JADRAN d.d.

Bana Jelačića 16, Crikvenica

ANNUAL REPORT OF THE COMPANY AND THE GROUP FOR 2024 AND AUDITOR'S REPORT

Contents

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Independent Auditor's Report

To the Shareholders of Jadran d.d.

Report on the audit of the separate and consolidated financial statements

Our opinion

In our opinion, the separate and consolidated financial statements present fairly, in all material respects, the separate and consolidated financial position of Jadran d.d. (the "Company") and its subsidiaries (together - the "Group") as at 31 December 2024, and the Company's and the Group's separate and consolidated financial performance and separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee dated 9 April 2025.

What we have audited

The Company's separate and the Group's consolidated financial statements comprise:

- the separate and consolidated statements of comprehensive income for the year ended 31 December 2024;
- the separate and consolidated statements of financial position as at 31 December 2024;
- the separate and consolidated statements of changes in equity for the year ended 31 December 2024;
- the separate and consolidated statements of cash flows for the year ended 31 December 2024; and
- the notes to the separate and consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate and consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company and the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014, and furthermore, we have not provided any non-audit services to the Company and the Group in the period from 1 January 2024 to 31 December 2024.

Our audit approach

Overview

	• Overall Company materiality: EUR 607 thousand, which represents approximately 2.5% of total revenues from continuing operations. • Overall Group materiality: EUR 757 thousand, which represents approximately 2.5% of total revenues from continuing operations.
	• We conducted audit work at two reporting units in Croatia. • Our audit scope addressed almost 100% of the Group's revenues and assets and almost 100% of the Group's absolute value of underlying profit before tax.
	• The Company and the Group – recoverable amount of property, plant and equipment

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the separate and consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the separate and consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the separate and consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the separate and consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the separate and consolidated financial statements as a whole.

Overall Company and Group materiality	The Company: EUR 607 thousand The Group: EUR 757 thousand
How we determined it	The Company and the Group: approximately 2.5% of total revenues from continuing operations
Rationale for the materiality benchmark applied	We chose revenue as the benchmark because the Company and the Group are in the process of restructuring with emphasis on growth and, in our view, the Company's and the Group's performance is measured on the basis of this benchmark. In addition, the net results for the previous years were not constant and revenues are a more consistent measure of performance. The percentage used is consistent with quantitative materiality thresholds used for the companies in this sector.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
The Company and the Group – Recoverable amount of property, plant and equipment *See Notes 2.5 and 2.8 (Material accounting policy information), Note 3 (Critical accounting judgments and estimates) and Note 17 (Property, plant and equipment)* As at 31 December 2024, the Company recorded property, plant and equipment with a carrying value of EUR 72,009 thousand (Group: EUR 113,886 thousand), which is carried at historical cost less accumulated depreciation and impairment, where required. In accordance with the provisions of IAS 36 Impairment of Assets, the Company's management reviews its accommodation facilities (defined as cash-generating units) at each balance sheet date to determine whether there are indications that their value is not recoverable at the balance sheet date. Management performs a detailed review of the accommodation facilities for which an impairment loss was recognised in previous periods, whether there are reasons for its reversal in the current period. Based on the analyses performed, management concluded that there is no additional need to recognise an impairment loss, nor to reverse a previously recognised loss. We focused on this matter due to the materiality of the amount of these assets as well as the complex impairment testing process which involves the use of multiple estimates as described in Note 3.	We obtained a detailed overview of the achieved EBITDA levels for all accommodation facilities (hotel, tourist resort or campsite), and checked the Company's and the Group's conclusion on accommodation facilities which have indications of impairment or possible indications of reversal of previously recognised losses. Based on this analysis and calculation of the recoverable value for several identified accommodation facilities, we carried out the following detailed procedures: • we tested the mathematical accuracy of the value-in-use calculations, compared input data to historical financial information and business plan for the following year as well as the consistency of methodology used in comparison to the previous year; • we verified, that the calculations of the recoverable amount of identified accommodation facilities are based on accurate and complete amounts of current year revenue and expenses. On a sample basis, for revenue, we traced correct allocation to accommodation facilities by reviewing invoices to customers, and for expenses, by inspecting invoices received from suppliers. Furthermore, we verified that the indirect revenues and expenses have been correctly allocated to individual accommodation facilities by evaluating the reasonableness of the allocation keys used, verifying their consistency with the previous period and their correct application during the preparation of financial information for each accommodation unit. • we compared the actual and budgeted EBITDA level for 2024 in order to identify significant deviations, if any, and whether these deviations have been appropriately considered in calculating the recoverable amount; • for two key assumptions (discount rate and terminal value growth rate) used in the value-in use calculations for the selected facilities, we engaged our valuation experts to assist us in assessing its reasonableness by comparing to entities with similar risk profiles and observable market information in relation to economic growth forecasts; • for certain facilities where recoverable amounts were determined based on fair value less the cost of sales, we reviewed the estimates in order to assess the adequacy of the methodology and used assumptions. We reviewed the relevant disclosures in the separate and consolidated financial statements.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Reporting on other information

Management is responsible for the other information. The other information comprises the Management Report and Corporate Governance Statement included in the Annual Report, but does not include the separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Management Report and Corporate Governance Statement, we also performed procedures required by the Accounting Act in Croatia. Those procedures include considering whether the Management Report is prepared in accordance with the requirements of Articles 22 and 24 of the Accounting Act and whether the Corporate Governance Statement includes the information specified in Article 25 of the Accounting Act.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Management Report and the Corporate Governance Statement for the financial year for which the separate and consolidated financial statements are prepared is consistent, in all material respects, with the separate and consolidated financial statements;
- the Management Report has been prepared in accordance with the requirements of Articles 22 and 24 of the Accounting Act;
- the Corporate Governance Statement includes the information specified in Article 25 of the Accounting Act.

In addition, in light of the knowledge and understanding of the Company and the Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report and Corporate Governance Statement and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the separate and consolidated financial statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union 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 consolidated financial statements, management is responsible for assessing the Company's and 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 and the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's responsibilities for the audit of the separate and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the separate and 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and 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 Group's internal control.
- 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 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 independent auditor's report to the related disclosures in the separate and 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 independent 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 consolidated financial statements, including the disclosures, and whether the separate and 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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose 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 to 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our independent auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Appointment

We were first appointed as auditors of the Company and the Group on 28 September 2018. Our appointment has been renewed annually by shareholder resolution with the most recent reappointment on 8 July 2024, representing a total period of uninterrupted engagement appointment of 7 years.

