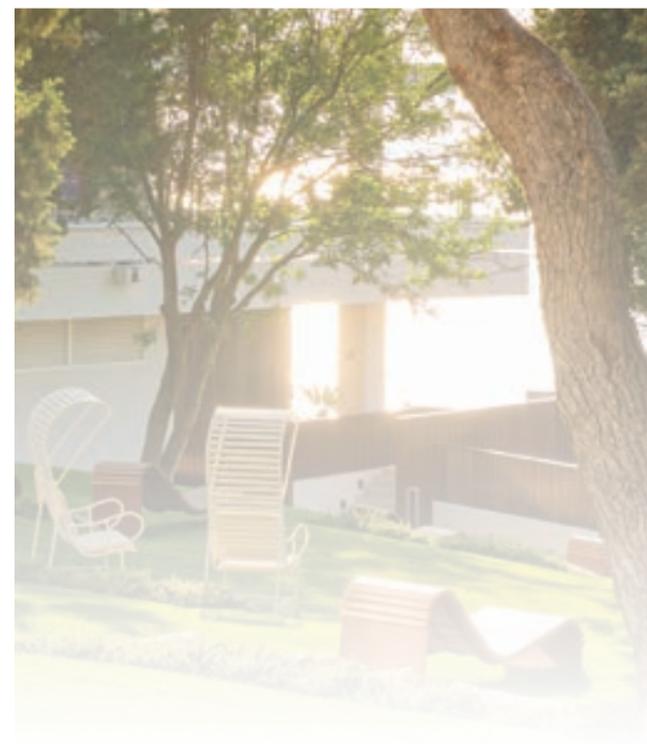
These have been well integrated into the Group's overall strategy and in specific sustainability. Details of this can be found in the management reports Risk Management section pages 160-171.

IRO-2

DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT

Lists of Disclosure Requirements and datapoints

A list of the Disclosure Requirements complied with in preparing the sustainability statement based on the results of the materiality assessment, including page numbers, is presented in the form of the table of contents. A table of all data points that derive from other EU legislation as listed in Annex B of the ESRS 2 is provided in the appendix. This indicates where the relevant data points can be found in this sustainability statement. Data points assessed as "Not material" are labelled accordingly.



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General Information

Materiality of other topical ESRS

NON-MATERIAL TOPICS

During the double materiality process the Group has assessed all ESRS topics. Some of them were found to not be material, however the IROs were considered during the process. These are the main findings:

		NON-MATERIAL IRO's			
		NEGATIVE IMPACT	POSITIVE IMPACT	RISK	OPPORTUNITY
	ESRS E1 CLIMATE CHANGE				
	Increased revenue associated with any extension of the warm-weather tourism season				✓
	Increased external investment due to our climate-friendly investments associated with energy efficiency measures				✓
	Enablement of the climate adaptive economy due to procurement of renewable electricity		✓		
	Increased energy use efficiency due to Own Activities		✓		
	Reduced demand for utility-water resulting from use of own desalination plants for landscaping water		✓		
	ESRS E2 POLLUTION				
	Reduction in local air quality due to emission of particulates (PM10) and non-GHG gases from fuel combusting for heat	✓			
	Reduction in air quality Mobile local air pollution impact from diesel vehicles + machines	✓			
	Contributions to the migration of micro-plastics into the environment from plastics use	✓			

NON-MATERIAL IRO's

		NEGATIVE IMPACT	POSITIVE IMPACT	RISK	OPPORTUNITY
	ESRS E3 WATER AND MARINE RESOURCES				
	Reduction in sea water quality associated with discharge of treated pool water to the marine environment	✓			
	Increase in scarcity of marine resources resulting from Seawater Withdrawal	✓			
	Impact on marine environment associated with brine and salt deposition	✓			
	ESRS E4 BIODIVERSITY AND ECOSYSTEMS				
	Guest induced loss of marine environmental quality	✓			
	Unintended provision/ increase of on-site Biodiversity		✓		
	Marine Habitat disturbance resulting from various activities	✓			
	Lost revenue associated with declines in ecosystem services			✓	
	ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY				
	Reduction of waste-disposal costs in hotels kitchens				✓
	Significant future increase in waste handling costs			✓	

NON-MATERIAL IRO's

	NEGATIVE IMPACT	POSITIVE IMPACT	RISK	OPPORTUNITY
ESRS S1 OWN WORKFORCE				
Maintenance and protection of worker association/ representation due to Own Activities.		✓		
Labour related risks - work-stoppage			✓	
Loss of brand value and reputation associated with serious Health, Safety and Security Incidents			✓	
ESRS S2 WORKERS IN THE VALUE CHAIN				
Disparate Working conditions for agency workers (versus own employees)	✓			
Risk of reduced key supplier delivery resulting from workforce incapacitation			✓	
ESRS S3 AFFECTED COMMUNITIES				
Overtourism	✓			
Increase in local cultural expression and community cohesion through investment in community initiatives		✓		
Opportunity to demonstrate that established hospitality industry can facilitate the development of sustainable tourism				✓
Revenue losses associated with adverse community reaction against the wider tourism sector (over tourism)			✓	
Loss of Concessions/Permits: Potential limitations to the use of land in campsites and tourist resorts			✓	

NON-MATERIAL IRO's

	NEGATIVE IMPACT	POSITIVE IMPACT	RISK	OPPORTUNITY
ESRS G1 BUSINESS CONDUCT				
Cost avoidance through early detection of unethical or illegal activities (Risk mitigation measure available in relation to detection of unethical or illegal activities)				✓
Reputational benefits from enhanced stakeholder trust and ethical leadership				✓
Maintenance of good relationships with suppliers including payment practices		✓		
Application of positive practices with suppliers and payment terms				✓
Reputational and brand-value benefits from our commitment to integrity and responsible business practices				✓

Selected non-material topics:**E2 POLLUTION**

a) Reduction in local air quality due to emission of particulates (PM10) and non-GHG gases from fuel combustion for heat (I) - this impact is only for three hotels in Medulin (Croatia). Based on legal regulations, the Group submits annual data to the Ministry of Environmental Protection and Green Transition, to the Institute for Environmental and Nature Protection, which maintains the Register of Environmental Pollution, and based on the submitted data, calculates monetary compensation for pollution.

For 2025, the Group did not exceed the legal minimums and was therefore not charged for the payment of monetary compensation for pollution.

b) Reduction in air quality mobile local air pollution impact from diesel vehicles + machines (I) - This impact accounts for the mobile sources of air pollution that the Group operates both on and off-site. This impact refers to diesel road-vehicles in our operational fleet, mostly transport vehicles in the horticulture department.

c) Contributions to the migration of micro-plastics into the environment from plastics use (I) - The Group is in the process of reducing plastic use to mitigate environmental and health risks caused by microplastics. Since 2024, the Group has replaced single-use toiletries with refillable dispensers and is phasing out plastic items in food & beverage and housekeeping operations. The Group collaborates with suppliers to adopt returnable packaging and recycled materials, supported by strong waste management processes and compliance monitoring. These initiatives aim to protect ecosystems, improve sustainability, and promote long-term cost savings while tracking partners' adherence to environmental standards.

E4 BIODIVERSITY AND ECOSYSTEMS

a) Guest-induced loss of marine environmental quality (I) - The most significant indicators of sea pollution with faecal wastewater are microbiological indicators, so their presence indicates a potential risk of infectious diseases - Microbiological pollution. The tests were carried out in 14-day intervals, according to the framework plan of the Ministry of Environmental Protection, Spatial Planning and Construction - Department for Sea and Coastal Protection. In 2025, as in previous years, no incidents occurred.

b) Unintended provision/ increase of on-site Biodiversity (I) - The Company aims to maintain biodiversity in its managed properties. This is considered a positive impact as it contributes towards preserving natural habitats and promoting sustainable land use. The impact is realised in the specific locations where the Company operates and is a direct consequence of its operations.

b) Unintended provision/ increase of on-site Biodiversity (I) - The Group aims to maintain biodiversity in its managed properties. This is considered a positive impact as it contributes towards preserving natural habitats and promoting sustainable land use. The impact is realised in the specific locations where the Group operates and is a direct consequence of its operations.

c) Marine Habitat disturbance resulting from various activities (I) - Due to seasonality, potential marine habitat disturbance would occur during summer months only, which allows the nature to restore itself. Also, there are no indications from any institution or authorised organisation that significant marine habitat disturbance occurs.

d) Lost revenue associated with declines in ecosystem services (R) - The loss of winter-sport amenity values (snow and ice) in Austria, and/or the loss of marine ecological value in Croatia, would also represent risks of future revenue losses.

S2 WORKERS IN THE VALUE CHAIN:

a) Disparate Working conditions for agency workers (versus own employees) (I) - Agency workers are often migrant workers, from less developed countries. Such workers might be exposed to different working conditions to Group's employees depending on the practices of the agencies and their agents. This is a potential negative impact. The Group offers the same conditions and standards to all employees, including salary and benefits.

b) Risk of reduced key supplier delivery resulting from workforce incapacitation (R) - The workforce of certain suppliers might be sensitive to working conditions. In the event of significant failures, these suppliers might temporarily be unable to deliver on their agreed output. While we have not had such experiences with existing partners, this scenario is possible, however, it is immeasurable and unpredictable. Through a supplier compliance questionnaire, general information may be obtained that is not sufficient for risk assessment. The prevention method is a continuous relationship with the supplier to gain an understanding of their ongoing ability to deliver in line with their obligations to the Group.

S3 AFFECTED COMMUNITIES

a) Overtourism (I) - Over-tourism is a cumulative series of nuisance-type impacts which can affect specific geographic areas. This type of impact is usually associated with unplanned (not subject to urban planning or traditional tourism regulation), ad hoc or sudden and large influx tourism, the nature of which is not engaged in.

b) Increase in local cultural expression and community cohesion through investment in community initiatives (I) - The Group continues its investment in community initiatives to promote local culture and architectural heritage, contribute to local community infrastructure and offer training and skills to develop the employability of local people.

c) Opportunity to demonstrate that established hospitality industry can facilitate the development of sustainable tourism (O) - This is a market opportunity and is most relevant where local economies depend on existing established tourism, which is controlled, planned and is not ad hoc.

d) Revenue losses associated with adverse community reaction against the wider tourism sector (over tourism) (R) - Budapest increases in tourism/ city taxes potentially reducing stays (R) - In certain geographies, local communities might react negatively to the activities of the hospitality sector and their guests/visitors. The deterrence or limitation of tourism activities could result from this negative reaction. This is predominantly a risk for the ad hoc tourism sector and not for established hospitality infrastructure and services like the Group. The potential impact on established hospitality might be in the form of city taxes.

e) Loss of Concessions/Permits: Potential limitations to the use of land in campsites and tourist resorts (R) – The Group holds concessions to operate on communal assets such as beaches, with a potential future risk of restrictions tied to sustainability performance, though no current indication exists. Proposed legislative changes on physical planning may limit new coastal developments, including mobile homes, affecting campsites and resorts. As implementation details remain unclear, the exact impact cannot yet be assessed. Indirect effects could arise from restricted refurbishment options. Overall, uncertainty around the new regulatory framework makes it premature to determine the full implications.

Methodology of determining the material information

The Group has used EFRAG's ID 177 – links between AR16 and Disclosure requirements, EFRAG's Implementation Guidance 3 – List of ESRS Data Points, Appendix C of the ESRS1 – List of phase-in Disclosure Requirements, Appendix D: Disclosure/Application Requirements in topical ESRS that are applicable jointly with ESRS 2 General Disclosures, Appendix E: Disclosure of ESRS datapoints in accordance with EU laws and ESRS 1.

TAXONOMY DISCLOSURES

EU TAXONOMY (ARTICLE 8 OF REGULATION (EU) 2020/852)

BACKGROUND AND REGULATORY CONTEXT

Pursuant to Article 8 of Regulation (EU) 2020/852 (the "EU Taxonomy Regulation"), the Group discloses the extent to which its activities are taxonomy-eligible and taxonomy-aligned. The EU Taxonomy is an EU-wide classification system designed to help identify environmentally sustainable economic activities and to support the reorientation of capital flows toward a more sustainable economy. It is a key element of the European Commission's action plan to enable the transition to climate neutrality by 2050 and to increase transparency and comparability of sustainability-related disclosures.

In 2025, the Group continues disclosing EU Taxonomy indicators consistent with Delegated Regulation (EU) 2021/2139 (the "EU Taxonomy") and the reporting requirements set out in Regulation (EU) 2021/2178 (the "Disclosure Regulation"), including for the second time an extended view showing the portion of taxonomy-aligned activities within eligible activities.

Scope of reporting and approach

The Group is in scope of EU Taxonomy reporting requirements as a non-financial undertaking and performs an annual assessment of taxonomy-relevant economic activities and their linkage to business operations and financial reporting. We continuously enhance our approach to identifying, measuring, and disclosing EU Taxonomy information through participation in industry updates, trainings, and expert discussions. This knowledge supports our yearly mapping of the economic activities specified in the regulation against our

operational and financial activities, enabling identification of established links and areas requiring further analysis for future reporting.

The Group assessed compliance with the criteria set out in Article 3 of Regulation (EU) 2020/852 and the associated technical screening criteria included in the delegated acts. Where activities were deemed to comply with the relevant technical screening requirements based on analysis of underlying documentation, the Group allocated parts of its turnover, capital expenditure (CapEx) and operating expenditure (OpEx) to taxonomy-aligned activities.

The tables completed in line with the Disclosure Regulation are presented in the Appendices (The same KPI tables used in the 2024 report have been applied in the 2025 report.). Allocation of figures to the numerator and denominator of each KPI was performed through direct allocation of supplier invoices and other items to relevant financial statement captions. Since each item was attributed to only one activity, double counting did not occur.

Identification of eligible activities

As the Group's main activity is hospitality, a significant portion of its turnover relates to EU Taxonomy activity 2.1 – Hotels, holiday, camping grounds and similar accommodation, introduced in June 2023 under the environmental objective Protection and restoration of biodiversity and ecosystems. Activities related to owned or leased hotels are taxonomy-eligible under this category.

The Group's taxonomy eligibility assessment covers the entire net turnover derived from hotel operations (including room revenue, conference revenue and revenue from the sale of food and beverages). Franchise and management fees are excluded from applicable turnover, as this revenue stream is

currently not included in the taxonomy's list of applicable activities. The Group's policy is that the assessment of CapEx and OpEx follows the same evaluation logic as turnover, given that investments and operating costs are incurred to support the activities generating that turnover.

Turnover KPI

Turnover for EU Taxonomy purposes corresponds to the Group's consolidated revenue (net sales) as presented in the Consolidated Income Statement and further detailed in Note 17 Revenue (page references: p. 248). Turnover includes revenue generated by hotels under lease agreements and other operating arrangements, as well as management fees. In accordance with the EU Taxonomy eligibility assessment described above, management fees are excluded from applicable turnover.

CapEx KPI

The majority of the Group's CapEx relates to investments into tangible assets, including renovations, reconstructions of hotels, apartment resorts and campsites. Total CapEx includes additions to tangible and intangible assets in the Group that are directly attributable to an asset at the time of expenditure and/or transferred from assets under construction upon activation. CapEx excludes goodwill and, where applicable, is presented in the financial statements in Note 3 Property, Plant & Equipment and Note 4 Intangible Assets (page references: p. 230–232).

Applicable CapEx under the EU Taxonomy refers to investments related to identified eligible activities (notably activity 2.1). Since the Group's investments are intended to benefit its hospitality operations, the Group considers the relevant share of CapEx as applicable to the identified eligible activity, subject to the

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General Information

taxonomy definitions and the Group's activity mapping methodology.

The Group also identified the following EU Taxonomy-eligible activities with financial impact on CapEx (documentation of full technical screening criteria for substantial contribution under Objectives 1 and/or 2 may not yet be complete for these activities):

- 4.1 Electricity generation using solar photovoltaic technology
- 4.25 Water supply, wastewater treatment, water efficiency and reuse
- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
- 7.2 Renovation of existing buildings (eligible in parts related to improvements to building infrastructure and performance)
- 7.3 Installation, maintenance and repair of energy efficiency equipment (e.g., LED lighting)

OpEx KPI

For EU Taxonomy purposes, OpEx is defined as direct non-capitalised costs and other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment that are necessary to ensure the continued and effective functioning of those assets. For the Group, these costs include, for example, maintenance of property, plant and equipment carried out by the Group or third parties, renovation expenses related to property, plant and equipment, and short-term leases. Eligible OpEx is the share of total OpEx that relates to identified eligible sales activities (notably activity 2.1). Relevant costs are included within operating expense line items (e.g., other external costs/maintenance expenses) and can be referenced in Note 18 Operating expenses (page references: p. 249). The Group conducted the following EU Taxonomy-eligible activities with financial

impact on OpEx (documentation of full technical screening criteria for substantial contribution under Objectives 1 and/or 2 may not yet be complete for these activities):

- 4.15 District heating/cooling distribution
- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
- 7.2 Renovation of existing buildings
- 7.3 Installation, maintenance and repair of energy efficiency equipment
- 7.4 Charging stations for electric vehicles in buildings and attached parking spaces
- 7.5 Energy performance of buildings (measurement, regulation and control devices)

Technical screening criteria and biodiversity-related eligibility (activity 2.1)

In assessing whether hotel operations are environmentally sustainable under activity 2.1 (biodiversity and ecosystems objective), the taxonomy's technical screening criteria historically included requirements that, for certain criteria, are most directly applicable to hotels located in or near protected areas. In 2025, the Group therefore assessed whether its hotels are located in or near protected areas using tools such as Natura 2000 and the WWF Biodiversity Risk Filter.

In Croatia, three campsites operate within protected park forest areas, a matter disclosed in our 2023 Annual Report (p. 106).

Based on draft FAQs published by the European Commission in November 2024, it was clarified that hotels included in activity 2.1 can be tested for taxonomy alignment regardless of location. On this basis, the Group assessed that all hotels/camps/resorts should remain within the scope of the eligible activity (2.1), while noting that for most of the portfolio, the evaluation of substantial contribution may be conducted

primarily against technical screening criteria not limited to protected-area proximity.

Following the formal adoption of the European Commission's FAQs on the EU Taxonomy in March 2025, the Group has taken this guidance into account in its ongoing assessment of taxonomy alignment for the 2025 financial year. However, given the continued regulatory developments and simplification measures introduced during 2025, the assessment of full taxonomy alignment has not yet been finalised for all activities. The Group will continue to refine its assessment in line with the final applicable regulatory framework and will reflect any resulting changes in future reporting periods. The categorisation of taxonomy eligible hotel activities remains consistent with the prior reference year.

Minimum safeguards

As part of the Group's commitment to responsible business conduct, minimum safeguards are integrated into business practices and are built on four fundamental pillars: human rights, taxation, anti-corruption, and fair competition. These principles reflect the EU's emphasis on ethical and sustainable economic practices. The Group's responsibility to uphold human rights and prevent corruption extends across the value chain, as reflected in the sustainability due diligence process.

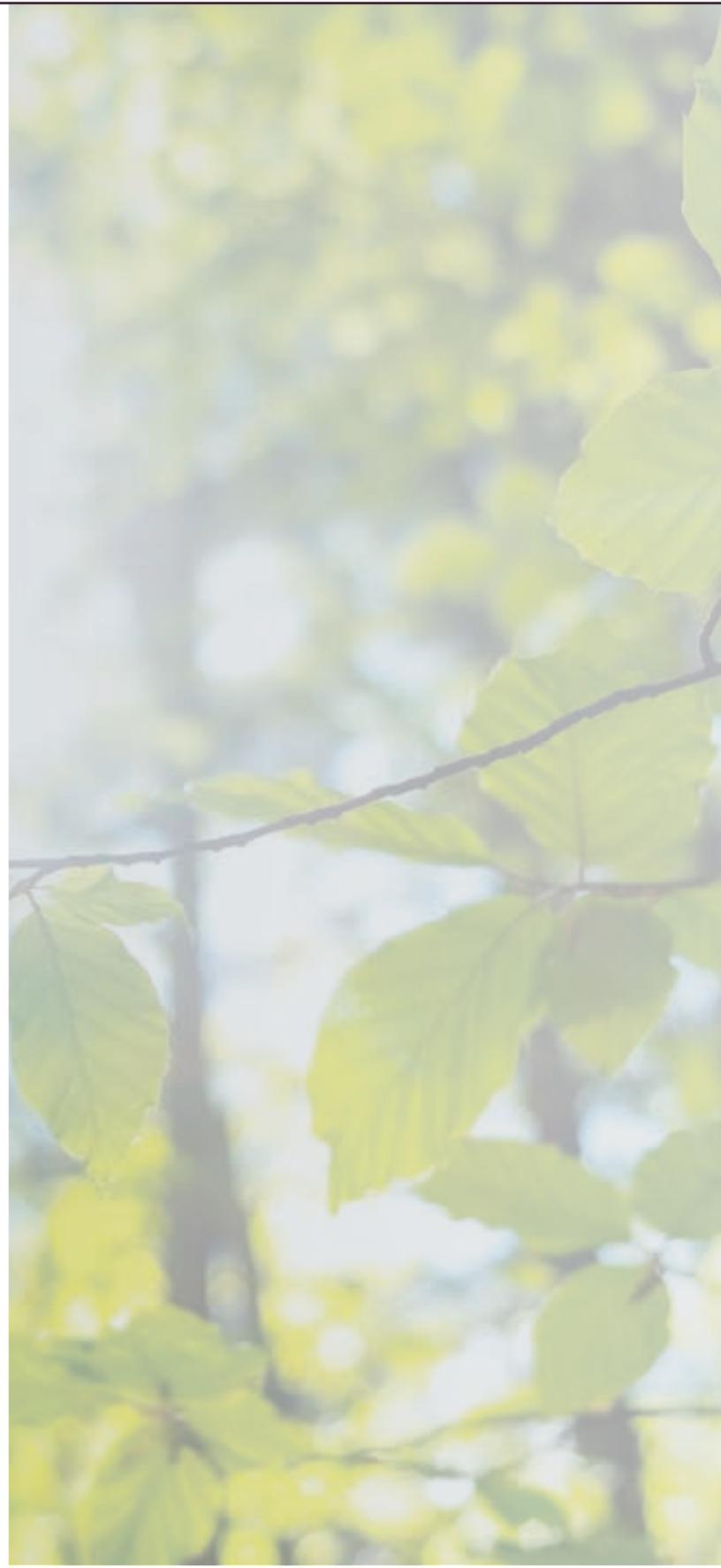
Next steps

The Group's next step is to further determine and evidence taxonomy alignment for turnover, CapEx and OpEx in accordance with the EU Taxonomy's technical screening criteria—particularly those related to the biodiversity and ecosystems objective for activity 2.1—and to strengthen documentation for activities linked to climate mitigation/adaptation objectives where required evidence is not yet complete. The Group will continue to refine its processes for data collection, documentation, and internal governance, and will incorporate final EU Commission guidance (including finalised FAQs) as it becomes available. Mitigation) or 2 (Climate Change Adaptation) of the EU Taxonomy could not have been fully documented at this point.

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EI CLIMATE CHANGE

E1-ESRS 2 GOV-3

INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

In 2024, the Supervisory Board of the Company adopted, and the General Assembly of the Group approved, the Management Board Remuneration Policy ("Policy") that further elaborates the previously introduced framework for the remuneration of Company's members of the Management Board. The Policy ensures that the Company applies performance-based remuneration that rewards its Management Board members for their commitment to the Company's strategy in an understandable, transparent, and clear manner. The remuneration of the Supervisory Board members has been determined by the decision of the General Assembly adopted on 30 August 2017.

Pursuant to the Management Board Remuneration Policy, the remuneration of members of the Management Board consists of fixed remuneration, variable remuneration and other benefits. Variable remuneration depends on the assessment of the performance of the members of the Management Board in combination with the overall financial and operational results of the Company on an annual basis. Various factors shall be considered as key performance indicators of success to determine the exact amount of the variable remuneration. Applicable sustainability landscape and thereto related performance targets as aligned with the Company's sustainability strategy from time to time are considered as factors to determine key performance indicators of success to determine the exact amount of variable remuneration of the members of the Management Board.

The Group has considered and continues to review and assess the inclusion of specific sustainability-related targets to be incorporated

as part of the Management Board and senior leaderships incentive plans.

Both the Management Board Remuneration Policy and the Decision of the General Assembly on the remuneration of the Supervisory Board members are published on the Groups corporate web page (<https://www.arenahospitalitygroup.com/>).

E1-1

TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION CLIMATE TRANSITION PLAN ADOPTION ESTIMATE

In 2021, the Group adopted the Sustainability Roadmap for the transition period, aligned with the UN Sustainable Development Goals (SDGs), including the target of achieving net zero by 2040, in line with PPHE Hotel Group objectives. This document identifies material topics based on sustainability pillars and their alignment with the SDGs. It sets clear goals with corresponding timelines, assigns responsibilities to internal departments, and defines key milestones. To ensure accountability, metrics and annual progress tracking measures were established. The Sustainability Roadmap is continuously updated to reflect business changes and regulatory requirements and serves as the foundation for the forthcoming Climate Transition Plan.

On 4 November, 2024, EFRAG announced the draft requirements for Transition Plans, with preparation scheduled for 2025. In response, PPHE Hotel Group decided in 2025 to initiate the development of a consolidated Transition Plan for the entire Group, supported by external advisors. The Group, as part of the PPHE Hotel Group, actively participated throughout the year in all preparatory activities, analyses, and evaluations within this complex process. This included reviewing data collection processes,

data grouping methods, emission calculation coefficients, methodology quality, and comprehensiveness of emissions across diverse regions and business types. Numerous workshops were held with departments via Teams, supported by intensive communication through all available channels.

The Transition Plan is based on SBTi methodology, specifically the Building Pathway (SBTi-CREEM) for hotels and a separate category for campsites as a unique portfolio segment. Following portfolio analysis, two main categories were defined: Hotels as Buildings and Others. Based on historical data quality and future comparability, the baseline year for Scope 1 & 2 will be 2019, while for Scope 3 it will be 2023, due to significant improvements in data granularity and the introduction of additional categories within Scope 3 during that year.

A major effort was dedicated to planning OPEX and CAPEX to achieve the required emission reductions, leading to the conclusion that the near-term target year will be 2035. The consolidated PPHE Hotel Group Transition Plan has been submitted to SBTi for validation in December 2025, with adoption by the Board expected by the end of Q2 2026. The complexity of the portfolio, regional diversity, and national differences in decarbonization approaches resulted in extended timelines and unplanned structural adjustments during plan development. The process in 2025 confirmed that ongoing updates will be necessary in future years to align with evolving EU regulations and decisions.

As of December 2025, the EU is actively working on changes to reporting obligations and the scope of companies required to report under CSRD, with a significant reduction in the number of obligated entities anticipated.

E1-ESRS 2 SBM-3

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Climate-related risks

MATERIAL CLIMATE-RELATED RISK	PHYSICAL / TRANSITION RISK	EXPLANATION
Asset damage (physical risks) associated with severe climate change related events	Physical risk	This risk has direct impact on own operations and on the Company's revenue.
Revenue losses associated with adverse weather conditions during the high season, an emerging risk	Transition risk	This risk has direct impact on guest comfort and attractiveness of the destination and direct impact on the costs and revenue.

Climate-related risks

Resilience of strategy and business model in relation to climate change

Starting in 2023 and continued in 2025, the Group has engaged with a third party to conduct its climate risk assessment, which is carried out by calculating CLIMATIG Score (CS) individually for every climate hazard. The CLIMATIG Score is a composite risk index for a specific hazard.

CLIMATE RISK Assessment by Climatic 2025

Region	OVERALL CLIMATIC SCORE				
	LOW RISK (0-20)	MODERATE RISK (21-40)	HIGH RISK (41-60)	VERY HIGH RISK (61-80)	EXTREME RISK (81-100)
Croatia (hotels, camps, resorts)	-	26	-	-	-
Germany (city hotels)	19	-	-	-	-
Austria (hotel)	18	-	-	-	-
Hungary (city hotel)	20	-	-	-	-
Serbia (city hotel)	-	21	-	-	-

The primary climate risks identified are drought, wind, fire, and heat waves, with heightened risks occurring during the seasonal operation period (April-September). Mitigation measures include compliance with regulations, regular technical supervision of green areas and facilities, fire prevention through maintenance and staff training, and close cooperation with local and national authorities for emergency planning and firefighting exercises.

Through annual analyses, the conclusion is that in these short-term intervals there are no significant changes in climate risks, whereas in long-term projections (up to the year 2100), certain climate risks increase, including heat waves, severe winds, droughts, and heavy precipitation.

E1-ESRS 2 IRO-1

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES

PROCESS FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED IMPACTS, RISKS, AND OPPORTUNITIES

The Group employs a structured approach

to identify and assess climate-related IROs, integrating the guidelines of the GHG Protocol, the Global Reporting Initiative, and other established methodologies. This process is based on defined methodologies and assumptions and covers the undertaking's own operations as well as its upstream and downstream value chain. It includes the screening of relevant activities and locations to identify actual and potential climate-related impacts, and incorporates consultations with affected stakeholders where relevant. The assessment follows the LEAP approach—locate, evaluate, assess and prepare—in line with the ESRS methodology for environmental topics. As part of the process of preparing the transitional plan in 2025, the identification and assessment of climate-related IROs was an additional element utilized.

The process is outlined below:

Impacts on Climate Change, Particularly GHG Emissions

METHODOLOGICAL FRAMEWORK:

→ The Group measures and manages GHG emissions in accordance with the

GHG Protocol Corporate Standard, encompassing Scopes 1, 2, and 3.

→ The seven greenhouse gases covered under the Kyoto Protocol are included in reporting, expressed as CO₂-equivalents (CO₂e).

DATA COLLECTION AND CALCULATION:

→ Emissions data is collected from internal systems, financial records, supplier invoices, and other relevant sources.

→ For Scope 1 (direct emissions), Scope 2 (indirect emissions from energy), and Scope 3 (value chain emissions), calculations are based on actual consumption where possible, and estimations are made using financial tracking data when necessary.

→ Emissions factors are derived from reputable sources such as the UK Department for Environment, Food & Rural Affairs and the German Environment Agency.

EXTERNAL VALIDATION:

→ Sustainability indicators and disclosures are verified with the assistance of external partner Code Gaia GmbH.

INTEGRATION AND CONTINUOUS IMPROVEMENT

The Group ensures continuous monitoring, updating, and adaptation of its processes to reflect business changes and regulatory developments. The Sustainability Roadmap serves as a foundation for tracking and reporting on these assessments, with ongoing input from industry standards and external validation partners. This structured process ensures a comprehensive understanding of climate-related IROs, aligning the operations with sustainability objectives and long-term resilience.

E1-2

POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

As outlined under section E1-1 on page 108 of this report, the Group is currently in a transitional phase. During this period, the existing document—the Sustainability Roadmap, which defines key areas, goals, and associated timeframes (refer to the 2024 report, page 96)—will serve as the guiding framework until it is replaced in 2026 by a newly developed Transition Plan. This Transition Plan, following its validation and formal approval by the Management Board, will be integrated into all relevant corporate policies and operational strategies. The shift from the Sustainability Roadmap to the Transition Plan reflects the Group's commitment to aligning with evolving regulatory requirements and best practices for climate change mitigation and long-term sustainability objectives.

The Group has been monitoring its GHG emissions since 2018 and shows its progress in its annual reports to enable its users to report as transparently as possible. To achieve the highest possible quality of management during the performance of its activities with the aim of achieving defined targets, the Group has adopted a series of procedures (SOP) for management, monitoring and control of energy consumption within its operations, and has defined OPEX and CAPEX on an annual level with implementation dynamics. This is accompanied by a sustainable procurement policy. Individuals responsible for the proper application and implementation of processes are also described and defined in the mentioned processes. Continuous cooperation of individual departments within the Group was established to achieve the goals through continuous communication. Training is continuously conducted, including trainings

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in the field of occupational safety and health protection, which are also a legal obligation of the employer. During these previous periods, the Group continues to undertake actions to reduce electricity consumption (energy-saving light bulbs, transition to alternative energy sources). And undertook initiatives aimed at increasing energy efficiency when refurbishing properties. In Croatia, solar panels have been installed at the Grand Hotel Brioni Pula and those in Park Plaza Arena Pula became operational in 2025. For the other two properties, Park Plaza Verudela Pula and Central Laundry, the process of obtaining the necessary permits is ongoing.

The Group continues to undertake life cycle assessments across all its properties regarding water consumption to drive a reduction in consumption while maintaining the quality of service (replace existing fixture with water-saving alternatives, reducing the flow of water). It also used two desalination plants (Pula and Medulin) for watering green areas in 2025, thereby reducing drinking water consumption. The production of waste is continuously monitored in accordance with the procedures in each facility by category. There are prescribed procedures for waste reduction in individual departments, and employee training is carried out in relation to waste classification and reduction. It is carried out in cooperation with the procurement department analysis and selection of food, packaging and suppliers aimed at reducing waste. To reduce waste, the Group introduced two food recycling machines in 2023 (Park Plaza Histria Pula) and intends to continue searching for new technologies and solutions that can be successfully implemented in other business divisions.

In 2025, the Group is actively developing a new Transition Plan document in accordance with ESRS guidelines (see pg.108). This plan will define annual actions and targets that will serve

as the foundation for creating and updating policies related to climate change mitigation and adaptation. These policies will replace existing procedures and ensure alignment with the Group's long-term decarbonization strategy. Furthermore, the policies derived from the Transition Plan will be subject to systematic review and updates—either annually or every five years—depending on the nature of the goals and regulatory requirements. This structured approach demonstrates the Group's commitment to maintaining compliance, transparency, and adaptability in response to evolving climate-related challenges and legislative changes.

E1-3

ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

In Croatia, renewable electricity generation initiatives are progressing through the installation of photovoltaic panels at four strategic sites. Two locations—Park Plaza Arena Pula and Grand Hotel Brioni Pula—successfully commenced operations in 2025. These installations represent a significant step toward reducing the Group's carbon footprint and increasing reliance on renewable energy sources. The remaining two sites, for which regulatory approvals are still pending, are expected to become fully operational in 2026. This phased approach ensures compliance with local permitting processes while supporting the Group's broader decarbonization strategy and alignment with near-term climate targets.

Financial resources in relation to climate change policies (related to actions described, Capex/Opex monetary values)

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2024	2025
Allocated Capex in current period	57.985,94	150.846,13
Allocated Opex in current period	-	-
Future allocated Capex	-	-
Future allocated Opex	-	-

Financial resources in relation to climate change policies

E1-4

CLIMATE-RELATED TARGETS

As already described under E1-1 (pag. 108), the Group has been working intensively throughout 2025 on the preparation, analysis, and development of the Transition Plan. By creating that plan, the targets that the Group set for itself in 2019 (see under E1-2 Sustainability Report 2024 page 96) will be revised in such a way that the results published in the report 2019 for Scope 1 and 2 will be taken as initial parameters, i.e. 2019 will be the base year.

The mentioned plan will have defined new targets, implementation, policies, measurements and achievements. With this, the Group will continue its previous policy, which was strongly focused on reducing emissions in Scope 1,2 and 3.

Additionally, in September 2025, one of the Group's hotels in Serbia switched to using 100% electricity from renewable sources. This milestone further strengthens the Group's commitment to decarbonization and aligns with its broader sustainability objectives.

E1-5

ENERGY CONSUMPTION AND MIX

Total energy consumption

ENERGY CONSUMPTION AND MIX	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2024	2025
Total fossil energy consumption (MWh)	8.983,87	11.513,53
Share of fossil sources in total energy consumption (%)	19,36	24,43
Consumption from nuclear sources (MWh)	-	-
Share of consumption from nuclear sources in total energy consumption (%)	-	-
Fuel consumption for renewable sources (MWh)	-	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	37.421,26	29.095,17
Consumption of self-generated non-fuel renewable energy (MWh)	-	-
Total renewable energy consumption (MWh)	36.725,01	29.095,17
Share of renewable sources in total energy consumption (%)	79,14	61,74
Total energy consumption (MWh)	46.405,14	47.125,48

Total energy consumption

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Energy consumption from fossil sources

ENERGY CONSUMPTION AND MIX	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2024	2025
Fuel consumption from coal and coal products (MWh)	-	-
Fuel consumption from crude oil and petroleum products (MWh)	1.626,31	3.126,17
Fuel consumption from natural gas (MWh)	7.162,77	8.387,34
Fuel consumption from other fossil sources (MWh)	194,78	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	8.983,87	6.516,77

Energy consumption from fossil sources

Energy intensity

ENERGY CONSUMPTION AND MIX	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)	% N / (N-1)
Year	2024	2025	N/A
Energy intensity per net revenue (MWh / Monetary unit)	1,036	0,996	0,96

Energy intensity

High climate impact sectors

High climate impact sectors are those listed in NACE Sections A to H and Section L (as defined in Commission Delegated Regulation (EU) 2022/1288).

The high-climate impact sectors are determined at the NACE code activity level linked to the Groups own operations and not by the Groups ESRS sectors. For 2025 these are:

F – Construction

L – Real estate activities

These two sectors are detailed in the KPI Opex & Capex tables, where, in addition to compliance with the EU taxonomy, financial indicators of maintenance costs, i.e. investments, and % share in the total cost/investment are shown.

Reconciliation of the net revenue amount

To calculate energy intensity, total energy consumption (MWh) from the above table is divided by the net revenue from activities in high-climate-impact sectors. Net revenue from HCI is calculated as: Total Revenue (refer to Note 17: Revenues, page 248). Applying the operational control boundary, the Group includes emissions from joint ventures (JVs) under its operational control in the calculation of emission intensity. Direct Operating Costs (refer to Note 18: Operating Expenses, page 249).* The intensity has decreased by 3,86% compared to year 2024.

E1-6

GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

	BASE YEAR 2024	COMPARATIVE YEAR (N-1) 2024	CURRENT REPORTING YEAR (N) 2025	% N / N-1	2030	2050	ANNUAL % TARGET / BASE YEAR
Gross Scope 1 GHG emissions (tCO2eq)	2.419,42	2.419,42	2.858,50	18,14%	-	-	-
% of Scope 1 GHG emissions from regulated emission trading schemes	-	-	-	-	-	-	-
Gross location-based Scope 2 GHG emissions (tCO2eq)	8.458,03	8.458,03	8.011,96	-5,28%	-	-	-
Gross market-based Scope 2 GHG emissions (tCO2eq)	1.295,96	1.295,96	1.534,23	18,38%	-	-	-
Total Gross indirect (Scope 3) GHG emissions (tCO2eq)	18.052,98	18.052,98	22.272,23	23,37%	-	-	-
1 Purchased goods and services	14.060,84	14.060,84	17.243,46	22,63%	-	-	-
Optional: Cloud computing and data centre services	-	-	-	-	-	-	-
2 Capital goods	793,48	793,48	1.828,50	230,44%	-	-	-
3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	2.427,67	2.427,67	2.507,36	3,28%	-	-	-
4 Upstream transportation and distribution	13,36	13,36	27,93	209,05%	-	-	-
5 Waste generated in operations	142,06	142,06	200,50	41,13%	-	-	-
6 Business traveling	348,69	348,69	193,50	-44,51%	-	-	-
7 Employee commuting	272,13	272,13	270,98	-0,43%	-	-	-
8 Upstream leased assets	-	-	-	-	-	-	-
9 Downstream transportation	-	-	-	-	-	-	-
10 Processing of sold products	-	-	-	-	-	-	-
11 Use of sold products	-	-	-	-	-	-	-
12 End-of-life treatment of sold products	-	-	-	-	-	-	-
13 Downstream leased assets	-	-	-	-	-	-	-
14 Franchises	-	-	-	-	-	-	-
15 Investments	-	-	-	-	-	-	-
Total GHG emissions (location-based) (tCO2eq)	28.930,43	28.930,43	33.142,87	14,56%	-	-	-
Total GHG emissions (market-based) (tCO2eq)	21.768,36	21.768,36	26.664,96	22,49%	-	-	-

Gross scopes 1,2,3 and total GHG emissions

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Significant changes in the scope of the undertaking and the value chain

We do not anticipate any significant changes in the Group's reporting of GHG emissions pertaining to its value chain both upstream and downstream, and the report is comparable in terms of GHG emission reporting.