Report on compliance of the format of the separate and consolidated financial statements with the requirements of the European Single Electronic Format ("ESEF") Regulation

We have been engaged based on our agreement by the management of the Company to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the presentation of the separate and consolidated financial statements included in the attached electronic file "jadrandd-2024-12-31-1-hr.zip", (hereinafter: the financial statements) of the Company and the Group for the year ended 31 December 2024 (the "Presentation of the Financial Statements").

Description of subject matter and applicable criteria

The Presentation of the Financial Statements has been prepared by the management of the Company to comply with the requirements of Article 462 paragraph 5 of the Capital Market Act (Official Gazette, No. 65/18, 17/20 and 83/21) (the "Capital Market Act") and with the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation"). Those regulations require that:

- the financial statements included in the separate and consolidated Annual Report, have been prepared in the XHTML format;
- the data included in the separate and consolidated financial statements required by the ESEF Regulation and Capital Market Act have been marked up and all the markups meet the following requirements:
    - the XBRL markup language has been used,
    - the core taxonomy elements listed in the ESEF Regulation with the closest accounting meaning have been used, unless an extension taxonomy element was created in accordance with Annex IV of the ESEF Regulation,
    - the markups comply with the common rules on markups under the ESEF Regulation.

The requirements described above determine the basis for application of the Presentation of the Financial Statements and, in our view, constitute appropriate criteria to form a reasonable assurance conclusion.

Responsibility of the management and those charged with governance

The Company's management is responsible for the Presentation of the Financial Statements in accordance with the ESEF Regulation and the Capital Market Act. In addition, the Company's management is responsible for maintaining an internal control system that reasonably ensures the preparation of the Presentation of the Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation and the Capital Market Act, whether due to fraud or error.

Those charged with governance are responsible for overseeing the process of preparing the Presentation of the Financial Statements in the ESEF format as part of the financial reporting process.

Our responsibility

Our responsibility is to express a reasonable assurance conclusion, based on the audit evidence obtained, whether the Presentation of the Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation and the Capital Market Act. We conducted a reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Financial Statements is prepared, in all material respects, in accordance with the applicable requirements.

Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE 3000 (R) will always detect a material misstatement (significant non-compliance with the requirements).

Procedures performed

The nature, timing and extent of the procedures selected are matters for the professional judgment of the auditor.

As part of the selected procedures, we performed in particular the following procedures:

- read the requirements of the ESEF Regulation and the Capital Market Act;
- obtaining an understanding of the internal control system and processes relevant to the application of the Electronic Reporting Format of the Financial Statements, including the preparation of the XHTML format and marking up the separate and consolidated financial statements;
- verification whether the XHTML format was applied properly;
- evaluating the completeness of marking up the separate and consolidated financial statements using the XBRL markup language according to the requirements of the implementation of electronic format as described in the ESEF Regulation;
- evaluating the appropriateness of the use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF taxonomy has been identified; and
- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed and evidence obtained, the Presentation of the Financial Statements for the year ended 31 December 2024 included in the above stated attached electronic file complies, in all material respects, with the ESEF Regulation and the Capital Market Act.

Our conclusion is not an opinion on the true and fair presentation of the financial statements presented in electronic format. In addition, we do not express any form of assurance on the other information disclosed in the documents in the ESEF format.

The engagement partner on the audit resulting in this independent auditor's report is Tamara Maćašović.

PricewaterhouseCoopers d.o.o. Heinzelova 70, Zagreb 10 April 2025	Tamara Macasovic Member of the Management Board, Certified auditor

Original report is signed in Croatian language

This version of our report is a translation from the original, which was prepared in 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 our report takes precedence over this translation.

Jadran Crikvenica
Hoteli
i kampovi

Jadran d.d.

Statement of the Management Board's responsibilities

Pursuant to the Croatian Accounting Act in force, the Management Board of Jadran d.d., Crikvenica, Bana Jelačića 16 (the "Company") is responsible for ensuring that separate and consolidated annual financial statements are prepared for 2024 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, in order to give a true and fair view of the financial position, operating results, cash flows of the Company and the Group for the period.

After making enquiries, the Management Board has a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Management Board has prepared the separate and consolidated annual financial statements under the going concern assumption.

In preparing the annual separate and consolidated financial statements the responsibilities of the Company's Management Board include ensuring that:

- suitable accounting policies are selected and then applied consistently, in accordance with applicable finial reporting standards;
- judgements and estimates are reasonable and prudent;
- applicable accounting standards are followed; subject to any material departures disclosed and explained in the separate and consolidated financial statements; and
- the annual separate and consolidated financial statements are prepared on a going concern basis unless this assumption is inappropriate.

The Management Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position, operating results, and cash flows of the Company and the Group and must also ensure that the financial statements comply with the Croatian Accounting Act in force and International Financial Reporting Standards. The Management Board is also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Moreover, in accordance with the Accounting Act, the Management Board is obliged to prepare an Annual Report comprising the separate and consolidated financial statements, the separate and consolidated Management Report and the Corporate Governance Statement. The Management Report was prepared in line with the requirements of Articles 22 and 24 of the Croatian Accounting Act, and the Corporate Governance Statement in line with the requirements of Article 25 of the Croatian Accounting Act.

Furthermore, in accordance with Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/ EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of the single electronic reporting format ("ESEF Regulation"), the Management Board is obliged to prepare and publish separate and consolidated Annual Report in XHTML format and to tag the annual financial statements prepared in accordance with IFRS in XHTML format using XBRL tags and tag the notes to the annual financial statements as a text block to meet Article 462 requirements of the Capital Market Act.

The Annual Report was authorised for issue by the Management Board on 10 April 2025.

Miroslav Pelko		Vladimir Bunić
Member of the Management Board	Jadran dioničko društvo za hotelijerstvo i turizam Crikvenica	President of the Management Board

JADRAN joint stock company for hotel management and tourism Crikvenica

SEPARATE AND CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR 2024

		Company		Group	
	Note	2023	2024	2023	2024
		EUR '000	*EUR '000*	*EUR '000*	*EUR '000*
Continuing operations					
Revenue from sales of goods and providing services on the market	6	23,600	24,292	28,642	30,291
Other income and gains	7	11,721	1,837	3,782	1,370
Total operating income		**35,321**	**26,129**	**32,424**	**31,661**
Cost of goods sold		(36)	(38)	(37)	(12)
Cost of raw materials and supplies	8	(4,939)	(5,263)	(5,889)	(6,241)
Cost of services	9	(5,623)	(5,444)	(6,432)	(6,214)
Staff costs	10	(8,332)	(9,867)	(9,375)	(11,361)
Depreciation and amortisation	17,18,19,34	(5,700)	(4,944)	(9,056)	(8,562)
(Impairment) / Reversal of impairment of non-current non-financial assets	11	(3,251)	(140)	276	(140)
Net gains / (losses) on value adjustments of financial assets	12	30	(182)	(83)	(141)
Other operating expenses	13	(2,500)	(1,379)	(3,087)	(1,661)
Total operating expenses		**(30,351)**	**(27,257)**	**(33,683)**	**(34,332)**
Operating profit / (loss)		**4,970**	**(1,128)**	**(1,259)**	**(2,671)**

**The accompanying notes are an integral part of these financial statements. These financial statements have been authorised and signed by the Management Board.*

		Company		Group	
	Note	2023	2024	2023	2024
		EUR '000	*EUR '000*	*EUR '000*	*EUR '000*
Finance income	14	12	39	4	1
Finance costs	14	(1,567)	(1,620)	(2,978)	(3,337)
Net loss from financing activities		**(1,555)**	**(1,581)**	**(2,974)**	**(3,336)**
Profit / (loss) before tax		**3,415**	**(2,709)**	**(4,233)**	**(6,007)**
Income tax	15	(686)	30	(530)	193
Profit / (loss) from continuing operations		**2,729**	**(2,679)**	**(4,763)**	**(5,814)**
Gain from discontinued operations	37	**-**	**-**	**1,373**	**-**
Net profit / (loss) for the year		**2,729**	**(2,679)**	**(3,390)**	**(5,814)**
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss) for the year		**2,729**	**(2,679)**	**(3,390)**	**(5,814)**
Earnings / (loss) per share from continuing operations		**0.10**	**(0.10)**	**(0.17)**	**(0.21)**
Earnings / (loss) per share from discontinued operations	16	**0.10**	**(0.10)**	**(0.12)**	**(0.21)**
Total comprehensive income attributable to Owners arises from:					
Continuing operations		**2,729**	**(2,679)**	**(4,763)**	**(5,814)**
Discontinued operations		**-**	**-**	**1,373**	**-**

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	Note	Company		Group	
		31 December 2023	31 December 2024	31 December 2023	31 December 2024
		EUR '000	*EUR '000*	*EUR '000*	*EUR '000*
Assets					
Non-current assets					
Goodwill	38	-	-	489	489
Property, plant and equipment	17	75,157	72,009	120,492	113,886
Intangible assets	18	207	181	207	195
Investment property	19	4,402	4,392	4,402	4,392
Financial assets	20	-	-	130	130
Investments in subsidiaries	21	23,071	23,071	-	-
Right-of-use assets	34	7,659	7,183	7,888	7,393
Deferred tax assets	15	2,200	2,230	2,200	2,230
Total non-current assets		**112,696**	**109,066**	**135,808**	**128,715**
Current assets					
Inventories	22	81	126	118	152
Trade receivables	23	428	477	457	494
Receivables from related parties	23	72	65	-	-
Receivables from the government and other receivables	24	568	830	659	907
Receivables for loans granted to related parties	25	474	1,940	-	-
Cash and cash equivalents	26	1,023	1,897	1,769	2,698
Total current assets		**2,646**	**5,335**	**3,003**	**4,251**
Total assets		**115,342**	**114,401**	**138,811**	**132,966**

**The accompanying notes are an integral part of these financial statements. These financial statements have been authorised and signed by the Management Board.*

	Note	31 December 2023	31 December 2024	31 December 2023	31 December 2024
		EUR '000	*EUR '000*	*EUR '000*	*EUR '000*
Capital and reserves					
Share capital		64,040	64,040	64,040	64,040
Capital reserves		31,085	31,085	31,085	31,085
Accumulated loss		(23,021)	(25,700)	(26,463)	(32,277)
Total capital and reserves	27	**72,104**	**69,425**	**68,662**	**62,848**
Non-current liabilities					
Provisions	28	152	177	154	178
Liabilities to banks	29	20,547	25,875	43,047	48,007
Other non-current liabilities	30	8	7	8	7
Lease liabilities	34	10,499	9,835	10,709	10,030
Deferred tax liabilities	15	-	-	2,111	1,948
Total non-current liabilities		**31,206**	**35,894**	**56,029**	**60,170**
Current liabilities					
Trade payables	31	1,035	1,411	2,629	1,467
Liabilities for advances, deposits and guarantees	32	482	514	499	586
Liabilities to banks	29	6,767	4,590	8,625	5,218
Other current liabilities	33	2,795	1,259	1,394	1,348
Lease liabilities	34	953	1,308	973	1,329
Total current liabilities		**12,032**	**9,082**	**14,120**	**9,948**
Total liabilities		**43,238**	**44,976**	**70,149**	**70,118**
Total equity and liabilities		**115,342**	**114,401**	**138,811**	**132,966**

**The accompanying notes are an integral part of these financial statements. These financial statements have been authorised and signed by the Management Board.*

Company	**Share capital**	**Capital reserves**	**Accumulated loss**	**Total**
EUR '000				
Balance at 1 January 2023	**64,040**	**31,085**	**(25,750)**	**69,375**
Comprehensive income for the year	-	-	*2,729*	***2,729***
Balance at 31 December 2023	**64,040**	**31,085**	**(23,021)**	**72,104**
Comprehensive loss for the year	-	-	*(2,679)*	***(2,679)***
Balance at 31 December 2024	**64,040**	**31,085**	**(25,700)**	**69,425**

**The accompanying notes are an integral part of these financial statements. These financial statements have been authorised and signed by the Management Board.*