Contextual information on Gross Scopes 1, 2, 3 and Total GHG emissions

In 2024, Scope 3 calculations were enhanced through the inclusion of a new category and a transition to volume based procurement data. This methodological improvement was implemented with the objective of increasing data accuracy and improving the robustness of emissions calculations.

Scope 1 emissions increased by 18,14% in 2025 compared to 2024. This rise is primarily attributable to higher natural gas consumption, as sanitary facilities in campsites were connected to gas as an energy source in 2024 (Annual Report 2024, p. 101). In addition, an increase in heating oil volumes was recorded, resulting from procurement and storage processes.

Scope 2 emissions increased mainly due to changes in the German region. Subsidiaries in Germany received updated market based emission factors (EFs) for district heating from BEW in May/June 2025, i.e. after the publication of the 2024 Annual Report. These updated factors were applied during 2025.

Scope 3 emissions increased overall, mainly driven by a 22.63% rise in procurement volumes within Purchased Goods and Services (Category 3.1) compared to 2024, particularly in the German region. In Category 3.2 (Capital Goods), emissions increased due to the completion of investments in the Croatian region (Arena Stupice Campsite and Arena Indije Campsite) as well as refurbishment activities in Germany.

In Category 3.5 (Waste), emissions increased as a result of higher waste volumes in Germany and

the continued implementation of more detailed waste tracking processes across other regions. Conversely, emissions in Category 3.6 (Business Travel) decreased, reflecting the ongoing business policy of prioritising virtual meetings through digital platforms such as Microsoft Teams and Zoom.

Overall, the reported increase in total gross GHG emissions across Scopes 1, 2 and 3 compared to the 2024 reporting period is largely attributable to external and methodological factors rather than underlying changes in operational performance. In particular, the increase is primarily driven by substantial revisions of emission factors applicable in Germany, as well as by the continued enhancement of data granularity, coverage, and quality across the value chain. These developments have resulted in a more comprehensive and accurate representation of emissions, which impacts year on year comparability. While these factors affect the reported emissions outcome, the organization continues to focus on improving energy efficiency, increasing the use of renewable energy, and strengthening value chain data collection and engagement as key levers for managing and reducing emissions over time.

GHG emissions intensity

	COMPARATIVE YEAR (N-1) 2024	CURRENT REPORTING YEAR (N) 2025	% N / (N-1)
Total GHG emissions (location-based) per net revenue (tCO ₂ eq/ Monetary unit)	0,00054	0,00058	1,07
Total GHG emissions (market-based) per net revenue (tCO ₂ eq/ Monetary unit)	0,00041	0,00046	1,12

Reconciliation of the net revenue amounts

The net revenue amounts are referenced on page 208, within the Consolidated Income Statement and in Note 17 Revenues. Applying the operational control boundary, the Group includes emissions from joint ventures (JVs) under its operational control in the calculation of emission intensity.

E1-8

INTERNAL CARBON PRICING

The Group does not apply internal carbon pricing.

E2 POLLUTION

E2 ESRS 2-IRO-1

The tools including methodology used for the assessment of all IROs, irrespective of topic were the same tools used to ensure that this topic's matters were not overlooked. In some specific cases the assessment of the scale and scope of impacts has been informed by geospatial tools which provide information about the value (protection level) and extent of pollution-sensitive geographic features that might be near to (and therefore potentially impacted by) our operating assets.

No specific engagement or consultations regarding pollution IROs was carried out. It was considered that all the necessary information required to assess the severity of impacts and to understand risks and opportunities that were identified in relation to this topic was available without the need for such engagement.

As a result, this topic was considered immaterial in the double materiality process.

E3 WATER AND MARINE RESOURCES

E3 ESRS 2 -IRO-1

The materiality assessment methodology did not make use of specific or special variations for matters which explicitly relate to the water and marine resources topic. The consideration of assets and activities which informed the identification and assessment of all IROs took account of sustainability matters which relate to water and marine resources as and when such matters were considered relevant. Although some of the Group's properties are located in the coastal area of the city of Pula and the municipality of Medulin, no material IROs (upstream and downstream value chain) have been identified that would specifically impact marine resources.

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The tools which were used for the assessment of all IROs for all other topics were the same tools used to ensure that this topic's specific matters were not overlooked. In some specific cases the assessment of the scale and scope of impacts has been informed by geospatial tools which provide information about the value (protection level) and extent of pollution-sensitive geographic features which might be near to (and therefore potentially impacted by) our operating assets, particularly those in Pula, Croatia.

No specific engagement or consultations regarding IROs was carried out. It was considered that all necessary information required to assess the severity of impacts and to understand risks and opportunities which were identified in relation to the water and marine resources topic was available without the need for such engagement.

Impact, risk and opportunity management

E3-1

POLICIES RELATED TO WATER AND MARINE RESOURCES

According to the Water risk atlas bit.ly/4aRAki6 we have determined that the regions of Croatia, Austria, Serbia and Hungary where we have accommodation facilities are not in the high stress water area, in Germany the Berlin and Nuremberg regions are in the high stress water area. Elsewhere in Germany, Cologne does not belong to the high stress water area.

The Ministry of Economy of the Republic of Croatia published in the Official Gazette No. 84/2023 on 22/07/2023 the document The Water Area Management Plan until 2027.

The content of this complex and comprehensive document starts from the framework for water management (territorial, administrative, legal, planning, socio-economic) where, through the natural characteristics of all types of water, the

current conditions, climate change and climate change adaptation strategies for the period up to 2040 with a view to 2070 are presented through the ecological framework. Various tables and maps show the management of the state of water; water load due to human activities, load according to drivers/sources of load by industry (Tourism and recreation see p.181); management objectives; economic analysis; program of measures; additional and supplementary measures; a special chapter refers to flood risk management.

The plan is available at: <http://bit.ly/3QdfgsM>

Our business takes place in the territory of the City of Pula and the Municipality of Medulin, which in the above plan are in the Adriatic Water Area (JVP) zone. Our facilities are located within the Natura 2000 protected area. The listed areas are not characterised as stress areas. We do not operate in areas that are high water stress.

Areas of high-water stress

Berlin and Nuremberg remain in the high stress water area zones, according to the Water risk atlas.

To minimise the impact of any water stress risks, the Group aligns its operations with relevant local regulation in water supply management (Wasserhaushaltsgesetz, Verordnung zum Schutz des Grundwassers, Verordnung über die Anforderungen an das Einleiten von Abwasser, Verordnung über die Qualität von Wasser für den menschlichen Gebrauch).

In addition, within its regular property investment and maintenance lifecycle process, water consuming equipment is implemented and based on shower heads, washbasin mixers, toilets and rain shower pipes with a minimum consumption level: 6 litres per minute for shower heads and washbasin mixers, 4 litres per flush in toilets and 9 litres per minute in case of rain shower pipes.

Continuous monitoring of water consumption at the property level is set up, via a dedicated software. Any unusual volatility in water consumption at hotel level is immediately identified and addressed by maintenance teams to ensure minimum waste of water, which might occur due to short term maintenance issues.

E3-2

ACTIONS AND RESOURCES RELATED TO WATER AND MARINE RESOURCES

In 2023/2024 The Group has implemented two water desalination plants for environmental and green area maintenance which contributes to the reduction of fresh potable water.

Financial resources related to water and marine resources

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2024	2025
Allocated Capex in current period	-	-
Allocated Opex in current period	-	-
Future allocated Capex	-	-
Future allocated Opex	-	-

Financial resources related to water and marine resources

Metrics and targets

E3-3

TARGETS RELATED TO WATER AND MARINE RESOURCES

The Group has water consumption targets linked to metrics, which are driven by customer usage i.e. guests. The Group measures Water Withdrawal in metric tonnes per guest served, with the objective of maintaining and not exceeding the current consumption level.

The Group has undertaken numerous steps to reduce water consumption where practically possible by introducing better technology and products which dispense fresh water at a reduced rate. In accordance with the goal of reducing water consumption, the Group

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invests in energy-saving equipment, installs controls (increasing OPEX/CAPEX), and aligns its processes with sustainability standards. Consumption of water and water resources is part of the procurement and sales process of providing quality service to the end user. (upstream & downstream).

E3-4

WATER CONSUMPTION

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2024	2025
Water consumption (m ³)	528.447	569.970
Water consumption in areas at water risk (m ³)	34.624	38.055
Recycled and reused water (m ³)	-	-
Stored water (m ³)	-	-
Change in storage (m ³)	-	-

Water consumption

Contextual information on water consumption

As part of our Responsible Business Programme, dedicated teams work to reduce our carbon footprint, conserve water, and manage waste more effectively. All our properties are connected to local municipal water systems, ensuring adequate flow and pressure. We have implemented a centralized water monitoring system that provides hourly data on water consumption and pressure, alerting us to any irregularities. This allows us to promptly detect and repair leaks, preventing unnecessary water waste and guest inconvenience. For landscape irrigation, we utilize reverse osmosis systems to convert seawater into irrigation water. Recognizing the global challenges of water scarcity, pollution, and climate change, we

prioritize responsible water use both within our operations and throughout our supply chain. By doing so, we help protect aquatic ecosystems and promote biodiversity.

The Group ensures that all wastewater collected on-site is directed to municipal wastewater infrastructure, including sewage and stormwater drainage. We do not discharge used water directly into the environment, nor do we produce significant air pollutants or engage in the manufacturing or transformation of chemical substances as part of our business operations.

Water intensity

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2024	2025
Water intensity (m ³ / million EUR)	0,0036	0,0037

Water intensity

E4 BIODIVERSITY AND ECOSYSTEMS

ESRS E4-IRO-1

Through its operations, the Group has no direct significant impact on biodiversity and the ecosystem. Since part of the hotels in the area of Pula and Medulin (Croatia), which is part of the west Istrian Coast, are located in the Natura 2000 area, the Company prepared two environmental impact studies in 2024 regarding the implementation of the desalination plant, which confirmed the immateriality of this impact. The results of the study were subject to detailed analysis within the double materiality process.

E5 RESOURCE USE AND CIRCULAR ECONOMY

ESRS E5-IRO-1

The tools used for the assessment of all IROs, irrespective of topic were the same tools used to ensure that this topic's matters were not overlooked. For more information about the Group's materiality assessment methodology, see ESRS 2 IRO 1. Stakeholders were engaged regarding resource use and circular economy IROs, more precisely generation of waste.

E5-1

POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The Group's waste management guidelines focuses on addressing the generation of waste that requires treatment, which in turn creates pressure on treatment systems. The policy applies across all Group activities and locations, including upstream and downstream value chains, with employees and suppliers as key stakeholders. A dedicated manager is responsible for implementing the policy, which includes waste categorisation, contracting suppliers for recycling, repurposing, and hazardous waste disposal, as well as analysing opportunities for new technologies. Employee training and supervision ensure adherence to the policy, which is aligned with relevant national institutions.

E5-2

ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The Group's waste management strategy focuses on reducing waste, recycling, and diverting materials from landfill in line with circular economy principles. In Germany, waste is sent to energy recovery through incineration, while in Croatia, waste from our 20 properties is centrally managed, registered, segregated, and in part recycled via certified providers. We have introduced food recycling machines (Park Plaza Histria Pula) to convert food waste into wastewater (microbiologically clean), complementing kitchen standards aimed at daily food waste reduction. For years, we have implemented waste sorting policies to minimise landfill disposal, partnering with local companies like "Herculanea" d.o.o. and "Med Eko Servis" d.o.o. Mixed waste is sent to ŽCGO Kaštijun, where mechanical-biological processing maximises material and energy recovery, with only 9% of waste ending in landfill. ŽCGO Kaštijun, founded in 2007, holds ISO 9001 and ISO 14001 certifications (details at www.kastijun.hr) To reduce resource use, we are minimising single-use plastics and replacing them with recyclable alternatives where possible, reinforcing our commitment to environmental sustainability.

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Environmental Information

E5-5 WASTE

Waste amounts

	TOTAL - COMPARATIVE YEAR (N-1)	TOTAL - CURRENT REPORTING YEAR (N)	HAZARDOUS WASTE - COMPARATIVE YEAR (N-1)	HAZARDOUS WASTE - CURRENT REPORTING YEAR (N)	NON- HAZARDOUS WASTE - COMPARATIVE YEAR (N-1)	NON- HAZARDOUS WASTE - CURRENT REPORTING YEAR (N)
Year	2024	2025	2024	2025	2024	2025
Total amount of waste generated (t)	2.544,20	2.651,54	4,06	8,72	2.540,14	2.642,82
Total amount of waste diverted from disposal (t)	613,00	705,73	3,18	7,14	609,82	698,59
Amount of waste - preparation for reuse (t)	-	-	-	-	-	-
Amount of waste - recycling (t)	609,82	647,50	-	0,1	609,82	647,40
Amount of waste - other recovery operations (t)	3,18	58,23	3,18	7,04	-	51,19
Total amount of waste directed to disposal (t)	1.931,20	1.945,81	0,88	1,58	1.930,32	1.944,23
Amount of waste - incineration (t)	11,44	128,21	0,88	1,21	10,56	127,00
Amount of waste - landfill (t)	307,77	318,64	-	-	307,77	318,64
Amount of waste - other disposal operations (t)	1.611,99	1.498,96	-	0,37	1.611,99	1.498,59
Total amount of non-recycled waste (t)	1.931,20	1.945,81	0,88	1,58	1.930,32	1.944,23
Percentage of recycled waste (%)	24,09%	26,62%	78,33%	81,88%	24,01%	26,43%
Percentage of non-recycled waste (%)	75,91%	73,38%	21,67%	18,12%	75,99%	73,57%

Waste amounts

Composition of the waste

In alignment with national waste regulations and our ongoing commitment to sustainable resource and waste management, our hospitality operations generate and responsibly manage a wide range of waste streams. To ensure full regulatory compliance and uphold the highest environmental standards, we apply systematic waste separation, responsible handling, certified disposal, and recycling practices in accordance with national guidelines across all regions of operation.

Across the Group, waste is monitored in 33 defined waste categories. Data for 2025

indicate that municipal waste represent the largest share of total waste generation at 55%, followed by biowaste from kitchens at 16% and grease and oil at 16%. Because the data in the table reflects the combined volumes collected across all five Group regions, the treatment and disposal options for individual waste streams depend heavily on the maturity of national waste strategies as well as the availability of appropriate collection and processing technologies.

Municipal waste, which constitutes the largest and most challenging category, is predominantly directed to disposal due to limited availability

of advanced waste recovery systems. This challenge is especially pronounced in Serbia, where the absence of EU waste management standards results in significantly lower recovery rates. Even within the European Union, notable differences exist; for example, waste treatment systems in Hungary are developing at a slower pace compared with other EU Member States, resulting in lower levels of diversion and recycling.

At Group level, 75% of biowaste from kitchens is recycled, and in Croatia this category reaches a 100% recycling rate. This performance demonstrates excellent alignment with both national regulatory frameworks and EU circular economy objectives.

Hazardous and radioactive waste

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2024	2025
Total amount of hazardous waste (t)	4,06	8,72
Total amount of radioactive waste (t)	-	-

Hazardous and radioactive waste

At the national level, specific waste categories are designated as hazardous and the amounts stated in the table above derive from these categories. These materials require careful handling, storage, and disposal in compliance with regulatory requirements. We regularly report our hazardous waste data to the relevant Ministry, which monitors our environmental impact through its regulatory instruments. Our approach prioritizes safe waste management practices to minimize environmental risks and ensure full regulatory compliance.

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ST OWN WORKFORCE

S1-ESRS 2 SBM-2

INTERESTS AND VIEWS OF STAKEHOLDERS- OWN WORKFORCE

The Group considers its workforce a key stakeholder group. All employees' rights are guaranteed by the national Labor law, which contains the main determinants of international conventions on the protection of human rights and the dignity of workers. Also, all rights are guaranteed by the Collective Bargaining Agreement, which is the subject of continuous dialogue between the Company and its employees. A new contract with additional benefits was concluded in 2024.

The Group conducts an annual employee engagement survey across all employment types (permanent, temporary, full-time, part-time, non-employees - temporary agency workers). The survey covers various areas from work environment, leadership, well-being, etc. with the opportunity for each employee to share their suggestions and visions. After analysing the survey results, proposals for action plans are collected, based on which the Group's management makes decisions and updates its strategies. In 2025, the survey methodology was revised to focus on specific employee groups such as permanent, seasonal, and foreign workers, with the aim of obtaining more meaningful feedback and enhancing our employee well-being strategy. Four survey typologies were defined to address the unique needs of each group. The survey achieved an 82% response rate, and the engagement level - the key indicator for 2025 - reached 77%, representing a 2% increase compared to 2024. The annual engagement survey gathered employee perspectives on impacts identified during the double materiality analysis and

highlighted potential new impacts. Key focus areas were development and growth, well-being, and recognition and support.

Training opportunities are communicated through multiple channels to ensure broad awareness, while structured development discussions enable employees to articulate growth objectives and career aspirations. Well-being resources remain readily accessible and are reinforced during high-demand periods through various measures. Regular managerial check-ins and systematic recognition initiatives promote transparent communication and strengthen a culture of appreciation and continuous improvement.

Impact, risk and opportunity management

S1-1

POLICIES RELATED TO OWN WORKFORCE

The Group has implemented policies to ensure fair treatment, wellbeing and development of all Group employees.

Alongside to the Code of Conduct which sets out the Group's principles on inclusion, diversity, health, safety and well-being as well as adequate training, the Group has implemented a dedicated Health and Safety Policy, and a Human Rights and Labour Standards Policy.

These policies uphold key standards, such as freedom of employment, freedom of association and the right to collective bargaining, fair wages, prohibition of discrimination, safe working conditions and no excessive working hours.

Furthermore, the Group is committed to maintaining high employee well-being standards and actively supports this by offering access to well-being workshops.

S1-2

PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

The Group is committed to fostering transparent and constructive communication with its workforce. In line with local legal requirements, a Workers' Council has been established, which plays a key role in representing the interests of our employees. The Workers' Council is an essential part of our employee engagement process, providing a formal platform for employees to raise concerns, share feedback, and collaborate on matters that affect the workforce.

In addition to the Workers' Council, we also have an active Union that works closely with the organisation to ensure that the rights and interests of employees are protected. The Union is involved in discussions and negotiations on key matters such as working conditions, wages, and benefits, ensuring that employee perspectives are considered in decision-making processes.

To further engage with our workforce, we conduct annual employee engagement surveys. These surveys allow us to gather valuable insights into employee satisfaction, concerns, and suggestions for improvement. The feedback received through these surveys is carefully reviewed and informs our ongoing efforts to improve workplace conditions and address potential impacts on our employees.

Together, the Workers' Council, Union, and regular engagement surveys enable us to maintain an open and responsive dialogue with our workforce, ensuring that their perspectives are incorporated into the decisions of the Management Board and activities that affect them.

S1-3

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

The Group is committed to applying best practices in occupational health and safety, striving to establish, monitor, and manage all related aspects professionally and responsibly. This includes promptly identifying workplace risks and hazards to ensure a safe environment.

In addition, through ongoing and timely employee education—delivered internally and in collaboration with authorized partners—we implement preventive measures across all levels of the organization. These efforts enable proactive action to safeguard health and promote overall employee well-being.

The Group's management is responsible for establishing and promoting the Health and Safety Policy to all levels of management. In addition to a dedicated professional team at the central office, individuals across the Group are assigned specific health and safety responsibilities, ensuring compliance with legal requirements.

The Group also maintains an occupational health and safety management system (OHSMS) and acts in compliance with legal requirements regarding the health and safety at work. This implemented system covers all workers who are our employees, as well as those who are not employees but whose work and/or workplace is controlled by the organisation.

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Social Information

S1-4

TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

(a) Actions to Prevent or Mitigate Material Negative Impacts

Loss of worker Health and Safety due to any related incidents: Continuous implementation of enhanced safety protocols, regular safety training programs, and mandatory reporting of incidents to reduce health and safety risks. All measures are implemented in accordance with national legislation and protocols of the profession through continuous education of the heads of individual departments. The company has an appointed Health & Safety Manager.

Maintenance of workforce equality via zero tolerance to all forms of discrimination. In accordance with UN global guidelines and national legislation, the Group has embedded obligations to respect all human rights, including the prevention of any form of discrimination. These commitments are upheld as a core business principle and continue to be applied through the agreed terms of the collective agreement, as well as through several publicly available policies on the Group's corporate website (Human Rights Policy, Child Protection Policy, Code of Conduct, Whistleblowing Policy). In addition, the Group enforces its Anti-Bullying and Anti-Harassment Policy to ensure a safe, respectful and inclusive working environment for all employees.

(b) Actions to Provide or Enable Remedy for Actual Material Impacts

Health and Safety Incidents: Deployment of immediate response teams to address incidents (internal procedure), alongside medical support and compensation schemes for affected employees. Follow-up investigations are conducted to prevent recurrence.

Discrimination Cases: The Company has appointed two persons authorised to receive and resolve complaints related to the protection of the dignity of workers who act in accordance with internal procedures and national legislation.

(c) Additional Actions for Positive Impacts on Workforce

Gender Equality: The Group applies national laws that guarantee respect for equality, prohibiting both direct and indirect discrimination based on race, ethnicity, skin colour, gender, language, religion, political or other beliefs, national or social origin, property status, trade union membership, education, social position, marital or family status, age, health condition, disability, genetic heritage, gender identity, expression, or sexual orientation. This practice is consistently implemented across all regions where the Group operates.

Investment in Employee Skills and Knowledge:

Comprehensive learning and development programs (internal and external), including upskilling initiatives, and career progression pathways tailored to individual employee growth.

(d) Tracking and Assessing Effectiveness of Actions

Health and Safety: Continuous monitoring of incident rates and safety compliance and periodic third-party audits.

Diversity and Inclusion: Regular annual assessments through employee surveys conducted by the third party.

Skill Investment: Metrics on employee participation in training, certifications achieved, and internal promotion rates are tracked to evaluate program impact.

Mitigating Material Risks

System Downtime: Train employees on handling disruptions and provide IT support. Track productivity impact and resolution times.

Data Leaks: Enforce strict access controls and provide regular security training. Track incidents and training effectiveness.

Pursuing Material Opportunities: Engage employees in improving systems and data security. Offer professional development in IT and cybersecurity. Track engagement through surveys and implementation of employee-driven ideas.

Overall Effectiveness: Annual reviews by cross-functional teams to consolidate findings and recommend improvements (action plans).

PROCESSES TO IDENTIFY THE NEEDED AND APPROPRIATE ACTIONS

In accordance with the national legislation related to safety measures at work, an assessment of work hazards is carried out in certain places (by a third party), and certain parts of the process determine which additional workplace protections or training of workers are required. For individual occupations, annual checks of employees' ability to work and professional development, or exams, are

carried out (Occupational Safety and Health Act and Regulations on Risk Assessment).

Actions in relation to material risks and opportunities

Negative impacts from the own practices

To ensure that our practices do not cause or contribute to material negative impacts on the workforce, we have implemented the following measures:

1. Health and Safety:

- Comprehensive risk assessments are conducted across all operational areas to identify potential hazards proactively.
- Strict adherence to safety standards is ensured through regular audits, employee training, and enforcement of corrective actions when deviations are identified.
- Requirement for contractors and procurement partners to comply with the same health and safety standards as internal teams.

2. Non-Discrimination and Inclusion:

- Policies are in place to uphold zero tolerance for all forms of discrimination. This includes monitoring recruitment, promotion, and daily workplace practices to ensure equitable treatment.
- Mechanisms for anonymous reporting of discriminatory practices are accessible to all employees, ensuring timely resolution.

3. Gender Equality:

- Recruitment and promotion strategies prioritise gender diversity, particularly in leadership roles. These efforts are monitored and adjusted regularly to align with organisational goals and societal expectations.

→ Employee data collection is governed by strict ethical standards, ensuring privacy and unbiased analysis.

4. Employee skill development:

→ Investments in training and development are distributed equitably, ensuring that business objectives do not override opportunities for employee growth.

→ Procurement practices ensure that external training providers align with the organisation's ethical and inclusivity standards.

MANAGING TENSIONS BETWEEN IMPACT PREVENTION AND BUSINESS PRESSURES

When tensions arise between mitigating negative impacts and meeting business objectives, we prioritise the long-term well-being of the workforce. Decision-making frameworks incorporate ethical considerations and impact assessments, ensuring that business pressures do not compromise employee safety or equity. These practices reflect our commitment to maintaining a responsible and sustainable approach to workforce management.

Resources for the management of material impacts

The organisation employs a multi-faceted approach to manage the material impacts of working conditions. Internal functions, such as Health and Safety, Human Resources, and Legal teams, are integral to implementing actions that align with organisational goals and regulatory requirements. The focus on targeted training, policy enforcement, and resource investment ensures continuous improvement in addressing these impacts.

METRICS AND TARGETS

S1-5

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

Loss of worker Health and Safety due to any related incidents - the long-term goal is to achieve 0% Health and Safety related incidents. We try to achieve this through Health and Safety dedicated team, training programs, safety audits using incident reporting systems, investigating incidents, and implementing preventive measures.

Maintenance of workforce equality via zero tolerance to all forms of discrimination - The long-term goal of the Group is to achieve the minimum possible number of incidents by implementing key measures. These include providing employees access to grievance mechanisms and legal support, ensuring compliance with anti-discrimination laws through the legal team, and establishing clear reporting channels and remediation processes. Additionally, systemic inequities are monitored and addressed through regular policy reviews to foster a fair and inclusive workplace. Increased cooperation between Human Resources and senior leadership to maintain a culture of inclusivity.

Protection of gender equality due to representation of Women at all commercial levels - The Company in previous periods had an employee gender distribution slightly in favour of the female gender (50.31% in 2024 and 48.88% in 2025). The goal is to maintain a balanced representation of genders in future periods. The Human Resources team oversee recruitment and retention strategies with a view improving gender balance, including creating and enforcing family-friendly workplace

policies, such as flexible work arrangements and parental leave.

Increase in employee skill and knowledge -

The Group provides access to digital platforms for continuous learning and professional development, as well as the allocation of time for employees to attend training and upskilling programs, in order to maintain the Group's established standards of service quality. The Human Resources team designs and implements skill-enhancement initiatives in consultation with department managers and leads identifying individual training needs, including offering tuition reimbursement or sponsorship for advanced education programs.

Target setting process

The Group conducts an annual employee engagement survey to assess satisfaction, needs, and suggestions related to the work environment, processes, leadership, career advancement, and training. Based on the responses, teams and departments create action plans, which are submitted to Human Resources for analysis and used to guide future decisions.

Human Resources department is responsible for implementing the adopted action plans.

S1-6

CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

Total number of employees by gender

GENDER	COMPARATIVE YEAR (N-1) 2024	CURRENT REPORTING YEAR (N) 2025
Male	568	596
Female	576	571
Other	1	1
Not reported	-	-
Total employees	1,145	1,168

Total number of employees by gender

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Social Information

Total number of employees by country

This data can be found in SBM-1 page 72.

Total numbers of employees by contract type and gender

	FEMALE - COMPARATIVE YEAR 2024	FEMALE - CURRENT REPORTING YEAR 2025	MALE - COMPARATIVE YEAR 2024	MALE - CURRENT REPORTING YEAR 2025	OTHER - COMPARATIVE YEAR 2024	OTHER - CURRENT REPORTING YEAR 2025
No. of employees	576	571	568	596	1	1
No. of permanent employees	453	406	427	379	1	1
No. of temporary employees	123	165	141	217	-	-
No. of non-guaranteed hours employees	10	7	9	7	1	1
No. of full-time employees	412	549	424	577	-	-
No. of part-time employees	6	15	2	6	-	-

Total numbers of employees by contract type and gender

Employee turnover

	TURNOVER RATE			
	2024		2025	
	No	%	No	%
Croatia	379	45,23%	280	26,85%
Germany	50	43,20%	125	52,30%
Hungary	35	69,90%	31	77,50%
Austria	-	-	58	44,80%
Serbia	-	-	9	22,50%
Group Average	-	52,78%	-	44,79%

Total number of employees by gender

Contextual information on employee characteristics

All employee-related data are sourced from internal HR systems, with full adherence to GDPR requirements throughout the data processing cycle. Data are updated regularly to ensure completeness, accuracy and timeliness. For the purpose of accurately representing employee demographic characteristics—such as gender, country, and type of contract—the Group uses the number of employees (headcount). Using Full Time Equivalent (FTE) figures for demographic disclosures may lead to misinterpretation, as FTE incorporates variations in working hours that are not relevant for demographic segmentation. Therefore, demographic indicators are presented based on headcount, regardless of whether an employee works full time or part time.

Employee data are collected at the end of the reporting period, and all reported figures refer to the status as of 31 December 2025, due to significant seasonal fluctuations during the season.

In contrast, the Group's financial reports present employee figures in Full Time Equivalent (FTE) terms. Difference between headcount and FTE results from the fact that some employees work part-time, with contracted hours below the standard 40 hour working week. One FTE is defined as 40 hours per week.

Total numbers of employees by contract type and region

	FEMALE - COMPARATIVE YEAR 2024					FEMALE - CURRENT REPORTING YEAR 2025					MALE - COMPARATIVE YEAR 2024					MALE - CURRENT REPORTING YEAR 2025					OTHER - COMPARATIVE YEAR 2024					OTHER - CURRENT REPORTING YEAR 2025				
	G	H	C	A	S	G	H	C	A	S	G	H	C	A	S	G	H	C	A	S	G	H	C	A	S	G	H	C	A	S
No. of employees	131	27	365	30	23	121	19	383	26	22	125	17	373	34	19	117	21	409	31	18	1					1				
No. of permanent employees	80	27	293	30	23	69	19	304	4	10	71	17	286	34	19	71	21	275	4	8	1					1				
No. of temporary employees	51		72			52		79	22	12	54		87			46		134	27	10										
No. of non-guaranteed hours employees	10					7					9					7					1									
No. of full-time employees			359	30	23	105	19	377	26	22			371	34	19	104	21	403	31	18										
No. of part-time employees			6			9		6					2			6		6								1				

LEGEND: G-Germany, H-Hungary, C-Croatia, A-Austria, S-Serbia

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Social Information

S1-8

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

COVERAGE RATE	COLLECTIVE BARGAINING COVERAGE - EMPLOYEES EEA	COLLECTIVE BARGAINING COVERAGE - EMPLOYEES NON-EEA	SOCIAL DIALOGUE - WORKPLACE REPRESENTATION (EEA ONLY)
0-19%	-	-	-
20-39%	-	-	-
40-59%	-	-	-
60-79%	X	-	-
80-100%	-	-	X

Table for collective bargaining coverage and social dialogue

In Croatia, collective bargaining plays a key role in ensuring fair working conditions across the regions, with 83% of employees are covered by a collective bargaining agreement. Employees not covered by this agreement are ensured fair treatment through alignment with industry standards. We also value social dialogue and maintain open communication channels, with employees represented by works councils for regular consultations on employment matters. In Austria, 100% of our employees in the hospitality sector are covered by a collective bargaining agreement.

In Germany, collective bargaining in the hospitality sector is regulated through well established regional collective agreements that define wage structures, pay scales, and

employment conditions, with particularly strong coverage in regions such as Berlin, North Rhine Westphalia and Bavaria. 22,59% of employees are covered by collective bargaining agreement,

In Serbia and Hungary, while we do not currently have a collective bargaining agreement, we comply with national labour laws. We place great importance on social dialogue and maintain open channels for addressing employee concerns, ensuring our employment practices remain competitive and fair by benchmarking against industry standards.

S1-9

DIVERSITY METRICS

Gender distribution at top management level

GENDER	NUMBER - COMPARATIVE YEAR (N-1)	NUMBER - CURRENT REPORTING YEAR (N)	PERCENTAGE - COMPARATIVE YEAR (N-1)	PERCENTAGE - CURRENT REPORTING YEAR (N-1)
Year	2024	2025	2024	2025
Male	112	104	51%	54%
Female	108	89	49%	46%
Other	-	-	-	-

Gender distribution at top management level

Within the Group, the Top management category by definition includes Executive members (Management Board and Supervisory Board) and Leadership (General Managers, Assistant GMs or Hotel Managers, Function Heads).

Distribution of employees by age group

AGE GROUP	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2024	2025
< 30 years old	234	331
30-50 years old	606	532
> 50 years old	305	305

Distribution of employees by age group

S1-10

ADEQUATE WAGES

In Croatia, for employees within the Arena Hospitality Group d.d. entity we are committed to ensuring that all employees are compensated fairly and adequately according to their job position and level within the in-house collective agreement.

All minimum wage positions are aligned with national minimum wage requirements, ensuring employees receive competitive compensation in accordance with legal standards. For other positions, wage increases are implemented following negotiations with the Union, reflecting our commitment to maintaining competitive salaries, promoting employee satisfaction, and ensuring that compensation remains consistent with market conditions and collective bargaining agreements. Positions outside the collective agreement are also remunerated appropriately. In 2025, the entity Ulika d.o.o., which operates art'otel Zagreb signed a collective agreement further reinforcing compliance with national standards and ensuring fair and transparent employment practices.

In Austria, we adhere to the local collective agreement and labour laws, ensuring that all positions are paid adequately. Our compensation structure is designed to reflect the specific requirements of each job role, considering the relevant agreements and legal guidelines to ensure fairness and equity across all levels within the organisation.

Similarly, in Serbia, we ensure that all positions are paid in accordance with local labour laws, as well as industry benchmarks. This approach ensures that our employees are compensated competitively and in line with national standards, helping us attract and retain top talent while maintaining a fair and supportive work environment.

By adhering to these local regulations and industry standards, we foster a culture of fairness, respect, and equality, which provides our employees with the confidence that they are valued and appropriately compensated for their contributions.

S1-13

TRAINING AND SKILLS DEVELOPMENT

In accordance with the requirements of ESRS S1, the Group systematically invests in strengthening the competencies, capabilities, and long term employability of its workforce through structured training and skills development initiatives. These initiatives are designed to ensure that employees possess the knowledge and skills necessary to perform their roles safely, ethically, and in line with the Group's operational, regulatory, and sustainability expectations.

During the reporting period, the Group delivered a comprehensive range of internal and external training programmes focused on core operational areas, including workplace health and safety, Good Hygiene and Manufacturing Practices, HACCP, and specialised Food & Beverage operational training. Employees also participated in workshops and professional conferences covering occupational safety and sector specific topics, as well as ESG related learning sessions organised through relevant national institutions.

A particular emphasis was placed on the onboarding and capacity building of newly hired employees, including individuals entering the

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tourism sector for the first time and a significant number of foreign workers. These programmes ensure that new employees are equipped with essential operational, safety, cultural integration, and service quality competencies, thereby supporting their effective inclusion into the workforce.

In alignment with the Group’s commitments to responsible business conduct, additional targeted training was delivered on IT security, data protection practices, and the Group’s anti corruption and anti bribery policies. These programmes support compliance with governance standards and mitigate risks related to cyber security, fraud, and unethical behaviour.

Feedback collected through the annual employee engagement survey confirms that continuous learning and professional development are among the most valued elements of the employee experience. This underscores the relevance of training initiatives in supporting employee satisfaction, retention, and long term employability. Based on these insights, the Group remains committed to progressively enhancing the structure, scope, and quality of its training and skills development activities to ensure alignment with strategic workforce needs and CSRD/ESRS requirements.

S1-14

HEALTH AND SAFETY METRICS

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2024	2025
A: Percentage of own workforce covered by H&S Management system (%)	100%	100%
B: Percentage of own workforce covered by audited H&S Management system (%)	100%	100%
C: Number of fatalities (own workforce)	-	-
D: Number of fatalities (other workers working on the undertaking’s sites)	Exempt in the first year	-
E: Number of recordable work-related accidents	27	33
F: Rate of recordable work-related accidents	14,39%	13,54%
G: Number of cases of recordable work-related ill health, subject to legal restrictions on the collection of data (own employees);	-	-
H: Number of cases of recordable work-related ill health, subject to legal restrictions on the collection of data (non-employees)	Exempt in the first year	-
I: Number of days lost (own employees)	Exempt in the first year	1160
J: Number of days lost (non-employees)	Exempt in the first year	-

Total number of employees by gender

S1-16

COMPENSATION METRICS (PAY GAP AND TOTAL COMPENSATION)

Gender pay gap

	COMPARATIVE YEAR (N-2)	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year		2024	2025
All employees		9,5%	6,3%

Gender pay gap

Annual total remuneration ratio

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2024	2025
Annual total remuneration ratio	1:6,71	1:6,12

Annual total remuneration ratio

Contextual information on the remuneration metrics

The reported ratio encompasses all employees of the Group, including members of the Management Board and seasonal employees, in accordance with ESRS S1 requirements. Due to the overall size of the Group, the employee population is predominantly composed of operational roles within hospitality services, while the number of Management Board members—who represent the highest remuneration levels—is comparatively small. This structural distribution significantly influences the ratio, resulting in a pronounced differential when applying the prescribed calculation methodology.

The ratio has been calculated using the following formula:
Annual total remuneration of the undertaking’s highest paid individual ÷ Median annual total remuneration of employees (excluding the highest paid individual).

S1-17

INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

Incidents of discrimination

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2024	2025
Total number of incidents of discrimination	3	2
Number of complaints filed	3	2
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	-	-
Total amount of fines, penalties, and compensation for damages	-	-

Incidents of discrimination

Reconciliation of monetary amounts

No reconciliation of monetary amounts occurred in 2025.

Contextual information on incidents of discrimination

The Company received a total of two complaints filed in relation to alleged discrimination. The Company acted in accordance with the appropriate procedures and conducted inquiries. Following completion of these procedures, all cases were closed, and no further proceedings were instigated that could lead to fines, penalties or compensation of damages.

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Severe human rights incidents

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2024	2025
Number of severe human rights incidents	-	-
Number of severe human rights issues and incidents connected to own workforce that are cases of non respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises	-	-
Total amount of fines, penalties and compensation	-	-
Number of severe human rights incidents - undertaking played a role securing remedy	-	-

Severe human rights incidents

S2 WORKERS IN THE VALUE CHAIN

S2-1

POLICIES RELATED TO VALUE CHAIN WORKERS

Value-chain workers represent a group of affected stakeholders who are not part of the Group's direct workforce. Through the double materiality process and surveys, it was determined that they do not pose a material impact or risk to the Group's operations. Before establishing a business relationship, each supplier and agency is required to review and acknowledge acceptance of the Group's business policies, including the Supply Policy and Policies of Social Responsibility, by completing the Supplier Application Form available on the corporate website. These resources are provided in both Croatian and English. All workers performing tasks within the Group who are not direct employees

are entitled to the same rights and working conditions as the Group's employees.

S2-2

PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS

During the double materiality re-evaluation process in 2025, no significant IROs related to workers in the value chain were identified. As a result, implementing a dedicated process for engaging with value chain workers and their representatives was not deemed necessary during this reporting period. These workers, similar to Group employees, remain protected under national legislation and collective agreements, which safeguard key areas such as occupational health and safety, working conditions, and equal treatment. Moving forward, through ongoing stakeholder engagement and periodic analyses, the Group will continue to monitor whether additional assessment processes are required and evaluate any potential influence of value chain workers on operational performance.

S4 CONSUMERS AND END-USERS

S4-ESRS 2 SBM-2

INTERESTS AND VIEWS OF STAKEHOLDERS – END USERS

The Group recognised the guests as one of its key stakeholder groups. In this sense, guests are primary customers of the Group's hospitality services, including accommodation, food and beverage and leisure activities. Guests are increasingly making consumption decisions based on sustainability information. Therefore, data on achievements in the field of sustainability, including Green Key certificates are available to guests on the Group's commercial websites, OTA's pages and within

the accommodation facilities themselves. Policies and annual sustainability reports are available on corporate websites.