Group	Share capital	Capital reserves	Accumulated loss	Total
EUR '000				
Balance at 1 January 2023	**64,040**	**31,085**	**(23,073)**	**72,052**
Comprehensive loss for the year	-	-	*(3,390)*	*(3,390)*
Balance at 31 December 2023	**64,040**	**31,085**	**(26,463)**	**68,662**
Comprehensive loss for the year	-	-	*(5,814)*	*(5,814)*
Balance at 31 December 2024	**64,040**	**31,085**	**(32,277)**	**62,848**

**The accompanying notes are an integral part of these financial statements. These financial statements have been authorised and signed by the Management Board.*

		Company		Group	
	Note	2023	2024	2023	2024
		EUR '000	*EUR '000*	*EUR '000*	*EUR '000*
Cash flow from operating activities					
Profit / (loss) before tax from:					
Continuing operations	15	3,415	(2,709)	(4,233)	(6,007)
Discontinued operations		-	-	1,373	-
Profit / (loss) before tax including discontinued operations		3,415	(2,709)	(2,860)	(6,007)
Depreciation and amortisation	17,18,19,34	5,700	4,944	9,056	8,562
Net loss on sale and disposal of non-current assets		1,183	104	1,187	109
Change in non-current provisions		71	25	73	24
Interest received	14	(12)	(39)	(4)	(1)
Interest paid	14	1,567	1,620	2,978	3,337
Net gains / (losses) on value adjustments of financial assets	12	(30)	182	(43)	141
Net gains on sale of subsidiary	7	(7,510)	-	-	-
Net gains on termination of lease contract	7	(2,156)	-	(2,156)	-
(Reversal of impairment) / impairment of non-current non-financial assets	11	3,251	140	(276)	140
Changes in trade and other receivables		453	(430)	745	(426)
Changes in inventories		40	(45)	3	(35)
(Decrease) / increase in trade payables and other liabilities		(208)	(824)	124	(807)
Cash flows from operating activities		**5,764**	**2,968**	**8,827**	**5,037**
Interest paid	36	(1,499)	(1,593)	(2,759)	(3,407)
A. Net cash from operating activities		**4,265**	**1,375**	**6,068**	**1,630**

**The accompanying notes are an integral part of these financial statements. These financial statements have been authorised and signed by the Management Board.*

		Company		Group	
	Note	2023	2024	2023	2024
		EUR '000	*EUR '000*	*EUR '000*	*EUR '000*
Cash flow from investing activities					
Acquisition of the cash of a subsidiary	38	-	-	9	-
Payments for purchases of non-current tangible and intangible assets		(1,530)	(858)	(3,050)	(1,015)
Cash receipts from the sale of subsidiary	37	1,677	-	1,676	-
Interest received		9	1	4	1
Loans granted		(475)	(1,483)	-	-
B. Net cash from investing activities		**(319)**	**(2,340)**	**(1,361)**	**(1,014)**
Cash flow from financing activities					
Proceeds from borrowings	36	4,227	10,350	4,227	10,350
Repayment of borrowings	36	(6,560)	(7,221)	(6,560)	(8,721)
Repayment of lease principal	36	(1,385)	(1,290)	(1,411)	(1,316)
C. Net cash from financing activities		**(3,718)**	**1,839**	**(3,744)**	**313**
Net increase in cash		**228**	**874**	**963**	**929**
Cash and cash equivalents at beginning of period	26	795	1,023	806	1,769
Cash and cash equivalents at end of period	26	1,023	1,897	1,769	2,698

***The accompanying notes are an integral part of these financial statements. These financial statements have been authorised and signed by the Management Board.*

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1. Principal activity and general information about the Company and the Group

Jadran joint stock company for hotel management and tourism, Bana Jelačića 16, Crikvenica (the “Company”) is registered with the Commercial Court in Rijeka under Reg. No. (MBS): 040000817. The Company’s subscribed share capital amounts to EUR 64.039.780 and is divided into 27,971,463 ordinary shares without nominal amount with the ticker symbol JDRN-R-B. The company's shares are listed on the official market of the Zagreb Stock Exchange. The major shareholder is PBZ Croatia osiguranje mandatory pension fund - category B ("Parent Company"), which owns 58.30% of the Company's share capital. Given that the parent company is an investment entity, and the company Jadran d.d. is not an investment entity and its business activity is not related to the investment activities of the investment entity, the Parent Company in accordance with IFRS 10 is not obliged to consolidate subsidiaries.
Pursuant to the provisions of the Act on the Introduction of the Euro as the Official Currency in the Republic of Croatia and the Act on Amendments to the Companies Act, and based on the decision of the General Assembly on the adjustment of share capital dated 14 July 2023, the share capital of the Company, by applying a fixed HRK to EUR conversion rate, was converted into euros and reduced by the amount of 1.01 euros to the extent necessary for compliance with the relevant regulations in a simplified manner, in favour of capital reserves.
As of 31 December 2024, the persons authorized to represent the Company were Miroslav Pelko, Member of the Management Board appointed on 1 September 2021, Irina Tomić, Member of the Management Board who held this position since 8 October 2024 (previously President of the Management Board, since 1 December 2023) and Vladimir Bunić, President of the Management Board appointed on 1 November 2024. After the end of the reporting period, on February 1, 2025, Ms. Tomić resigned from the position of a member of the Management Board. The Company is represented by the Management Board in such a manner that each member of the Management Board represents the Company jointly with the President or another member of the Management Board.The Company’s principal activity is the provision of accommodation services in hotels, resorts and campsites, preparation of food and provision of food services, and preparation and serving of drinks and beverages.

In 2024, the average number of employees of the Company was 427 (2023: 383 employees). In 2024, the average number of employees of the Group was 494 (2023: 443 employees).

The Jadran Group consists of Jadran d.d., Crikvenica and its subsidiaries Adria coast turizam d.o.o. and Stolist d.o.o. (the “Group”) in which Jadran d.d., Crikvenica has a 100% share and voting rights.

In 2024, the Supervisory Board consisted of the following persons:

- Goran Hanžek, Chairman of the Supervisory Board
- Karlo Došen, Deputy Chairman of the Supervisory Board
- Mirko Herceg, Member of the Supervisory Board
- Sandra Janković, Member of the Supervisory Board
- Adrian Čajić, Member of the Supervisory Board.

2. Material accounting policy information

The most significant accounting policies consistently applied in the current year and previous years are set out below:

2.1. Statement of compliance and basis of presentation

The Company's separate and Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union. The financial statements also comply with the Croatian Accounting Act which refers to the IFRSs as adopted by the EU.