In this reporting year, we did not directly examine the opinions and viewpoints of guests; instead, we relied on their reviews published on online reputation channels. While plans were initially made to establish direct contact with guests during their stay to obtain feedback, further analysis and consultations within the industry revealed challenges in identifying an appropriate method. Specifically, it remains difficult to collect feedback on-site in a way that does not interfere with the primary purpose of the guest's visit—rest and a break from obligations—while also ensuring that the information gathered is sufficiently comprehensive and of high quality for meaningful interpretation and decision-making. To date, no suitable approach has been identified that meets these criteria. As guest satisfaction and delivering an excellent experience during their stay remain the Group's foremost business priority, we will continue to explore options and best practices to develop an effective and guest-friendly feedback process in the future.

S4-1

POLICIES RELATED TO CONSUMERS AND END-USERS

As disclosed under SBM-3, the Group has adopted different policies to manage material impacts. These policies apply to the entire Group and are not limited to any jurisdiction. They apply to all employees and relevant stakeholders and are available to all stakeholders through the Group's website under <https://www.arenahospitalitygroup.com/en/esg/governance>.

The Code of Conduct sets out the ethical principles and expectations that guide the Group's business conduct and outlines the expectations from everyone who works within the Group, including our directors and leadership to conduct themselves ethically, with integrity and transparency.

This Human Rights Policy defines the basic standards of human rights that the Group will respect at all times and which it expects its business partners to respect at all times.

The Group's Child Protection Policy relates to the common values, principles and beliefs in the area of child protection that the Group adheres to within the scope of its business activities, which are the same principles underlying the international child protection conventions. This policy includes a set of practical rules of conduct and actions to be followed by all employees with regard to child protection matters.

The Group's Sustainability Policy reinforces its commitment to preserving natural resources through reuse and recycling, ensuring responsible consumption of energy and water across all properties, and continuously improving environmental performance. This commitment is supported by ongoing internal monitoring and measurement, as well as active exploration of new tools and opportunities within the industry. These efforts are reflected in the significant work and dedication invested in developing a detailed decarbonization transition plan, which serves as a cornerstone for achieving long-term climate goals and enhancing overall environmental stewardship. The Group's Health and Safety Policy outlines the Group's strict adherence to safety regulations in all properties, ensuring compliance with international standards.

As disclosed under GOV-5, the Group has an extensive and comprehensive enterprise

risk management (ERM) strategy and a risk governance framework.

The Anti-Bribery and Anti-Corruption Policy is adopted with the goal to define and establish mechanisms for recognizing, preventing and combating corruption as socially unacceptable behaviour and to harmonize business processes accordingly.

In the supply chain due diligence, the Group is ensuring that suppliers adhere to ethical practices, including fair labour standards and environmentally friendly production methods.

S4-2

PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS

It should be noted that no material impacts were identified for this Topic, but only material Risks. Information regarding impact reduction or avoidance measures should be read in the context of the consumer and end-user risks that were identified. Namely:

1. Aggregated Sustainability-performance-related Reputational Risk,
2. Financial penalties associated with customer data privacy breach (customer data), and
3. The potential loss of revenues associated with System Downtime

As an international hospitality group, we remain committed to ensuring that our operations respect the rights and well-being of our guests and the communities in which we operate. To uphold this commitment, we have implemented industry-standard processes for engaging with consumers and end users.

Our Code of Conduct and Human Rights Policy, among other governance documents, clearly outline our dedication to addressing and mitigating potential adverse impacts on guests and the end-users. These policies are publicly

available on our website, ensuring transparency and accessibility for all stakeholders.

Guest engagement typically occurs throughout various stages of their interaction with us: pre-stay during the booking process, during their stay through on-property initiatives, and post-stay via surveys designed to capture feedback on their experiences. In addition, we maintain official communication channels, including customer service hotlines and dedicated email addresses, to address guest concerns promptly and effectively.

Operational responsibility for consumer engagement processes lies with the Marketing and Sales Director, who is also a member of the Management Board. This role includes overseeing guest feedback systems, coordinating with operational teams to ensure timely responses, and driving initiatives that foster meaningful interaction with guests.

Feedback collected through these channels is reviewed regularly to inform decision-making and guide continuous improvement in our services and policies. By maintaining these processes, we aim to build trust and transparency while minimizing negative impacts and promoting positive outcomes for all stakeholders.

S4-3

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

Further to the ESRS S4-2 Disclosure on Processes for engaging with consumers and end-users about impacts, the Group has the following processes in place to provide for or cooperate in the remediation of negative impacts on end-users.

To address concerns, we provide confidential reporting mechanisms and treat grievances confidentially by upholding the rights to privacy

and data protection, ensuring that end users feel safe in sharing feedback about potential adverse impacts.

A trained team of customer service and operations specialists ensures that complaints are handled promptly and professionally. They collaborate with relevant departments to investigate and resolve issues effectively. When we identify that our operations have caused or contributed to a negative impact on consumers or end users, we take immediate and proportionate action to provide or contribute to remedy.

This typically involves (i) investigating the root cause of the impact through a dedicated resolution team, (ii) engaging directly with the affected individuals to understand their concerns and determine appropriate remediation measures, such as service recovery or compensation, and (iii) assessing the effectiveness of the remedy through follow-up assessments to ensure the resolution has adequately addressed the concern and prevented recurrence.

We have established several specific channels for consumers and end users to raise concerns, including:

- (i) Internal Channels: direct in-property guest relations desks and dedicated customer service email addresses; and
- (ii) Third-Party Mechanisms: we also participate in industry-recognised third-party review platforms where guests can share feedback, which we monitor and respond to actively.

These channels are promoted during pre-stay communications, in-property signage, and follow-up correspondence to ensure guest awareness.

We require our business partners, including third-party operators, to establish or participate in adequate consumer feedback mechanisms, as applicable. This is achieved through contractual obligations that ensure

adequate processes are implemented and aligned with our standards.

We assess guest awareness and trust in these structures through various review platforms and direct feedback during stays. When appropriate, we engage independent auditors or consultants to review our processes and ensure alignment with best practices.

Guest complaints and resolutions are tracked and analysed to identify trends and recurring issues, as well as to implement adequate policy reviews and operational adjustments where necessary to minimise future negative impacts. Our Whistleblowing policy and the Code of Conduct are in place to prevent retaliation against individuals using such processes.

S4-4

TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END-USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS, AND THE EFFECTIVENESS OF THOSE ACTIONS

The risks identified during the double materiality process (Financial penalties associated with customer data privacy breaches (customer data), loss of revenues associated with System Downtime, and the reputational risks arising from these events) are ongoing in nature and are therefore subject to continuous monitoring, resulting in no incidents in previous periods.

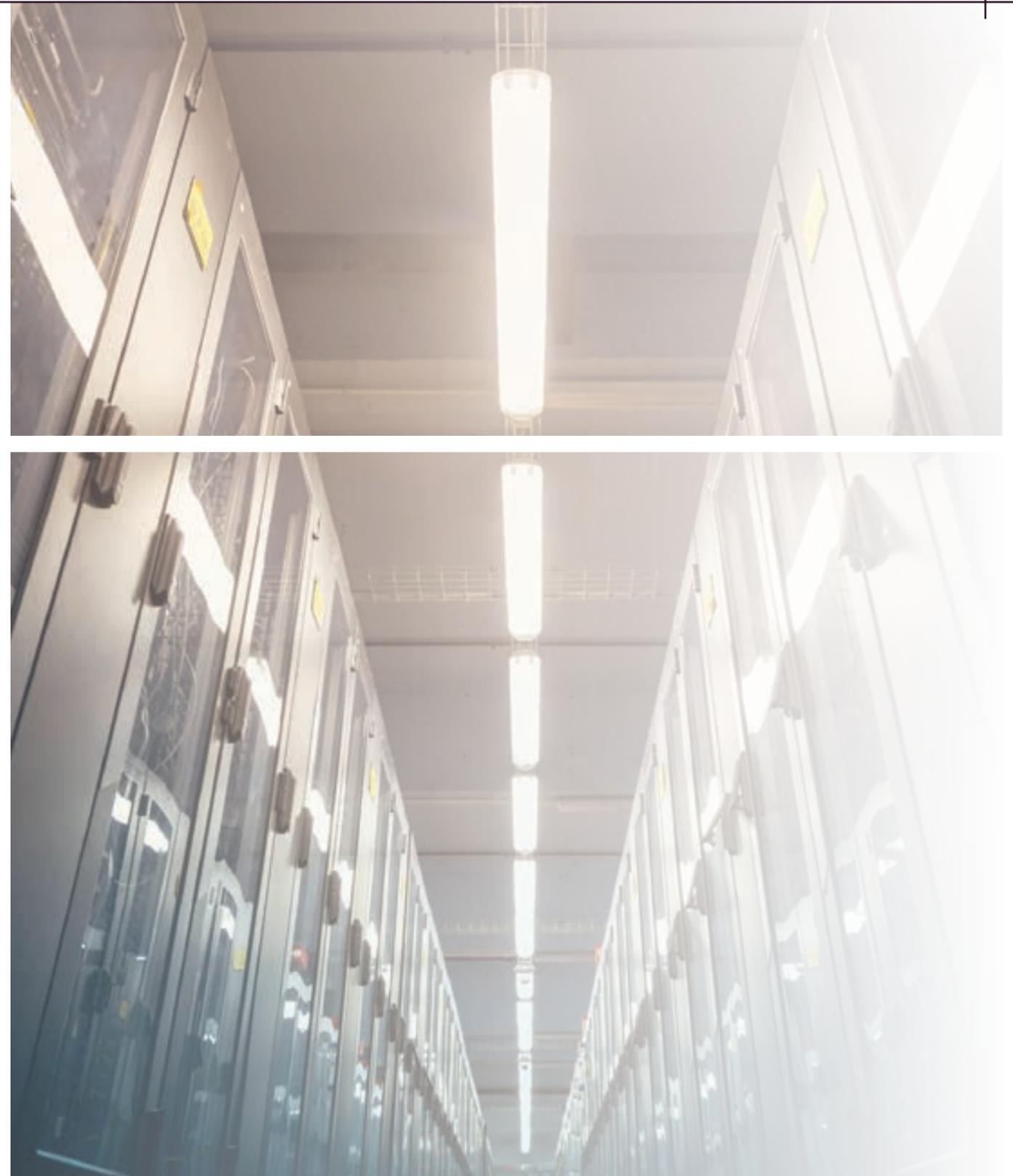
To address these material risks, the Group must continue strengthening its IT infrastructure by implementing failover systems, real-time monitoring, and stress testing to minimise downtime. Since 2019, the Group have been systematically improving their IT systems. About system downtime, the focus is on high availability and system resilience - HP SIMPLIVITY. We invest in quality uninterrupted

power supply and protection in the backend in case of power failure and quality backup. Customer data privacy breaches can lead to significant financial penalties, while breaches involving employee information may compromise personal data, reduce trust, and disrupt organisational culture. To strengthen risk control and reduce vulnerabilities, the Group introduced a new business function—the Group Information Security Manager—in 2024, enhancing internal expertise and raising overall IT security levels. This initiative enabled the implementation of new information security policies, internal procedures, and mandatory IT security awareness training, ensuring stronger data protection across all operations (see pages 160–171). In addition, aggregated sustainability performance presents reputational risks, as any shortcomings in ESG practices may negatively influence stakeholder confidence and perception.

Actions in relation to material risks and opportunities

REFERENCE S4-4 – SYSTEM RELATED RISKS

Details on material risks and opportunities can be found under the Risk management section of the Management Report in the 2025 Annual report Pages 160–171.



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Governance information

ESRS G1

Business Conduct **146**

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G1 BUSINESS CONDUCT

G1-ESRS 2 GOV-1

THE ROLE OF THE ADMINISTRATIVE, SUPERVISORY AND MANAGEMENT BODIES

REFERENCING G1

Information on the Groups governance structure and composition, including the Supervisory Board as the highest governance body, can be found in 174-183.

The Supervisory Board oversees the management of material impacts, risks and opportunities through its Sustainability and Audit Committees. These committees, particularly their chairs, possess the necessary sustainability-related skills and expertise. Details regarding the roles, skills and expertise of Sustainability and Audit Committee members in relation to sustainability-related impacts, risks and opportunities have been provided in section GOV-1 pages 68-69.

The Management Board is composed of four members with international experience in the hospitality industry. Female representation on the Management Board stands at 25%, with one female Management Board member among the four.

The Chief Financial Officer and Member of the Management Board brings expertise in sustainability, demonstrated through the integration of environmental, social, and governance (ESG) factors into financial decision-making, as well as oversight of sustainability reporting and risk management processes.

In relation to the governance processes, controls and procedures for monitoring, managing and overseeing impacts, risks and opportunities, the Group's ESG Manager reports to the Management Board and provides regular reports to relevant Supervisory Board committees, as detailed in section GOV-2 page 70.

G1-IRO-1

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The Group follows a structured process to identify and assess material impacts, risks, and opportunities concerning business conduct.

In line with the disclosures under ESRS 2 IRO-1, and to ensure comprehensive analysis with respect to business conduct, the Group applies additional criteria, taking into account any sector-specific parameters.

Given its operations across diverse geographic locations, the assessment primarily focuses on regulatory environments (including anti-corruption laws, labour laws, and human rights policies), as well as vulnerabilities to specific risks (such as bribery, human trafficking, or discrimination in jurisdictions with weaker governance frameworks).

Considering the Group's primary activities, risks and opportunities are typically assessed based on

- the nature of interactions with guests, suppliers, and local communities,
- potential adverse impacts from non-compliance with consumer protection standards, health and safety regulations, anti-corruption principles and similar, and
- opportunities to promote ethical tourism and sustainable development.

The Group acknowledges that the industry is subject to the following sector specific parameters:

- Increased scrutiny for practices like labour conditions, fair wages, and recruitment policies,
- Risks of guest privacy breaches, human rights violations, or unsustainable resource use,
- Opportunities to lead in ethical conduct by implementing green certifications, inclusive employment policies, and fair supply chain practices.

The general process as well as methodology to identify and assess material impacts, risks and opportunities are detailed under ESRS 2 IRO-1.

G1-1

BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

As a prime listed company on the Zagreb Stock Exchange, the Company recognizes its responsibility to uphold comprehensive social, ethical, and environmental standards across its operations and supply chain in every market where it operates. In line with this commitment, the Company has implemented various policies publicly available on its webpage (www.arenahospitalitygroup.com).

The Group is committed to maintaining the highest standards of ethical behaviour and integrity across all aspects of its operations. To uphold these values, it has established key policies governing business conduct. The Code of Conduct adopted in 2022 serves as a cornerstone of the Group's ethical framework, setting out principles and standards that employees, contractors, and stakeholders are expected to follow to ensure compliance with applicable laws and regulations. It addresses areas such as accountability, respect for human rights and diversity, fair competition, prevention of conflicts of interest as well as zero tolerance approach to corruption.

Mechanisms for identifying, reporting and investigating concerns about unlawful behaviour or violations of internal regulations are defined in the Whistleblowing Policy adopted in 2022 and last updated in 2024. To promote transparency and accountability, the Group implemented a Whistleblowing Policy that encourages employees and other stakeholders to report unethical or unlawful conduct. Key features of the policy include confidential and secure reporting channels, protection against retaliation

for whistleblowers, and clear procedures for investigating and resolving reported concerns.

In 2024, the Group adopted an Anti-Bribery and Anti-Corruption Policy aimed at preventing and addressing risks related to corrupt practices across all operations. This policy prohibits offering, giving, receiving, or soliciting bribes or other improper payments, engaging in facilitation payments, or participating in any activity that could be perceived as corrupt behaviour.

It provides employees and stakeholders with clear guidance on identifying and reporting potential corruption risks, and sets out defined training requirements and timelines to ensure effective implementation.

In addition, the Anti-Fraud Policy complements these efforts by establishing mechanisms to detect, prevent, and address fraudulent activities across all business processes, further strengthening the Group's commitment to integrity and ethical governance.

Further to its existing compliance framework, the Group has adopted an Anti-Money Laundering and Counter-Terrorism Financing Policy to prevent illicit financial activities and ensure compliance with international and national regulations. Furthermore, the Cash Tips Administration Policy establishes clear procedures for managing cash tips transparently and ethically, reducing risks associated with financial mismanagement and ensuring fairness for employees.

Finally, in 2022 the Group adopted a Human Rights Policy that establishes the fundamental standards of human rights the Group is committed to respecting at all times and expects business partners to uphold. These standards of human rights also form the basis of our Responsible and Ethical Sourcing Policy. In addition to its basis in relevant local and national legislation, this policy is drawn from (i) the United Nations (UN) Universal Declaration of Human Rights, which defines the rights every human being is entitled to, covering areas such as employment, education and dignity,

and (ii) the International Labour Organisation (ILO), a UN agency whose mission is to promote rights at work; encourage decent employment opportunities; enhance social protection, and strengthen dialogue in handling work-related issues. Its conventions create the framework for ethical labour standards. The Human Rights Policy sets out the following operational requirements: (i) all employment is freely chosen (no forced, bonded or prison labour) (ii) Freedom of association and the right to collective bargaining are respected (iii) Working conditions are safe and hygienic (iv) Child labour shall not be used (v) Living wages are paid (vi) Working hours are not excessive (vii) No unlawful discrimination is practised (viii) No harsh or inhumane treatment is allowed.

Regular audits and reviews are conducted to assess compliance and address any gaps, with policy updates communicated promptly to reflect evolving legal and regulatory requirements.

These commitments apply uniformly across all the Group activities and business relationships. To ensure effective implementation, the Group provides appropriate employee training and communicates policy commitments through internal channels, meetings, dedicated websites, as well as contractual agreements.

G1-2

MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

The management of supplier relationships is centred on mitigating supply chain risks, integrating sustainability, and fostering long-term partnerships. This approach includes diversifying suppliers, conducting regular assessments of social and environmental performance, and prioritising those with certifications or local bases. Procurement teams receive training in ethical engagement, while vulnerable suppliers (such as small local producers) are supported through fair practices. Supplier selection is guided by social and environmental criteria, with emphasis on compliance with labour laws, sustainable practices, and regional inclusion. Continuous dialogue and supplier surveys ensure accountability and continuous improvement, aligning practices with risk management and sustainability objectives.

G1-3

PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

In 2024, the Group adopted an Anti-Bribery and Anti-Corruption Policy to prevent and address risks related to corrupt practices across all operations.

This policy prohibits offering, giving, receiving, or soliciting bribes or other improper payments, engaging in facilitation payments or participating in any activity that could be perceived as corrupt behaviour. Employees and stakeholders are provided with clear guidance on identifying and reporting potential corruption risks.

Mechanisms for identifying, addressing and reporting any corruption or bribery related incidents to the compliance and legal

department, respectively, are included in the policy which is publicly available on the webpage www.arenahospitalitygroup.com

Outcomes of any corruption related incident are to be reported to the Sustainability and Audit committee in accordance with applicable regulations. The Anti-Bribery and Anti-Corruption Policy requires that employees complete training within 30 days of the start date of employment and periodically thereafter, at least once per year. The training is mandatory for all employees, including the Management Board.

Finally, the Anti-Fraud Policy complements these efforts by introducing mechanisms to detect, prevent, and address fraudulent activities across all business processes, further reinforcing the Group's commitment to ethical governance and compliance.

G1-4

CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY

Violation of anti-corruption and anti-bribery laws

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2024	2025
Number of convictions	-	-
Amount of fines	-	-

Violation of anti-corruption and anti-bribery laws

Actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery

In 2024, the Group has implemented several policies to prevent and address breaches in procedures and standards of anti-corruption and anti-bribery. The Anti-Bribery and Anti-Corruption Policy, together with the Gifts and Entertainment Policy establish clear mechanisms for recognising, preventing and combating corruption as socially unacceptable behaviour, while ensuring business processes are aligned accordingly. Additionally, the Group had previously adopted both a Code of Conduct and a Whistleblowing Policy to set high operational standards and reinforce its commitment to integrity and transparency. All policies are available on the Group's web page www.arenahospitalitygroup.com.

Confirmed incidents of corruption or bribery

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2024	2025
A: total number of confirmed incidents of corruption or bribery	-	-
B: number of confirmed incidents (own workers)	-	-
C: number of confirmed incidents (business partners)	-	-

Confirmed incidents of corruption or bribery

G1-6

PAYMENT PRACTICES

Metrics on payment practices

	COMPARATIVE YEAR (N-1)	CURRENT REPORTING YEAR (N)
Year	2024	2025
A: average time for invoice payment (in days)	23	21
B: percentage of the payments aligned with standard terms	94%	96%
C: number of legal proceedings currently outstanding	-	-

Metrics on payment practices

In some regions where the Group operates, standard payment terms are governed by legal provisions, such as the EU Late Payment Directive (2011/7/EU), which typically allows terms up to 60 days. Hungary is an exception, with usual payment terms of 8–15 days and no specific legal regulation. A table was prepared based on two approaches: realistic contracted terms (A) and a standard 60-day term for percentage alignment calculations (B). The Group has no recorded legal disputes for 2023, 2024 or 2025. In 2025, the Group continued to strengthen and consolidate the implementation of good payment practices by consistently adhering to agreed payment terms. This was supported by the use of appropriate tools and software solutions designed to ensure transparency, efficiency, and timely execution of financial obligations.



Sustainability report 2025

Appendices

ESRS 2 IRO 2

LISTS OF DISCLOSURE REQUIREMENTS AND DATAPOINTS

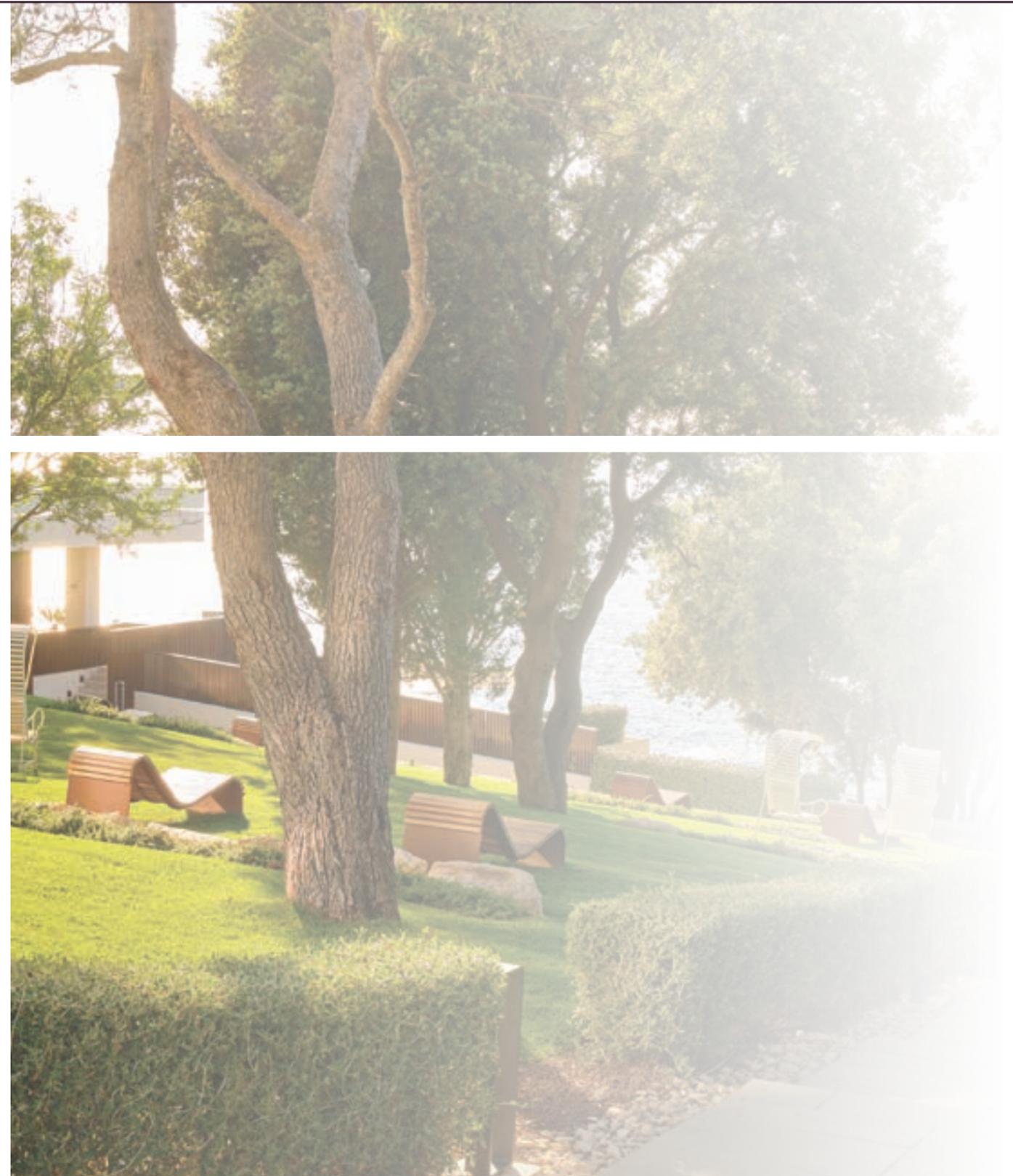
The Table below outlines the data points derived from other EU legislation as listed in ESRS 2 Appendix B. It shows the page where that data point is located in our report, the indication of which data points are "Not material" as well as the indication "Not relevant", since certain data points are not relevant to our business activities.

DISCLOSURE REQUIREMENT	DATA POINT	PAGE / PARAGRAPH
ESRS 2 GOV-1	21(d) Board's gender diversity	no.pag. 68
ESRS 2 GOV-1	21(e) Percentage of board members who are independent	no.pag. 68
ESRS 2 GOV-4	30 Statement on due diligence	no.pag. 71
ESRS 2 SBM-1	40(d) i Involvement in activities related to fossil fuel activities	No relevant
ESRS 2 SBM-1	40(d) ii Involvement in activities related to chemical production	No relevant
ESRS 2 SBM-1	40(d) iii Involvement in activities related to controversial weapons	No relevant
ESRS 2 SBM-1	40(d) iv Involvement in activities related to cultivation and production of tobacco	No relevant
ESRS E1-1	14 Transition plan to reach climate neutrality by 2050	no.pag. 108
ESRS E1-1	16(g) Undertakings excluded from Paris-aligned Benchmarks	No relevant
ESRS E1-4	34 GHG emission reduction targets	no.pag. 113
ESRS E1-5	38 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	No relevant
ESRS E1-5	37 Energy consumption and mix	no.pag. 113
ESRS E1-5	40-43 Energy intensity associated with activities in high climate impact sectors	No relevant
ESRS E1-6	44 Gross Scope 1, 2, 3 and Total GHG emissions	no.pag. 115
ESRS E1-6	53-56 Gross GHG emissions intensity	no.pag. 117
ESRS E1-7	56 GHG removals and carbon credits	No relevant
ESRS E1-9	66 Exposure of the benchmark portfolio to climate-related physical risks	No relevant
ESRS E1-9	66(a) Disaggregation of monetary amounts by acute and chronic physical risk	No relevant
ESRS E1-9	66(c) Location of significant assets at material physical risk	No relevant
ESRS E1-9	67(c) Breakdown of the carrying value of its real estate assets by energy-efficiency classes	No relevant
ESRS E1-9	69 Degree of exposure of the portfolio to climate-related opportunities	No relevant
ESRS E2-4	28 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	No material

ESRS E3-1	9	Water and marine resources	no.pag. 118
ESRS E3-1	13	Dedicated policy	no.pag. 118
ESRS E3-1	14	Sustainable oceans and seas	No relevant
ESRS E3-4	28(c)	Total water recycled and reused	no.pag. 120
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	no.pag. 120
ESRS2-IRO1-E4	16(a) i	Biodiversity sensitive areas	No material
ESRS2-IRO1-E4	16(b)	Land impact	No material
ESRS 2-IRO1-E4	16(c)	Threatened species	No material
ESRS E4-2	24(b)	Sustainable land / agriculture practices or policies	No material
ESRS E4-2	24(c)	Sustainable oceans / seas practices or policies	No material
ESRS E4-2	24(d)	Policies to address deforestation	No material
ESRS E5-5	37(d)	Non-recycled waste	no.pag. 122
ESRS E5-5	39	Hazardous waste and radioactive waste	no.pag. 123
ESRS 2-SBM3-S1	14(f)	Risk of incidents of forced labour	No relevant
ESRS 2-SBM3-S1	14(g)	Risk of incidents of child labour	No relevant
ESRS S1-1	20	Human rights policy commitments	no.pag. 126
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	no.pag. 126
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	No relevant
ESRS S1-1	23	Workplace accident prevention policy or management system	no.pag. 128-129
ESRS S1-3	32(c)	Grievance/complaints handling mechanisms	no.pag. 127
ESRS S1-14	88(b), (c)	Number of fatalities and number and rate of work-related accidents	no.pag. 136
ESRS S1-14	88(e)	Number of days lost to injuries, accidents, fatalities or illness	no.pag. 136
ESRS S1-16	97(a)	Unadjusted gender pay gap	no.pag. 137
ESRS S1-16	97(b)	Excessive CEO pay ratio	no.pag. 137
ESRS S1-17	103(a)	Incidents of discrimination	no.pag. 137
ESRS S1-17	104(a)	Non-respect of UNGPs on Business and Human Rights and OECD	no.pag. 138
ESRS 2-SBM3-S2	11(b)	Significant risk of child labour or forced labour in the value chain	No material

Sustainability report 2025

ESRS S2-1	17	Human rights policy commitments	No material
ESRS S2-1	18	Policies related to value chain workers	No material
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	No material
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	No material
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	No material
ESRS S3-1	16	Human rights policy commitments	No material
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	No material
ESRS S3-4	36	Human rights issues and incidents	No material
ESRS S4-1	16	Policies related to consumers and end-users	no.pag. 139
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	no.pag. 139
ESRS S4-4	35	Human rights issues and incidents	No relevant
ESRS G1-1	10(b)	United Nations Convention against Corruption	no.pag. 147-148
ESRS G1-1	10(d)	Protection of whistle-blowers	no.pag. 147-148
ESRS G1-4	24(a)	Fines for violation of anti-corruption and anti-bribery laws	no.pag. 149
ESRS G1-4	24(b)	Standards of anti-corruption and anti-bribery	no.pag. 149



INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholders of Arena Hospitality Group d.d.

We have conducted a limited assurance engagement on the Sustainability Statement included in section Sustainability report 2025 of the Management Report of Arena Hospitality Group d.d. (the "Company") and its subsidiaries (hereafter the "Group") as at 31 December 2025 and for the period from 1 January 2025 to 31 December 2025 (the "Sustainability Statement").

Identification of Applicable Criteria

The Sustainability Statement was prepared by the Management Board of the Company in order to satisfy the requirements of article 32 and 36 of Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards introduced by Commission Delegated Regulation (EU) of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council ("ESRS"), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in note [ESRS 2 IRO-1]; and
- Compliance of the disclosures in Taxonomy disclosures within the environmental section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Inherent Limitations in Preparing the Sustainability Statement

The criteria, nature of the Sustainability Statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

In reporting forward looking information in accordance with ESRS, Management of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Sustainability Statement, Management of the Company interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

This version of the auditor's report is translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over this translation.

The company was registered at Zagreb Commercial Court: MBS 030022053; paid-in initial capital: EUR 5,930.00; Company Directors: Katarina Kadunc, Goran Končar and Helena Schmidt, Bank: Privredna banka Zagreb d.d., Radnička cesta 50, 10 000 Zagreb, bank account no. 2340009-1110098294; SWIFT Code: PBZGHR2X IBAN: HR3823400091110098294.

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INDEPENDENT LIMITED ASSURANCE REPORT (continued)

Responsibility of the Management Board of the Company

Management of the Company is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this process in note ESRS 2 IRO-1 of the Sustainability Statement. This responsibility includes:

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

Management of the Company is further responsible for the preparation of the Sustainability Statement, in accordance with article 32 and 36 of Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the ESRS;
- Preparing the disclosures in Taxonomy disclosures within the environmental section of the Sustainability Statement, in compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation");
- Designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Practitioner's Responsibility

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgment and maintain professional skepticism throughout the engagement.

INDEPENDENT LIMITED ASSURANCE REPORT (continued)

Practitioner's Responsibility (continued)

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in note ESRS 2 IRO-1.

Our other responsibilities in respect of the Sustainability Statement include:

- Obtaining an understanding of the entity's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Quality Management

We complied with the applicable independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "Code"), as well as in compliance with the independence and the ethical requirements in Croatia. The Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We applied International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
 - o performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
 - o reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in note ESRS 2 IRO-1.

INDEPENDENT LIMITED ASSURANCE REPORT (continued)

Summary of Work Performed (continued)

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
 - o performing inquiries to understand the Group's control environment, processes and information systems relevant to the preparation of the sustainability statements;
- Evaluated whether material information identified by the Process to identify the information reported in the Sustainability Statement is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected disclosures in the Sustainability Statement;
- Performed substantive assurance procedures on a sample basis on selected disclosures in the Sustainability Statement;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied; and
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with article 32 and 36 of Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement is in accordance with the description set out in note ESRS 2 IRO-1; and
- Compliance of the disclosures in Taxonomy disclosures within the environmental section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

For signatures, please refer to the original Croatian auditor's report, which prevails.

Goran Končar

Director and Certified auditor

Deloitte d.o.o.

26 February 2026
 Radnička cesta 80,
 10 000 Zagreb,
 Croatia

This version of the auditor's report is translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over this translation.

Our changing risk management environment

Our changing risk management environment

We recognise the importance of understanding the impacts of new and emerging threats, which could have the greatest impact on our business and represent barriers to the Group's development in the year ahead, to ensure we maintain long-term organisational and strategic resilience. These include adverse effects of climate change, geopolitical uncertainties, economic volatility and the potential impact of artificial intelligence (AI) on society and within our organisation.

Our business model and operations could be influenced by many external factors, including changes to the Group's regulatory environment, potential changes in tax legislation, long-term shifts in consumer behaviour, labour market

pressures, growing pressure on the cost of living and an increased threat to social cohesion across our regions and markets.

The below section outlines the updated principal risks and uncertainties the Group may face. This includes those the Supervisory Board believes could have a severely negative impact on our business along with a description of the actions to undertake as a response to these risks, and the way these were, are, or can be mitigated. To be considered a principal risk the potential downside or residual impact must be assessed as 'Major' or above, equating to a negative financial impact or falling asset values greater than 5% of annual EBITDA (under normal operating conditions).

Principal Risks	Inherent Risk Assessment	Residual Risk Assessment	Trends from Previous Year	Reference - Page no
1 Market dynamics and evolution of the travel industry	High	High	Same	166
2 Adverse economic climate	High	High	Same	167
3 Seasonality and adverse weather conditions	Very High	Medium	Same	167
4 Climate change	High	High	Same	167
5 Regulatory risks	Medium	Medium	Same	168
6 Funding and liquidity	High	Medium	Same	168
7 Cyber threat related disruption	High	High	Same	169
8 Data privacy - risk of data breach	High	Medium	Same	169
9 Technology disruption - prolonged failure of core technology	High	High	Same	169
10 Operational disruption	High	Low	Same	170
11 Serious health and safety and security threat to team member, guest or third-party	High	Very Low	Same	170
12 Difficulty in attracting and retaining suitably skilled workforce	Very High	Medium	Same	171
13 Negative stakeholder perception of the Group with regards to Sustainability-related matters	High	Very Low	Same	171

OUR RISK STRATEGY

The Group's Enterprise Risk Management (ERM) strategy is a comprehensive and structured approach for identifying, establishing accountability, assessing, managing, and monitoring operational risks across our markets of Croatia, Hungary, Germany, Serbia and Austria. It aims to enhance decision-making, safeguard assets, and achieve strategic objectives by addressing various types of risks (financial, operational, reputational, strategic, Sustainability and compliance).

Our well-designed ERM strategy integrates risk management into the Group's culture and business processes, ensuring that risks are handled systematically across all levels. Our approach includes executing our Risk-Reward Strategy, which articulates our risk appetite across various business activities.

Risk and Reward Strategy

The Group Risk-Reward Strategy is annually reviewed and approved by the Supervisory Board. It articulates the Group's general appetite to risk-taking and where possible outlines the parameters for tolerable levels of risk. Risk appetite is defined and implemented through the application of Group policies and procedures.

Our ERM framework supports the pursuit of our objectives through enabling informed and calculated risk-taking, while protecting our financial strength and reputation.

The Risk-Reward strategy is aligned to our strategic objectives.

Risk Appetite Levels	Definition	Business Activities	Key sources of value and strategic enablers
Active	We will actively seek to take calculated risks in this area in pursuit of our strategic objectives, as long as the associated benefits significantly outweigh the risk impact and the risk remains within our tolerances. We will apply appropriate safeguards when pursuing these opportunities.	<ul style="list-style-type: none"> Organic investment and diversification of property portfolio through development and acquisition 	<ul style="list-style-type: none"> Continued development and diversification of prime property portfolio of campsites, apartment resorts, ski resort and city hotels, with focus in CEE region
Neutral	We will take on a limited increased exposure to risk in pursuit of our strategic objectives if the associated benefits outweigh the risk impact and the risk remains within our tolerances. We will apply appropriate safeguards when pursuing these opportunities.	<ul style="list-style-type: none"> Development projects Working with third parties Funding and financing Technological development Commercial and promotional activity 	<ul style="list-style-type: none"> Financial strength Focus on liquidity Multi-brand approach
Averse	We will act to protect the business from increased risk exposure in these areas.	<ul style="list-style-type: none"> Sustainability impact Operational continuity Human Rights Data privacy Legal and Compliance Financial and tax reporting Financial control 	<ul style="list-style-type: none"> Meaningful Sustainability dual materiality impact and opportunity for the benefit of all stakeholders Our people and culture Guest Satisfaction Brand Promise

Our changing risk management environment

RISK GOVERNANCE

The Board

The Management Board is ultimately responsible for risk management within the Group, the Group Risk Policy & Framework, the Risk-Reward Strategy, and the statement on risk management in the Annual Report. The Management Board is directly responsible for the management of macroeconomic, strategic, investor relation and corporate governance risks.

The Supervisory Board, through the Audit Committee, oversees the establishment and implementation of our Business Resilience Program under the ERM Framework and reviews the effectiveness of the programme biannually to ensure that mitigating controls to the identified principal risks are embedded in Group's management processes across all the business units and functions.

Audit Committee

- Reviews the effectiveness of the Group's procedures to manage and reduce the potential impact of risks, uncertainties and disruptive events on the business.
- Regularly reviews and where necessary, develops, the Risk Appetite to establish, with the support of the Management Board, the level of risk that the business should take in achieving its objectives.
- Reviews the Group's risk and resilience culture to ensure it is embedded in company management processes across all business units and functions.
- Monitors and reviews the effectiveness of the Group's overall internal control and risk management systems, and makes recommendations to the Supervisory and Management Boards as necessary.

- Reviews the Group's emerging and principal risks and opportunities to ensure that an appropriate range of risks and opportunities are being assessed and that mitigation plans are effective in managing those risks and opportunities.
- Agrees an annual internal audit work plan with the internal auditor in relation to risk management, receives internal auditor's reports and monitors the implementation of their recommendations.
- Reviews the level of compliance with the Croatian Corporate Governance Code.

Sustainability Committee

- Keeps under review Sustainability and climate-related risk assessment, which is aligned with the Group's dual materiality risks and opportunity assessment.
- Provides recommendations regarding drafting and implementation of the Group's policies and procedures in relation to the impacts of the Group's activities on the environment, human rights and the community, and the prevention of pollution and management of associated risks.

Enterprise Risk Forum

This forum acts as the Principal Risk Owner alongside the Management Board. The Risk Forum comprises Group Internal Controls Officer, Group General Counsel, Chief Information Security Officer, Data Protection Officer, Regional General Manager, and Group and Regional Functions Heads. They primarily support the Management Board by consolidating risk information for upward reporting. The forum also maintains the ERM policies.

Enterprise Risk Management Strategy Objectives

- Accountability - The Management Board has overall accountability for ensuring that risk is effectively managed across the Group. The Management Board, upon prior approval of the Supervisory Board, sets a policy specifying the nature and extent of the risks the Group needs and is willing to take to achieve its long-term strategic objectives (the "risk appetite"). The Management Board will discuss and agree on the acceptable risks and exposures to which lower-level management must work (risk appetite and tolerance).
- Ownership - All Regional Managers, Business Unit Managers and Heads of Departments are responsible for implementing this policy and ensuring that sufficient time and resources are allocated to support ongoing risk management activities within their respective areas. Risk accountabilities are defined within the risk framework.
- Review - Risks across the Group shall be formally reviewed at least half-yearly, in line with the ERM annual schedule provided within the risk framework.
- Consistency - All risks must be measured

using the defined Group risk assessment criteria provided within the risk framework to facilitate consolidation of risk information at a Group level.

- Monitoring - The Management Board and Risk Forum will monitor the status and progress against each of the key Group risks quarterly.
- Escalation - Identification of risk incidents, emerging risks and opportunities must be reported to the appropriate individuals and/or Risk Forum in line with the escalation requirements provided within this policy.
- Effectiveness - The Audit Committee is responsible for reviewing the effectiveness of the Group's approach to risk management.

Ownership and review

- The policy is owned by the Management Board and maintained by the Internal Controls Officer.
- The policy is reviewed annually.

Our changing risk management environment

PROCESS

ENTERPRISE RISK ASSESSMENT

The enterprise assessment underpins the Group's principal risk disclosures. It represents a consolidated view of risks drawn from functional areas and subsidiaries, providing a single, comprehensive risk profile reported to the Supervisory Board.

Principal Risk Categories

All risks identified will be categorised to assist with reporting the principal risks:

→ Strategic

Relating to the external business environment and our strategic agenda. This risk category is likely to include potential upsides/opportunities which means the Group may have a higher risk appetite for them.

- Strategic direction
- Property development
- Brand perception
- Third-party
- Corporate governance

→ Market & macro environment

- Geopolitical & macroeconomic environment
- Market dynamics
- Global supply chain disruptions

→ Financial

- Macro-economics
- Funding
- Treasury management
- Financial reporting
- Profitability
- Asset protection

→ Technology and Information Security

- Cyber security & data privacy
- Technology

→ Safety & Continuity

- Business resilience & continuity
- Security, Health & Safety
- Infrastructure & maintenance

→ People

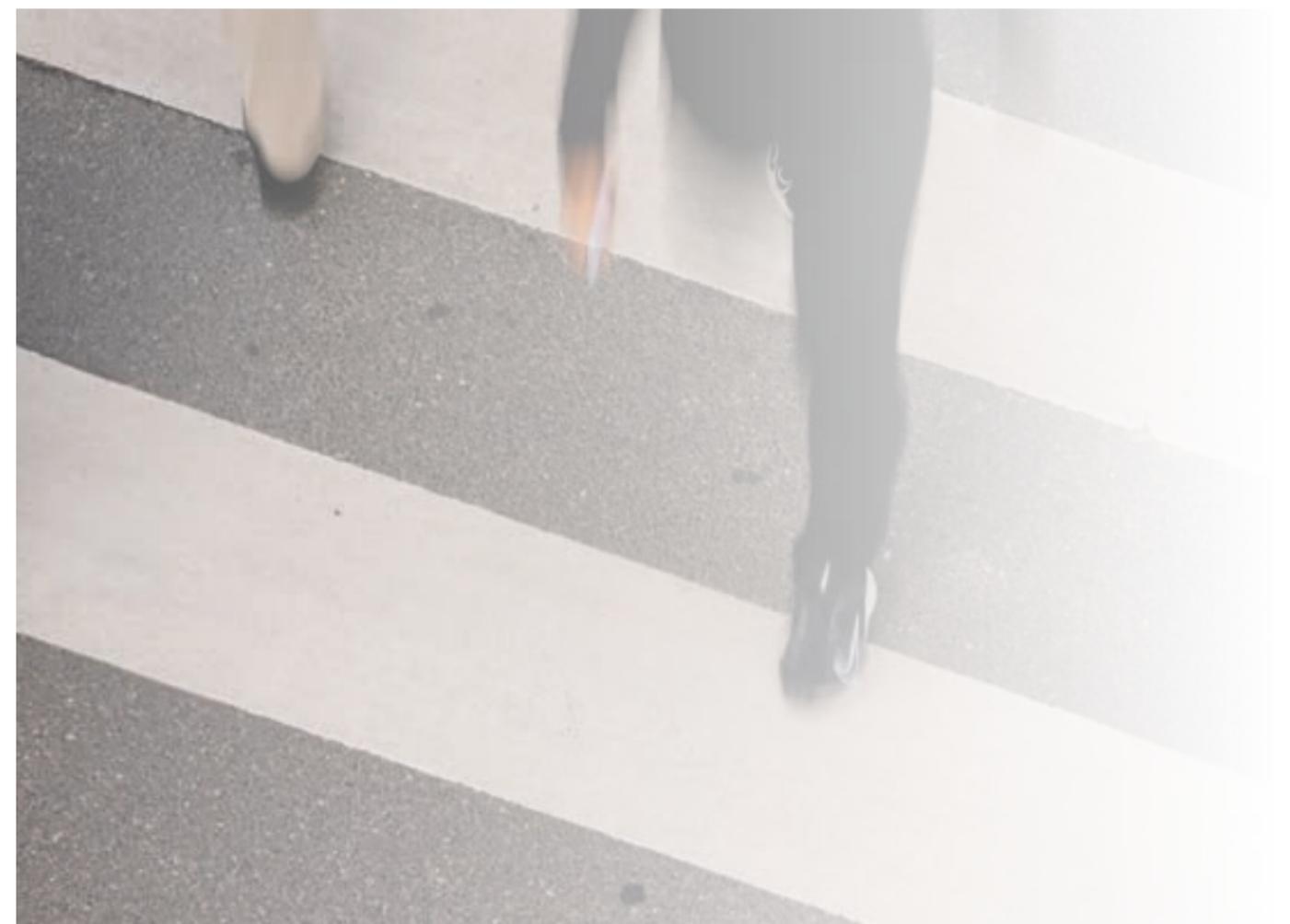
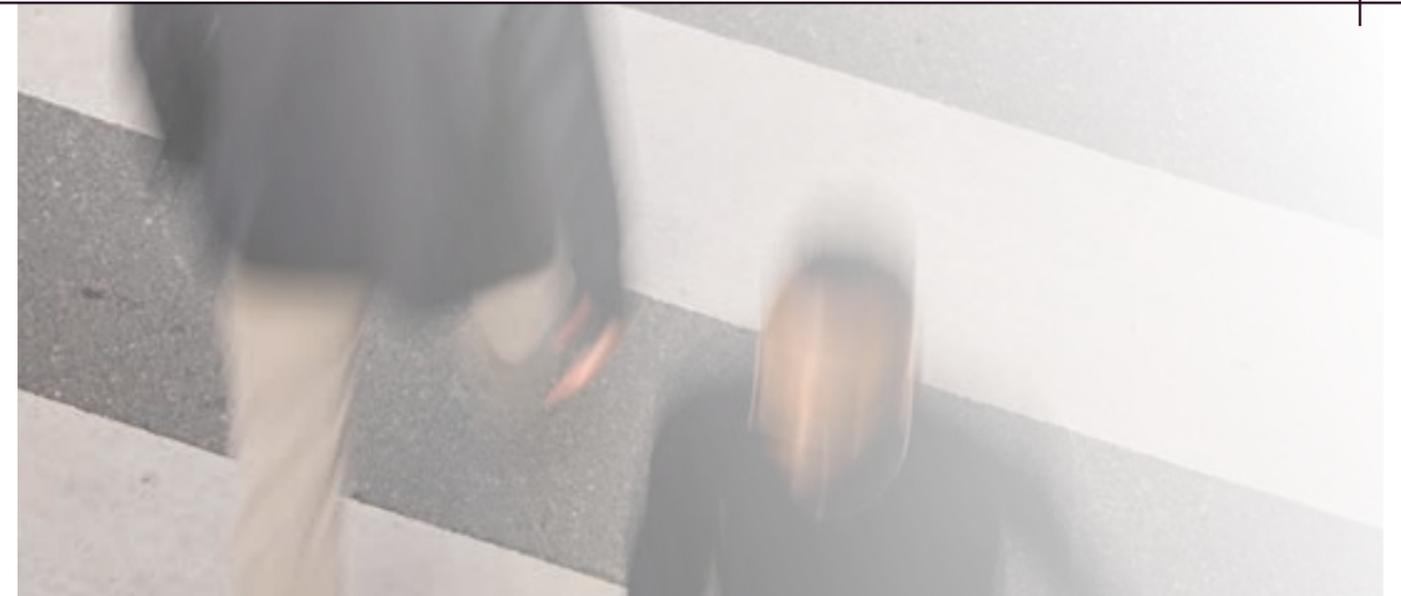
- Our people

→ Legal and Compliance

- Adherence to laws and regulations

→ Environmental, Social and Governance (Sustainability)

- Corporate governance
- Investor relations
- Ethics
- Integrity and environmental, social impact



Principal risks

Principal risks

The tables below detail our principal risks for the year ahead. The reported risks are those we consider could have the greatest impact on our business and represent the most significant threats to the achievement of our objectives. This is not an exhaustive list of all risks identified and monitored through our risk management process, which includes consolidating the underlying functional and subsidiary risk registers into a single risk view that is reported to the Supervisory Board.

Our risk level is decided through an assessment of the likelihood of the risk and its impact should it materialise. Our assessments are weighted towards impact to encourage prioritisation of high-impact risks.

Principal Risk Description	Residual Risk	Outlook and Risk Response
<p>Market Dynamics and evolution of the travel industry There is likely to be continued uncertainty in demand with late bookings and late cancellations, increasing the challenge to forecast accurately and manage costs effectively. A failure to adapt to changing market trends and guest expectations may adversely impact financial performance.</p> <p>The prominence and ease of online bookings evolving with new technologies continue to influence customer booking behaviours and travel expectations. The travel industry is expected to continue to be impacted by the rise of online travel agents and other dominant forces such as search engines and social media networks. The Group is exposed to risks such as the dominance of one such third party over another, the loss of control over its inventory and/or pricing and challenges to keep up with developments in the market.</p> <p>The growing adoption of virtual AI agents in travel planning and booking could shift customer behaviour away from traditional direct channels. As AI agents increasingly assist users throughout their digital journeys, our existing platforms may risk becoming less central or compatible within evolving customer interactions</p>	High	<p>We have demonstrated our ability to adapt quickly to changing market conditions by optimising revenue generation and focussing on delivering the highest standards to our guests. We continue to monitor and anticipate changes in the market dynamics to respond quickly and maintain an agile approach to revenue management and market tactics. Extended focus is given to new leisure and domestic promotional initiatives, with timely distribution and marketing activities in city centre and resort hotels, bolstered by development and investment in revenue management software and processes.</p> <p>Continue fostering close collaboration with PPHE and Radisson Hotel Group and leveraging their reach for promotional campaigns. Our successful drive to promote contactless guest service experience through mobile app technology is enabling us to maintain and increase utilisation of our online check-in and digital key distribution for access to guest rooms.</p> <p>The Group invests in areas such as connectivity to third parties, distribution and marketing of its products, e-commerce and technology.</p> <p>The Group further increased its direct distribution activities through online channel optimisation and continues to increase its share of direct business versus third party online channels.</p> <p>The Group mitigates this risk by working closely with PPHE Hotel Group, ensuring that global trends are identified and acted upon in a concerted manner, whilst benefiting from the scale, negotiating power, knowledge and skills that such a partnership brings, including the global partnership with Radisson Hotel Group. We also continue to invest in the Group's own revenue management capabilities</p> <p>We are closely tracking emerging AI driven travel planning tools and upgrading our booking engines to seamlessly support machine generated queries.</p>

Principal Risk Description	Residual Risk	Outlook and Risk Response
<p>Adverse economic climate Increased volatility is expected to remain a feature of the macroeconomic environment in 2026, as global affairs move towards a multilateral society. This will further exacerbate supply chain issues, labour shortages, energy price volatility, as well as other inflationary pressures. A prolonged period of stress for the global economy and geopolitical environment not conducive to free trade could contribute towards increased costs, impacting our ability to protect our profitability.</p> <p>In addition, potential inaccurate assessment of a development opportunity could lead to poor investment decisions and affect the Group's ability to drive growth and long-term value. The Group could also experience disruption and delays to development projects and unforeseen cost increases due to global supply chain concerns and inflation in commodities and raw materials prices. Moreover, challenges in the labour market are also impacting the construction industry. Ongoing volatility in oil prices and its impact on energy costs continues to adversely impact project costs.</p>	High	<p>Our financial stability and strong cash position, coupled with a lean operating model and diverse leisure product offering are mitigating factors for risks arising from the clear macroeconomic uncertainties we are facing.</p> <p>The Group performs financial stress testing. It has profit protection plans in place (with operational impact assessed) and deploys a strict financial discipline to ensure all business requirements are assessed in short, medium and long-term considering their financial implications.</p> <p>A strategic long term business stress test was conducted and evaluated by the Audit Committee to further enhance due diligence.</p> <p>The Group maintains a diligent approach in pursuit of new acquisitions and developments. It follows a disciplined, yield focused capital deployment strategy to achieve growth and long-term value. It is selective in its approach taking into account projects strategic fit, location, brand, return on investment and funding.</p> <p>Our senior leadership team oversee the progress of all development projects, supported by our in-house Technical Services & Project Management team. We closely monitor the timelines and costs of our construction projects, holding regular meetings with our key contractors to identify and tackle any approaching issues which could impact the overall cost, targeted delivery schedule or the expected quality standards.</p>
<p>Seasonality and adverse weather conditions The Group's business in Croatia is highly seasonal; the majority of guest visits occur from June to September. A high degree of seasonality in revenues in the Croatian market increases the impact of certain weather events on the Group's operating results. The ability to attract visitors to the Group's Croatian properties, particularly the campsites and self-catering holiday apartment complexes, is influenced by weather conditions and the number of warm and dry weather days during the summer season.</p>	Medium	<p>The Group benefits from its recently developed city centre hotels within the CEE region, which do not experience the seasonality that the Croatian market does, will operate all year round.</p> <p>Moreover, the Group is consistently focussed on extending its activities in the shoulder season.</p> <p>The Group's acquisition of its first winter leisure resort further complements its existing summer leisure business.</p>
<p>Climate change Rising sea levels may impact summer sea resort beaches, which could shrink or be flooded, impacting social and tourist attractions and causing associated damage. Low precipitation or rainfall will impact freshwater reserves and will adversely impact agriculture, which would impact local produce, increasing the price of importing food for the operators. Furthermore, this may dry up waterfalls which are great tourist attractions in this part of Croatia. Rising temperatures could lead to rising water and sea temperatures causing marine life to move further away, therefore impacting sources of food. Forest fires are a threat to Croatia and in particular the Group's locations that are situated within forests and nature reserves. Indirect impacts are the rising cost of energy due to the switch to renewable sources, increasing cost of compliance with sustainability related regulation and associated reputational damage for not complying.</p> <p>Climate risk considerations are having an increasing impact on any acquisition consideration, contributing to an increased level of uncertainty in project returns and elevating the complexity of any development project.</p>	High	<p>The Group has conducted a site-specific climate-related risk assessment identifying its level of impact on business in the short, medium and long term, its likelihood, and planned mitigating controls where practically possible.</p> <p>The Group is investing in energy-efficient building technology, water desalination plants which provide sufficient fresh water for irrigation of its landscape and nature in Croatia.</p> <p>art'otel Cologne is in the vicinity of a river thus at risk of flooding, however a special metal flood barrier is in place protecting the hotel building's most vulnerable section.</p> <p>Overall, the Group is working proactively to reduce its energy and water consumption through its Responsible Business Programme.</p>

Principal risks

Principal Risk Description	Residual Risk	Outlook and Risk Response
<p>Regulatory risks The Group is exposed to risks arising from potential changes in applicable laws and regulations in relation to the use of land in campsites and tourist resorts, an area which has not been regulated to date. Given the main business activity of the Company, these areas are particularly important for the Company's business, especially its campsites.</p> <p>In May 2020, Non-Appraised Construction Land Act (the "NACL") was adopted to deal with, inter alia, the so-called tourist land and proprietary relationships between the owner of such land and the owner of the facilities built thereon, in the context of transition from social to private ownership.</p> <p>In February 2024, the Croatian Government adopted secondary level regulations that regulate the rent payable by lessees following completion of procedures envisaged under NACL (the "Regulations").</p> <p>These Regulations set the method of calculating the rent and other fees for next 50 years (beginning with the entry into force of NACL), enabling the Company to calculate the rent liability for the foreseeable future and budget accordingly. Some uncertainty remains with regards to the tourist land around hotels and in tourist resorts since the Regulation proscribes only range of rent fee per sqm, leaving it to the local municipalities to determine the exact amount. However, both Regulations set out the rent CAP in the amount of 4% of revenue of the relevant campsite, tourist resort and/or hotel.</p> <p>New legislative changes on physical planning that came into force in January 2026 will limit new coastal developments, including mobile homes, affecting campsites and resorts.</p>	Medium	<p>The Company duly filed required requests under NACL. The completion of procedures and actual registration of ownership under the provisions of NACL in respect of Company's properties was largely put on hold by the competent authorities due to unresolved maritime domain issues.</p> <p>Following adoption of secondary level regulations in February 2024, the Company was invoiced and paid accordingly 50% of rent for the campsites, while it accrued the remaining 50% that will be invoiced once the procedures envisaged under NACL are complete. Rental fee liability for 2025 was recognized in the Balance sheet under short term liabilities.</p> <p>In the period from 2010 until 2020 (when NACL entered into force), i.e., while the TLA was still applicable, the Company paid 50% of concession fees in respect of eight campsites and accrued the remaining 50%.</p> <p>Considering the remaining uncertainties, the Company continues its accrual and provisioning in the most prudent manner based on the most up to date available information. The provisions and accrued fees for the tourist land concession are visible in the Group's balance sheet.</p> <p>The Company is proactively engaged and well-resourced for implementing any necessary actions that may be required.</p> <p>As implementation details concerning changes on physical planning remain unclear, in particular with regards to the existing campsites and resorts, the exact impact cannot yet be assessed. Indirect effects could arise from restricted refurbishment options. Overall, uncertainty around the new regulatory framework makes it premature to determine the full implications.</p>
<p>Funding and liquidity risk This includes breach of debt covenants, inability to service existing debt and cash restrictions. This will remain a significant risk in the year ahead due to the ongoing disruption caused by global macroeconomic uncertainty fuelled by the war in Ukraine.</p> <p>The impact of failing to proactively manage this threat would be severe, including an increased risk of cash traps being applied to hotel specific loans.</p> <p>The cost of debt is likely to be under increasing pressure in the year ahead with economic conditions leading to interest rate rises.</p> <p>Exchange rates between the functional currency of the Group's subsidiaries may fluctuate, affecting the Group's financial results. In addition, the Group may incur a currency transaction risk in the event that one of the Group companies enters into a transaction using a different currency from its functional currency.</p>	Medium	<p>The Group benefits from its existing debt portfolio, which has predominantly fixed interest rates for a long-term duration with the major loans maturing in three years or more.</p> <p>The Group does regular forward covenant testing with sensitivity and stress modelling and does routine treasury monitoring and reporting to the Board.</p> <p>We have renegotiated covenant terms with our main lenders, which to a large extent alleviated pressure on debt covenants. The Group is in line with all necessary debt covenants.</p> <p>In Croatia, Germany and Austria the Group operates in Euro currency, the widespread use of which significantly reduces the associated risk. In Hungary and Serbia, the Group eliminates currency transaction risk by matching commitments, cash flows and debt in the same currency. The Group decided not to hedge this currency risk through any hedging instruments.</p>

Principal Risk Description	Residual Risk	Outlook and Risk Response
<p>Cyber threat related disruption The Group could be subject to a serious cyber-attack resulting in significant disruption to operations and financial loss from falling revenues, cost of recovery and significant fines in the event of a related data breach.</p> <p>The remit of this risk is increasing as the Group expands its operations geographically, while remote working of employees and more reliance on digital processes becomes more commonplace. Financially motivated operations, particularly ransomware and data theft extortion, will remain a dominant and disruptive force globally, requiring continuous adaptation of our defensive strategies. Threat actors leveraging artificial intelligence (AI) are expected to transition their use of AI from the exception to the norm, significantly transforming the cyber threat landscape by enhancing the speed and effectiveness of their operations.</p>	High	<p>Croatia has increasingly become a target for cyber attacks, including DDoS (Distributed Denial of Service attacks) and ransomware incidents, impacting numerous businesses and institutions.</p> <p>The Group continues to invest in the protection, detection and remediation measures alongside security awareness and training for the employees to provide continuous and uninterrupted digital service. Following the appointment of the dedicated Chief Information Security Officer in 2024, the security department has been further strengthened with the addition of new personnel. The Group is carrying out a continuous gap analysis across its technology landscape and the Information Security Management System (ISMS), systematically reducing its material risks. The Group has reconducted and upscaled significant penetration, testing both internal and external with a view to identifying any vulnerabilities and ensuring they are either eliminated or mitigated to a greater extent.</p>
<p>Data privacy – risk of data breach The Group could experience a serious data privacy breach which could result in investigation, significant fines in accordance with GDPR and subsequent reputational damage.</p>	Medium	<p>The Group has undertaken a comprehensive GDPR Compliance Assessment using an external expert to validate and review the existing internal data protection framework. This resulted in further strengthening of our GDPR processes throughout the organisation. The Group's mitigating controls reduce the likelihood of a large-scale data privacy breach and its processes ensure any incidents are dealt with in compliance with GDPR.</p> <p>The Group's controls include Information Security and Data Privacy policies, internal awareness communications and training, breach protocols, reporting hotlines for team members and incident response plans in place.</p>
<p>Technology disruption – prolonged failure of core technology A prolonged failure in our core technology infrastructure could present a significant threat to the continuation of business operations, particularly where failures impact hotel management and reservation systems.</p> <p>With greater interconnection to external partners, vendors, and the introduction of Artificial Intelligence in the organisation, the risk of business disruption has increased due to co-dependency. The evolution of security controls necessitates an ongoing review of our infrastructure, particularly virtualization platforms, which represent an area of evolving focus for attackers due to their foundational role in our IT ecosystem. The utilization of AI agents for workflow automation brings increased efficiency, but also requires careful management of unauthorized use ("shadow AI") and the establishment of new access controls and oversight to ensure data integrity and confidentiality.</p>	High	<p>The Group continues to centralise and upgrade its core technologies and network infrastructure. It also utilises a comprehensive data back-up for its core infrastructure, incorporating testing protocols and immutable storage solutions. Our infrastructure security programme includes specific initiatives to enhance visibility and implement robust access controls within our foundational virtualization platforms to mitigate evolving threats. We conduct third party due diligence when selecting partners, ensuring they meet our high standards for security, service quality, and ethical practices. We invest in constant monitoring of third-party access to our systems and services, assigning rights on a need-to-know /least-privilege basis to limit exposure. Periodic account and activity reviews, along with activity logging and baselining, help us identify suspicious behaviour. In addition, we audit and monitor AI systems to prevent misuse, stay informed of emerging AI threats, and collaborate with industry leaders to strengthen our security measures.</p>

Principal risks

Principal Risk Description	Residual Risk	Outlook and Risk Response
<p>Operational disruption The Group could experience disruption to its operations from localised incidents at its hotels or in the immediate vicinity, for example earthquakes, floods, extreme weather, social unrest, terrorism. It could also be exposed to significant operational disruption from global events such as conflict, environmental disasters or future pandemics.</p> <p>The Group experienced operational disruption, hotel closures and regional lockdowns during the pandemic in previous years. This risk persists due to the dynamic nature of the pandemic, albeit with less probability of occurrence, with emergence of new variants.</p> <p>The Group's operations and results are subject to a number of factors that could adversely affect the Group's business, many of which are common to the hotel industry and beyond the Group's control, such as global economic uncertainties, political instabilities and the increase in acts of terrorism. The impact of any of these factors (or a combination of them) may adversely affect sustained levels of occupancy, room rates and/or hotel values.</p>	Low	<p>The Group has adapted its business operations in response to the challenges presented by the pandemic, as a relatively recent example of a manifestation of operational disruption risk and effectively managed to operate the majority of its properties whilst complying with regional civil protection and control measures.</p> <p>The Group continues to manage this threat through business crisis plans and crisis communications, as well as Business Continuity Plans.</p> <p>We also continue to focus on the following measures: (i) cost optimisation to mitigate impact of closures and reduced capacity (ii) adapt services to continue operations where possible (iii) remote working capabilities for corporate, regional teams and all central support teams (iv) and close monitoring of key supplier stability and regular communications regarding anticipated demand levels.</p> <p>Although Management continually seeks to identify risks at the earliest opportunity, many of these risks are beyond the control of the Group.</p> <p>The Group has contingency and recovery plans in place to enable it to respond to major incidents or crises and take steps to minimise these exposures to the greatest extent possible.</p>
<p>Serious Health, Safety and Security Incidents The Group could experience significant health and safety, food safety or physical security incidents.</p> <p>A failure to take reasonable steps to prevent such incidents, or a failure to respond appropriately, could impact our reputation, disrupt our operations and result in significant loss of guest, team member and stakeholder confidence.</p>	Very Low	<p>The Group does not accept any actions that would increase the health, safety and security risk. It actively mitigates this risk through a rigorous safety regime including (i) risk assessments, (ii) security and fire safety procedures, (iii) health & safety audit programmes, (iv) in-house and supplier food safety audit programmes, (v) team member training programmes, (vi) incident reporting and (vii) property crisis plans.</p> <p>The Group continues to focus on delivering a safe working environment for its team members and safety programmes to provide safe stays for guests and visitors. This includes:</p> <p>(i) continued WTTC Safe Travel protocols in all properties, (ii) regular health & safety audits and SGS accreditation for cleanliness and disinfection for our Park Plaza and art'otel branded properties, (iii) technology implementation for a contactless customer experience where practically possible, and (iv) incident protocols and centralised tracking of identified cases.</p>

Principal Risk Description	Residual Risk	Outlook and Risk Response
<p>Difficulty in attracting and retaining suitably skilled workforce The Group is subject to the risk of industrial or labour disputes and adverse employee relations, which could disrupt the Group's business operations and materially adversely affect its service delivery, business operations and financial condition.</p> <p>Shortage of suitably skilled workforce will inevitably increase labour costs. The opening of new hotels may put further pressure on labour demand and our ability to attract and retain a sufficient number of qualified team members.</p>	Medium	<p>The Group acknowledges the importance of team members to the success of the business and makes significant efforts to provide a number of extensive training programmes which are aimed at nurturing and retaining talent, enabling intra-group transfers, and inspiring the workforce, which ultimately serve to improve employee and guest satisfaction scores, which have been growing across the Group's properties year-on-year. The success of the Group's employee initiatives and their overall satisfaction is evident through the Group's high rate of colleague retention.</p> <p>The Group continues to explore and has been successful in attracting a skilled workforce from its neighbouring countries and the international labour market. To this end the Group caters to a transient workforce during the peak season through an employee accommodation and subsistence programme.</p>
<p>Negative stakeholder perception of the Group with regards to sustainability-related matters A perception that the Group does not apply best practice corporate governance principles, does not suitably mitigate both the physical and transition risks of climate change, or does not act responsibly to protect the environment and the communities we operate in, could impact our performance by damaging our appeal to customers, investors and other business partners. It could also affect our ability to retain and attract talent.</p> <p>Corporate governance and matters of environmental and social responsibility are of significant importance to our stakeholders including investors and customers. We are expected to prepare detailed information requests and provide disclose on activities which support our sustainability, various Sustainability metrics, targets and performance.</p>	Very Low	<p>The Group recognises the importance of sustainability and other Sustainability matters, as it continues to strengthen its approach in this regard.</p> <p>The Sustainability working group and the Group's leadership - the Supervisory Board and Management Board - actively develop, monitor and re-evaluate Sustainability policies and initiatives.</p> <p>The Group has reinvigorated its responsible business programme, which is aligned with EU sustainability reporting and continually evolving with the EU CSRD requirements and in compliance with European ESRS standards and Taxonomy regulations. The Sustainability Report segment of this report highlights our progress and sustainability policies.</p>

03

Governance



Governance

Supervisory Board



Boris Ivesha

**CHAIRMAN
OF THE BOARD**

Boris Ivesha has been President and Chief Executive Officer of PPHE Hotel Group since 1991. Mr Ivesha was responsible for bringing the Park Plaza Hotels & Resorts® brand to the PPHE Hotel Group in 1994 in collaboration with the Red Sea Group and has been a major influencer in the expansion of the PPHE Hotel Group's portfolio. Mr Ivesha has over 50 years of experience in the hotel industry. Mr Ivesha attended all of the Supervisory Board meetings in 2025.



Yoav Papouchado

**DEPUTY CHAIRMAN OF THE
BOARD**

Yoav Papouchado, Chairman of Red Sea Hotels Limited ("Red Sea"), PPHE Hotel Group's controlling shareholder, has over 30 years of experience of real estate developments and data centres worldwide, developed through his long tenure at Red Sea. Mr Papouchado attended all but two meetings of the Supervisory Board during 2025, while for the remaining meetings he accounted-for his absence.



Kevin Michael McAuliffe

BOARD MEMBER

Kevin Michael McAuliffe acted as the Non-Executive Deputy Chairman of the PPHE Hotel Group Limited until his retirement in May 2023. He was a member of the Society of Trust and Estate Practitioners for 20 years and has held directorships in various regulated investment companies, remaining a director of two regulating entities until his retirement in 2023. Retired Chairman of Carey Group (after joining as Chief Executive in 1999), he was also Head of Advisory Services for Paribas International Private Banking and Managing Director of Paribas Suisse in Guernsey (1992-1999). He served as Finance Director of Ansbacher offshore banking group and was appointed as Chief Executive of Ansbacher's Guernsey bank and trust company business in 1994. Mr McAuliffe chairs the Nomination Committee. He attended all of the Supervisory Board and respective Committee meetings in 2025.



Amra Pende

BOARD MEMBER

Mrs Pende was a long-standing legal counsel at Uljanik d.d., one of the biggest Croatian shipyards, where she worked for over 30 years. Mrs Pende acted as the Chairwoman of the Supervisory Board of Alpha Adriatic d.d. Mrs Pende holds a law degree from the University of Zagreb. Mrs Pende chairs the Remuneration Committee and attended all of the Supervisory Board and respective Committee meetings in 2025.



Lorena Škuflić

BOARD MEMBER

Lorena Škuflić is a full-time professor with a permanent title at the Faculty of Economics of the University of Zagreb at the Department of Economic Theory, where she has been employed since 2002. Prior to this post, she worked at the Croatian Chamber of Economy – County Chamber Pula and also with the Faculty of Economics, Zagreb, and held the position of Head of the Polytechnic in Rijeka. During her work at the faculty, she was the Head of the department for several terms, and in the period from 2018 to 2020, Vice-Dean for finance and business. In her work, she has participated in numerous committees at the faculty level, the University of Zagreb, and the Ministry of Science and Education. She also served two terms as a member of the Field Committee at the Agency for Science and Higher Education. She is a member of the International Association for Sustainable Economy and an advisor for international sustainable Business Affairs. Mrs Škuflić chairs the Sustainability Committee. She attended all of the Supervisory Board and respective Committee meetings in 2025.

Ivana Matovina

BOARD MEMBER

Mrs Matovina is an expert in the field of audit and accounting and has extensive knowledge in audit and application of International Financial Reporting Standards (IFRS). She is a Croatian certified auditor and Certified auditor of Great Britain. Mrs Matovina was a perennial member of the Board of the Croatian Financial Services Supervisory Agency and of the Croatian Financial Reporting Standards Board. She is a founder and a director of several smaller local companies, among others Antares savjetovanje d.o.o. and Antares revizija d.o.o. Mrs Matovina chairs the Audit Committee. She attended all of the Supervisory Board and respective Committee meetings in 2025.



Goran Nikolić

**BOARD MEMBER
- APPOINTED
BY WORKERS'
COUNCIL**

Goran Nikolić completed his primary and secondary education in Pula in 1995. In 2010, he completed the course for "System and Network Administrator" at the University College Algebra. After employment at Pula Airport and Uljanik, since 1998 he has been employed by Arenaturist (today Arena Hospitality Group) where he has been working for over 27 years. He currently works in the Company as head of customer support in the Company's IT department. Mr Nikolić has been reappointed as the Supervisory Board member as of 1 April 2024. Mr Nikolić attended all but one meeting of the Supervisory Board, and all of respective Committee meetings in 2025.

Governance

Management Board



Reuel (Reli) Slonim

**PRESIDENT OF THE
MANAGEMENT BOARD**

Reuel Slonim joined Arena Hospitality Group as Executive Director in 2008. His previous role was as Vice President of Operations & Development and board member of Isrotel Hotels and Resorts, one of Israel's leading hospitality companies. Prior to that, Mr Slonim was Vice President Marketing & Sales after having served for ten years as General Manager of 5-star resort hotel. Since joining Arena Hospitality Group in 2008, he has led a programme of major transformations which include the renovation, upgrading and rebranding of nine properties, acquired and successfully integrated the German, Hungarian and Serbian operations, thus creating the first Croatian international hospitality Group. He also led the Group's 2017 IPO which raised EUR 100 million in equity proceeds designated for further development and growth. Moreover, the Group continues to expand in the CEE region through the addition of new properties in Zagreb, Nassfeld and Belgrade. Under his tenure, Arena grew from a local company to a truly international player with an EBITDA growth. During these years the Group introduced highly professional management procedures, updated IT systems and refined a training and development culture, which has solidified recognition of Arena Hospitality Group as a leading hospitality company in Croatia. In addition, Mr Slonim is a member of the Croatian Tourism Association (HUT) and is active in the communities of Pula and Medulin, member of the local Tourist Boards, and a committed supporter of local culture and sports.



Manuela Kraljević

**MEMBER OF THE MANAGEMENT
BOARD AND MARKETING AND
SALES DIRECTOR**

Manuela Kraljević joined Arena Hospitality Group in 2009 as Sales and Marketing Director, having previously served as Sales and Marketing Director for Croatia for the renowned hotel chain Sol Meliá. Since joining Arena Hospitality Group, she has positioned the Company among the leading players in the Croatian tourism market through the repositioning of renovated properties, the modernization and development of the Sales and Marketing Department, and advancements in revenue management. Her contribution to the modernisation of the Company's on-line business has been vital to its development. She has introduced technologically innovative solutions that have supported the Group's transition into a modern and agile company. She leads the team responsible for developing specialised business segments, ranging from leisure to corporate. Under her leadership, through the development and implementation of marketing and sales strategies, the company has gained market share in Croatia, Germany, Austria, Hungary, and Serbia. She is a member of the Tourism Board of the City of Pula and the Municipality of Medulin, as well as a member of the assemblies of the Croatian National Tourist Board, the Croatian Chamber of Economy, and the Economic Council of the Croatian Chamber of Economy for the Istria County. The Company has been recognised several times for its marketing achievements. In 2022, she received the prestigious "Manager of the Year" award from the Croatian Association of Business Women KRUG for her successful work.



Devansh Bakshi, FCMA, MBA

**MEMBER OF THE MANAGEMENT
BOARD AND CHIEF FINANCIAL
OFFICER**

Devansh Bakshi joined Arena Hospitality Group in 2019 as Board member and Chief Financial Officer. Prior to that he worked as Group Finance Director for Arora Group, which is a diverse real estate business managing hotels, construction, and commercial property portfolio in the UK. In 2011 he joined PPHE Hotel Group and worked for over five years as a Regional Financial Controller for the UK region. He has over 25 years of hospitality experience covering various disciplines of finance, real estate & construction. He oversees the consolidation of support functions and the upgrading of technology to optimise resources and enhance organisational efficiency across the Group. Leads group compliance (including ESG), governance and enterprise risk management. He has a particular focus on investor relations and capital market activities. Mr Bakshi holds a Hotel Management degree, an MBA in International Business and is a qualified Fellow Chartered Management Accountant from the United Kingdom.



Edmond (Edi) Pinto

**MEMBER OF THE MANAGEMENT
BOARD AND CHIEF OPERATING
OFFICER**

Edmond Pinto started his hospitality career as F&B Manager by primarily launching the all-inclusive concept in Israel, after which he served as General Manager in hotel operations working for "Isrotel" hotel chain for more than 20 years. During that time he was successfully operating various 5-stars resorts, luxury and city hotels. Mr Pinto holds a Bachelor's degree in Hospitality Management and has rich experience in the hotel industry with extensive knowledge in establishing cooperation with large businesses and corporate bodies and fostering community ties at the municipal level. His previous role as Resort Consultant & Owner Representative included managing all required opening procedures for a new 5-star holiday resort in Vietnam, providing support to the owner regarding financial issues, establishing budgets, developing, regulations, standards, terms, documentation, processes, handling requirements and inventories. Mr Pinto joined Arena Hospitality Group in March 2020 as Member of the Management Board and Chief Operating Officer.

Corporate governance report

CORPORATE GOVERNANCE CODE

As of 2025, the Company applies the Corporate Governance Code 2025 (the new Code) as adopted by the Croatian Financial Services Supervisory Agency and The Zagreb Stock Exchange (the ZSE) in December 2024, the provisions of which apply from 1 January 2025. In addition to the Company's significant compliance to the previously applicable Code of Corporate Governance, the Company is dedicated to act in accordance with the provisions of the new Code with continuous efforts to further improve corporate governance practices. The Company continues to abide with the "comply or explain" principle according to which, where relevant, the Company provides reasons for non-compliance with the recommendation of the new Code. The Company will publish its annual Corporate Governance Questionnaires (Compliance Questionnaire) for 2025 in which it will provide the details on its application of the new Code within the deadlines specified in the relevant regulations. The Company also applies the Rules of the ZSE (the ZSE Rules) in its day-to-day business.

CORPORATE BODIES

Corporate bodies of the Company are the Management Board, the Supervisory Board, and the General Assembly. The members of the Company's corporate bodies are required to perform their rights and obligations in the manner as shall be in the best interest of the Company. The members of the Supervisory Board and the Management Board are

elected and appointed in accordance with the Companies Act and the Company's Articles of Association, which contain no limitations on diversity in respect age, gender, education, or profession.

GENERAL ASSEMBLY

The meetings of the Company's General Assembly are convened and held in accordance with the Companies Act and the Company's Articles of Association, and the General Assembly is competent for matters as set out in the Companies Act and the Company's Articles of Association.

The notices and the decisions proposed for discussion and adopted at General Assembly meetings are publicly announced in accordance with the Companies Act, the Company's Articles of Association, the Capital Market Act and the ZSE Rules, including announcements on the website of the Company, the website of the ZSE and the Court register websites.

Under the current Articles of Association of the Company, there is no requirement for the shareholders to register their attendance at the General Assembly meetings in advance and any shareholder registered in the Company's share register kept by the Central Depository & Clearing Company Inc. on the 21st calendar day before the day of the General Assembly meeting (excluding the day of its meeting) is entitled to participate and to vote at the General Assembly.

There are no Company shares with special control rights and there are no limitations to voting rights arising from the Company shares. Each Company share gives the right to one vote in the General Assembly of the Company.

There are no shareholder agreements referred to under Article 293a of the Companies Act.

The General Assembly is, inter alia, competent for amending the Company's Articles of Association by decision adopted with the majority of 3/4 of share capital represented at the General Assembly (except in relation to the authorised share capital increase, which decision is adopted with a qualified majority of 9/10 of the share capital represented at the General Assembly). Pursuant to the decision of the General Assembly dated 31 May 2022, the Company may acquire treasury shares.

During 2025, one regular meeting of the General Assembly of the Company was held on 29 May 2025. On that General Assembly:

the Company's Annual Report for 2024 (consolidated and separate), the Report of the Supervisory Board on the supervision of the Company's management and the results of examination of the Company's Annual Report for 2024, as well as the Report of the Management Board on acquisition of treasury shares were considered;

the decision on adoption of the Report on remuneration of the Management Board and Supervisory Board members in 2024 was adopted;

the decision on distribution of profits realised in 2024 was adopted;

the decisions on granting discharge to the members of the Supervisory Board for their work in 2024 were adopted;

the decisions on granting discharge to the members of the Management Board for their work in 2024 were adopted

the decision on amendments to the Company's Articles of Association was adopted;

the decision of the dividend payout in the amount of 1.10 EUR per share was adopted;

Deloitte d.o.o. Zagreb was appointed as the Company's auditor for 2025 and 2026.