The accounting policies are consistent with those of the previous fiscal year, except as stated and disclosed below.

The separate and consolidated financial statements have been prepared under the accrual basis according to which the transaction effects are recognised when incurred and are included in the financial statements for the period to which they relate, and by applying the basic accounting assumption of going concern.

Items included in the separate and consolidated financial statements are stated in the currency of the primary economic environment in which the parent company and subsidiaries operate (the "functional currency"). The financial statements of the Company and the Group are presented in euros, which is the functional and reporting currency of the Company and the reporting currency of the Group.

Subsidiaries in separate financial statements

The Company discloses its subsidiaries in the separate financial statements at cost less impairment (Note 21 – Investments in subsidiaries).

2.2. Critical accounting judgements and key sources of estimation uncertainty

In preparing these separate and consolidated financial statements, certain estimates have been used that affect the presentation of the Company's and Group's assets and liabilities, income and expenses and the disclosure of the Company's and Group's contingent liabilities.

Future events and their effects cannot be anticipated with certainty, and therefore actual results may differ from these estimates. The estimates used in the preparation of the financial statements are subject to change as new events occur, as more experience is gained, additional information is obtained and due to the changing environment in which the Company and the Group operate.

The key estimates used in the application of accounting policies when preparing financial statements are disclosed in Note 3 below.

2. Material accounting policy information (continued)

2.3. Going concern

The separate and consolidated financial statements have been prepared on the assumption that the Company and the Group will continue in business on a going concern basis.

In the course of the past years, the Company and the Group have invested significant amounts in the renovation of facilities from the portfolio and the improvement of the portfolio of services provided to clients. During 2024, the Group's and the Company's operations were conducted smoothly. In mid-March 2024, the Company terminated the lease agreement for the Uvala Slana campsite in Selce, and the termination did not have a significant impact on the Group's and the Company's operations. Also, in 2024, two facilities, the hotel Kaštel and the hotel Zagreb, accommodated seasonal workers so these two hotels were not in commercial use. All other facilities of the Group and the Company operated smoothly.

The Company's cumulative losses as of 31 December 2024 amounted to EUR 25,700 thousand (31 December 2023: EUR 23,021 thousand), and current liabilities exceeded current assets by EUR 3,747 thousand (31 December 2023: EUR 9,386 thousand). The Group's cumulative losses as of 31 December 2024 amounted to EUR 32,277 thousand (31 December 2023: EUR 26,463 thousand), and current liabilities exceeded current assets by EUR 5,697 thousand (31 December 2023: EUR 11.117 thousand).

After the challenging period caused by the COVID-19 pandemic ended, which greatly affected the Company, the Group and the entire sector in which they operate, the Company and the Group made an operating profit in the past two years. Cash flow projections prepared by the Company's management (and approved by the Supervisory Board) for the next period show positive results.

The Company's operating income for the first three months of 2025, compared to the same period of the previous year, is lower by about 5%, mostly due to unrealized income from the group segment, which in the last month of the first quarter which is significantly lower than previous year. According to the current state of reservations, overnight stays in 2024 were 19% better, and income from accommodation and food and beverages was 10% better. Despite the current state of bookings and given the current geopolitical situation in Europe and the world, the Company expects last-minute reservations to strengthen and achieve a positive trend in the rest of the year.
The Group's operating income for the first three months of 2025 is 5% lower compared to the same period of the previous year, mostly due to unrealized income from the group segment, which in the last month of the first quarter which is significantly lower than previous year. According to the current state of reservations, overnight stays in 2024 were 10% higher, and income from accommodation and food and beverages are the same as last year. The Group expects last-minute reservations to strengthen and achieve a positive trend for the rest of the year.

The majority of the Company's and the Group's short-term liabilities at the reporting date relate to bank liabilities, trade payables and lease liabilities, which the Company and the Group regularly settle from funds in the account from ordinary business activities. Due to the seasonal nature of the business in which it operates, the Company and the Group have agreed credit arrangements in order to be able to ensure liquidity if necessary.
Given the fact that the Company and the Group record positive operating results and have the full support of the owners, in the opinion of the Management, the above supports the assertion that the Company and the Group will have sufficient resources to continue operations for a period of at least 12 months from the reporting date.
The General Assembly of the Company was held on March 10, 2025, and decisions were made to increase the share capital and issue ordinary shares through a public offering with cash contributions, to amend the Company's Articles of Association, to issue new shares on a regulated market, and grant approval for the acquisition of shares without the obligation to publish a takeover bid.

Accordingly, the separate and consolidated financial statements have been prepared in line with the going concern principle.

2. Material accounting policy information (continued)

2.4. Changes in accounting policies and disclosures

2.4.1 Standards or interpretations that are effective for the year ending 31 December 2024.

The following amended standards are effective as of 1 January 2024, have been adopted in the EU, but have not had a significant impact on the Company and Group:

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024).
- Classification of liabilities as current or non-current – Amendments to IAS 1 (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024).
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on 25 May 2023 and effective for annual periods beginning on or after 1 January 2024).

2.4.2 Standards that have been issued and approved, but are not yet in force

One amendment to the standard has been issued that is mandatory for annual periods beginning on or after 1 January 2025 or later, and which the Company and the Group have not previously adopted:

- Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025.

The Company and the Group do not expect that the adoption of these standards and interpretations will have a significant impact on the financial statements of the Company and the Group.

2.4.3 Standards that have been issued but not yet adopted

At the date of issue of these financial statements, the following standards, amendments and interpretations issued by the International Accounting Standards Board have not been adopted in the European Union:

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).
- Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026).
- Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (Issued on 18 December 2024 and effective from 1 January 2026).
- IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027). The Company and Group are currently assessing the impact of the amendments on its financial statements.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).
- IFRS 14, Regulatory Deferral Accounts (issued on 30 January 2014 and effective for annual periods beginning on or after 1 January 2016).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).

The Company and the Group do not expect that the adoption of these standards and interpretations will have a significant impact on the financial statements of the Company and the Group.