SUPERVISORY BOARD

The Supervisory Board of the Company consists of seven members, whereof six members are elected by the General Assembly of the Company and one member may be appointed by the Company's Workers' Council. Under the Company's Articles of Association, the mandate of Supervisory Board members is up to four years. The current members of the Supervisory Board have been elected and appointed for the mandate from 25 April 2024 until closing of the General Assembly meeting to decide upon granting discharge to members of the Supervisory Board for their work in 2025. A Supervisory Board member may be recalled before expiry of his mandate by decision of the General Assembly adopted with the majority of 3/4 of votes cast or by decision of the Company's Workers' Council respectively.

The authorities and the operation of the Supervisory Board are regulated by the Company's Articles of Association and the Rules of Procedure of the Supervisory Board, in line with the provisions of the Companies Act.

Governance

Corporate governance report

The members of the Supervisory Board as of 31 December 2025 were: Boris Ernest Ivesha (Chairman), Yoav Arie Papouchado (Vice-Chairman), Kevin Michael McAuliffe, Ivana Matovina, Amra Pende, Lorena Škuflić and Goran Nikolić.

Independent members of the Supervisory Board are Mrs Ivana Matovina, Mrs Amra Pende and Mrs Lorena Škuflić. Mrs Ivana Matovina is a member of the Supervisory Board with the necessary expertise in the field of accounting and auditing of financial statements.

In accordance with Article 255 (6) of the Companies Act and Article 138 of the ZSE Rules, the Company confirms the independent status of its Supervisory Board at the time of issuing of this Report.

The Supervisory Board of the Company held the following meetings in 2025:

on 26 February 2025 whereat, inter alia, the Annual Report, together with the Sustainability Report and the annual financial statements of the Company for the year 2024 (audited, consolidated and separate) were approved, the Report on the remuneration of the Management Board and the Supervisory Board members for 2024 and the proposal on the dividend payout in the amount of 1.10 EUR (in words: one euro and ten cents) per share were adopted;

on 23 April 2025 whereat, inter alia, unaudited consolidated and separate quarterly report of the Company for the first quarter of 2025 was discussed, as well as other decisions related to the Annual General Assembly of the Company were adopted;

on 28 July 2025 whereat, inter alia, unaudited consolidated and separate quarterly report of the Company for the second quarter of 2025 and the unaudited consolidated and separate half-year report of the Company for the first six months of 2025 were discussed, and the decision on the prolongation of the mandate of the current members of the Management Board of the Company was adopted;

on 24 September 2025, whereat the new Company's Treasury Shares Buy-Back Programme was approved;

on 29 October 2025 whereat, inter alia, unaudited consolidated and separate quarterly report of the Company for the third quarter of 2025 and the unaudited consolidated and separate report of the Company for the first nine months of 2025 were discussed, and the new Terms of Reference of the Nomination and the Remuneration Committees as well as the Anti-Fraud policy were approved;

on 9 December 2025, whereat, inter alia, the projections of Company's Budget for 2026 was presented and approved, the work planner of the Supervisory Board was adopted, as well as the Calendar of Important Events for 2026.

Pursuant to the Company's Articles of Association and the decision of the General Assembly, members of the Supervisory Board are entitled to a fixed monthly remuneration for their work in the Supervisory Board. In 2025, the total amount of EUR 143 thousand was paid as remuneration of Supervisory Board members.

REPORT ON THE SUPERVISORY BOARD'S APPRAISAL

The Code requires the Supervisory Board to conduct an annual evaluation of its effectiveness and composition as well as that

of its Committees and the performance of its individual members. At the request of the President of the Supervisory Board one of the Supervisory Board members conducted this review internally by means of one-on-one interviews for 2025. No external assessors have been engaged in this process. All members of the Supervisory Board were given the opportunity to take part in this review. Soundings were also taken on some issues from most of the members of the Management Board.

The evaluation tracked significant progress against recommendations made in the review for the year 2024 and, following the recommendations of the new Code, it identified issues that the members of the Supervisory Board, its Committees and the Management Board of the Company should focus on in the next period as well as recommended actions to be undertaken for tackling those issues. These are e.g. ensuring that ESG strategy and measurement criteria are further developed, and robust reporting procedures are maintained both at the Company and Group level, the remuneration policy is continuously reviewed, further work on succession and nomination plans for the Supervisory and Management Board members including other leadership roles is carried out, etc. The Supervisory Board will ensure the recommendations get implemented in 2026 as much as possible, by working closely with the Management Board and other relevant stakeholders within the Company.

SUPERVISORY BOARD COMMITTEES

The Supervisory Board has established an Audit Committee, a Nomination Committee, a Remuneration Committee, and a Sustainability Committee.

Audit Committee

The Company's Audit Committee consists of four members appointed by the Supervisory Board amongst its members: Ivana Matovina (Chair), Lorena Škuflić (Vice-Chair), Amra Pende and Kevin Michael McAuliffe. In accordance with Art. 139 of the ZSE Rules, the Company confirms the independent status of its Audit Committee on the day of issuance of this Report.

The operation of the Audit Committee is regulated by decisions of the Supervisory Board, in line with the provisions of the Companies Act, the Audit Act, the Company's Articles of Association and the Rules of Procedure of the Audit Committee. During 2025, the Company's Audit Committee held five meetings. All Audit Committee members attended all meetings of the Audit Committee.

Nomination Committee

The Nomination Committee consists of three members appointed by the Supervisory Board amongst its members: Kevin Michael McAuliffe (Chair), Amra Pende and Lorena Škuflić. The work of the Nomination Committee is regulated by decisions of the Supervisory Board, in line with the provisions of the Companies Act, the Company's Articles of Association, Rules of Procedure of the Supervisory Board and the Terms of Reference of the Nomination Committee. The Nomination Committee held one meeting in 2025. All Nomination Committee members attended the meeting of the Committee.

Remuneration Committee

The Remuneration Committee consists of three members appointed by the Supervisory Board amongst its members: Amra Pende (Chair), Lorena Škuflić and Kevin Michael McAuliffe. The work of the Remuneration Committee is regulated by decisions of the Supervisory Board, in line with the provisions of the Companies Act, the Company's Articles of Association, the Rules of Procedure of the Supervisory Board and the Terms of Reference of the Remuneration Committee. The Remuneration Committee held two meetings in 2025. All Remuneration Committee members attended all meetings of the Committee.

Sustainability Committee

The Sustainability Committee consists of three members appointed by the Supervisory Board amongst its members: Lorena Škuflić (Chair), Kevin Michael McAuliffe and Goran Nikolić. The work of the Sustainability Committee is regulated by decisions of the Supervisory Board, in line with the provisions of the Companies Act, the Company's Articles of Association, Rules of Procedure of the Supervisory Board and the Terms of Reference of the Sustainability Committee. The Sustainability Committee held three meetings in 2025. All Sustainability Committee members attended all meetings of the Committee.

GENDER BALANCE ON THE SUPERVISORY BOARD AND MANAGEMENT BOARD

The Supervisory Board set the target of the proportion of women in the Supervisory Board and the Management Board of the Company to be kept at the minimum 25% out of the total number of members of the respective Board. The target is set to be maintained by the beginning of 2027. It is to be noted that this goal was already fully achieved in Supervisory Board and Management Board.

At the same time, a balanced representation of women and men in the corporate bodies has been achieved in the Company, in accordance with the requirements of Article 272s of the Companies Act.

Three members out of a total of seven members of the Supervisory Board are women, representing 42.9% of all Supervisory Board members, and one female member out of a total of four members of the Management Board makes a 25% female representation in the Management Board. Out of a total of 11 members of the Management Board and the Supervisory Board, four members are women making a 36.4% female representation across the corporate bodies of the Company.

The Company highly supports the diversity within the Company and women make almost 50% of its workforce. The Company continuously strives to improve the position and increase the involvement of women on all level of employment, including management, while taking into consideration the business needs of the Company and its stakeholders.

MANAGEMENT BOARD

The Management Board of the Company consists of minimum of two and maximum of five members appointed by the Supervisory Board for the mandate of up to five years. As of 31 December 2025, and at the day of issuance of this Report, the members of the Management Board are: Reuel Israel Gavriel Slonim (President), Devansh Bakshi, Manuela Kraljević and Edmond Pinto (members). In 2025, the Supervisory Board extended the mandate of the existing members of the Management Board, since the previous mandate the members of the Management Board expired on 6 September 2025. On 28 July 2025 the Supervisory Board of the Company decided to reappoint the members of the Management Board of the Company for another mandate, until 31 December 2026. The members of the Management Board may be recalled before mandate expiry by decision of the Supervisory Board adopted in accordance with provisions of the Companies Act and the Company's Articles of Association.

The authorities and the operation of the Management Board are regulated by the Company's Articles of Association and the Rules of Procedure of the Management Board, in line with the provisions of the Companies Act. In particular, the Management Board has overall responsibility for the internal control and risk management processes, including that adequate accounting records are maintained, and transactions are recorded accurately and fairly. The Management Board provides information on the nature of the risks and the actions to mitigate risk exposure. Some of the potential risks relevant for the Company and/or the Group are listed on pages 166 - 171.

The Management Board has regular monthly (or, if required, more frequent) meetings to review operational activities in the Company.

There is also seamless interaction between the Management and Supervisory board on a regular, formal, and informal basis. The most important Management Board meetings held during 2025 were:

on 26 February 2025, whereat, inter alia, the interim report of the Company for the fourth quarter of 2024 (consolidated and separate) and the Annual Report of the Company for 2024 (consolidated and separate) as well as the proposal on the dividend payout to the Company's shareholders were adopted;

on 23 April 2025, whereat, inter alia, the unaudited consolidated and separate quarterly report of the Company for the first quarter of 2025 was adopted;

on 28 July 2025, whereat, inter alia, the unaudited consolidated and separate quarterly report of the Company for the second quarter of 2025 and the unaudited consolidated and separate half-year report of the Company for the first six months of 2025 was adopted;

on 24 September 2025, whereat, the Treasury Shares Buy-Back Programme was adopted;

on 29 October 2025, whereat, inter alia, the unaudited consolidated and separate quarterly report of the Company for the third quarter of 2025 and the unaudited consolidated and separate report of the Company for the first nine months of 2025 were adopted.

Investor Information

Major shareholders and affiliated companies

The share capital of the Company amounts to EUR 13,613,965.00 and is divided into 5,128,721 ordinary shares under the ticker ARNT-R-A each without nominal value. As at 31 December 2025, 165,639 shares were held as treasury shares. Shareholders with holdings of 3% or more of the Company's registered capital as at 31 December 2025 are listed below:

	Percentage holding of Share Capital including treasury shares	Percentage holding of Share Capital excluding treasury shares
ZAGREBAČKA BANKA D.D./ DVADESET OSAM D.O.O.(a member of the PPHE Hotel Group)	63.96%	66.09%
OTP BANKA d.d. / AZ OMF kategorije B	11.93%	12.33%
OTP BANKA d.d. / ERSTE PLAVI OMF kategorije B	7.17%	7.41%

PPHE Hotel Group is the Company's indirect controlling shareholder through its 100% owned subsidiaries: PPHE Holding Ltd, Park Plaza Hotels (UK) Ltd., PPHE Coop B.V., Euro Sea Hotels N.V., Bora B.V.

and Dvadeset Osam d.o.o. Subsidiaries included in the Group are listed in Appendix. The Companies relations and transactions with affiliated companies, including its subsidiaries and other affiliates, are described in Note 25.

Valuation

IN EUR	2025		
	HIGH	LOW	LAST
Share price	40.40	31.00	35.00
Market capitalisation ¹	200,508,513	153,855,542	173,707,870
Net debt ²	152,927,059	152,927,059	152,927,059
EV ³	353,435,572	306,782,601	326,634,929
EV/EBITDA	9,96x	8,64x	9,20x

Note: High and Low related to the price in the period for the twelve months ending 31 December 2025. Last refers to the share price as at 31 December 2025.

¹ Market capitalisation calculated as share price multiplied by the number of outstanding shares (4,963,082).

² Net debt calculated as current and non-current bank borrowings, other current and non-current loans and finance lease obligations, minus cash and cash equivalents, short-term deposits and restricted deposits and cash.

³ EV represents the enterprise value, calculated as the sum of market capitalisation and net debt.

Share price performance in 2025

The Group's share price exhibited fluctuating movements during the year, with occasional strong increases. The price volatility was driven by various factors, given the general economic climate. At the start of the financial year the price was EUR 31.40 per share, and it closed the year at EUR 35.00 per share, translating into a significant improvement of 11.5%. The price recorded a rapid increase in the first quarter and gained further momentum during the summer season in Croatia, peaking at EUR 40.40 in August.

After the summer season, the price softened slightly, accompanied by lower volatility.

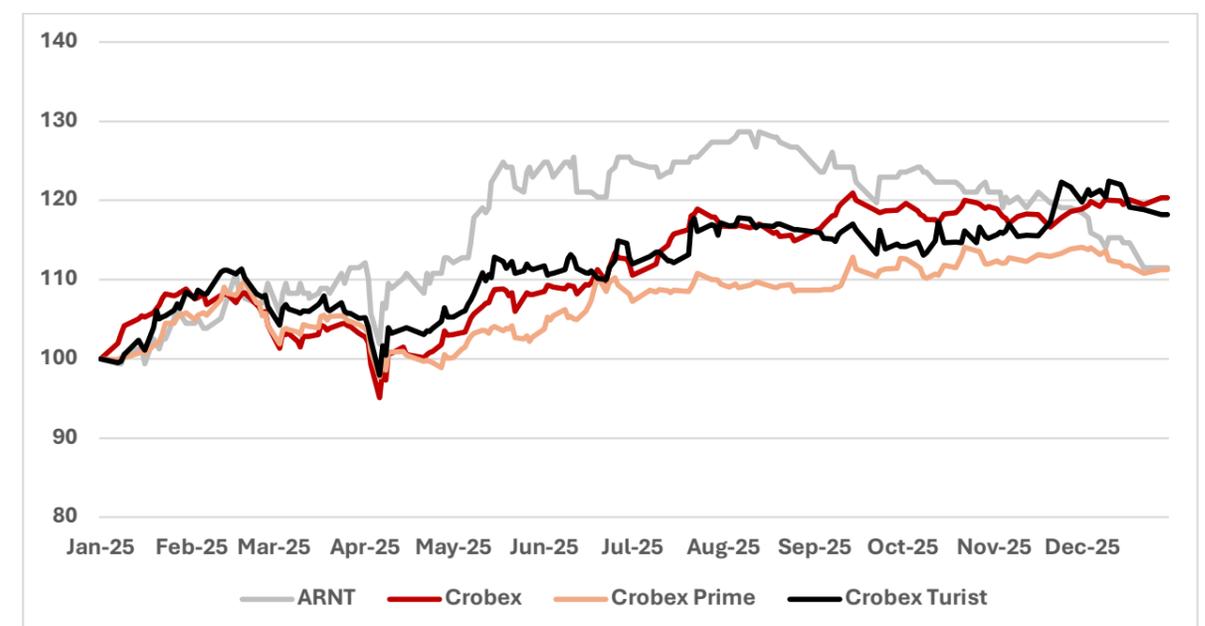
The peak of EUR 40.40 per share whilst the lowest trading price was EUR 31.00 per share. During the year, the total volume of shares amounted to EUR 22.61 million, of which EUR 3.79 million was regular trade and EUR 18.82

million was through a block trade. We have continued with our share buy back programme with a view to support the share liquidity.

The Group has two active market makers, Interkapital vrijednosni papiri d.o.o. and Zagrebačka banka d.d. and three research institutions that regularly publish notes and analysis: Erste bank d.d., Interkapital vrijednosni papiri d.o.o. and Zagrebačka banka d.d. Regular meetings are held with existing and prospective investors. During the year Management participated in some of the most relevant investor events, amongst other, Zagreb and Ljubljana Stock Exchange Investor conferences.

The Group, listed on the Prime listing of The Zagreb Stock Exchange, is committed to the highest standards of corporate governance and transparency, and promotes an open and proactive dialogue with the investor community.

Share price performance relative to the Crobex, Crobex Prime and Crobex Turist indices



04

Financial statements



Management Board's Report

The Management Board presents to the Supervisory Board of the Company its Report and the audited financial statements of the Company (consolidated and separate) for the year ended 31 December 2025, together with the Corporate Governance Report and Management Report, including the Sustainability Report, which forms an integral part thereof.

PRINCIPAL ACTIVITIES

The Company is registered in the Commercial Court in Pazin, Croatia and, through its owned and leased assets in Croatia and controlled subsidiaries in Germany, Austria, Hungary and Serbia (which include owned, leased, operated and jointly-controlled assets), operates and develops full-service upscale, upper upscale and lifestyle hotels, self-catering holiday apartment complexes and campsites.

The majority of the Group's hotels and one of its self-catering holiday apartment complexes operate under the following brands: Park Plaza®, art'otel®, Arena Hotels & Apartments, and Arena Campsites. Grand Hotel Brioni Pula operates as a Radisson Collection Hotel.

The Company has the exclusive right from PPHE Hotel Group to operate and develop hotels and self-catering holiday apartment complexes under the Park Plaza® brand in 18 countries in the CEE region.

BUSINESS REVIEW

A review of the business during the year is contained in the following documents: Chairman of the Supervisory Board's Statement, President of the Management Board's Statement, Investment and development, Key Performance Indicators, Member of the Management Board and Chief Financial Officer's Statement and Operating Review.

2025 RESULTS

The results for the year ended 31 December 2025 are set out in the attached audited financial statements of the Company (consolidated and separate).

PRINCIPAL RISKS AND UNCERTAINTIES

Robust internal controls and a sound risk management framework are essential to the Group's ongoing operations. The Management Board holds overall accountability for overseeing the risk management process. It provides insight into the key risks identified and the measures taken to limit the Group's exposure.

Not all potential risks are listed on pages 166 - 171. Some risks are excluded because the Management Board considers them not to be material to the Group as a whole. Additionally, there may be risks and uncertainties not presently known to the Management Board, or which the Management Board currently considers immaterial, that may also have an adverse effect on the Group.

AUDITOR

Deloitte d.o.o., Radnička cesta 80, 10000 Zagreb, Croatia is the Company's independent auditor appointed by decision of the General Assembly dated 29 May 2025 for the audit of the consolidated and separate annual financial statements of the Company for 2025, including the assessment of the Management Report and the Corporate Governance Report, as well as the limited assurance in relation to the Sustainability Report. In relation to 2025, the Company's total fees to be paid to its independent auditor amount to EUR 152,308.20. Financial statements refer to both separate and consolidated financial statements.

GOING CONCERN

The Management Board believes it is taking all appropriate steps to support the sustainability and growth of the Group's activities. Detailed budget and cash flow projections have been prepared for 2026 which show that the Group's operations will be cash generative during the period. This, taken together with its conclusions on the matters referred to below has led the Management Board to conclude that it is appropriate to prepare the 2025 financial statements of the Company (consolidated and separate) on a going concern basis.

FINANCIAL RISK MANAGEMENT

OBJECTIVES AND POLICIES

Pages 259 - 267 and Note 26 of the separate and consolidated financial statements of the Company set out the Company's objectives, policies, and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposure to credit risk and liquidity risk.

MANAGEMENT BOARD'S RESPONSIBILITIES

Pursuant to the Croatian Accounting Act (Official Gazette 85/2024, 145/2024, 151/2025), the Management Board is required to ensure that the financial statements are prepared in accordance with International Financing Reporting Standards (IFRS) as adopted by the European Union in order to give a true and fair view of the Group's and Company's financial performance and its results for the reporting period.

The Management Board is required to ensure that the Sustainability Report is prepared by applying the European sustainability reporting standards, as regulated by the implementing acts of the European Commission.

Financial statements

Management Board's Report

In preparing the separate and consolidated financial statements, the Management Board is responsible for:

selecting and consistently applying appropriate accounting policies;

making reasonable and prudent judgments and estimates;

complying with applicable accounting standards while reporting and explaining all material departures in the financial statements;

preparing the financial statements under the going concern principle, unless it is inappropriate due to the Company's actual position; and

establishing appropriate and statutory accounting records so that the records disclose, with reasonable accuracy, the financial position of the Company and its income and expenses.

The Management Board confirms that it has complied with the above requirements in preparing the financial statements of the Company (consolidated and separate).

The Management Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable it to ensure that the financial statements of the Company (consolidated and separate) have been properly prepared in accordance with the Croatian Accounting Act. The Management Board is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the

prevention and detection of fraud and other irregularities.

In the preparation of its Report and the Report on application of the Corporate Governance Code, the Management Board is responsible for their content in accordance with the provisions of the Accounting Act.

MANAGEMENT BOARD'S DECLARATION

So far as each member of the Management Board, who is a member at the time the Management Board's Report is approved, is aware, there is no relevant audit information of which the Company's auditor is unaware and each member has taken all steps he or she ought to have taken as a member of the Management Board to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

MANAGEMENT BOARD'S RESPONSIBILITY STATEMENT

Persons responsible for preparing the annual report: Reuel Israel Gavriel Slonim, President of the Management Board, Devansh Bakshi, member of the Management Board and Chief Financial Officer, Manuela Kraljević, member of the Management Board and Marketing and Sales Director and Edmond Pinto, member of the Management Board and Chief Operating Officer, confirm to the best of their knowledge that:

the financial statements of the Company (consolidated and separate), which have been prepared in accordance with IFRS as adopted by the European Union, give an objective view of the assets and liabilities, financial position,

profit or loss and cash flows of the Company and the undertakings included in the consolidation taken as a whole, and

the Management Report (consolidated and separate) contains an objective presentation of the development and the operating results of the Company and its undertakings in the consolidation taken as a whole, with a description of the principal risks and uncertainties to which they are exposed.

The Strategic Report includes a fair review of the development and performance of the business and the position of the Company and provides information necessary for shareholders to assess the Company's performance, business model and strategies.

The Management Board has a reasonable expectation that the Company has adequate resources to continue in business and the going concern principle was applied in preparing the financial statements of the Company (consolidated and separate).

The Sustainability Report was prepared by applying European sustainability reporting standards, as regulated by the implementing acts of the European Commission, and provides information related to sustainability issues in accordance with the provisions of the Accounting Act.

The Corporate Governance Report was prepared in accordance with the provisions of the Accounting Act.

MANAGEMENT BOARD

PRESIDENT

Reuel Israel Gavriel Slonim

MEMBERS

Manuela Kraljević

Devansh Bakshi

Edmond Pinto

Management Board's Decision

Pula, 25.02.2026.

According to Article 250.a, 250.b, 300.a, 300.b of the Croatian Companies Act, Articles 462 and 463 of the Croatian Capital Market Act and Articles 18, 20, 21 and 22 of the Croatian Accounting Act, the Management Board of Arena Hospitality Group d.d. Pula (the "Company") adopted the following decision on 25 February 2026

DECISION ON ESTABLISHING THE ANNUAL FINANCIAL STATEMENTS AND THE PROPOSED PROFIT DISTRIBUTION

I. The Management Board hereby determines the Annual Financial Statements of the Company for 2025 (consolidated and separate), which comprise of:

the statement of financial position,

the income statement,

the statement of comprehensive income,

the statement of changes in equity,

the statement of cash flows, and

the notes to the financial statements.

The Company's separate Annual Financial Statements for 2025 refer to Arena Hospitality Group d.d.

The Company's consolidated Annual Financial

Statements for 2025 refer to: Arena Hospitality Group d.d., Ulika d.o.o., Mažurana d.o.o., Sugarhill Investment B.V. and Germany Real Estate B.V. (the "Group").

II. The Annual Financial Statements of the Company for 2025 (consolidated and separate) have been audited by Deloitte d.o.o., OIB: 11686457780, Radnička cesta 80, HR-10 000 Zagreb (the "Auditor"), and the Auditor's Report forms an integral part thereof.

III. The auditor performed the verification for obtaining a limited assurance in relation to the Sustainability Report from Article 37. of the Accounting Act and compiled an independent limited assurance report in relation to the Company's Sustainability Report for the year 2025. The auditor conclusion forms an integral part of the independent limited assurance report in relation to the Sustainability Report.

IV. The Management Board hereby adopts the Company's Annual Report for 2025 (consolidated and non-separate), which comprises of:

Annual financial statements of the Company for 2025 (consolidated and separate), together with the Auditor's Report,

Report on application of the Corporate Governance Code,

Management Report for 2025 (consolidated and separate), which includes the Strategic Report, Sustainability Report together with the Independent limited assurance report in relation to the Company's Sustainability Report, the Corporate Governance Report, and

Statement of the Company's responsible persons.

V. The Management Board hereby determines the proposal to allocate the profit of the Company realised in 2025 in the total amount of EUR 11,856,622.89 to retained earnings.

VI. This Decision, together with the Company's Annual Report for 2025 (consolidated and separate), which includes the Sustainability Report, is delivered to the Supervisory Board of the Company for consideration and approval respectively.

VII. The Management Board shall convene the Annual General Assembly of the Company after the Supervisory Board approves the Annual financial statements of the Company for 2025 (consolidated and separate) and adopts thereto related decisions.

VIII. This Decision and the Company's Annual Report for 2025 (consolidated and separate), together with the Sustainability Report, shall be published in the way and within the deadlines prescribed by the Capital Market Act and the Accounting Act.

MANAGEMENT BOARD

PRESIDENT

Reuel Israel Gavriel Slonim

MEMBERS

Manuela Kraljević

Devansh Bakshi

Edmond Pinto

Supervisory Board's Report

In accordance with Article 263 Par. 3, Article 300.c and Article 499 of the Companies Act and Article 19 and 30 Par. 4 of the Articles of Association of the company Arena Hospitality Group d.d. (hereinafter: the Company), the Supervisory Board of the Company, at its meeting held on 25 February 2026, determined the following

REPORT

TO THE ARENA HOSPITALITY GROUP D.D. GENERAL ASSEMBLY

I/ During 2025, the Supervisory Board of the Company had seven members. As of 31 December 2025, the members of the Supervisory Board were: Boris Ernest Ivesha (Chairman), Yoav Arie Papouchado (Vice-Chairman), Kevin Michael McAuliffe, Ivana Matovina, Amra Pende, Lorena Škuflić and Goran Nikolić.

The Supervisory Board of the Company held the following meetings in the year 2025:

on 26 February 2025 whereat, inter alia, the Annual Report, together with the Sustainability Report and the annual financial statements of the Company for the year 2024 (audited, consolidated and separate) were approved, the Report on the remuneration of the Management Board and the Supervisory Board members for 2024 and the proposal on the dividend payout in the amount of 1.10 EUR (in words: one euro and ten cents) per share were adopted;

on 23 April 2025 whereat, inter alia, unaudited consolidated and separate quarterly report of the Company for the first quarter of 2025 was discussed, as well as other decisions related to the Annual General Assembly of the Company were adopted;

on 28 July 2025 whereat, inter alia, unaudited consolidated and separate quarterly report of the Company for the second quarter of 2025 and the unaudited consolidated and separate half-year report of the Company for the first six months of 2025 were discussed, and the decision on the prolongation of the mandate of the current members of the Management Board of the Company was adopted;

on 24 September 2025, whereat the new Company's Treasury Shares Buy-Back Programme was approved;

on 29 October 2025 whereat, inter alia, unaudited consolidated and separate quarterly report of the Company for the third quarter of 2025 and the unaudited consolidated and separate report of the Company for the first nine months of 2025 were discussed, and the new Terms of Reference of the Nomination and the Remuneration Committees as well as the Anti-Fraud policy were approved;

on 9 December 2025, whereat, inter alia, the projections of Company's Budget for 2026 was presented and approved, the work planner of the Supervisory Board was adopted, as well as the Calendar of Important Events for 2026.

II/ The Supervisory Board of the Company established the Audit Committee, the Nomination Committee, the Remuneration Committee and the Sustainability Committee.

In 2025 the Audit Committee had four members: Ivana Matovina (Chair), Lorena Škuflić (Vice-Chair), Amra Pende and Kevin Michael McAuliffe. It held five meetings in 2025.

The Nomination Committee consists of three members: Kevin Michael McAuliffe (Chair), Amra Pende and Lorena Škuflić. It held one meeting in 2025.

The Remuneration Committee consists of three members: Amra Pende (Chair), Lorena Škuflić and Kevin Michael McAuliffe. It held two meetings in 2025.

The Sustainability Committee consists of three members: Lorena Škuflić (Chair), Kevin Michael McAuliffe and Goran Nikolić. It held three meetings in 2025.

III/ In accordance with its responsibilities, the Supervisory Board has performed supervision and examined the Company business books and the Company documentation. The Supervisory Board examined the conduct of the Company's operations based on the detailed information received from the Management Board by way of regular communication, particularly by way of reports of the Management Board on the operations and the status of the Company. Accordingly, the Supervisory Board determined that the Company acts in compliance with the law, the Articles of Association and other acts of the Company and the decisions of the General Assembly.

IV/ The Supervisory Board examined the Company's Annual Report for 2025 (consolidated and separate), which comprises of

Annual financial statements of the Company for 2025 (consolidated and separate) - statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements,

Report of the Company's auditor for 2025,

Report on application of the Corporate Governance Code,

Management Report for 2025 (consolidated and separate), which includes Strategic Report, Sustainability Report together with the Independent limited assurance report in relation to the Sustainability Report, the Corporate Governance Report, and

Statement of the Company's responsible persons.

The Supervisory Board acknowledges the receipt of the Audit Committee Reports dated 24 February 2026 with respect to preparation and issuing of the Annual financial statements of the Company for 2025, and with respect to the preparation of the Sustainability Report.

The Supervisory Board has no objections to the Company's annual report for 2025 (consolidated and separate), together with Sustainability Report and the Independent limited assurance report in relation to the Sustainability Report, including the Report of

the Company's auditor (Deloitte d.o.o. Zagreb).

The Supervisory Board establishes that the Annual financial statements of the Company (consolidated and separate) for the year ended on 31 December 2025 were prepared in compliance with the state of the Company's business books and that they correctly show the financial and business state of the Company.

Therefore, the Supervisory Board approves the Company's Annual Report for 2025 (consolidated and separate) together with the Sustainability Report, whereby the Annual financial statements of the Company for 2025 (consolidated and separate) are considered as approved by the Management Board and the Supervisory Board, pursuant to the provisions of Articles 300.c and 300.d of the Companies Act and Article 30 of the Company's Articles of Association.

V/ The Supervisory Board examined the Related Parties Transactions Report for 2025 and has no objections to this Report. The Supervisory Board also has no objections to the results of audit of this Report from Article 498 of the Companies Act as well as to the Management Board's statement pursuant to Article 497 Par. 3 of the Companies Act, in relation with obligations from Article 263.e contained in this Report.

VI/ The Supervisory Board has ensured that the Management Board has had sufficient strength, and a good balance of skill sets to ensure it carried out all its tasks during what continued to be most challenging periods in the Company's history. The data flow between the Management Board and the Supervisory Board during 2025 was stable and on a satisfactory level. Based on the above, the Supervisory Board evaluates the overall business of the Company as well as the work of the Management Board and the Supervisory Board as successful and emphasises good cooperation with the members of the Management Board.

VII/ The Supervisory Board adjoins to the proposal of the Management Board regarding the profit of the Company realised in 2025 in the total amount of EUR 11,856,622.89 is allocated to retained earnings.

Boris Ivesha

Chairman of the
Supervisory Board

Supervisory Board's Decision

Pula, 25.02.2026.

I. The Supervisory Board hereby approves the Company's Annual Report for 2025 (consolidated and separate), which comprises of:

Annual financial statements of the Company for 2025 (consolidated and separate) - statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements,

Report of the Company's auditor for 2025,

Report on application of the Corporate Governance Code,

Management Report for 2025 (consolidated and separate), which includes Strategic Report, Sustainability Report together with the Independent limited assurance report in relation to the Sustainability Report, the Corporate Governance Report, and

Statement of the Company's responsible persons.

II. Pursuant to the provisions of Articles 300.c and 300.d of the Companies Act and Article 30 of the Company's Articles of Association, by the Supervisory Board's approval of the Company's Annual Report for 2025 (consolidated and separate), the Annual financial statements of the Company for 2025 (consolidated and separate), are considered as approved by the Management Board and the Supervisory Board.

III. The Supervisory Board hereby approves the publication of the Company's Annual Report for 2025 (consolidated and separate), including Sustainability Report.

IV. The Supervisory Board adjoins to the proposal of the Management Board that the General Assembly decides that profit of the Company realised in 2025 in the total amount of EUR 11,856,622.89 is allocated to retained earnings.

Boris Ivesha

Chairman of the
Supervisory Board

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Arena Hospitality Group d.d.

Report on the Audit of the Financial Statements

Opinion

We have audited the separate financial statements of Arena Hospitality Group d.d. (the Company) and consolidated financial statements of the Arena Hospitality Group d.d. and its subsidiaries (the Group) which comprise the separate and the consolidated statement of financial position as at 31 December 2025, the separate and the consolidated income statement, the separate and the consolidated statement of other comprehensive income, the separate and the consolidated statement of changes in equity and the separate and the consolidated statement of cash flows for the year then ended, and notes to the separate and the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) and Regulation (EU) 537/2014 of the European Parliament and of the Council, dated 16 April 2014, on specific requirements regarding statutory audit of public-interest entities. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate and the Consolidated Financial Statements* section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Croatia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the separate and the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the separate and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

This version of the auditor's report is translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over this translation.

The company was registered at Zagreb Commercial Court: MBS 030022053; paid-in initial capital: EUR 5,930.00; Company Directors: Katarina Kadunc, Goran Končar and Helena Schmidt, Bank: Privredna banka Zagreb d.d., Radnička cesta 80, 10 000 Zagreb, bank account no. 2340009-1110098294; SWIFT Code: PBZGHR2X IBAN: HR3823400091110098294.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/en/about to learn more.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Audit of the Financial Statements (continued)

Key Audit Matter (continued)

Subsequent measurement of touristic properties	
For accounting policies please refer to Notes 2(c) <i>Significant accounting judgments, estimates and assumptions</i> , 2(j) <i>Property, Plant and Equipment</i> and 2(k) <i>Impairment of Non-Financial Assets</i> , as well as Note 3 <i>Property, Plant and Equipment</i> within the separate and consolidated financial statements.	
Key audit matter	How we addressed Key audit matter
<p>In financial statements for the year ended 31 December 2025, the Company and the Group presented touristic properties within property, plant and equipment at EUR 227,822 thousands and EUR 349,020 thousands respectively (31 December 2024.: EUR 213,818 thousands and EUR 342,941 thousands respectively). In the current year, the Group recorded an impairment losses in the amount of EUR 3,547 thousands, and the Company and the Group recorded reversals of previously recognized impairment losses in the amount of EUR 8,277 thousands.</p> <p>Presented touristic properties comprise of hotels, self-catering holiday apartment complexes, campsites, related facilities and are subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Each individual touristic property, which comprises assets or group of assets, is determined as a separate cash-generating unit (CGU), cash inflows of which are largely independent from other assets of groups of assets.</p> <p>These individual CGUs within touristic properties are subject to an annual review to determine whether impairment indicators exist that would require conducting an impairment test, potentially leading to a decrease in CGU's carrying amount to its recoverable amount. Consequently, if an annual review indicates potential recovery in the value of a CGU, a reassessment is conducted to determine whether a previously recorded impairment loss should be partially or fully reversed, ensuring that the carrying amount does not exceed the asset's recoverable amount. As part of the annual review, Management also reassesses the useful lives of these assets annually.</p>	<p>In order to respond to risks associated with subsequent measurement of touristic properties, identified as key audit matter, we designed audit procedures that enabled us to obtain sufficient appropriate audit evidence for our conclusion on this matter.</p> <p>Our audit procedures, relating to identified key audit matter area, included among others:</p> <ul style="list-style-type: none"> • Obtaining understanding of the process relating to the annual review of touristic properties for both indicators of impairment and indicators of reversal of previously recognized impairment losses, • Obtaining understanding of control environment governing the process relating to the annual review of touristic properties and checking for the existence of relevant controls addressing the risks associated with the area of subsequent measurement, • Inspecting Minutes of the Management and Supervisory Board's meetings for: <ul style="list-style-type: none"> ○ indications of financial difficulties, changes in individual operational plans or physical damages made to assets with potential adverse effect on the recoverability of tourism properties, ○ indications of significant improvement in the economic performance of the properties, • Engaging auditor's valuation expert to challenge the methodology and specific inputs applied, • Inspecting and evaluating the appropriateness of the Company's and Group's annual review and impairment model against the requirements of the relevant financial reporting standards,

INDEPENDENT AUDITOR’S REPORT (continued)

Report on the Audit of the Financial Statements (continued)

Key Audit Matter (continued)

<p>In performing annual review of touristic properties, the Management relies on significant judgements and assumptions surrounding tourism industry outlook and performances of their individual touristic properties/CGUs including also, but not limited to judgements and assumptions over expected growth rates, discount rates, occupancy rates, revenue per available room/accommodation and gross operating profit.</p> <p>Given the inherent complexities and uncertainties surrounding the process of annual review, especially around developing judgements and assumptions relating to the performance of both individual touristic properties and industry as a whole, combined with the impact review may have to carrying amount of plant, property and equipment presented in the financial statements, we have determined subsequent measurement of these assets as a key audit matter for our audit.</p>	<ul style="list-style-type: none"> • Identifying relevant judgements, assumptions, and sources of data used in the models and assessing whether such are reasonable and appropriate for their application, • Inspecting accuracy and completeness of the annual depreciation charge by recalculating amounts, and • Reviewing the completeness and accuracy of disclosures relating to the tourism properties against the relevant financial reporting standards.
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INDEPENDENT AUDITOR’S REPORT (continued)

Report on the Audit of the Financial Statements (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the separate and the consolidated financial statements and our auditor’s report.

Our opinion on the separate and the consolidated financial statements does not cover the other information.

In connection with our audit of the separate and the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. With respect to the Management Report and the Corporate Governance Report, which are included in the Annual Report, we have also performed the other procedures prescribed by the Accounting Act. These procedures include examination of whether the Management Report include required disclosures as set out in the Articles 22 and 24 of the Accounting Act and whether the Corporate Governance Report includes the information specified in the Articles 22 and 25 of the Accounting Act.

Based on the procedures performed during our audit, to the extent we are able to assess it, we report that:

- 1) Information included in the other information is, in all material respects, consistent with the attached separate and consolidated financial statements.
- 2) Management Report has been prepared, in all material respects, in accordance with the Articles 22 and 24 of the Accounting Act, excluding the requirements on sustainability reporting. In respect of the Sustainability Report, which is included as part of the other information and constitutes a separate part of the Management Report, we performed a limited assurance engagement, the results of which were presented in a separate limited assurance report with an unmodified conclusion.
- 3) Corporate Governance Report has been prepared, in all material aspects, in accordance with the Articles 22 and 25 of the Accounting Act,

Based on the knowledge and understanding of the Company and the Group and its environment, which we gained during our audit of the separate and the consolidated financial statements, we have not identified material misstatements in the other information.

Responsibilities of Management and Those Charged with Governance for the Separate and the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and the consolidated financial statements in accordance with IFRSs and for such internal control as Management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and the consolidated financial statements, Management is responsible for assessing the Company’s and the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s and the Group’s financial reporting process.

INDEPENDENT AUDITOR'S REPORT (continued)**Report on the Audit of the Financial Statements (continued)****Auditor's Responsibilities for the Audit of the Separate and the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the separate and the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and the consolidated financial statements, including the disclosures, and whether the separate and the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT (continued)**Report on Other Legal and Regulatory Requirements**

Report based on the requirements of Delegated Regulation (EU) No. 2018/815 amending Directive No. 2004/109/EC of the European Parliament and of the Council as regards regulatory technical standards for the specification of the uniform electronic format for reporting (ESEF)

Auditor's reasonable assurance report on the compliance of separate and consolidated financial statements (financial statements), prepared based on the provision of Article 462 (5) of the Capital Market Act by applying the requirements of the Delegated Regulation (EU) 2018/815 specifying for the issuers a single electronic reporting format ("ESEF Regulation"). We conducted a reasonable assurance engagement on whether the financial statements of the Company the Group for the financial year ended 31 December 2025 prepared to be made public pursuant to Article 462 (5) of the Capital Market Act, contained in the electronic file *arenahospitality-2025-12-31-1-en*, have been prepared in all material aspects in accordance with the requirements of the ESEF Regulation.