2. Material accounting policy information (continued)

2.5. Property, plant and equipment

Property, plant and equipment are presented in the statement of financial position (balance sheet) at historical cost less accumulated depreciation and accumulated impairment losses.
The calculation of depreciation begins now at which the asset is ready for its intended use. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings - buildings made of concrete, metal, stone and brick	20-59 years
Buildings - buildings made of wood and other materials	20-59 years
Campsite infrastructure	20 years
Infrastructure	5-20 years
Infrastructure related to the duration of the concession	3-4 years
Furniture and technological equipment	2-20 years
Transportation vehicles	7 years
Passenger cars	10 years
Office equipment	4-10 years
Equipment - mobile homes	10 years
ICT equipment	2-14 years
Other equipment	2-20 years
Landscaping	10 years

2.6. Intangible assets

Non-current intangible assets include licenses and software and are measured at historical cost less accumulated amortisation and any accumulated impairment losses.
The amortisation charge is recognised in profit and loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.
Intangible assets are amortised using the straight-line method over a period of 5 years.

2.7. Investment property

Investment property mainly relates to buildings and other business premises within the hotels and campsites and is held to earn long-term rentals or capital appreciation and is not owner-occupied. The Company and the Group do not use them, and they are measured at cost less accumulated depreciation and impairment losses, if any. Income from a lease with the Company and the Group as lessor is recognised in income for the period over the lease term.

2.8. Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The impairment indicator considered by the Company and the Group for this purpose is EBITDA (negative EBITDA and a significant decline in EBITDA compared to previous periods). For this purpose, assets are grouped at the lowest level to individually determine the cash flow (cash generating unit - CGU). For the Company and the Group, the CGU is defined at the level of the accommodation facility. If a cash generating unit is identified as having negative EBITDA or a significant decline in EBITDA compared to previous periods, its recoverable amount is determined. The recoverable amount of an asset or cash-generating unit is the higher of the asset's value in use or fair value less costs to sell. In assessing value in use, the present value of estimated future cash flows is calculated using a pre-tax discount rate that reflects the assessment of the time value of money in the market and the risk specific to that asset.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2. Material accounting policy information (continued)

2.9. Financial assets

The business model reflects how the Company and the Group manage their assets in order to generate cash flows - regardless whether the Company's and Group's objective is: (i) solely to collect contractual cash flows from the assets ("hold to collect contractual cash flows") or (ii) to collect both the contractual cash flows and cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell").

As at the reporting date, the Company's and the Group's financial assets comprise receivables.

Impairment of financial instruments

The measurement of the expected credit loss (ECL) is based on reasonable and supportable information available without undue costs or effort, including information about past events, current and foreseeable future conditions and circumstances. Assessments of expected credit losses are normally based on historical probability of the inability to collect debts, supplemented by future parameters relevant to credit risk.

For trade receivables, a simplified approach to expected credit loss measurement is applied i.e. measurement on a collective basis, depending on the type of customer, and are monitored according to their ageing structure. For example, ageing groups may be defined as follows: not past due, due in 0-90 days, due in 90-180 days, etc. The ageing groups are determined according to the stages of the collection process.

2.10. Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less costs to sell.

2.11. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, and other short-term highly liquid instruments with original maturities of three months or less.

2.12. Borrowings

Borrowings are initially recognised at fair value less transaction costs and subsequently at amortised cost using the effective interest rate method. Interest is recognised as an expense, except in the case of the construction of a qualifying asset, when it is capitalised as part of the asset's cost.

The effective interest rate method is a method to calculate the amortised cost of a financial liability and allocate interest expenses over the accounting period.

Borrowings are classified based on the agreed maturity as current liabilities, or non-current liabilities if they mature in more than 12 months. If the Company and the Group have an unconditional right to defer the settlement of a liability for at least 12 months after the reporting date, such liabilities are classified as non-current liabilities.

The Company and the Group derecognises financial liabilities when, and only when, they have been discharged, cancelled or have expired.

2. Material accounting policy information (continued)

2.13. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.14. Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

The current tax liability is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years or non-taxable, i.e. not recognised as expense for income tax purposes.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the tax asset to be recovered. Deferred tax assets and liabilities are offset where there is a legally permitted right to set off current tax assets and liabilities and where deferred tax items refer to the same Tax Administration.

2.15. Employee benefits

Pension obligations and post-employment benefits
In the normal course of business through salary deductions, the Company and the Group make payments to mandatory pension funds on behalf of their employees as required by law. All contributions made to the mandatory pension funds are recorded as salary expense when incurred. The Company and the Group are not obliged to provide any other post-employment benefits.

Termination benefits
The Company and the Group pay one-time termination benefits to their employees at retirement. The liability and costs of such benefits are determined using the projected unit credit method and discounted to their present value based on calculations made at the end of each reporting period, which take into account the assumptions of the number of employees estimated to become entitled to termination benefits at regular retirement, the estimated cost of such termination benefits, and the discount rate defined as the average anticipated rate of return on investment in government bonds. Actuarial gains and losses resulting from experience adjustments and changes in actuarial assumptions are recognised immediately in profit or loss.

2. Material accounting policy information (continued)

2.15. Employee benefits (continued)

Long-term employee benefits
The Company and the Group recognise a liability for long-term employee benefits (jubilee awards) evenly over the period the benefit is earned based on actual years of service. The long-term employee benefit liability is determined annually at the end of each reporting period using assumptions regarding the likely number of staff to whom the benefits will be payable, estimated benefit cost and the discount rate which is determined as the average expected yield rate on investments in government bonds. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in profit or loss.

2.16. Provisions

Provisions are recognised when the Company and the Group have a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where the Company and the Group expect a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The Company and the Group recognise provisions for legal disputes in their financial statements.

2.17. Share capital

The Company's and the Group's share capital comprises ordinary shares. The consideration paid for treasury shares, including any directly attributable transaction costs, is deducted from equity attributable to the Company's shareholders until the shares are withdrawn, reissued or disposed of. When such shares are subsequently disposed of or reissued, any consideration received, net of any directly attributable transaction costs, is included in equity attributable to the Company's and the Group's shareholders.

2.18. Revenue recognition

Revenue is income arising in the course of the Company's and the Group's ordinary activities. IFRS 15 establishes a comprehensive framework for determining whether, when and how much revenue is recognized. According to IFRS 15, revenues are recognized in a manner that reflects the pattern of transfer of goods and services to customers. The amount recognized should reflect the amount to which the entity expects to be entitled in exchange for those products and services.