Responsibilities of the Management and Those Charged with Governance

Management is responsible for the preparation and content of the financial statements in line with the ESEF Regulation.

In addition, Management is responsible for maintaining the internal controls system that reasonably ensures the preparation of financial statements without material differences with the reporting requirements from the ESEF Regulation, whether due to fraud or error.

Furthermore, Company Management is responsible for the following:

- public reporting of financial statements presented in the Annual Report in valid XHTML format
- selection and use of XBRL markups in line with the requirements of the ESEF Regulation.

Those charged with governance are responsible for supervising the preparation of financial statements in ESEF format as part of the financial reporting process.

Auditor's Responsibilities

It is our responsibility to carry out a reasonable assurance engagement and, based on the audit evidence obtained, give our conclusion on whether the financial statements have been prepared without material differences with the requirements from the ESEF Regulation. We conducted our reasonable assurance engagement in accordance with the *International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000). This standard requires that we plan and perform the engagement to obtain reasonable assurance for providing a conclusion.

Quality management

We have conducted the engagement in compliance with independence and ethical requirements as provided by the Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, as well as in compliance with the independence and the ethical requirements in Croatia. The code is based on the principles of integrity, objectivity, professional competence and due diligence, confidentiality, and professional conduct. We comply with the *International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* (ISQM 1) and accordingly maintain an overall management control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and statutory requirements.

INDEPENDENT AUDITOR'S REPORT (continued)**Report on Other Legal and Regulatory Requirements (continued)**

Report based on the requirements of Delegated Regulation (EU) No. 2018/815 amending Directive No. 2004/109/EC of the European Parliament and of the Council as regards regulatory technical standards for the specification of the uniform electronic format for reporting (ESEF) (continued)

Procedures performed

As part of the selected procedures, we have conducted the following activities:

- We have read the requirements of the ESEF Regulation;
- We have gained an understanding of internal controls of the Company and the Group, relevant for the application of the ESEF Regulation requirements;
- We have identified and assessed the risks of material differences with the ESEF Regulation due to fraud or error;
- We have devised and designed procedures for responding to estimated risks and obtaining reasonable assurance in order to give our conclusion.

Our procedures focused on assessing whether:

- Financial statements included in the separate and the consolidated report have been prepared in valid XHTML format;
- Data included in the separate and the consolidated financial statements required by the ESEF Regulation have been marked up and meet all of the following requirements:
 - XBRL has been used for markups.
 - Core taxonomy elements stipulated in the ESEF Regulation with the closest accounting meaning were used unless an extension taxonomy element was created in line with the Annex IV of the ESEF Regulation;
 - Markups comply with the common rules on markups in line with the ESEF Regulation.

We believe the evidence we obtained to be sufficient and appropriate to provide a basis for our conclusion.

Conclusion

We believe that, based on the procedures performed and evidence obtained, the financial statements of the Company and the Group presented in the ESEF format, contained in the aforementioned electronic file, and based on the provision of Article 462 (5) of the Capital Market Act, have been prepared to be published for public, in all material aspects in accordance with the requirements of articles 3, 4 and 6 of the ESEF Regulation for the year ended 31 December 2025.

In addition to this conclusion, as well as the audit opinion contained in this Independent Auditor's Report for the accompanying financial statements and Annual Report for the year ended 31 December 2025, we do not express any opinion on the information contained in these documents or other information contained in the above mentioned file.

INDEPENDENT AUDITOR'S REPORT (continued)**Report on Other Legal and Regulatory Requirements (continued)**

Other reporting obligations as required by Regulation (EU) No. 537/2014 of the European Parliament and the Council and the Audit Act

We were appointed as the statutory auditor of the Company and the Group by the shareholders on General Assembly Meeting held on 29 May 2025 to perform audit of accompanying separate and consolidated financial statements. Our total uninterrupted engagement has lasted 2 years and covers period 1 January 2024 to 31 December 2025.

We confirm that:

- our audit opinion on the accompanying separate and consolidated financial statements is consistent with the additional report issued to the Audit Committee of the Company on 24 February 2026 in accordance with the Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council;
- no prohibited non-audit services referred to in the Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided.

There are no services, in addition to the statutory audit, which we provided to the Company and its controlled undertakings, and which have not been disclosed in the Annual Report.

The engagement partner on the audit resulting in this independent auditor's report is Goran Končar.

For signatures, please refer to the original Croatian auditor's report, which prevails.

Goran Končar

Director and Certified auditor

Deloitte d.o.o.

26 February 2026
Radnička cesta 80,
10 000 Zagreb,
Croatia

Financial statements

Consolidated and Separate Statement of Financial Position

	Note	As at 31 December			
		2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Assets					
Non-current assets:					
Intangible assets	4	1,014	974	705	882
Property, plant and equipment	3	349,020	342,941	227,822	213,818
Right-of-use assets	14	30,834	32,283	-	-
Inventories		1,036	1,203	868	879
Interest in joint ventures	5	9,248	9,922	-	-
Other non-current financial assets	6	661	794	125,498	130,124
Deferred tax asset	22	5,261	6,725	5,176	6,640
Restricted deposits and cash		5,258	6,345	4,245	5,487
		402,332	401,187	364,314	357,830
Current assets:					
Inventories		1,211	1,126	789	622
Trade receivables	7	2,272	3,376	1,170	1,887
Other receivables and prepayments	8	1,420	1,908	5,110	4,506
Short-term deposits		1,744	7,453	1,744	7,453
Cash and cash equivalents	9	23,952	29,876	18,676	23,572
		30,599	43,739	27,489	38,040
Total assets		432,931	444,926	391,803	395,870

	Note	As at 31 December			
		2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Equity and liabilities					
Equity:	10				
Issued capital		13,614	13,614	13,614	13,614
Share premium		151,322	151,550	151,322	151,550
Hedging reserve		13	(37)	-	-
Other reserves		38,717	40,087	70,310	71,442
Accumulated earnings/(losses)		18,647	8,476	43,969	37,598
Total equity		222,313	213,690	279,215	274,204
Non-current liabilities:					
Bank borrowings	13	109,786	146,112	80,545	87,756
Lease liability	14	32,287	32,766	162	122
Provisions	15	6,020	6,020	6,020	6,020
Other liabilities		1,828	1,432	1,805	1,359
		149,921	186,330	88,532	95,257
Current liabilities:					
Trade payables		3,708	3,988	1,360	1,499
Current lease liability	14	1,741	6,522	71	47
Other payables and accruals	16	13,671	11,694	10,564	8,828
Income taxes liability		26	189	-	-
Liabilities towards related parties		1,484	1,055	1,322	1,236
Bank borrowings	13	40,067	21,458	10,739	14,799
		60,697	44,906	24,056	26,409
Total liabilities		210,618	231,236	112,588	121,666
Total equity and liabilities		432,931	444,926	391,803	395,870

The accompanying accounting policies and notes are an integral part of these financial statements.

Financial statements

Consolidated and Separate Income Statement

	Note	For year ended 31 December			
		Group		Company	
		2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Revenues	17	144,531	142,284	100,897	96,608
Operating expenses	18	(106,665)	(104,759)	(73,391)	(71,246)
EBITDAR		37,866	37,525	27,506	25,362
Rental expenses and concession fees: land		(2,376)	(2,487)	(2,121)	(2,211)
EBITDA		35,490	35,038	25,385	23,151
Depreciation, amortisation and impairment	3/4/14	(16,421)	(20,501)	(4,662)	(12,930)
EBIT		19,069	14,537	20,723	10,221
Financial expenses	19	(4,942)	(7,009)	(10,139)	(2,694)
Financial income	20	2,364	1,880	3,047	3,266
Other expenses	21	(822)	(970)	(698)	(681)
Other income	21	2,840	540	388	530
Share in result of joint ventures		(386)	(317)	-	-
Profit/(loss) before tax		18,123	8,661	13,321	10,642
Income tax benefit/(expense)	22	(2,466)	(2,716)	(1,464)	(1,948)
Profit/(loss) for the year		15,657	5,945	11,857	8,694
Profit/(loss) attributable to:					
Equity holder of the parent		15,657	5,945	11,857	8,694
Basic and diluted (loss)/earnings per share	23	3.11	1.18	2.35	1.72

The accompanying accounting policies and notes are an integral part of these financial statements.

Consolidated and Separate Statement of Other Comprehensive Income

	Note	For year ended 31 December			
		Group		Company	
		2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Profit/(loss) for the year		15,657	5,945	11,857	8,694
Other comprehensive income to be recycled through profit and loss in subsequent periods:					
Profit/(Loss) from cash flow hedges		50	(247)	-	-
Foreign currency translation adjustment of foreign operations		(238)	302	-	-
Other comprehensive income /(loss)		(188)	55	-	-
Total comprehensive income/(loss)		15,469	6,000	11,857	8,694
Other comprehensive income /(loss) attributable to:					
Equity holder of the parent		15,469	6,000	11,857	8,694

The accompanying accounting policies and notes are an integral part of these financial statements.

Financial statements

Consolidated Statement of Changes in Equity

In EUR'000	Issued capital	Share premium	Hedging reserve	Other reserve	Accumulated earnings / (loss)	Total
Balance as at 31 December 2023	13,614	151,668	210	41,631	6,314	213,437
Profit/(loss) for the year	-	-	-	-	5,945	5,945
Other comprehensive income/(loss)	-	-	(247)	302	-	55
Total comprehensive income/(loss)	-	-	(247)	302	5,945	6,000
Dividend payment	-	-	-	-	(3,783)	(3,783)
Treasury shares	-	-	-	(2,155)	-	(2,155)
Release of treasury shares	-	(44)	-	44	-	-
Share based payment (Note 11)	-	(74)	-	265	-	191
Balance as at 31 December 2024	13,614	151,550	(37)	40,087	8,476	213,690
Profit/(loss) for the year	-	-	-	-	15,657	15,657
Other comprehensive income/(loss)	-	-	50	(238)	-	(188)
Total comprehensive income/(loss)	-	-	50	(238)	15,657	15,469
Dividend payment	-	-	-	-	(5,486)	(5,486)
Treasury shares	-	-	-	(1,873)	-	(1,873)
Share based payment (Note 11)	-	(228)	-	741	-	513
Balance as at 31 December 2025	13,614	151,322	13	38,717	18,647	222,313

The accompanying accounting policies and notes are an integral part of these financial statements.

Separate Statement of Changes in Equity

In EUR'000	Issued capital	Share premium	Other reserve	Accumulated earnings / (loss)	Total
Balance as at 31 December 2023	13,614	151,668	73,288	32,687	271,257
Profit/(loss) for the year	-	-	-	8,694	8,694
Other comprehensive income/(loss)	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	8,694	8,694
Dividend payment	-	-	-	(3,783)	(3,783)
Treasury shares	-	-	(2,155)	-	(2,155)
Release of treasury shares	-	(44)	44	-	-
Share based payment (Note 11)	-	(74)	265	-	191
Balance as at 31 December 2024	13,614	151,550	71,442	37,598	274,204
Profit/(loss) for the year	-	-	-	11,857	11,857
Other comprehensive income/(loss)	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	11,857	11,857
Dividend payment	-	-	-	(5,486)	(5,486)
Treasury shares	-	-	(1,873)	-	(1,873)
Share based payment (Note 11)	-	(228)	741	-	513
Balance as at 31 December 2025	13,614	151,322	70,310	43,969	279,215

The accompanying accounting policies and notes are an integral part of these financial statements.

Financial statements

Consolidated and Separate Statement of Cash Flows

	Note	For year ended 31 December			
		Group		Company	
		2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Cash flows from operating activities:					
Profit for the year		15,657	5,945	11,857	8,694
Adjustment to reconcile profit to cash provided by operating activities:					
Interest expenses	19	4,942	5,432	2,474	2,691
Interest revenue	20	(1,099)	(1,880)	(3,047)	(3,266)
Unrealised foreign exchange (gains)/losses		(1,331)	1,491	-	-
Income tax (benefit)/charge		2,466	2,716	1,464	1,948
Share in results of joint ventures		386	317	-	-
Value adjustment of investments and loans	19	-	-	7,666	-
Write-off liability from lease termination	21b	(2,357)	-	-	-
Gain on disposal of property, plant and equipment		(290)	(354)	(290)	(354)
Depreciation, amortisation and impairment	3/4/14	20,125	20,501	12,939	12,930
Impairment (reversal) of property, plant and equipment		(3,704)	-	(8,277)	-
Disposal of property, plant and equipment		528	566	462	609
Share-based payments		513	191	513	191
		20,179	28,980	13,904	14,749
Changes in operating assets and liabilities:					
Decrease/(increase) in inventories		86	577	(157)	627
Decrease/(increase) in trade and other receivables		1,628	(1,268)	377	(969)
Increase/(decrease) in trade and other payables		2,376	(3,363)	2,052	(3,146)
		4,090	(4,054)	2,272	(3,488)
Cash paid and received during the period for:					
Interest paid		(4,935)	(5,347)	(2,512)	(2,723)
Interest received		1,243	1,421	1,366	1,832
Taxes paid		(1,165)	(479)	-	-
		(4,857)	(4,405)	(1,146)	(891)
Net cash provided by operating activities		35,069	26,466	26,887	19,064

	Note	Year ended 31 December			
		Group		Company	
		2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Cash flows from investing activities:					
Investments in property, plant and equipment		(20,093)	(7,545)	(18,926)	(5,917)
Loans to related party		-	-	(2,600)	(5,900)
Proceeds from given group loans		-	-	1,002	485
Loans to joint ventures		-	(5,531)	-	-
Proceeds from repayment of loans given to joint ventures		328	1,995	-	-
Proceeds from sale of property, plant and equipment		319	407	319	407
Decrease/ (increase) in restricted and rent deposits		6,801	(4,465)	6,951	(3,965)
Net cash used in investing activities		(12,645)	(15,139)	(13,254)	(14,890)
Cash flows from financing activities:					
Proceeds from bank borrowings		3,000	5,000	3,000	5,000
Proceeds from finance lease		120	-	120	-
Payment of principal portion of lease liabilities		(3,389)	(3,496)	(56)	(45)
Dividend payment		(5,486)	(3,783)	(5,486)	(3,783)
Repayment of bank borrowings		(20,726)	(27,414)	(14,234)	(22,990)
Purchase of treasury shares		(1,873)	(2,155)	(1,873)	(2,155)
Net cash provided by (used in) financing activities		(28,354)	(31,848)	(18,529)	(23,973)
(Decrease)/increase in cash and cash equivalents		(5,930)	(20,521)	(4,896)	(19,799)
Net foreign exchange differences		6	49	-	-
Cash and cash equivalents at beginning of year		29,876	50,348	23,572	43,371
Cash and cash equivalents at end of year		23,952	29,876	18,676	23,572
Non-cash items:					
Outstanding payable on investments in property, plant and equipment		374	320	374	320

The accompanying accounting policies and notes are an integral part of these financial statements.

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Notes to the Financial Statements

Note 1 General

The financial statements of Arena Hospitality Group d.d. (the Company) and its subsidiaries (together the Group) for the year ended 31 December 2025 were authorized by a decision of the Management Board dated 25 February 2026. Following approval by the Supervisory Board, the financial statements are considered approved according to Article 300d of the Croatian Companies Act.

The Company is a subsidiary of PPHE Hotel Group Limited, a Guernsey incorporated company listed on the FTSE Market of the London Stock Exchange (PPHE Hotel Group) which (indirectly) owns 66.09% of the registered share capital in the Company. The financial statements of the Group are included in the financial statements of PPHE Hotel Group.

As at 31 December 2025 and at the day of issuance of this Report, the members of the Management Board are: Reuel Israel Gavriel Slonim (President), Devansh Bakshi, Manuela Kraljević and Edmond Pinto (members). The members of the Supervisory Board as of 31 December 2025 were: Boris Ernest Ivesha (Chairman), Yoav Arie Papouchado (Vice-Chairman), Kevin Michael McAuliffe, Ivana Matovina, Amra Pende, Lorena Škuflić and Goran Nikolić.

b. Description of business and formation of the Company:

The Company is a joint stock company listed on the Prime Market of the Zagreb Stock Exchange with its registered office in Pula, Republic of Croatia. In accordance with the laws of the Republic of Croatia and with the approval of the Croatian Privatisation Fund, the Company was transformed from a state-owned company into a joint stock company in 1994 and registered with the Commercial Court in Rijeka. The business of the Group is owning, co-owning, leasing and operating full-service upscale, upper upscale and lifestyle hotels in major gateway cities

and regional centres, such as Berlin, Cologne and Nuremberg in Germany, Budapest in Hungary, Belgrade in Serbia, Zagreb in Croatia as well as hotels self-catering apartment complexes and campsites in destinations such as in the city of Pula, the largest city in Croatia's Istria region or Medulin, and ski resort in Nassfeld in Austria.

c. Assessment of going concern and liquidity:

As part of their ongoing responsibilities, the Management Board have recently undertaken a thorough review of the Group's and the Company's cash flow forecast and potential liquidity risks. Detailed budgets and cash flow projections have been prepared for 2026, which show that the Group's hotel operations will be cash generative during the period. The Management Board have determined that the Company is likely to continue its business for at least 12 months from the date of the financial statements.

Note 2 Material accounting policies

a. Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union.

The financial statements of the Group and the Company have been prepared on a historical cost basis, except for those assets and liabilities measured at fair value as explicitly indicated.

The financial statements are presented in Euro and all values are rounded to the nearest thousand except where indicated otherwise.

Statement of compliance:

The financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations

issued by the International Accounting Standards Board (IASB) and International Financial Reporting Standards Interpretations Committee (IFRIC) and adopted by the European Union.

The accounting policies used in preparing the financial statements are set out below. These accounting policies have been consistently applied to the periods presented, except where otherwise indicated.

b. Basis of consolidation

The Consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the Group and the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss.

c. Significant accounting judgments, estimates and assumptions

The preparation of the Group's and Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments

In the process of applying the Group's and the Company's accounting policies, management has made the following judgments, which have the most

significant effect on the amounts recognised in the financial statements:

Acquisition of companies that are not business combinations

At the acquisition date of companies and groups of assets, the Group and the Company determines whether the transaction constitutes an acquisition of a business in a business combination transaction pursuant to IFRS 3. If the acquisition does not constitute a business as defined in IFRS 3, the cost of purchase is allocated only to the identifiable assets and liabilities of the acquired company on the basis of their relative fair values at the date of purchase and including any minority interest according to its share of the fair value of net identifiable assets at the acquisition date.

In determining whether a business was acquired, the Group and the Company evaluates whether the acquired integrated set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The following criteria which indicate acquisition of a business are considered: the variety of assets acquired, the extent to which ancillary services to operate the property are provided and the complexity of the management of the property.

Estimates and assumptions

The key assumptions made in the financial statements concerning uncertainties at the reporting date and the critical estimates computed by the Group and the Company for which there is a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group and the Company bases its assumptions and estimates on parameters available when the financial statements are prepared. However, these parameters may change due to market changes or other circumstances beyond the control of the Group and Company. Such changes are reflected in the assumptions and estimates when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset

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or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

Deferred tax assets

Deferred tax assets are recognised for unused carry forward tax losses, unused tax incentives and other temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. The amount of deferred tax assets that can be recognised is based upon the likely timing and level of future taxable profits together with future tax planning strategies. Additional information is provided in Note 22.

Other critical estimates and assumptions which relates to impairment of property, plant and equipment, and estimate of the useful life of the assets are described in Notes "j" and "k".

Estimated useful lives

Estimated Useful Life is the expected operational duration of an asset, crucial for asset management and depreciation accounting. Physical wear, technological changes, maintenance, environment, usage, and economic factors impact an asset's useful life. Current business operations in the hotel industry impose the need for more frequent investments, and this circumstance contributes to the fact that the useful life of an asset may change.

The useful life of property, plant and equipment is periodically assessed to reflect any changes in circumstances since the previous assessment. Changes in estimate, if any, is reflected prospectively in a revised depreciation charge over the remaining, revised useful life.

Tourist land provisions and obligations

Tourist land provisions and obligations are recorded in accordance with the requirements of the Tourist and Other Construction Land Not Appraised During the Transition and Privatisation Process Act from 2010 (the 'TLA'). The Company submitted requests to the Republic of Croatia and the relevant municipality for the award of tourist land concessions in relation to land areas in eight campsites and three tourist resorts in Croatia. While the TLA was still applicable, the Company paid 50% of the concession fees in respect of the eight campsites and provisioned for the remaining 50%.

d. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. For each business combination, the Group and the Company elects whether to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

The Group and the Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort or delay in the ability to continue producing outputs.

When the Group and the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification

and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the income statement in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

e. Business combinations involving entities under common control

The Group and the Company accounts for business combinations that include entities under common control using the acquisition method provided that the transaction has substance.

f. Investment in associates and joint ventures

An associate is an entity over which the Group and the Company have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's and the Company's investments in associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or joint venture is carried in the statement of financial position at cost plus post acquisition changes in the Group's and the Company's share of net assets of the associate or joint venture.

The aggregate of the Group's and the Company's share of profit or loss of a joint venture is shown on the face of the income statement outside EBIT and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint ventures are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group and the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group and the Company determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group and the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share in result of associate and joint ventures' in the income statement.

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Upon loss of significant influence over the associate or joint control over the joint venture, the Group and the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the income statement.

g. Investments in subsidiaries

Subsidiaries are those entities in which the Company, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. The Company has subsidiaries, disclosed in the Appendix to this report, which are accounted at cost less impairment.

h. Foreign currency translation

Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the rates prevailing on the reporting date. Profits and losses arising from exchange differences are included in the income statement.

On consolidation, the assets and liabilities of the entities whose functional currency is other than the Euro are translated at the exchange rate prevailing on the reporting date. Income and expense items are translated at the average exchange rate for the period. Equity items are translated at the historical exchange rate. Exchange differences arising on the translation are recognised in other comprehensive income and classified as a separate component of equity (foreign currency translation reserve). Such translation differences are recognised in the income statement for the period in which the entity is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The following exchange rates in relation to the Euro were prevailing at the indicated reporting dates:

	As at 31 December	
	2025 In EUR	2024 In EUR
Hungarian Forint (1000)	2.60	2.44
Serbian dinar (1000)	8.53	8.55

i. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised using the straight-line method over their estimated useful life and assessed for impairment whenever there is an indication that the intangibles may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense for intangible assets is recognised in the income statement.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and recognised in the income statement when the asset is derecognised.

j. Property, plant and equipment

Property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Depreciation is calculated using the straight-line method over the shorter of the estimated useful life of the assets as follows:

	Years
Hotel buildings	20 to 60
Furniture and equipment	4 to 10

The costs of maintaining property, plant and equipment are recognised in the income statement as they are incurred. Costs incurred that significantly increase the recoverable amount of the asset concerned are added to the asset's cost as an improvement and depreciated over the expected useful life of the improvement.

An item of property, plant and equipment, and any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted if appropriate.

k. Impairment of non-financial assets

At each reporting date, the Group and the Company review the carrying amounts of its non-financial assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market

assessments of the time value of money and the risks specific to the asset.

l. Financial instruments

i) Financial assets:

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost (debt instruments)

- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments) The Group's and Company's financial assets at amortised cost include trade receivables and loans to Joint Ventures.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets that are debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

This category includes derivative instruments and listed equity. Dividends on listed equity investments are recognised as other income in the income statement when the right of payment has been established.

Since the entity operates in the hospitality industry and is not a financial institution, financial instruments primarily consist of trade receivables, given loans and cash, which typically meet the SPPI criteria.

Impairment of financial assets

Significant Increase in Credit Risk (SICR)

The company assesses a significant increase in credit risk by evaluating the changes in the risk of default occurring over the expected life of a financial instrument, considering both quantitative and qualitative information. Indicators include delays in payments or adverse changes in the counterparty's financial condition which is assessed on case by case basis.

Definition of Default

The company defines default as when a counterparty fails to make contractual payments within 90 days of the due date, unless reasonable evidence suggests recovery.

Write-Off Policy

Financial assets are written off when there is no reasonable expectation of recovery, such as after significant collection efforts or legal action has been deemed unsuccessful.

The Group and the Company recognises an allowance for expected credit loss (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expects to receive, discounted at the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in three stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). Given loans are under general model. For trade receivables, the Group and the Company applies a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group and the Company may also considers a financial asset to be in default when internal or external information indicates that the Group or the Company is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Group and the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as financial expenses in the income statement.

This category generally applies to interest-bearing loans and borrowings.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m. Inventories

Inventories, including food, beverages and crockery are valued at the lower of cost and net realisable value. Cost includes purchase cost on a weighted average basis. Purchase of small equipment during renovation, which has an economic life longer than one year is presented as non-current assets and is depreciated over its economic life and recorded in operating expenses. Such small equipment includes sheets, towels, cutlery, trays, pillows and similar items.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

n. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

o. Derivative financial instruments and hedge accounting

As permitted by IFRS 9, the Group and the Company have elected to continue to apply the hedge accounting requirements of IAS 39 instead of the requirements of IFRS 9.

The Group and the Company uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the income statement.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge the documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group and the Company will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of the gain or loss on the hedging instrument in a cash flow hedge is recognised directly in Other Comprehensive Income, while the ineffective portion is recognised in profit or loss. Amounts taken to other comprehensive income are transferred to the income statement when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised.

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p. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group and the Company expects to be entitled in exchange for those goods or services. The Group and the Company have generally concluded that this is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Revenue is divided into accommodation, food and beverages, minor operating revenue and rent revenue.

Owned and leased hotels

Revenues are primarily derived from hotel operations, including the rental of rooms, food and beverage sales and other services from owned and leased hotels operated under the Group's brand names. Revenue is recognised when rooms are occupied, food and beverages are sold and services are performed.

Customer loyalty programme

The Group and the Company participate in the Radisson Rewards™ customer loyalty programme to provide customers with incentives to buy room nights. This customer loyalty programme is owned and operated by Radisson Hotel Group ("RHG") and therefore the entity retains no obligations in respect of the award credits other than to pay the programme operator for the award credits granted. Customers are entitled to utilise the awards as soon as they have been granted.

The Group and Company purchase these award credits from RHG and issue them to its customers in order to enhance customer relationships rather than to earn a margin from the sale of these award credits. The Group and the Company concluded that they are acting as principal in such transactions and, in substance, is earning revenue from supplying these awards to its customers. The Group and Company measure these revenues at fair value and recognise these gross from the costs of participating in the programme.

Timing of Satisfaction of Performance Obligations and Payment Terms

The Group and the Company typically satisfy their performance obligations as follows:

- Accommodation Revenue: Recognised at the point in time when the customer occupies the room.
- Food and Beverage Revenue: Recognised at the point in time when food and beverages are sold to the customer.
- Other Hotel Services Revenue: Recognised when the service is performed.
- Rent Revenue: Recognised over time based on contractual agreements.

The typical timing of payment aligns closely with the timing of revenue recognition, as payments for room rentals and food and beverage sales are generally received upfront or at the point of sale. Other services may be billed upon completion, with short credit periods.

Significant Payment Terms

- Accommodation and food and beverage revenues are typically collected at the time of service, either in cash, via credit card, or through direct billing arrangements.
- Trade receivables arise primarily from corporate clients and travel agents with agreed credit terms, generally ranging from 30 to 90 days.
- Advance deposits received from customers for future stays or events are recorded as contract liabilities and recognised as revenue when the performance obligation is satisfied.

Judgements in Revenue Recognition

The Group and the Company make do not make significant judgements in determining the amount and timing of revenue recognition, but those which made include:

- Assessing the point in time at which a customer obtains control of a good or service, particularly in relation to food and beverage sales, accommodation, and other services.
- Evaluating whether the Group and the Company act as principal or agent in revenue transactions, particularly in the customer loyalty programme.

- Estimating the fair value of consideration received, including assessing the impact of variable consideration such as discounts and loyalty programme incentives.

Contract Balances

- Contract Assets: Recognised when the Group and the Company have transferred goods or services but have not yet received payment, and the right to payment is conditional.
- Trade Receivables: Represent unconditional rights to consideration and are recognised when an invoice is issued.
- Contract Liabilities: Include advance payments received from customers for future stays, events, or services, which are recognised as revenue when the performance obligation is satisfied.

Significant judgements in determining when control transfers

For performance obligations satisfied at a point in time, the Group and the Company assess control transfer based on:

- The customer's ability to direct the use of and obtain substantially all the benefits from the good or service.
- The Group's and the Company's right to payment for services performed.
- Physical possession of the asset, where applicable (e.g., room occupancy).

Transaction price and performance obligation allocation

The transaction price is allocated based on separate selling prices, with observable prices used where available. In cases where allocation requires estimation which is rarely the case, the Group and the Company apply judgement to determine a fair allocation that reflects the value transferred to the customer.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group and the Company performs by transferring goods or services to a customer before the customer pays consideration or before

payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's and the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group and the Company have received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group and the Company transfers goods or services to the customer, a contract liability (advance payments received) is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group and the Company performs under the contract.

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q. Alternative Performance Measures

EBITDAR

Earnings before interest (Financial income and expenses), tax, depreciation and amortisation, impairment loss, rental expenses, share in results of joint ventures and exceptional items presented as other income and expense.

EBITDA

Earnings before interest (Financial income and expenses), tax, depreciation and amortisation, impairment loss, share in results of joint ventures and exceptional items presented as other income and expense.

EBIT

Earnings before interest (Financial income and expenses), tax, share in results of joint ventures and exceptional items presented as other income and expense.

r. Leases

The Group and the Company accounts for a contract as a lease when the contract terms convey the right to convey the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group and the Company as lessee

The Group and the Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Interest rates on lease liabilities are in range between 1.95% and 2%.

Right-of-use assets

The Group and the Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at

or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Years
Hotel buildings	7 to 45

If ownership of the leased asset transfers to the Group or the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (k) Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group and the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group or the Company and payments of penalties for terminating the lease, if the lease term reflects the Group or the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as rent expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a

modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Variable lease payments that depend on an index:

On the commencement date, the Group and Company uses the index rate prevailing on the commencement date to calculate the future lease payments.

For leases in which the Group or the Company are the lessee, the aggregate changes in future lease payments resulting from a change in the index are discounted (without a change in the discount rate applicable to the lease liability) and recorded as an adjustment of the lease liability and the right-of-use asset, only when there is a change in the cash flows resulting from the change in the index (that is, when the adjustment to the lease payments takes effect).

Variable lease payments:

Variable lease payments that do not depend on an index or interest rate but are based on performance or usage are recognized as an expense as incurred when the Group or the Company is the lessee, and are recognized as income as earned when the Company is the lessor.

Lease extension and termination options:

A non-cancelable lease term includes both the periods covered by an option to extend the lease when it is reasonably certain that the extension option will be exercised and the periods covered by a lease termination option when it is reasonably certain that the termination option will not be exercised.

In the event of any change in the expected exercise of the lease extension option or in the expected non-exercise of the lease termination option, the Company remeasures the lease liability based on the revised lease term using a revised discount rate as of the date of the change in expectations. The total change is recognized in the carrying amount of the right-of-use asset until it is reduced to zero, and any further reductions are recognized in profit or loss.

Lease modifications:

If a lease modification does not reduce the scope of the lease and does not result in a separate lease, the Company remeasures the lease liability based on the modified lease terms using a revised discount rate as of the modification date and records the change in the lease liability as an adjustment to the right-of-use asset.

If a lease modification reduces the scope of the lease, the Company recognizes a gain or loss arising from the partial or full reduction of the carrying amount of the right-of-use asset and the lease liability. The Company subsequently remeasures the carrying amount of the lease liability according to the revised lease terms, at the revised discount rate as of the modification date and records the change in the lease liability as an adjustment to the right-of-use asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Group and the Company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

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s. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as deduction in reporting from the related expense, for which it is intended to compensate. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

t. Employee benefits

Share-based payments

Employees (including Management Board) of the Company and the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense (Note 18), together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan either to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the

number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value. Termination benefits are reported as other liabilities.

u. Provisions

Provisions are recognised when the Group or the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group or the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the income statement, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

v. Borrowing costs for qualifying assets

a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. All other borrowing costs are recognised in the income statement in the period in which they are incurred.

w. Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in the countries where the Group operates and generates taxable income.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (i) where the deferred tax liability arises from the initial recognition of goodwill or from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (ii) in respect of taxable temporary differences associated with investments in subsidiaries, associates and jointly controlled entities, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities and changes in them relating to items recognised directly in equity or other comprehensive income are recognised in equity or other comprehensive income and not in the income statement.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilised, except:

- (i) when the deferred income tax asset relating to the deductible temporary difference arises from

the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- (ii) in respect of deductible temporary differences associated with investments in subsidiaries, associates and jointly controlled entities, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Investment tax credit

Investment tax credit are incentives arising from government incentives scheme which enable the Group and the Company to reduce their income tax liability in current and future periods, and are linked to construction and acquisition of certain assets and/or performance of certain activities and/or fulfilment of certain specific condition prescribed in relevant regulation for investment incentives by the relevant authorities.

Tax credit is not recognised until the conditions

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required to receive the credit are met. Tax credit are recognised in current tax in the year in which they are claimed on the Company's tax return. Tax credits that are unused are recognised as deferred tax assets to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

z. Treasury shares

Own equity shares held by the Company are recognised at cost and presented as a deduction from equity. Any purchase, sale, issue or cancellation of treasury shares is recognised directly in equity.

aa. Earnings (loss) per share

Basic earnings (loss) per share amounts are calculated by dividing the net profit (loss) for the year attributable to shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings (loss) per share amounts are calculated by dividing the net profit (loss) for the year by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

ab. Changes in accounting policies and disclosures

Amended IFRS accounting standard effective for the current year

In the current year, the Group has applied amendments to IAS 21 "Lack of Exchangeability" issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective for reporting period that begins on or after 1 January 2025. Adoption of those amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

New and revised IFRS accounting standards adopted by the EU but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following amendments to IFRS accounting standards that have been issued by IASB and adopted by EU but are not yet effective:

Standard	Title	Effective date
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity (IASB effective date: 1 January 2026)	1 January 2026
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026

New and revised IFRS accounting standards in issue but not adopted by the EU

At present, IFRS accounting standards as adopted by the EU do not significantly differ from IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) except for the following new accounting standards and amendments to the existing accounting standards, which were not adopted by the EU as at 31st December 2025:

Standard	Title	Effective date
IFRS 18	Presentation and Disclosures in Financial Statements (IASB effective date: 1 January 2027)	Not yet adopted by EU
IFRS 19 with further amendments	Subsidiaries without Public Accountability: Disclosures (IASB effective date: 1 January 2027)	Not yet adopted by EU
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency (IASB effective date: 1 January 2027)	Not yet adopted by EU
IFRS 14	Regulatory Deferral Accounts (IASB effective date: 1 January 2016)	European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred by IASB indefinitely but earlier application permitted)	Endorsement process postponed indefinitely until the research project on the equity method has been concluded

The Group or the Company do not expect that the adoption of the accounting standards listed above will have a material impact on the financial statements of the Group in future periods.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated. According to the Company's estimates, the application of hedge accounting to a portfolio of financial assets or liabilities pursuant to IAS 39: Financial Instruments: Recognition and Measurement would not significantly impact the financial statements, if applied as at the balance sheet date.

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Note 3 Property, plant and equipment

Group	Land and buildings EUR'000	Furniture, fittings and equipment EUR'000	Property and assets under construction EUR'000	Total EUR'000
Cost:				
Balance as at 1 January 2024	475,079	67,750	10,810	553,639
Additions during the year	3,543	1,769	1,981	7,293
Transfers	1,250	2,126	(3,376)	-
Disposals during the year	(1,468)	(862)	(522)	(2,852)
Exchange rate differences	13	(370)	(2)	(359)
Balance as at 31 December 2024	478,417	70,413	8,891	557,721
Accumulated depreciation and impairment:				
Balance as at 1 January 2024	161,218	39,129	-	200,347
Provision for depreciation	11,565	5,292	-	16,857
Disposals during the year	(1,436)	(844)	-	(2,280)
Exchange rate differences	-	(144)	-	(144)
Balance as at 31 December 2024	171,347	43,433	-	214,780
Net book value as at 31 December 2024	307,070	26,980	8,891	342,941
Cost:				
Balance as at 1 January 2025	478,417	70,413	8,891	557,721
Additions during the year	14,354	4,377	860	19,591
Transfers	1,344	-	(1,344)	-
Disposals during the year	(80)	(2,164)	(412)	(2,656)
Exchange rate differences	(20)	327	3	310
Balance as at 31 December 2025	494,015	72,953	7,998	574,966
Accumulated depreciation and impairment:				
Balance as at 1 January 2025	171,347	43,433	-	214,780
Provision for depreciation	11,788	5,034	-	16,822
Impairment (reversal) of property, plant and equipment	(3,705)	-	-	(3,705)
Disposals during the year	(58)	(2,041)	-	(2,099)
Exchange rate differences	(2)	150	-	148
Balance as at 31 December 2025	179,370	46,576	-	225,946
Net book value as at 31 December 2025	314,645	26,377	7,998	349,020

a. There was no capitalisation of borrowing costs in 2025 or 2024.

b. For information regarding liens, see Note 12.

Company	Land and buildings EUR'000	Furniture, fittings and equipment EUR'000	Property and assets under construction EUR'000	Total EUR'000
Cost:				
Balance as at 1 January 2024	348,384	46,945	7,611	402,940
Additions during the year	3,349	399	1,942	5,690
Transfer	-	234	(234)	-
Disposals during the year	(1,468)	(797)	(522)	(2,787)
Balance as at 31 December 2024	350,265	46,781	8,797	405,843
Accumulated depreciation and impairment:				
Balance as at 1 January 2024	152,950	28,767	-	181,717
Provision for depreciation	9,078	3,397	-	12,475
Disposals during the year	(1,436)	(731)	-	(2,167)
Balance as at 31 December 2024	160,592	31,433	-	192,025
Net book value as at 31 December 2024	189,673	15,348	8,797	213,818
Cost:				
Balance as at 1 January 2025	350,265	46,781	8,797	405,843
Additions during the year	14,197	3,676	823	18,696
Transfer	1,320	-	(1,320)	-
Disposals during the year	(80)	(1,157)	(411)	(1,648)
Balance as at 31 December 2025	365,702	49,300	7,889	422,891
Accumulated depreciation and impairment:				
Balance as at 1 January 2025	160,592	31,433	-	192,025
Provision for depreciation	9,233	3,244	-	12,477
Impairment (reversal) of property, plant and equipment	(8,277)	-	-	(8,277)
Disposals during the year	(57)	(1,099)	-	(1,156)
Balance as at 31 December 2025	161,491	33,578	-	195,069
Net book value as at 31 December 2025	204,211	15,722	7,889	227,822

a. There was no capitalisation of borrowing costs in 2025 or 2024.

b. For information regarding liens, see Note 12.

Impairment test

During 2025, the Group and the Company assessed the value in use of each cash generating unit (CGU). The fair value of properties was determined by external, independent valuers with the appropriate professional qualifications and relevant experience in the specific markets and property categories.

The value in use calculations were performed using pre tax discount rates ranging from 8% to 11%, depending on the asset type and its market position. The terminal growth rate applied in the models was 2 or 2.5%. Forecast periods of 5 or 10 years were used, depending on the methodology applied by the respective valuator.

Based on the results of these assessments, certain assets whose carrying amounts exceeded their recoverable amounts were impaired. Conversely, for several properties, the recoverable amount substantially exceeded their net book value due to improved operational performance and more favourable market conditions, leading to the reversal of previously recognised impairment losses.

As a result, the Company recognised a reversal of impairment of EUR 8.3 million. At Group level, the total reversal amounted to EUR 3.7 million, as some assets outside of the Company were subject to impairment in 2025.