Income from services
The Company and the Group generate income primarily from accommodation services. The aforementioned services are provided on the basis of concluded contracts with a fixed price. The sale of services also includes spa services and certain other services such as transfers, excursions and similar. Revenues from performed hospitality services are recognized in the period in which the services were performed ("over time"). Individual services are usually contracted separately with customers and as such are recognized separately as revenue.

Food and beverages
The Company and the Group offer food and drinks in hotel restaurants to hotel guests and other guests. Revenues are recognized at the point in time when the services are rendered.

2.19. Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company and the Group will comply with all attached conditions. A grant receivable as compensation for costs or losses already incurred or for immediate financial support, with no future related costs, is recognised as income in the period in which it is receivable within other operating income (Note 7).

2. Material accounting policy information (continued)

2.20. Leases

The Company and the Group as the lessee
At the inception of a contract, the Company and the Group assess whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the above conditions are met, the contract is considered to be or contain lease. If the terms and conditions of the contract are changed, the Company and the Group shall reassess whether the above conditions are met.

At the lease commencement date (the date on which the underlying asset is available for use), the Company and the Group recognise a right-of-use asset and a lease liability.

After the commencement date, the right-of-use assets are measured using the cost model. Under the cost model, the right-of-use asset is measured at cost less any accumulated depreciation on a straight-line basis over the period of the lease (3-15 years), and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used.

After the commencement date, the lease liability is measured considering any changes in the interest rate, lease payments made and any reassessment or lease modifications.

Short-term leases and leases of low-value assets
The Company and the Group have decided to apply the short-term lease exemption recognition (for leases up to 12 months that do not include the purchase option) and leases for which the underlying asset is of low value (up to EUR 4,000). Payments for leases for which the underlying asset is of low value are recognised on a straight-line basis as an expense over the lease term. The Company and Group will consider a short-term lease to be a new lease if there is a lease modification and/or a change to the lease term. These leases mainly relate to photocopier machines and fire extinguishers.

The Company and the Group as the lessor
Leases where the Company and the Group do not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Lease income is recognised on a straight-line basis over the lease term and included in the statement of comprehensive income due to its operating nature.

Maritime domain concession arrangements
If investments are made that are expected to last less than one accounting period, then that expense is recognised as expense for the period, and if investments made in the concession area are expected to last longer than one accounting period, they will be capitalised. Investments in the concession area have a limited useful life and are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method to allocate the cost of investments over their estimated useful lives, which is consistent with the remaining life of the concession contract.

2.21. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

2. Material accounting policy information (continued)

2.22. Foreign currencies

Transactions in currencies other than euro are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the reporting date using the exchange rate prevailing at that date. Gains and losses arising on translation are charged to profit or loss in the period when incurred.

2.23. Earnings / (loss) per share

Earnings / (loss) per share are determined by dividing the profit or loss attributable to shareholders of the Company and Group by the weighted average number of ordinary shares during the year.

2.24. Investments in subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Investments in subsidiaries are recognised at cost less impairment loss.

2.25. Business combinations

Subsidiaries are all entities controlled by the Group. The Group controls the entity when the Group is exposed or is entitled to variable returns from its association with the entity and has the ability to influence those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest’s proportionate share of the recognised amounts of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred.

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 remeasured to fair value as at the acquisition date through comprehensive income.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either as income or expense or as a change to other comprehensive income. The contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the difference between the consideration transferred and the amount of non-controlling interest in the acquiree in relation to the fair value of identified net assets acquired. If this consideration is lower than the fair value of the net assets acquired, the difference is recognised in the statement of comprehensive income. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

2.26. Consolidation

Intercompany transactions, balances, income and expenses from transactions with Group entities are eliminated. Gains and losses from intercompany transactions recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. Material accounting policy information (continued)

2.27. Segment reporting

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 chief operating decision-maker is the Company's Management Board.

2.28. Non-current assets held for sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of the carrying amount or fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered primarily through sale rather than through continued use. This condition is considered to be met only when the sale is highly probable, and the asset or disposal group is immediately available for sale in its current condition at the balance sheet date. The activities necessary to complete the sale should indicate that it is not likely that there will be any significant changes to the sale or that the sale will be abandoned. Management must commit to a sale, which is expected to be recognised as a completed within one year of the date of classification.

3. Critical accounting judgements and estimates

In applying the accounting policies described in Note 2, management has made certain judgements that had a significant impact on the amounts reported in the financial statements (independent of those presented below).

These judgements are detailed in the relevant notes and the most significant ones among them relate to the following:

Estimated useful life of property, plant and equipment
The Company and the Group, with the assistance of an expert, analysed the useful lives of buildings and their individual components. When a significant investment in tourism properties (buildings) occurs, the useful life of buildings or their components is reassessed / reviewed. The useful lives should be periodically revised to reflect any changes in circumstances since the previous assessment. Changes in estimate, if any, will be reflected prospectively in a revised depreciation charge over the remaining, revised useful life.

Analysis of sensitivity to changes in useful lives
By using a certain asset, the Company and the Group use the economic benefits contained in this asset, which diminish more intensely with economic and technological ageing. Consequently, in the process of determining the useful life of an asset, in addition to assessing the expected physical utilisation, it is necessary to consider the changes in demand on the tourism market, which will cause a faster economic obsolescence as well as a more intense development of new technologies.

In view of the above, 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 assets is decreasing.

If the useful life of property, plant and equipment of the Company had been 10% longer / shorter, with all other variables held constant, the net profit for 2024 would have been EUR 301 thousand higher / lower (for 2023 it would have been EUR 329 thousand higher / lower), and the net carrying value of property, plant and equipment would have been EUR 367 thousand higher / lower (for 2023 it would have been EUR 401 thousand higher / lower).

If the useful life of property, plant and equipment of the Group had been 10% longer / shorter, with all other variables held constant, the net profit for 2024 would have been EUR 517 thousand higher / lower (for 2023 it would have been EUR 544 thousand higher / lower), and the net carrying value of property, plant and equipment would have been EUR 631 thousand higher / lower (for 2023 it would have been EUR 664 thousand higher / lower).