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Note 4 Intangible assets

Group	Software and licences EUR'000	Total EUR'000
Cost:		
Balance as at 1 January 2024	2,695	2,695
Additions during the year	322	322
Disposals during the year	(148)	(148)
Balance as at 31 December 2024	2,869	2,869
Accumulated amortisation:		
Balance as at 1 January 2024	1,494	1,494
Provision for amortisation	503	503
Disposals during the year	(102)	(102)
Balance as at 31 December 2024	1,895	1,895
Net book value as at 31 December 2024	974	974
Cost:		
Balance as at 1 January 2025	2,869	2,869
Additions during the year	556	556
Disposals during the year	-	-
Balance as at 31 December 2025	3,425	3,425
Accumulated amortisation:		
Balance as at 1 January 2025	1,895	1,895
Provision for amortisation	516	516
Disposals during the year	-	-
Balance as at 31 December 2025	2,411	2,411
Net book value as at 31 December 2025	1,014	1,014

Company	Software and licences EUR'000	Total EUR'000
Cost:		
Balance as at 1 January 2024	2,507	2,507
Additions during the year	304	304
Disposals during the year	(136)	(136)
Balance as at 31 December 2024	2,675	2,675
Accumulated amortisation:		
Balance as at 1 January 2024	1,427	1,427
Provision for amortisation	457	457
Disposals during the year	(91)	(91)
Balance as at 31 December 2024	1,793	1,793
Net book value as at 31 December 2024	882	882
Cost:		
Balance as at 1 January 2025	2,675	2,675
Additions during the year	284	284
Disposals during the year	-	-
Balance as at 31 December 2025	2,959	2,959
Accumulated amortisation:		
Balance as at 1 January 2025	1,793	1,793
Provision for amortisation	461	461
Disposals during the year	-	-
Balance as at 31 December 2025	2,254	2,254
Net book value as at 31 December 2025	705	705

Note 5 Interest in joint ventures

For a list of jointly controlled entities, please see the appendices.

	Group		Company	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Loans to joint ventures*	11,019	11,491	-	-
Share of net assets under equity method	(1,771)	(1,569)	-	-
Interest in joint ventures	9,248	9,922	-	-

€10.4 million of the loan is denominated in Euro and bears an interest rate of EURIBOR+2.5% per annum.

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Note 5 Interest in joint ventures (continued)

Condensed financial information of joint ventures are as follows:

	As at 31 December			
	ABM Hotel Holding B.V. EUR'000	art'otel berlin Mitte/Park Plaza Betriebsgesellschaft mbH EUR'000	PPBK Hotel Holding B.V. EUR'000	Park Plaza Betriebsgesellschaft mbH EUR'000
Assets				
Non-current assets:				
Intangible assets	-	-	-	232
Property, plant and equipment	7,235	1,739	13,216	2,341
	7,235	1,739	13,216	2,573
Current assets:				
Inventories	-	30	-	19
Receivables towards related parties	5,528	53	5,253	-
Trade receivables	-	64	-	558
Receivables and other current assets	52	44	132	63
Restricted deposits	2,810	-	645	-
Cash and cash equivalents	432	73	39	81
	8,822	264	6,069	721
Total assets	16,057	2,003	19,285	3,294
Equity and liabilities				
Equity:				
Issued capital	-	25	-	25
Hedging reserve	(208)	-	(278)	-
Accumulated earnings/(losses)	5,510	(6,805)	3,347	(6,919)
Total equity	5,302	(6,780)	3,069	(6,894)
Non-current liabilities:				
Bank borrowings	5,746	-	7,776	-
Other liabilities	4,925	2,810	7,748	4,289
	10,671	2,810	15,524	4,289
Current liabilities:				
Trade payables	20	102	607	184
Other payables and accruals	3	206	3	180
Liabilities towards related parties	-	5,665	-	5,535
Bank borrowings	61	-	82	-
	84	5,973	692	5,899
Total liabilities	10,755	8,783	16,216	10,188
Total equity and liabilities	16,057	2,003	19,285	3,294

Note 6 Other non-current financial assets

	Group		Company	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Derivative financial instruments	244	377	-	-
Rent deposit	427	417	-	-
Investments in subsidiaries				
Investment in Sugarhill Investments B.V.	-	-	69,565	69,565
Investment in Ulika d.o.o.	-	-	2,989	2,989
Investment in Mazurana d.o.o.	-	-	5	5
Impairment of investments in Ulika d.o.o. (Note 19)	-	-	(2,989)	-
	-	-	69,570	72,559
Loans to related parties				
Loan to Sugarhill Investments B.V.	-	-	34,979	32,380
Loan to Germany Real Estate B.V.	-	-	15,383	16,385
Loan to Ulika d.o.o.	-	-	8,800	8,800
Impairment of loans to Ulika d.o.o. (Note 19)	-	-	(3,234)	-
	-	-	55,928	57,565
	661	794	125,498	130,124

All loans stated above are loans given to related party and ECL is considered as immaterial.

Note 7 Trade receivables

a. Composition:

	Group		Company	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Trade receivables	2,835	3,917	1,725	2,414
Less - allowance for doubtful debts	(563)	(541)	(555)	(527)
	2,272	3,376	1,170	1,887

Trade receivables are non-interest bearing.

b. Movements in the allowance for doubtful accounts were as follows:

	Group		Company	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
As at 1 January	541	476	527	430
Additions	28	173	28	135
Deductions	(6)	(108)	-	(38)
As at 31 December	563	541	555	527

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Note 7 Trade receivables (continued)

c. As at 31 December, the ageing analysis of unimpaired trade receivables is as follows:

Group	Total EUR'000	Undue EUR'000	Past due			
			< 30 days EUR'000	30 to 60 days EUR'000	60 to 90 days EUR'000	> 90 days EUR'000
2025	2,272	1,065	301	392	116	398
2024	3,376	1,201	751	225	487	712

Company	Total EUR'000	Undue EUR'000	Past due			
			< 30 days EUR'000	30 to 60 days EUR'000	60 to 90 days EUR'000	> 90 days EUR'000
2025	1,170	498	153	42	97	380
2024	1,887	480	203	80	462	662

Note 8 Other receivables and prepayments

	Group		Company	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Prepaid expenses	793	872	313	294
Receivable for VAT and other taxes	532	748	540	508
Receivable from related parties	79	272	5,694	3,698
Less – allowance for doubtful receivables (Note 19)	-	-	(1,442)	-
Other receivables	16	16	5	6
	1,420	1,908	5,110	4,506

Note 9 Cash and cash equivalents

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and the Company, and earn interest at the respective short term deposit rates. Banks do not have official rating and all banks are considered as high-quality banks.

	Group		Company	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Deposits under 3 months	16,670	22,632	16,670	22,632
Cash at bank	7,218	7,141	1,973	878
Cash at hand	64	103	33	62
	23,952	29,876	18,676	23,572

Note 10 Equity

a. Share capital:

As at 31 December 2025, the Company's share capital amounted to EUR 13,613,965 (2024: EUR: 13,613,965) and was divided into 5,128,721 (2024: 5,128,721) ordinary shares without a nominal value.

b. Hedging reserve

This reserve is comprised of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

c. Nature and purpose of reserves:

Other reserves

The other reserves mainly consist of results of transactions that affected the equity of the Company with regard to acquisition of subsidiaries from related companies.

Under Croatian regulations, the legal reserve must be built up to a minimum of 5% of the profit for the year until the total reserves together with the share premium reach 5% of the Company's share capital. This reserve is not distributable. As at 31 December 2025, legal reserves amounted to EUR 0.7 million (2024: EUR 0.7 million).

As at 31 December 2025, the consolidated other reserves amounting to EUR 38.7 million (2024: EUR 40.1 million) consisted of:

(i) Capital reserves of EUR 78.5 million (2024: EUR 79.7 million).

(ii) Legal reserves amounting to EUR 0.7 million (2024.: EUR 0.7 million).

(iii) Other capital reserves which amount to EUR 43.7 million negative (2024: EUR 43.7 million negative) with regard to the difference between the acquisition price and the net asset value of Sugarhill Investments B.V. at time of acquisition.

(iv) Other reserves constitutes the difference between the purchase price of the Bora Companies and the net asset value of the Bora Companies. The negative goodwill realised on the purchase of EUR 3.1 million was directly recognised in other reserves.

(v) Exchange rate differences in the amount of EUR 0.1 million (2024: EUR 0.3 million).

(vi) Treasury shares amounting to EUR 5.5 million negative (2024: EUR 4.6 million negative).

(vii) Reserves for treasury shares amounting to EUR 5.5 million (2024: EUR 4.6 million). These reserves are

formed from Capital reserves.

As at 31 December 2025, the Company's other reserves amounting to EUR 70.3 million (2024: EUR 71.5 million) consisted of:

(i) Other capital reserves amounting to EUR 66.5 million (2024: EUR 67.7 million). These reserve are distributable.

(ii) Other reserves for the difference between the purchase price of the Bora Companies and the net asset value of the Bora Companies. The difference realised on the purchase of EUR 3.1 million has been directly recognised in other reserves.

(iii) Treasury shares amounting to EUR 5.5 million negative (2024: EUR 4.6 million negative).

(iv) Reserves for treasury shares amounting to EUR 5.5 million (2024: EUR 4.6 million). These reserves are formed from Other capital reserves.

(v) Legal reserves amounting to EUR 0.7 million (2024.: 0.7 million).

During the year, the Company disposed total of 15.000 treasury shares as variable payment to the Management Board.

Note 11 Share-based payments

During the year, the Company disposed of a total of 15.000 treasury shares as share based variable remuneration to the Management Board.

The expense arising from equity-settled share-based payment transactions during 2025 was EUR 513 thousands. In 2024 total of 18,240 shares were disposed to the Management Board (based on share award plan from 2020) with total cost of EUR 36 thousand in 2024.

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Note 12 Pledges, contingent liabilities and commitments

a. Pledges, collateral and securities:

All bank borrowings are secured by a mortgage over Group properties with a net carrying amount of EUR 219.9 million (2024: EUR 227.5 million).

b. Commitments:

(i) Management and franchise agreements

1. In December 2016, the Company's operating agreements for its Croatian properties and those properties in Germany and Hungary that comprised the Sugarhill contribution were amended, restated and novated in order to create two separate agreements:

a. an operating agreement with Arena Hospitality Management d.o.o., which is part of the Group, under which each property pays an annual base fee calculated as

a percentage of total revenue of the property and an annual incentive fee calculated as a percentage of adjusted gross operating profit. The fee revenues generated from properties within the Group are, as the corresponding expenses, eliminated upon consolidation. These agreements are for terms of between 15 and 30 years; and

b. a licence, sales and marketing agreement with a member of the PPHE Hotel Group (as licensor) under which each property pays an annual fee calculated as a percentage of total revenue for, among others, certain Group services. The term of such agreement follows that of the amended operating agreements.

2. Additionally, as of December 2016, through the acquisition of Sugarhill Investmenst B.V. and the restructuring of the Group, the Group benefits from an exclusive right to operate hotels under the Plark Plaza® brand in 18 Countries throughout the CEE region for a period of 30 years.

Guarantees:

The Group, through its subsidiaries ACO Hotel Holding B.V. and ABK Hotel Holding B.V., has an outstanding loan facility with Deutsche Hypothekenbank AG ("Deutsche Hypo") for an aggregate principal amount of EUR 27.0 million (2024: EUR 28.3 million). This facility includes a guarantee issued by PPHE Hotel Group up to the lower of EUR 19 million or

50% of the outstanding debt under the loan. The Company has provided a back-to-back guarantee to PPHE Hotel Group effective as of 1 January 2018.

The Group, through its subsidiaries Arena FRANZ ferdinand GmbH, has an outstanding loan facility with Erste Bank Group AG for an aggregate principal amount of EUR 9.2 million (2024: EUR 9.6 million). This facility includes a guarantee issued by the Company.

The Group, through its subsidiaries SW Szállodaüzemeltető Korlátolt, has an outstanding loan facility with OTP Bank Nyrt. Budapest for an aggregate principal amount of EUR 1.4 million (2024: EUR 1.6 million). This facility includes a guarantee issued by the Company.

The Group, through its subsidiaries Ulika d.o.o., has an outstanding loan facility with ERSTE&STEIERMÄRKISCHE BANK d.d. for an aggregate principal amount of EUR 10.6 million (2024: EUR 11.4 million). This facility includes a guarantee issued by the Company.

c. Lease agreements

The Group operates city hotels (in Germany and Hungary), while in Zagreb the Group developed new hotel, and occupies certain properties under various lease agreements in which the building, fixtures, furniture and equipment are leased. These tend to be long term arrangements under which the Group leases a hotel from a third party property owner for periods of 20 to 45 years and often include options to extend for varying periods. Monthly rental payments are based on a percentage of the operating revenues or gross operating profit of that hotel, subject, in most cases, to a minimum amount which is independent of the operating revenue or gross operating profit. The rental expenses presented in the income statement primarily reflect the variable lease payments. For more info see Note 14.

Note 13 Bank borrowings

The bank borrowings of the Group are comprised as follows:

As at 31 December 2025			
Currency	Outstanding amount in EUR'000	Interest rate	Maturity
EUR	149,525	1.5-3.7%	2026-2036
	<u>149,525</u>		
Accrued interest	731		
Capitalised transaction costs	(403)		
Total	<u>149,853</u>		

As at 31 December 2025						
Outstanding amount EUR	Maturity analysis					
	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter
149,525	39,336	53,232	10,645	5,785	7,803	32,724

For securities and pledges, see Note 12.

All loans have fixed interests rates.

During 2025 the Group withdraw EUR 3 million under OTP facility loan.

As at 31 December 2024			
Currency	Outstanding amount in EUR'000	Interest rate	Maturity
EUR	167,249	0.90-4.3%	2025-2033
	<u>167,249</u>		
Accrued interest	804		
Capitalised transaction costs	(483)		
Total	<u>167,570</u>		

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Note 13 Bank borrowings (continued)

As at 31 December 2024		Maturity analysis				
Outstanding amount EUR	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter
167,249	20,654	38,871	52,803	10,216	5,356	39,349

For securities and pledges, see Note 12.

The bank borrowings of the Company are comprised as follows:

As at 31 December 2025			
Currency	Outstanding amount in EUR'000	Interest rate	Maturity
EUR	90,902	1.5-3.7%	2027-2036
	90,902		
Accrued interest	608		
Capitalised transaction costs	(226)		
Total	91,284		

As at 31 December 2025		Maturity analysis				
Outstanding amount EUR	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter
90,902	10,131	42,131	9,100	4,240	6,259	19,041

As at 31 December 2024			
Currency	Outstanding amount in EUR'000	Interest rate	Maturity
EUR	102,136	1.5-2.95%	2025-2033
	102,136		
Accrued interest	673		
Capitalised transaction costs	(254)		
Total	102,555		

As at 31 December 2024		Maturity analysis				
Outstanding amount EUR	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter
102,136	14,126	9,702	41,702	8,671	3,811	24,124

For securities and pledges, see Note 12.

The Group and the Company are required to comply with certain financial covenants as described below:

a. Under the Zagrebačka Banka d.d joint EUR 32.0 million and HRK 205.0 million facility the borrower must ensure that at year end, based on audited separate financial statements of the borrower, the DSCR is equal to or greater than 1.2 during the life of the loan and that the ratio of Net Debt/ EBITDA ('net leverage ratio') is equal to or lower than 4.5 at year end 2021 and for each succeeding calendar year during the remaining life of the loan. As at 31 December 2025, the Company is in compliance with these covenants.

b. Under the Zagrebačka Banka d.d EUR 10.0 million and HRK 60.0 million facilities the borrower must ensure that at year end, based on audited separate financial statements of the borrower, the DSCR is equal to or greater than 1.2 during the life of the loan and that the net leverage ratio is equal to or lower than 4.5 at year end 2021 and for each succeeding calendar year during the remaining life of the loan. Additionally, the borrower undertakes to maintain the ratio between the net financial debt increased by the exposure under guarantees for bank borrowings and EBITDA to the maximum of 6.0 until the end of the loan repayment. Moreover, under the HRK 60.0 million facility the amount of the loan cannot exceed 70% of the value of the properties used as collateral. As at 31 December 2025, the Company is in compliance with these covenants.

c. Under the Erste Banka d.d. EUR 2.5 million facility, the borrower has to comply with the following covenants calculated based on separate financial statements, tested once a year using audited financial statements for the preceding year: DSCR1 is equal to or greater than 3.5. DSCR 2 is equal or greater than 1.2. The net leverage ratio is equal to or lower than 4.5. Additionally, the borrower undertakes to maintain the ratio between the net financial debt increased by the exposure under guarantees for bank borrowings and EBITDA to the maximum of 6.0 until the end of the loan repayment. The equity ratio has to be at least 30%. As at 31 December 2025, the Company is in compliance with these covenants.

d. Under the club deal with Erste Banka d.d. and Zagrebačka Banka d.d signed in December 2020 for the purpose of financing the refurbishment of Grand Hotel Brioni Pula in the total amount of EUR 24.0 million the borrower has to comply with the following covenants calculated based on separate financial statements, tested once a year using audited financial statements for the preceding year: DSCR1 is equal to or greater than 3.5. DSCR 2 is equal or greater than 1.2. Net leverage ratio is equal to or lower than 4.5. Additionally, the borrower undertakes to maintain the ratio between the net financial debt increased by the exposure under guarantees for bank borrowings and EBITDA to the maximum of 6.0 until the end of the loan repayment. The amount of the loan cannot exceed 70% of the property used as collateral. The equity ratio has to be at least 30%. As at 31 December 2025, the Company is in compliance with these covenants.

e. Under the OTP Banka d.d. loan signed in July 2020 for the purpose of financing the purchase and subsequent refurbishment of Hotel Riviera Pula in the total amount of EUR 10.0 million the borrower has to comply with the following separate covenants, tested once a year using audited financial statements for the preceding year: net leverage ratio is equal to or lower than 4.5. The equity ratio has to be at least 55%. The loan consists of two equal tranches in the amount of EUR 5.0 million each. The loan has a deposit build up mechanism, subject to certain conditions. As at 31 December 2025, the Company is in compliance with these covenants.

f. Under the Deutsche Hypothekenbank AG facility, for Park Plaza Nuremberg the borrower must ensure throughout the entire term of the loan that the outstanding amount of the loan does not exceed 65% of the value of the property used as collateral and that the DSCR is not less than 1.35. As at 31 December 2025, the Group is in compliance with these covenants.

g. Under the Deutsche Hypothekenbank AG facility for ACO Hotel Holding B.V. and ABK Hotel Holding B.V., the borrower must ensure throughout the entire term of the loan that the outstanding amount of

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Note 13 Bank borrowings (continued)

the loan does not exceed 70% of the value of the properties used as collateral and that the DSCR is not less than 1.10. As at 31 December 2025, the Group is in compliance with these covenants.

h. Under the Erste Group Bank AG loan signed in November 2021, for the purpose of financing the purchase of hotel Franz Ferdinand Mountain Resort in Nassfeld, Austria in the total amount EUR 10.5 million, Arena Franz Ferdinand GmbH as the borrower has to comply with following separate hard covenants: projected DSCR is equal or greater than 1.15 at year end 2021 and historical DSCR equal or greater than 1.15 from year end 2023 onwards. The borrower is entitled to make a total of three equity cures during the period of the loan. The amount of the loan cannot exceed 75% of the property used as collateral starting year end 2021 to year end 2023. The borrower also has to comply with the following soft covenants: from year end 2024 onwards DSCR (projected and historical) should be equal to or greater than 1.35. The amount of the loan cannot exceed 65% of the property used as collateral at the year end 2024 until year end 2026, and 60% from the year end 2026 and onwards. As at 31 December 2025, the Group is in compliance with these covenants.

i. Under the Privredna banka d.d. loan signed in November 2022 for the purpose of refinancing investments done in Arena Grand Kažela Campsite in previous years, in the total amount of EUR 18.5 million, the borrower has to comply with following covenants: the DSCR is equal to or greater than 1.2 during the life of the loan based on audited separate financial statements, the net leverage ratio based on audited separate financial statements is equal to or lower than 4.5 from 2022 and for each succeeding calendar year during the remaining life of the loan. Additionally, the borrower undertakes to maintain the ratio between the net financial debt increased by the exposure under guarantees and EBITDA to the maximum of 6.0 until the end of the loan repayment. Moreover, the amount of the loan cannot exceed 70% of the value of the properties used as collateral. As at 31 December 2025, the Company is in compliance with these covenants.

j. Under the HRVATSKA BANKA ZA OBNOVU I RAZVITAK loan signed in May 2022 for the purpose of financing purchase of mobile homes in Arena Stoja Campsite, in the total amount of EUR 2.9 million, the borrower has to comply with the equity ratio has to be at least 30% calculated based on separate financial statements. As at 31 December 2025, the Company is in compliance with these covenants.

k. Under the ERSTE&STEIERMÄRKISCHE BANK d.d. loan signed in March 2022 by Ulika d.o.o. as borrower for the purpose of financing investment in the hotel in Zagreb, in the amount of EUR 12.6 million, the Company as guarantor has to comply with following covenants tested once a year using audited separate financial statements for the preceding year: DSCR 1 is equal to or greater than 3.5. DSCR 2 is equal or greater than 1.2 throughout the life of the loan. Net leverage ratio is equal to or lower than 4.5 at each year end during the remaining life of the loan. Additionally, the guarantor undertakes to maintain the ratio between the net financial debt increased by the exposure under guarantees for bank borrowings and EBITDA to the maximum of 6.0 until the end of the loan repayment. The amount of the loan cannot exceed 100% of the property used as collateral. The equity ratio has to be at least 30%. Ulika d.o.o., as borrower, needs to maintain a DSCR equal to or greater than 1.3 from 2026 onwards. As at 31 December 2025, the Group is in compliance with these covenants.

l. Under the OTP Banka d.d. loan signed in May 2025 for the purpose of financing the investments done in Arena Stupice Campsite and Arena Indije Campsite, in the total amount of EUR 3.0 million the borrower has to comply with the following separate covenants, tested once a year using audited financial statements for the preceding year: net leverage ratio is equal to or lower than 4.5. As at 31 December 2025, the Company is in compliance with these covenants.

The above mentioned loans in Croatia have an interest rate ranging between 1.50% and 3.70%, whilst those outside of Croatia have an interest rate in the range between 2.1% and 3.5%.

For guarantees under the above facility agreements see Note 12.

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Note 14 Leases

a. Right-of-use-assets

The Group leases buildings for its office space and hotels operations. The leases for office space typically lasts for a period of 5 years and lease of hotel building for period 20–45 years.

The Group and the Company elect to use the exemptions permitted by IFRS 16 for leases for which the lease terms ends within 12 months as of the date

of initial application, and lease contracts for which the underlying asset is of low value.

The Group has leases of certain office equipment (i.e., personal computers, printing and photocopying machines) that are considered of low value.

Group	Right-of-use-assets Buildings EUR'000
Cost:	
Balance as at 1 January 2024	48,142
Additions during the year	3,414
Exchange rate differences	(1,377)
Balance as at 31 December 2024	50,179
Accumulated amortisation:	
Balance as at 1 January 2024	15,083
Provision for amortisation	3,141
Exchange rate differences	(328)
Balance as at 31 December 2024	17,896
Net book value as at 31 December 2024	32,283
Cost:	
Balance as at 1 January 2025	50,179
Additions during the year	868
Disposals during the year	(13,405)
Exchange rate differences	1,235
Balance as at 31 December 2025	38,877
Accumulated amortisation:	
Balance as at 1 January 2025	17,896
Provision for amortisation	2,787
Disposals during the year	(12,989)
Exchange rate differences	349
Balance as at 31 December 2025	8,043
Net book value as at 31 December 2025	30,834

There was no capitalisation of borrowing during 2025 or 2024.

b. Lease liability

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Group	Lease liability EUR'000
Balance as at January 1 2024	39,345
Additions during the year	3,414
Accretion of interest	789
Payments	(4,285)
Exchange rate differences	25
Balance as at 31 December 2024	39,288
Balance as at January 1 2025	39,288
Additions during the year	988
Accretion of interest	733
Payments	(4,122)
Write-off of liability (Note 21b)	(2,773)
Exchange rate differences	(86)
Balance as at 31 December 2025	34,028

The maturity analysis of lease liabilities is disclosed below:

Outstanding amount EUR	As at 31 December 2025					
	Maturity analysis					
	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter
34,028	1,740	1,729	1,729	1,713	1,718	25,399
Outstanding amount EUR	As at 31 December 2024					
	Maturity analysis					
	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter
39,288	6,522	1,615	1,626	1,639	1,652	26,234

c. Variable lease payments

One lease of a hotel building contains variable lease payments that are based on the sales generated.

In 2025 total variable cost was EUR 77 thousand (2024: EUR 97 thousand).

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Note 14 Leases (continued)

d. The Company and the Group as a lessor

Part of the Group's and the Company's property, plant and equipment is leased out under operating leases.

The operating leases relate to the lease of shops and restaurants or premises and equipment. During 2025, the Group realised rental income in the amount of EUR 2.6 million (2024: EUR 2.5 million), while the

Company realised rental income in the amount of EUR 2.6 million (2024: EUR 2.5 million).

The future aggregate minimum lease payments receivable of the Group and the Company from operating leases based on lease agreements concluded up to 31 December 2025 are as follows:

	Group		Company	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Up to 1 year	2,443	2,562	2,443	2,562
From 2 to 5 years	6,375	7,390	6,375	7,390
Over 5 years	270	120	270	120
	9,088	10,072	9,088	10,072

Note 15 Provisions

As at 31 December	Group		Company	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Provision for concessions land	6,020	6,020	6,020	6,020
	6,020	6,020	6,020	6,020

Tourist land provisions and obligations

Tourist land provisions and obligations in accordance with the provisions of the Tourist and Other Construction Land Not Appraised During the Transition and Privatisation Process Act from 2010 (the 'TLA'), the Company submitted requests to the Republic of Croatia and the relevant municipality for the award of tourist land concessions in relation to land areas in eight campsites and three tourist resorts in Croatia. The TLA failed to produce the desired impact and to resolve the issues of the ownership / use of the tourist land. This in turn caused far reaching consequences in the form of lack of investments into tourist land, reduced international

competitiveness of Croatian tourism due to lack of development and reduced income of the state and local municipalities. The Croatian government therefore adopted a new legislation to deal with, inter alia, the so-called tourist land and proprietary relationships between the owner of such land and the owner of the facilities built thereon. In May 2020, the new Non-Appraised Construction Land Act (the "NCLA") replaced the TLA and all initiated requests based on the TLA were suspended. Pursuant to the NCLA, the ownership of the land underneath the facilities in the campsites that were assessed into the share capital of the Company is now also legally recognized as ownership of the Company, while

the Republic of Croatia will be the sole owner of the other land in the campsites. In respect to the tourist resorts, the ownership of the land underneath the facilities that have been assessed into the share capital of the Company is now also recognized as ownership of the Company. Tourist land in the tourist resorts and around hotels which was not assessed into the share capital of the Company, and which serves the standard usage of the resorts and hotels shall be owned by a local municipality. In relation to the land in campsites owned by the Republic of Croatia and the land in tourist reports owned by the local municipalities, the Company will by operation of law be deemed long-term (50 years) lessee and will conclude the lease agreement with the state / local municipalities once the procedure envisaged by the NCLA will be complete.

In February 2024, the Regulation on determination of the leases for tourist land on which the hotel and tourist resorts are built, and the Regulation on determination of the leases on parts of the campsites owned by Republic of Croatia were adopted by the Government.

As the respective proceedings concerning, inter alia, the determination of maritime area as well as borders of the campsites and ownership of the land below buildings in the campsites are still ongoing, the Government has charged the Company with rent only for 50% of the area, while the other 50% will be charged after resolving all open issues and respective proceedings are finalised. Additionally, based on the Regulation and the Non-Appraised Construction Land Act, Companies have opportunities to cap the rent to 4% of the total revenue of the individual campsite, what would be applied in all our campsites. Since calculation of the expense based on the cap has element of variable payments according to IFRS 16, this Standard was not applied, and lease expenses are still presented in the Income Statement as operating expense.

As the status with the land around hotels and tourists resorts are still not finally resolved, the Company continued with previously defined concept of accruing rent expense, which should be adequate to cover total expected liabilities.

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Note 16 Other payables and accruals

	As at 31 December			
	Group		Company	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Received advances	2,419	2,609	1,303	1,400
Liabilities toward employees for payroll and other liabilities	3,653	2,699	3,077	2,263
Accrued fee for the tourist land concession	4,770	4,151	4,770	4,151
Accrued expenses	1,384	1,128	658	356
VAT and taxes	1,181	895	632	564
Other	264	212	124	94
	13,671	11,694	10,564	8,828

Note 17 Revenues

	Year ended 31 December			
	Group		Company	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Accommodation	119,988	117,707	84,512	80,125
Food and beverages	17,007	17,205	10,171	10,174
Minor operating revenues*	4,910	4,875	3,610	3,834
Rent revenue	2,626	2,497	2,604	2,475
	144,531	142,284	100,897	96,608

* Minor operating revenue consists of various hospitality services provided, such as rent of sun loungers and umbrellas, foreign exchange fees, certain wellness services and sport activities.

Note 18 Operating expenses

	Year ended 31 December			
	Group		Company	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Salaries and related expenses	50,742	49,032	32,812	31,307
Franchise fees, reservation and commissions	9,050	8,886	5,886	5,503
Utilities	7,532	8,255	5,232	5,723
Food and beverage	10,046	9,482	7,058	6,665
Marketing expenses	6,616	6,611	4,947	4,809
Administration costs	4,614	4,534	2,841	2,842
Maintenance	4,501	4,350	3,471	3,400
Insurance and property taxes	3,065	2,974	2,093	2,025
Supplies	2,431	2,387	1,599	1,561
IT expenses	1,131	1,106	851	806
Laundry, linen and cleaning	1,406	1,501	301	255
Travel and transport	938	1,024	705	765
Management fee	-	-	3,239	3,036
Other expenses	4,593	4,617	2,356	2,549
	106,665	104,759	73,391	71,246

Salaries and related expenses include EUR 6.5 million (2024: EUR 6.6 million) and EUR 4.1 million (2024: EUR 4.3 million) of defined pension contributions payable to obligatory pension plans for the Group and the Company, respectively. Contributions are calculated as a percentage of employees' gross salaries.

The Group's auditor's fees for 2025 were EUR 173.8 thousand (2024: 172.3 thousand). The Company's auditor's fees for 2025 were 152.3 thousand (2024: EUR 147.3 thousand).

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Note 19 Financial expenses

	Year ended 31 December			
	Group		Company	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Interest and other finance expenses on bank loans	4,016	4,473	2,353	2,579
Exchange rate differences	-	1,577	-	-
Interest on lease liability	733	789	-	-
Impairment of investments, given loans and interests receivables*	-	-	7,666	-
Other	193	170	120	115
	4,942	7,009	10,139	2,694

*The Company's Management assessed the recoverability of its investment in the subsidiary Ulika d.o.o., the loans granted to it, and the related interest receivables, and identified indicators of

impairment. Following the impairment test, the amounts presented in the table have been adjusted accordingly.

Note 20 Financial income

	Year ended 31 December			
	Group		Company	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Interest revenue on loans given to joint ventures	548	624	-	-
Interests revenue	551	1,256	515	1,220
Exchange rate differences	1,265	-	-	-
Interest revenue on related party loan	-	-	2,532	2,046
	2,364	1,880	3,047	3,266

Note 21 Other expense/ Other income

a. Other expense

	Year ended 31 December			
	Group		Company	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Pre-opening expenses	-	123	-	-
Disposal of fixed assets	528	585	463	585
Other expenses	294	262	235	96
	822	970	698	681

b. Other income

	Year ended 31 December			
	Group		Company	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Profit of disposed fixed assets	290	354	290	354
Write-off liability from lease termination*	2,357	-	-	-
Other	193	186	98	176
	2,840	540	388	530

*The Group terminated a 20 year lease that was originally set to expire at the end of 2025. The Group reached a mutually beneficial agreement with the

landlord to end the lease four months early, resulting in additional profit due to lower lease payments and reduced dilapidation costs.

Note 22 Income tax

a. Tax expense included in the income statement

	Year ended 31 December			
	Group		Company	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Current taxes	1,002	767	-	-
Deferred taxes	1,464	1,949	1,464	1,948
	2,466	2,716	1,464	1,948

b. The following are the major deferred tax (liabilities) and assets recognised by the Group and changes therein during the period

	Tax loss carry forward EUR'000	Timing difference on provisions and accruals EUR'000	Property, plant and equipment EUR'000	Tax Incentives for Investments EUR'000	Total EUR'000
Balance as at 31 December 2023	733	1,980	97	5,864	8,674
Amounts credited to income statement	-	-	-	-	-
Amounts charged to income statement	(647)	(731)	(5)	(566)	(1,949)
Balance as at 31 December 2024	86	1,249	92	5,298	6,725
Amounts credited to income statement	-	-	-	2,342	2,342
Amounts charged to income statement	-	252	(5)	(4,053)	(3,806)
Balance as at 31 December 2025	86	1,501	87	3,587	5,261

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Note 22 Income tax (continued)

The following are the major deferred tax (liabilities) and assets recognised by the Company and changes therein during the period:

	Tax loss EUR'000	Timing difference on provisions and accruals EUR'000	Property, plant and equipment EUR'000	Tax Incentives for Investments EUR'000	Total EUR'000
Balance as at 31 December 2023	647	1,980	97	5,864	8,588
Amounts credited to income statement	-	-	-	-	-
Amounts charged to income statement	(647)	(730)	(5)	(566)	(1,948)
Balance as at 31 December 2024	-	1,250	92	5,298	6,640
Amounts credited to income statement	-	-	-	2,342	2,342
Amounts charged to income statement	-	252	(5)	(4,053)	(3,806)
Balance as at 31 December 2025	-	1,502	87	3,587	5,176

c. Reconciliation between tax (benefit)/expense and the product of accounting profit multiplied by the Company's tax rate is as follows:

	Year ended 31 December			
	Group		Company	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Profit/(loss) before income taxes	18,123	8,661	13,321	10,642
Expected tax at the tax rate of Croatia 18% (2024: 18%)	3,262	1,559	2,398	1,916
Adjustments in respect of:				
Effect of other Countries tax rate	167	113	-	-
Non-deductible expenses	568	453	1,420	58
Utilisation of carry forward losses for which deferred tax assets were not previously recorded	(636)	(458)	-	-
Income tax from previous years	-	(64)	-	-
Non-taxable income	(8)	(26)	(6)	(26)
Carry forward losses on which deferred tax asset has not been recognized	1,461	1,139	-	-
Additionally created deferred tax asset on tax credits from previous year	(2,348)	-	(2,348)	-
Income tax (benefit)/expense reported in the income statement	2,466	2,716	1,464	1,948

d. Tax incentives

In May 2019, based on confirmation from the Ministry of Economy and pursuant to the Investment Promotion and Development of Investment Climate Act, the Company became eligible to claim incentive allowances. Investments eligible for incentives were investments in Arena One 99 Glamping, Arena Grand

Kažela Campsite, Grand Hotel Brioni Pula and Arena Verudela Beach self-catering apartment complexes. The Company has the right to use the investment tax credits until 2027. The execution of the investment project is subject to supervision by the relevant institutions throughout the period of use of the tax credits and the Company will need to present

regular annual reports to the tax authority in which it will evidence that the conditions for the use of the tax credits are met.

On part of tax credits deferred tax asset is recognized in the Balance sheet. Amount of unrecognized deferred tax assets as of 31 December 2025 is EUR 3.5 million (2024: EUR 5.8 million).

e. Tax laws applicable to the Companies of the Group:

(i) The Company is subject to taxation under the law of Croatia. The Company was taxed at the standard rate of 18%.

(ii) Foreign subsidiaries are subject to income taxes in their country of domicile in respect of their income, as follows:

a) Taxation in Germany: corporate income tax rate and business rates is 29.72%.

b) Taxation in Hungary: corporate income tax rate is 15%.

c) Taxation in the Netherlands: corporate income tax rate is 25.8%.

d) Taxation in Austria: corporate income tax rate is 23%.

e) Taxation in Serbia: corporate income tax rate is 15%.

f. Losses carried forward for tax purposes:

The Company in Croatia has no carry forward losses for tax purposes at the balance sheet date.

Other subsidiaries in Croatia have carry forward losses for tax purposes at the balance sheet date in the total amount of EUR 9.5 million. Deferred tax asset was

not recognised. These losses can be utilised within five years following the year in which the losses were incurred, what means until the year 2030.

The Group has carry forward losses for tax purposes at the balance sheet date in Germany in the amount of EUR 19.2 million for corporation tax and amount of EUR 10.6 million for trade tax purposes. Deferred tax assets were partially recognised in the amount of EUR 0.08 million. These losses could be carried forward indefinitely and utilized in future years to offset taxable income.

The Group has carry forward losses for tax purposes at the balance sheet date in Austria in the amount of EUR 4.7 million. Deferred tax assets were not recognised. These losses could be carried forward indefinitely and utilized in future years to offset up to 75% of taxable income of the year.

The Group has carry forward losses for tax purposes at the balance sheet date in Hungary in the amount of EUR 5.6 million. Deferred tax asset was not recognised. These losses can be utilised within five years following the year in which the losses were incurred, what means until the year 2030.

The Group has carry forward losses for tax purposes at the balance sheet date in Serbia in the amount of EUR 3.2 million. Deferred tax asset was not recognised. These losses can be utilised within five years following the year in which the losses were incurred, what means until the year 2030.

Note 23 Earnings per share

The following reflects the income and number of shares data used in the basic earnings per share computations:

	Year ended 31 December			
	Group		Company	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Profit/(loss) for the year	15,657	5,945	11,857	8,694
Weighted average number of ordinary shares outstanding	5,039,444	5,054,752	5,039,444	5,054,752
Basic and diluted earnings per share	3.11	1.18	2.35	1.72

Basic earnings per share is equal to diluted earnings per share.

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Note 24 Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments. The Group's and the Company's chief operating decision maker is the Management Board. Following the management approach of IFRS 8, Operating Segments are reported in accordance with the internal reporting provided to the Management Board who are responsible for allocating resources to the reportable segments and assessing their performance.

For management purposes, the Group's and the Company's activities are divided into hotel operations, self-catering holiday apartment complex operations, campsite operations and

central services operations. The operating results of each of the aforementioned segments are monitored separately for the purpose of resource allocation and performance assessment. Segment performance is evaluated based on EBITDA, which is measured on the same basis as for financial reporting purposes in the income statement. Segments are shown based on industry practice.

The aggregated operating segments share similar economic characteristics, including demand drivers, profitability trends, and regulatory environments. Hotel operations, self-catering holiday apartment complexes, and campsite operations generate revenue primarily from accommodation, hospitality services, and ancillary offerings, while central services support these operations.

Year ended 31 December 2025						
Group	Hotels EUR'000	Self-catering holiday apartment complexes EUR'000	Campsites EUR'000	Central Services EUR'000	Elimination EUR'000	Total EUR'000
Revenue						
Third party	92,412	15,873	34,915	1,331	-	144,531
Inter segment	10	64	-	17,298	(17,372)	-
Total revenue	92,422	15,937	34,915	18,629	(17,372)	144,531
Segment EBITDA	17,965	3,647	15,676	(1,798)		35,490
Depreciation and amortisation	(10,261)	(1,277)	(4,671)	(212)	-	(16,421)
Financial expenses						(4,942)
Financial income						2,364
Other expenses						(828)
Other income						2,840
Share in result of joint venture						(386)
Profit/(loss) before tax						18,123

Geographical information				
	Croatia EUR'000	Germany EUR'000	CEE EUR'000	Total EUR'000
Non-current assets ¹	247,766	74,377	26,877	349,020

¹Non-current assets for this purpose consist of property, plant and equipment.

Year ended 31 December 2024						
Group	Hotels EUR'000	Self-catering holiday apartment complexes EUR'000	Campsites EUR'000	Central Services EUR'000	Elimination EUR'000	Total EUR'000
Revenue						
Third party	93,593	15,925	31,611	1,155	-	142,284
Inter segment	45	211	-	17,624	(17,880)	-
Total revenue	93,638	16,136	31,611	18,779	(17,880)	142,284
Segment EBITDA	18,935	3,809	12,536	(242)		35,038
Depreciation and amortisation	(13,084)	(2,100)	(4,157)	(1,160)	-	(20,501)
Financial expenses						(7,009)
Financial income						1,880
Other expenses						(970)
Other income						540
Share in result of joint venture						(317)
Profit/(loss) before tax						8,661

Geographical information				
	Croatia EUR'000	Germany EUR'000	CEE EUR'000	Total EUR'000
Non-current assets ¹	235,962	75,705	31,274	342,941

¹Non-current assets for this purpose consist of property, plant and equipment.

Year ended 31 December 2025						
Company	Hotels EUR'000	Self-catering holiday apartment complexes EUR'000	Campsites EUR'000	Central Services EUR'000	Elimination EUR'000	Total EUR'000
Revenue						
Third party	48,198	15,887	34,915	1,897	-	100,897
Inter segment	-	50	-	10,505	(10,555)	-
Total revenue	48,198	15,937	34,915	12,402	(10,555)	100,897
Segment EBITDA	9,966	3,647	15,676	(3,904)		25,385
Depreciation and amortisation	1,250	(1,277)	(4,671)	36	-	(4,662)
Financial expenses						(10,139)
Financial income						3,047
Other expenses						(698)
Other income						388
Profit/(loss) before tax						13,321

Non-current fixed assets	107,033	44,621	64,978	11,190		227,822
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All the Company's non-current assets are located in Croatia.

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Note 24 Segments (continued)

Company	Year ended 31 December 2024					
	Hotels EUR'000	Self-catering holiday apartment complexes EUR'000	Campsites EUR'000	Central Services EUR'000	Elimination EUR'000	Total EUR'000
Revenue						
Third party	47,117	15,970	31,611	1,910	-	96,608
Inter-segment	-	166	-	10,689	(10,689)	-
Total revenue	47,117	16,136	31,611	12,599	(10,689)	96,608
Segment EBITDA	9,520	3,809	12,536	(2,714)	-	23,151
Depreciation and amortisation	(5,656)	(2,100)	(4,157)	(1,017)	-	(12,930)
Financial expenses						(2,694)
Financial income						3,266
Other expenses						(681)
Other income						530
Profit/(loss) before tax						10,642
Non-current fixed assets	98,107	45,355	54,287	16,069	-	213,818

All the Company's non-current assets are located in Croatia.

Note 25 Related parties

Parties are considered to be related if one of the parties has the power to exercise control over the other party or if it has significant influence over the other party in making financial or operational decisions. The Company is controlled by Dvadeset Osam d.o.o., which owned 66.09% of the Company's shares as at 31 December 2025. The ultimate parent is PPHE Hotel Group Limited which owns 100% of shares of Dvadeset Osam d.o.o. Additionally, all other subsidiaries of PPHE Hotel Group are treated as related parties.

a. Balances with related parties

	Year ended 31 December			
	Group		Company	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Assets:				
Short-term receivables – Park Plaza Hotels Europe B.V.	44	181	2	146
Short-term receivables – PPHE (Germany) B.V.	-	4	-	-
Short-term receivables – from joint ventures	115	197	-	-
Short-term receivables – Park Plaza Hotels (UK) Services Ltd.	35	18	35	18
Short-term receivables – Arena 88 rooms d.o.o.	-	-	24	24
Short-term receivables – Arena Franz Ferdinand GmbH	-	-	19	19
Short-term receivables – Ulika d.o.o.	-	-	1,442	679
Short-term receivables – Mažurana d.o.o.	-	-	57	-
Short-term receivables – Germany Real Estate B.V.	-	-	-	135
Short-term receivables – Sugarhill Investments B.V.	-	-	4,107	2,677
Short-term receivables – SW Szállodaüzemeltető Kft	-	-	4	-
Short-term receivables – art'otel Köln Betriebsgesellschaft mBH	-	-	3	-
Long-term loans to joint ventures (Note 5)	11,019	11,491	-	-
Long-term loans to Sugarhill Investments B.V.	-	-	34,979	32,379
Long-term loans to Ulika d.o.o.	-	-	8,800	8,800
Long-term loans to Germany Real Estate B.V.	-	-	15,383	16,385
Liabilities:				
Trade payables – from joint ventures	-	71	-	-
Trade payables – Arena Hospitality Management d.o.o.	-	-	870	782
Trade payables – Mažurana d.o.o.	-	-	-	49
Trade payables – Arena Franz Ferdinand GmbH	-	-	-	1
Trade payables – PPHE (Germany) B.V.	937	516	-	-
Trade payables – Park Plaza Hotels Europe B.V.	547	468	452	403

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Note 25 Related parties (continued)

b. Transactions with related parties

	Year ended 31 December			
	Group		Company	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Management fee revenue from joint ventures	427	299	-	-
Service charge revenue – joint ventures	429	395	-	-
Service charge revenue – Park Plaza Hotels Europe B.V.	46	23	-	5
Service charge revenue – Park Plaza hotels (Germany) Services GmbH	-	-	-	5
Service charge revenue – Park Plaza Germany Holdings GmbH	-	-	40	-
Service charge revenue – Park Plaza Hotels Berlin Wallstrasse GmbH	-	-	6	15
Service charge revenue – art'otel berlin city center west GmbH	-	-	7	8
Service charge revenue – art'otel Koln Betriebsgesellschaft mBH	-	-	14	15
Service charge revenue – PPHE Nuernberg Operator Hotelbetriebsgesell-schaft mbh	-	-	8	13
Service charge revenue – Arena 88 rooms d.o.o.	-	-	6	7
Service charge revenue – Ulika d.o.o.	-	-	6	10
Service charge revenue – Arena Hospitality Management d.o.o.	-	-	3	6
Service charge revenue – Arena Franz Ferdinand GmbH	-	-	47	25
Service charge revenue – SW Szállodaüzemeltető Kft	-	-	16	6
Reimbursement of marketing expenses – Park Plaza Hotels Europe B.V.	-	60	-	60
Reimbursement of employee expenses – Arena Hospitality Management d.o.o.	-	-	1,068	1,027
Reimbursement of employee expenses – Arena Franz Ferdinand GmbH	-	-	-	7
Revenue from lease of equipment – Mažurana d.o.o.	-	-	24	83
Laundry revenue – Arena Franz Ferdinand GmbH	-	-	170	148
Laundry revenue – Ulika d.o.o.	-	-	236	168
Laundry revenue – Mažurana d.o.o.	-	-	2	-
Accounting revenue – Ulika d.o.o.	-	-	50	48
Interest income – Ulika d.o.o.	-	-	385	286
Interest income – Mažurana d.o.o.	-	-	-	2
Interest income – joint ventures	549	624	-	-
Interest income – Sugarhill Investments B.V.	-	-	1,430	1,213
Interest income – Germany Real Estate B.V.	-	-	716	545
Service charge expenses – Mažurana d.o.o.	-	-	-	135
Service charge expense – Societa Immobiliare Alessandro De Gasperis Srl	13	-	13	-
Management fees expenses – Arena Hospitality Management d.o.o.	-	-	3,239	3,036
Sales and marketing fees – Park Plaza Hotels Europe B.V.	4,239	4,039	3,957	3,789
Sales and marketing fees – PPHE (Germany) B.V.	1,257	1,409	-	-

c. Significant other transactions with related parties (i) Transactions in the ordinary course of business, in connection with the use of hotel facilities (such as overnight room stays and food and beverages) occur occasionally.

(ii) Compensation to key management personnel (Management and Supervisory Board members) for the year ended 31 December 2025:

Group and Company	Base salary and fees EUR'000	Bonus EUR'000	Pension contributions EUR'000	Other benefits EUR'000	Total EUR'000
Management Board	826	-	108	121	1,055
Supervisory Board	129	-	14	-	143
	955	-	122	121	1,198

In addition, during 2025 total number of 15.000 treasury shares were awarded to the Management Board. Total value of the shares at the exercise date was EUR 513 thousand, while tax liability was EUR 162 thousand.

Compensation to key management personnel (Management and Supervisory Board members) for the year ended 31 December 2024:

Group and Company	Base salary and fees EUR'000	Bonus EUR'000	Pension contributions EUR'000	Other benefits EUR'000	Total EUR'000
Management Board	822	147	161	143	1,273
Supervisory Board	129	-	14	-	143
	951	147	175	143	1,416

In addition, during 2024 total number of 18.240 treasury shares were awarded to the Management Board. Total value of the shares at the exercise date was EUR 505 thousand, while tax liability was EUR 159 thousand.

Note 26 Financial risk management objectives and policies

The Group's and Company's principal financial instruments, other than derivatives, and marketable securities comprise bank borrowings, cash and cash equivalents and restricted deposits. The main purpose of these financial instruments is to finance

the Group's and Company's operations. The Group and the Company have various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

Group	Changes in financial liabilities arising from financing activities						31 December 2025 EUR'000
	1 January 2025 EUR'000	Cash flows EUR'000	Reclassification EUR'000	Foreign exchange movement EUR'000	New loans EUR'000	Other EUR'000	
Non-current interest-bearing loans	146,112	-	(39,336)	(69)	3,000	79	109,786
Non-current lease liability	32,766	-	(1,741)	(85)	120	1,227	32,287
Derivative financial instruments	(377)	-	-	-	-	133	(244)
Current interest-bearing loans	21,458	(20,726)	39,336	71	-	(72)	40,067
Current lease liability	6,522	(3,389)	1,741	-	-	(3,133)	1,741
	206,481	(24,115)	-	(83)	3,120	(1,766)	183,637

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Note 26 Financial risk management objectives and policies (continued)

Group	Changes in financial liabilities arising from financing activities						31 December 2024 EUR'000
	1 January 2024 EUR'000	Cash flows EUR'000	Reclassification EUR'000	Foreign exchange movement EUR'000	New loans EUR'000	Other EUR'000	
Non-current interest-bearing loans	162,251	-	(21,231)	7	5,000	85	146,112
Non-current lease liability	35,799	-	(6,472)	25	-	3,414	32,766
Derivative financial instruments	(612)	-	-	-	-	235	(377)
Current interest-bearing loans	27,652	(27,414)	21,231	(11)	-	-	21,458
Current lease liability	3,546	(3,496)	6,472	-	-	-	6,522
	228,636	(30,910)	-	21	5,000	3,734	206,481

Company	Changes in financial liabilities arising from financing activities						31 December 2025 EUR'000
	1 January 2025 EUR'000	Cash flows EUR'000	Reclassification EUR'000	New loans EUR'000	Other EUR'000		
Non-current interest-bearing loans	87,756	-	(10,131)	3,000	(80)		80,545
Non-current lease liability	122	(9)	(71)	120	-		162
Current interest-bearing loans	14,799	(14,234)	10,131	-	43		10,739
Current lease liability	47	(47)	71	-	-		71
	102,724	(14,290)	-	3,120	(37)		91,517

Company	Changes in financial liabilities arising from financing activities						31 December 2024 EUR'000
	1 January 2024 EUR'000	Cash flows EUR'000	Reclassification EUR'000	New loans EUR'000	Other EUR'000		
Non-current interest-bearing loans	97,416	-	(14,628)	5,000	(32)		87,756
Non-current lease liability	169	-	(47)	-	-		122
Current interest-bearing loans	23,161	(22,990)	14,628	-	-		14,799
Current lease liability	45	(45)	47	-	-		47
	120,791	(23,035)	-	5,000	(32)		102,724

The Group and the Company also enters into derivative transactions, including principally interest rate swap contracts. The purpose is to manage the interest rate risk arising from the Group's and Company's operations and its sources of finance. It is, and has been throughout the years under review, the Group's and Company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's and Company's financial instruments are cash flow interest rate risk, credit risk and liquidity risk. The Management Board reviews and agrees on policies for managing each of these risks which are summarised below. The Group's and Company's accounting policies in relation to derivatives are set out in Note 2.

a. Foreign currency risk

The Group operate internationally and are exposed to foreign exchange risk. Functional currency in the Group is EUR, and most of the transaction is exercised in EUR. Additionally, part of the transaction is exercised in Serbian dinar or Hungarian Forint. Transaction in these currencies are not significant on Group level. On the Company level this risk does not exist.

b. Interest rate risk

The Group's and Company's policy is to manage its interest costs using fixed rate debt. To manage its interest costs, the Group and Company enter into interest rate swaps, in which the Group and the Company agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional principal amount. Furthermore, the Group and Company uses fixed interest rate debts. For this reason the Group's and the Company's cash flow are not sensitive to possible changes in market interest rates. Possible changes in interest rates do, however, affect the Group's and Company's equity as the fair value of the swap agreements changes with interest rate changes. These swaps are designated to hedge underlying debt servicing obligation. The Group and Company does not engage in complex hedging activities or hold significant financial instruments. All loans are with fixed rate or hedged and therefore considered as fixed.

The fair value of the swaps of the Group as at 31 December 2025 amounts to an assets of EUR 244 thousand.

c. Credit risk

The Group and the Company trade only with recognised, creditworthy third parties. They have policies in place to ensure that sales of products/services are made to customers with an appropriate credit history. The Group's and the Company's policies ensure that sales to customers are settled through advance payments, in cash or by major credit cards (individual customers). Since the Group and the Company trade only with recognised third parties, there is no requirement for collateral for debts with third parties. Furthermore, the Group and the Company have no dependency on any of its customers. The receivable balances are monitored on an ongoing basis. Management monitors the collection of receivables through credit meetings and weekly reports on individual balances of receivables. Impairment of trade receivables is recorded when there is objective evidence that the Group and the Company will not be able to collect all amounts due according to the original terms of receivables.

The maximum credit exposure equals the carrying amount of the trade receivables and other receivables since the amount of all trade and other receivables has been written down to the irrecoverable amount. The result of these actions is that the Group's and the Company's exposure to bad debts is not significant. Movement in loss allowance is presented in Note 7b. There were no other loss allowances.

With respect to credit risk arising from other financial assets of the Group and the Company, which comprise cash and cash equivalents and investment in securities, the Group's and the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group and the Company have limited concentration risk in respect of its cash at banks.

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Note 26 Financial risk management objectives and policies (continued)

d. Litigation and administrative procedures as a risk factor in business

In addition to financial risk factors, the Group and the Company are exposed to the risk of adverse outcomes of legal proceedings. The most significant is:

(i) Based on the Medulin Municipality's ownership interest which is registered in the land registry with respect to certain land plots of the campsites Medulin, Stupice and Runke, the Medulin Municipality filed a law suit against the Company for compensation for the use of such land from December 1997 currently amounting to EUR 8.9 million plus interest. It also demanded transfer of possession of the respective parts of those campsites. The Company claimed that pursuant to the Act, the Company acquired co-ownership of the campsites Medulin, Stupice and Runke, together with the Republic of Croatia, and therefore, that the Medulin Municipality is not entitled to claim for payment of land use remuneration and

transfer of possession of land plots in the campsites. In addition to objecting to the claim of the Medulin Municipality, the Company filed a counterclaim against the Medulin Municipality in the amount of EUR 16.5 million as the Company have made various investments in the campsites. The court in first instance has suspended the proceedings. It awaits the outcome of the proceedings on the determination of the actual size of the maritime domain areas within the campsites and until a final agreement has been reached between the Municipality of Medulin and the Republic of Croatia on the ownership of the land of the campsites.

The Management Board alongside the Group's and Company's professional advisers are monitoring all litigation and court proceedings carefully and responsibly in order to prevent possible negative outcomes.

e. Liquidity risk

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

The table below summarises the maturity profile of the Group's financial assets and liabilities as at 31 December 2025 and 2024 based on contractual undiscounted payments:

	As at 31 December 2025					
	Less than 3 months EUR'000	3 to 12 months EUR'000	1 to 2 years EUR'000	3 to 5 years EUR'000	> 5 years EUR'000	Total EUR'000
Restricted deposits and cash	-	-	1,750	1,500	1,087	5,258
Rent deposit	417	-	-	-	-	417
Derivative financial instruments	-	-	-	377	-	377
Loans given to joint ventures	-	1,545	1,496	4,190	7,063	14,294
Trade receivables	2,272	-	-	-	-	2,272
Other receivables and prepayments	1,420	-	-	-	-	1,420
Short-term deposits	-	1,744	-	-	-	1,744
Cash and cash equivalents	23,952	-	-	-	-	23,952
Total assets	28,061	3,289	3,246	6,067	8,150	48,813
Interest-bearing loans and borrowings	3,317	39,638	55,998	28,392	35,230	162,575
Lease liability	522	1,565	2,080	6,122	32,634	42,923
Accrued fee for the tourist land concession	-	4,770	-	-	-	4,770
Trade payables	3,708	-	-	-	-	3,708
Liabilities toward related parties	1,484	-	-	-	-	1,484
Other payables and accruals	3,653	4,065	-	-	-	7,718
Total liabilities	12,684	50,038	58,078	34,514	67,864	223,180
Maturity mismatch	15,377	(46,749)	(54,832)	(28,447)	(59,714)	(174,367)

	As at 31 December 2024					
	Less than 3 months EUR'000	3 to 12 months EUR'000	1 to 2 years EUR'000	3 to 5 years EUR'000	> 5 years EUR'000	Total EUR'000
Restricted deposits and cash	-	-	1,750	3,250	1,345	6,345
Rent deposit	-	-	417	-	-	417
Derivative financial instruments	-	-	-	377	-	377
Loans given to joint ventures	-	1,693	1,633	4,536	7,936	15,798
Trade receivables	3,376	-	-	-	-	3,376
Other receivables and prepayments	1,908	-	-	-	-	1,908
Short-term deposits	-	7,453	-	-	-	7,453
Cash and cash equivalents	29,876	-	-	-	-	29,876
Total assets	35,160	9,146	3,800	8,163	9,281	65,550
Interest-bearing loans and borrowings	5,783	18,949	42,381	67,491	49,323	183,927
Lease liability	1,096	3,289	2,032	6,013	33,528	45,958
Accrued fee for the tourist land concession	-	4,151	-	-	-	4,151
Trade payables	3,988	-	-	-	-	3,988
Liabilities toward related parties	1,055	-	-	-	-	1,055
Other payables and accruals	2,699	3,949	-	-	-	6,648
Total liabilities	14,621	30,338	44,413	73,504	82,851	245,727
Maturity mismatch	20,539	(21,192)	(40,613)	(65,341)	(73,570)	(180,177)

Financial statements

Note 26 Financial risk management objectives and policies (continued)

The table below summarises the maturity profile of the Company's financial liabilities as at 31 December 2025 and 2024 based on contractual undiscounted payments:

As at 31 December 2025						
	Less than 3 months EUR'000	3 to 12 months EUR'000	1 to 2 years EUR'000	3 to 5 years EUR'000	> 5 years EUR'000	Total EUR'000
Restricted deposits and cash	-	-	1,750	1,500	995	4,245
Loans to related parties	-	2,982	2,942	10,050	57,288	73,262
Trade receivables	1,170	-	-	-	-	1,170
Other receivables and prepayments	5,110	-	-	-	-	5,110
Short-term deposits	-	1,744	-	-	-	1,744
Cash and cash equivalents	18,676	-	-	-	-	18,676
Total assets	24,956	4,726	4,692	11,550	58,283	104,207
Interest-bearing loans and borrowings	2,062	10,287	44,122	22,413	20,482	99,366
Lease liability	21	60	73	103	-	257
Accrued fee for the tourist land concession	-	4,770	-	-	-	4,770
Trade payables	1,360	-	-	-	-	1,360
Liabilities toward related parties	1,322	-	-	-	-	1,322
Other payables and accruals	3,077	2,085	-	-	-	5,162
Total liabilities	7,842	17,202	44,195	22,516	20,482	112,237
Maturity mismatch	17,114	(12,476)	(39,503)	(10,966)	37,801	(8,030)

As at 31 December 2024						
	Less than 3 months EUR'000	3 to 12 months EUR'000	1 to 2 years EUR'000	3 to 5 years EUR'000	> 5 years EUR'000	Total EUR'000
Restricted deposits and cash	-	-	1,750	3,500	237	5,487
Loans to related parties	-	3,371	3,322	11,124	62,117	79,934
Trade receivables	1,887	-	-	-	-	1,887
Other receivables and prepayments	4,506	-	-	-	-	4,506
Short-term deposits	-	5,487	-	-	-	5,487
Cash and cash equivalents	23,572	-	-	-	-	23,572
Total assets	29,965	8,858	5,072	14,624	62,354	120,873
Interest-bearing loans and borrowings	4,219	12,265	11,820	53,597	30,683	112,584
Lease liability	14	41	55	82	-	192
Accrued fee for the tourist land concession	-	4,151	-	-	-	4,151
Trade payables	1,499	-	-	-	-	1,499
Liabilities toward related parties	1,236	-	-	-	-	1,236
Other payables and accruals	2,263	1,850	-	-	-	4,113
Total liabilities	9,231	18,307	11,875	53,679	30,683	123,775
Maturity mismatch	20,734	(9,449)	(6,803)	(39,055)	31,671	(2,902)

f. Capital management

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

	Group		Company	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Interest-bearing bank loans and borrowings	149,853	167,570	91,284	102,555
Less - cash and cash equivalents	(23,952)	(29,876)	(18,676)	(23,572)
Less - other current financial assets	(1,744)	(7,453)	(1,744)	(7,453)
Net debt	124,157	130,241	70,864	71,530
Equity	222,313	213,690	279,215	274,204
Hedging reserve	13	(37)	-	-
Total capital	222,326	213,653	279,215	274,204
Capital and net debt	346,483	343,894	350,079	345,734
Gearing ratio	35.83%	37.87%	20.24%	20.69%

The Group and the Company manage its capital structure and make adjustments to it in light of changes in economic conditions. The Group and the Company monitor capital using a gearing ratio, which is net bank debt divided by total capital plus net bank debt. The Group's policy is to keep the gearing ratio between 30% and 40%. The Group and the Company include within net bank debt, interest bearing bank loans and borrowings, less cash and cash equivalents and other liquid assets. Capital includes equity less the hedging reserve.

g. Fair value of financial instruments

The fair values of the financial assets and liabilities are included in the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of cash and cash equivalents, trade receivables, trade payables, and other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long term fixed rate and variable rate receivables are evaluated by the Group and the Company based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

The fair value of loans from banks and other financial

Financial statements

Note 26 Financial risk management objectives and policies (continued)

liabilities, obligations under finance leases as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

The fair value of loans from banks and other financial liabilities, obligations under finance leases as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Fair value of held to collect and sell (HTCS) assets is derived from quoted market prices in active markets.

A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group and the Company is the current bid price. These instruments are included in Level 2. The Group and the Company entered into derivative financial instruments with financial institutions with investment grade credit ratings. Derivatives are valued using valuation techniques for swap models, using present value calculations. The models incorporate various inputs, including the credit quality of counterparties, and interest rate curves.

Fair value is the amount that would be received on sale at an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques based on a discounted cash flow. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fairly value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Fair value hierarchy

The Group and the Company use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique based on the lowest level input that is significant to the fair value so determined:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2025, the Group held the following financial instruments measured at fair value:

Asset	31 December 2025 EUR'000	Level 1 EUR'000	Level 2 EUR'000	Level 3 EUR'000
Interest rate swaps used for hedging	244	-	244	-

During 2025, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

As at 31 December 2024, the Group held the following financial instruments measured at fair value:

Asset	31 December 2024 EUR'000	Level 1 EUR'000	Level 2 EUR'000	Level 3 EUR'000
Interest rate swaps used for hedging	377	-	377	-

During 2025, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The carrying amounts and fair values of the Group's financial instruments other than those whose carrying amount approximates their fair value:

	Carrying amount 31 December		Fair value 31 December	
	2025 EUR'000	2024 EUR'000	2025 EUR'000	2024 EUR'000
Financial liabilities	149,853	167,570	147,869	163,414
Bank borrowings*				

*Based on Level 2 inputs.

i. Derivative financial instruments

The part of the Group's borrowings are at variable interest rates based on EURIBOR. To limit its exposure to changes in the rates of EURIBOR on its cash flows and interest expense, the Group has entered into various interest rate swaps, as described above. The Company meets the relevant criteria in IAS 39 to apply hedge accounting and the fair value changes of swaps in the hedge relationship that are determined to be effective are recorded in other comprehensive income. All fair value movements that are determined to be ineffective are recorded in profit and loss.

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Note 27 Subsequent events

There were no events after the balance sheet date that would have had a significant impact on the financial statements as of or for the period then ended.

Note 28 Approval of financial statements

These financial statements are approved and signed by the Management board of the Company and the Group on 25 February 2026.



Reuel Israel Gavriel Slonim
President of the Management Board



Manuela Kraljević
Member of the Management Board & Marketing and Sales Director



Devansh Bakshi
Member of the Management Board & Chief Financial Officer



Edmond Pinto
Member of the Management Board & Chief Operating Officer

05

Appendices



Appendices

Subsidiaries included in the Group

Name of Group	Principal activity	Country of incorporation	Functional currency	Direct and indirect holdings %
Ulika d.o.o.	Hotel Operation	Croatia	EUR	100
Mažurana d.o.o.	Holding Company	Croatia	EUR	100
Germany Real Estate B.V.	Holding Company	The Netherlands	EUR	100
ACO Hotel Holding B.V.	Holding Company	The Netherlands	EUR	100
ABK Hotel Holding B.V.	Holding Company	The Netherlands	EUR	100
Sugarhill Investments B.V.	Holding Company	The Netherlands	EUR	100
Arena Hospitality Management d.o.o.	Management Company	Croatia	EUR	100
Park Plaza Hotels (Germany) Services GmbH	Management Company	Germany	EUR	100
PPHE Germany Holdings GmbH	Holding Company	Germany	EUR	100
PPHE Nürnberg Operator Hotelbetriebsgesellschaft mbH	Hotel Operation	Germany	EUR	100
Park Plaza Germany Holdings GmbH	Holding Company	Germany	EUR	100
Park Plaza Nürnberg GmbH	Hotel Operation	Germany	EUR	100
Park Plaza Hotels Berlin Wallstrasse GmbH	Hotel Operation	Germany	EUR	100
art'otel berlin city center west GmbH	Hotel Operation	Germany	EUR	100
art'otel Köln Betriebsgesellschaft mbH	Hotel Operation	Germany	EUR	100
SW Szállodaüzemeltető Kft.	Hotel Operation	Hungary	HUF	100
ARENA FRANZ ferdinand GmbH	Hotel Operation	Austria	EUR	100
Arena 88 rooms d.o.o.	Hotel Operation	Serbia	RSD	100

Jointly controlled entities

Name of Group	Principal activity	Country of incorporation	Functional currency	Direct and indirect holdings %
art otel Berlin Mitte /Park Plaza betriebsgesellschaft mbH	Hotel Operation	Germany	EUR	50
Park Plaza betriebsgesellschaft mbH	Hotel Operation	Germany	EUR	50
PPBK Hotel Holding B.V.	Holding Company	The Netherlands	EUR	50
ABM Hotel Holding B.V.	Holding Company	The Netherlands	EUR	50

Appendices

Turnover

Economic Activity (1)	Code(2)	Absolute Turnover (3)	Proportion of Turnover (4)	SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (Does not Significantly Harm)						Minimum Safeguards (17)	Taxonomy-aligned proportion of turnover Year N(18)	Taxonomy-aligned proportion of turnover Year N-1(19)	Category (enabling activity)(20)	Category (transitional activity)(21)	
				Climate Change Mitigation(5)	Climate Change Adaptation (6)	Water & Marine Resources (7)	Circular Economy(8)	Pollution (9)	Biodiversity and Ecosystem (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water & Marine Resources (13)	Circular Economy(14)	Pollution(15)	Biodiversity and Ecosystem (16)						
		EUR'000	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T	
A. TAXONOMY - ELIGIBLE ACTIVITY (A.1+A.2.)		136.996	94,8%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%								Y	0,0%	n/a	n/a	n/a
A.1 Environmentally sustainable activities (Taxonomy - aligned)																					
A																					
B																					
C																					
D																					
Turnover of environmentally sustainable activities (Taxonomy-aligned)																					
A.2. Eligible but not environmentally sustainable activities (not Taxonomy - aligned)																					
A	2.1. Hotels, holiday, camping grounds and similar accommodation	136.996	94,8%																		
B																					
C																					
D																					
Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		136.996	94,80%																-	-	
B. TAXONOMY - NON - ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy-non-eligible activities		7.535	5,2%																		
Total(A+B)		144.531	100,0%																		

Appendices

CAPEX

Economic Activity (1)	Code (2)	Absolute CAPEX (3)	Proportion of CAPEX (4)	SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (Does not Significantly Harm)						Minimum Safeguards (17)	Taxonomy-aligned proportion of CAPEX Year N (18)	Taxonomy-aligned proportion of CAPEX Year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)	
				Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water & Marine Resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and Ecosystem (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water & Marine Resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and Ecosystem (16)						
		EUR thousand	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T	
A. TAXONOMY - ELIGIBLE ACTIVITY (A.1 + A.2.)		1,512	7,33%														Y				
A.1 Environmentally sustainable activities (Taxonomy - aligned)																				E	
CAPEX of environmentally sustainable activities (Taxonomy-aligned)			0,00%	0,00%	0,00%	-	-	-	-	-	-	-	-	-	-	-	0,00%	0,00%			
A.2. Eligible but not environmentally sustainable activities (not Taxonomy - aligned)																					
A	4.1 Electricity generation using solar photovoltaic technology	D35.11	151	0,73%													Y				
B	4.25 Water supply, wastewater treatment, water efficiency and reuse	E37	32	0,16%													Y				
C	6.5 Transport by motorbikes, passenger cars and light commercial vehicles	H49.39	80	0,39%													Y				
D	7.2. Renovation of existing buildings	F41, F43	1,017	4,93%													Y				
E	7.3. Energy efficiency equipment	F41, F43	232	1,12%													Y				
Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		1,512	7,33%	-	-	-	-	-	-	-	-	-	-	-	-	-	0,00%	0,00%			
B. Taxonomy - non - eligible activities																					
CAPEX of Taxonomy-non-eligible activities		19,119	92,67%																		
Total (A+B)		20,631	100,00%																		

Appendices

OPEX

Economic Activity (1)	Code (2)	Absolute OpEx (3)	Proportion of OpEx (4)	SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (Does not Significantly Harm)						Minimum Safeguards (17)	Taxonomy-aligned proportion of CAPEX Year N (18)	Taxonomy-aligned proportion of CAPEX Year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)	
				Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water & Marine Resources (7)	Circular Economy (8)	Pollution (9)	Biodiversity and Ecosystem (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water & Marine Resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and Ecosystem (16)						
		EUR thousand	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T	
A. TAXONOMY - ELIGIBLE ACTIVITY (A.1+A.2.)		388	5,59%													Y					
A.1 Environmentally sustainable activities (Taxonomy - aligned)																					
			0,00%	0,00%	0,00%	-	-	-	-	Y	-	-	-	-	-	Y	0,00%	0,00%			
OpEx of environmentally sustainable activities (Taxonomy-aligned)			0,00%	0,00%	0,00%	-	-	-	-	Y	-	-	-	-	-	Y	0,00%	0,00%			
A.2. Eligible but not environmentally sustainable activities (not Taxonomy - aligned)																					
A	4.15. District heating/cooling distribution	F43	132	1,90%																	
B	6.5. Transport by motorbikes, passenger cars and light commercial vehicles	H49	87	1,26%																	
C	7.3. Installation, maintenance and repair of energy efficiency equipment	F43	72	1,03%																E	
D	7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	F43	5	0,07%																	
E	7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	F43	14	0,20%																	
F	7.2. Renovation of existing buildings	F41, F43	78	1,13%																	
Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)			388	5,59%														0,00%	0,00%		
B. Taxonomy - non - eligible activities																					
OpEx of Taxonomy-non-eligible activities		6.544	94,41%																		
Total (A+B)		6.932	100,00%																		

Glossary

A

Arena Hospitality Group: Arena Hospitality Group d.d. is one of the most dynamic hospitality groups in Central and Eastern Europe, currently offering a portfolio of 28 owned, co-owned, leased and managed properties with around 10,000 rooms and accommodation units in Croatia, Germany, Hungary, Serbia and Austria. PPHE Hotel Group has a controlling ownership interest in Arena Hospitality Group.
www.arenahospitalitygroup.com.

ADR: Average daily rate. Total room revenue divided by number of rooms sold.

art'otel®: A lifestyle collection of hotels that fuse exceptional architectural style with art-inspired interiors, located in cosmopolitan centres across Europe. PPHE Hotel Group is owner of the art'otel® brand worldwide www.artotels.com

C

CEE region: the Central and Eastern Europe region, which for the Company's reporting purposes only includes, inter alia, Austria, Hungary and Serbia.

Company: Arena Hospitality Group d.d., with registered seat in Pula, Smareglina ulica 3, Croatia, registered in the court register of the Commercial Court in Pazin under number (MBS) 040022901, personal identification number (OIB) 47625429199

D

Distribution: Encompasses all the electronic channels of distribution, which include GDS, brand websites and third party intermediaries. These distribution channels can be accessed through the Internet, an intranet or through an interfaced connection.

DSCR: debt service coverage ratio. Calculated as annual available cash flow (free cash flow before debt repayment toward banks and other financial institutions divided by annual/12-month period debt service toward banks and other financial institutions (principal payments and financing cost like interest expenses and other fees). The difference between DSCR1 and 2 is the beginning of the year cash balance which is included in the calculation of DSCR1.

DSCRC: DSCRC including cash (it is amount of debt coverage in relation with certain period of time during a year, EBITDA decreased for CAPEX which is decreased for long-term loans used for financing of long-term fixed asset, which are taken during the current financial year taking into consideration changes of working capital, paid taxes, paid dividends, increased for cash and cash equivalents including deposits according to loan agreement (ZABA no 3275727104, party no 5100569172) at the beginning of period divided with sum of paid loan liabilities related to principal and interest).

E

Earnings (loss) per share: Basic earnings (loss) per share amounts are calculated by dividing the net profit (loss) for the year by the weighted average number of ordinary shares outstanding during the year. Diluted earnings (loss) per share amounts are calculated by dividing the net profit (loss) for the year by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

EBITDA: Earnings before interest, tax, depreciation and amortization.

EBITDA margin: EBITDA divided by total revenue.

EBITDAR: Earnings before interest, tax, depreciation, amortization, impairment loss and rental expenses, share of associate and exceptional items presented as other income and tax (EBITDAR) correspond to revenue less cost of revenues (operating expenses). EBITDAR, together with EBITDA, is used as a key management indicator.

Equity ratio: defined as the ratio between equity and reserves, decreased for any goodwill, loans to shareholder and advance dividend payment, and the total liabilities..

F – O

GDPR: General Data Protection Regulation
Group: Company and its consolidated subsidiaries (companies subject of a requirement to consolidate their financial statements).

Interest cover ratio: defined as the ratio between EBITDA and the total amount of interest accrued during the corresponding period.

Like-for-like: Results achieved through operations that are comparable with the operations of the previous year. Current years' reported results are adjusted to have an equivalent comparison with previous years' results in the same period, with similar seasonality and the same set of hotels.

Management Board: Reuel ('Reli') Slonim (President of Management Board), Devansh Bakshi (Member of the Management Board and CFO), Manuela Kraljević (Member of the Management Board and Marketing and Sales Director) and Edmond Pinto (Member of the Management Board and Chief Operating Officer).

Net leverage ratio: defined as (Total Debt – Cash and cash equivalents)/EBITDA.

Normalised profit before tax: Profit before tax adjusted to remove unusual and onetime influences which are not part of the Group's regular operations.

Occupancy: total occupied rooms divided by net available rooms or RevPAR divided by average room rate.

Glossary

P – Z

Park Plaza® Hotels & Resorts: upper upscale hotel brand. PPHE Hotel Group is master franchisee of the Park Plaza® Hotels & Resorts brand owned by Radisson Hotel Group. PPHE Hotel Group has the exclusive right to develop the brand across 56 countries in Europe, the Middle East and Africa. www.parkplaza.com.

PPHE Hotel Group: PPHE Hotel Group Limited is an international hospitality real estate company, with prime freehold and long leasehold assets in Europe.

The group benefits from having an exclusive and perpetual license from the Radisson Hotel Group, one of the world's largest hotel groups, to develop and operate Park Plaza® branded hotels and resorts in Europe, the Middle East and Africa. In addition, the group wholly owns, and operates under, the art'otel® brand. www.pphe.com

Radisson Rewards: The global hotel rewards programme from the Radisson Hotel Group which includes Park Plaza® Hotels & Resorts and art'otel®. The programme is owned by Radisson Hotel Group.

www.radissonrewards.com

Responsible Business: Arena Hospitality Group has adopted PPHE Hotel Group's Responsible Business programme; which includes a dedicated mission statement and

three pillars reflecting key areas of impact. We pride ourselves on our mission to be responsible in everything we do as a business through our pillars; inspiring our guests, creating centres of excellence, developing our people and being part of our communities. This new developed responsible business strategy builds on the corporate social responsibility (CSR) activity of previous years to create a long-term sustainable responsible business model.

RevPAR: Revenue per available room. Total rooms revenue divided by net available rooms or ADRx occupancy %.

Sugarhill: Sugarhill Investments B.V.

Sugarhill Group: Sugarhill and its subsidiaries.

Supervisory Board: Boris Ivesha (Chairman), Yoav Papouchado (Deputy Chairman), Kevin Michael McAuliffe (Member), Amra Pende (Member), Lorena Škuflić (Member), Ivana Matovina (Member), and Goran Nikolić (Member appointed by Worker's Council)

Contacts

SUPERVISORY BOARD

Boris Ivesha, Chairman
 Yoav Papouchado, Deputy Chairman
 Kevin McAuliffe, Member
 Amra Pende, Member
 Lorena Škuflić, Member
 Ivana Matovina, Member
 Goran Nikolić, Member appointed by
 Worker's Council

MANAGEMENT BOARD

Reuel ('Reli') Slonim, President of the
 Management Board
 Manuela Kraljević, Member of the
 Management Board & Marketing and Sales
 Director
 Devansh Bakshi, Member of the Management
 Board & Chief Financial Officer
 Edmond Pinto, Member of the Management
 Board & Chief Operating Officer

KEY CONTACTS

Devansh Bakshi, Member of the Management
 Board & Chief Financial Officer
 Neven Čale, Group Corporate Finance
 Director
 Anamaria Žuvanić, Group General Counsel
 Sandra Kalagac, Sustainability Manager

HEAD OFFICE

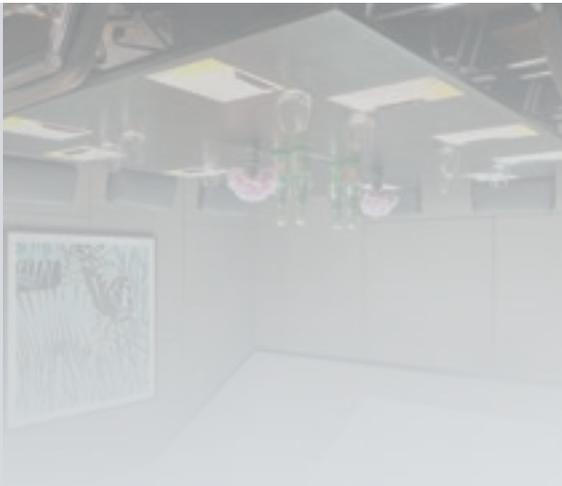
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USEFUL LINKS

Corporate and reservation websites:
arenahospitalitygroup.com
arenacollection.com
arenahotels.com
arenacampsites.com
artotels.com
parkplaza.com
radissonhotels.com
franz-ferdinand.at

STRATEGIC PARTNERS:

PPHE Hotel Group
pphe.com
 Radisson Hotel Group
radissonhotels.com/corporate




P A R K
P L A Z A

art'otel

 ARENA HOTELS &
APARTMENTS

 ARENA CAMPSITES

PARTNER BRANDS


RADISSON
COLLECTION

 RED
Radisson