Impairment of non-current assets - recoverable amount of property, plant and equipment, investment property and right-of-use assets

In accordance with the adopted accounting policy, the Company and the Group review the carrying amounts of non-financial assets (including property, plant and equipment, investment property and right-of-use assets) at least once a year to determine whether there is any indication of impairment. The impairment indicator that the Company and the Group consider for this purpose is EBITDA (negative EBITDA and a significant decline in EBITDA compared to previous periods).If any such indication exists, the asset's recoverable amount is estimated. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The cash-generating unit in the hotel industry/tourism is the accommodation facility. The accounting policy is presented in Note 2.8.

The Company and Group have assessed that there are indicators of impairment of certain categories of non-current non-financial assets and in accordance with IAS 36 made an impairment test of all its cash-generating units i.e. accommodation facilities (own as well as rental facilities).

3. Critical accounting judgements and estimates (continued)

Impairment of non-current assets - recoverable amount of property, plant and equipment, investment property and right-of-use assets (continued)

The recoverable amount is calculated in one of two ways: by calculating the value of assets in use or by calculating the fair value of assets less costs to sell for individual cash-generating units whose value in use determined by the Discounted Cash Flows (DCF) method does not reflect their intrinsic value (taking into account their location and development potential).

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. In determining the recoverable amount, management considers key indicators such as revenue growth based on occupancy of facilities, revenue per unit and expected market growth in the hotel industry, etc. The valuations are based on five-year cash flow projections prepared by the Company's management, with the budget for 2025 also approved by the Supervisory Board. For the period after the end of the five-year period, the assumed long-term sustainable growth rate (sustainable growth rate) was applied. Taking into account the significant capital investments in the Company's and the Group’s accommodation units, the sustainable growth rates used in the valuation represent the maximum value of the projected inflation rates in the Republic of Croatia.

An overview of the assumptions used in the value-in-use calculation model is as follows:

Tourism	**2025 - 2029**
EBITDA margin	9% - 40% (higher profitability rates are assumed for campsites)
Revenue growth	1% - 31% (depending on the type of accommodation and capital investment)
Discount rate (before tax)	11%
Sustainable long-term growth rate	2%

The calculation of fair value less costs to sell is based primarily on the revenue method, and in two cases on the comparative (for land) and cost method. According to the income method, real estate is worth as much as the cash it is able to generate over its lifetime. After determining all income and expenses related to an individual accommodation unit, the net income of all future periods is calculated and discounted at an adequate discount rate in order to obtain the present value of future cash flows. The assumptions used in the income method are the average board price per accommodation unit, the average occupancy rate, the estimated total cost defined as % of gross operating profit (“GOP”) and the capitalisation factor.

The following is an overview of the key assumptions in the revenue method used:

Tourism	2025
Average board price (EUR)	90 - 228
Average occupancy rate	19% - 56%
Estimated total cost (% of GOP)	60%
Capitalisation factor	7%

Note: The key assumptions listed in the table above depend on the individual facility of different characteristics.

3. Critical accounting judgements and estimates (continued)

Impairment of non-current assets - recoverable amount of property, plant and equipment, investment property and right-of-use assets (continued)

For accommodation facilities where land represents the most significant part of the estimated value, a comparative method was used, i.e. method of determination based on realised comparable transactions on the real estate market, in accordance with the current state of the respective real estate.

Prepared impairment tests suggest that the recoverable amount of each facility exceeds the net carrying amount of each facility as at 31 December 2024 and, accordingly, there are no indications of impairment.

The Company considered the impact of reasonable changes in key assumptions:

- if the EBITDA margin rate were to decrease by 100 bps within the projected five-year period, according to which the Company and the Group should not recognize any impairment;
- if the growth rate were to decrease by 100 bps within the projected five-year period, according to which the Company and the Group should not recognize any impairment;
- if the discount rate were to increase by 50 bps, according to which the Company and the Group should recognize an impairment loss of EUR 400 thousand and
- if the terminal growth rate were to decrease by 50 bps according to which the Company and the Group should recognize an impairment loss of EUR 245 thousand.

Recoverability of investments in subsidiaries

As at 31 December 2024, the investment in subsidiaries relates to 100% shares in the subsidiary Stolist d.o.o. in the amount of EUR 129 thousand. The Company's management believes that the investment in the subsidiary is recoverable and that there are no indications of its impairment.

Additionally, investment in subsidiaries also includes 100% shares in the subsidiary Adria coast turizam d.o.o. in the amount of EUR 22,942 thousand as of 31 December 2024. Considering that this is the amount realised in the transaction of the purchase and sale of business shares carried out in February 2023 (with a subsequent additional payment by the Company in the amount of EUR 1,500 thousand) Management believes that the investment in the subsidiary is recoverable and that there are no indications of its impairment.

Deferred tax assets

Deferred tax assets include the amount of EUR 2,230 thousand (2023: EUR 2,200 thousand) both for the Company and the Group, which is created based on tax losses carried forward and deductible temporary tax differences.

The Company has a remaining period of 2 years to use the amounts reported based on tax losses carried forward (for more details please see Note 15). The realisation of deferred tax assets arising from deductible temporary tax differences is not time-limited, and therefore the uncertainty regarding the use of this part is remote.

3. Critical accounting judgements and estimates (continued)

Deferred tax assets (continued)

In its assessment of the recoverability of the recognised deferred tax assets, Jadran d.d. had taken into account certain factors in favour of recognition, such as the result achieved in the observed year and projections of future operations.

The unfavourable factor of uncertainty regarding the full realisation of current business plans was also considered. Detailed projections of future business results were made for the next 6 years. Considering the uncertainty factor, the Company decided to recognise deferred tax assets in the amount corresponding to the projections for the next 5 years.

Based on the analysis, the Company concludes that the deferred tax assets will be recoverable using estimated future taxable income based on approved business plans and budgets. Considering all of the above, it is expected that the Company will fully utilise all tax losses carried forward in the next couple of years, i.e. before they expire.

Leases

As the interest rate implicit in the lease cannot be readily determined, the Company and the Group use marginal interest rates of their borrowing determined at the time of concluding the individual lease agreement for discounting of cash flows. For 2024, they amount to 2.7% - 6% (2023: 2.7% - 3.50%).

The Company and the Group define a lease term as a non-cancellable period, together with periods under the lease extension and/or termination option if it is reasonably certain that such option will be exercised (extension) or not exercised (termination).

The Company and Group do not expect to exercise either the lease termination or the extension option, and no potential effects were calculated in relation to these options.

Impairment of receivables

The Company and the Group use a simplified approach (provision matrix) because they primarily have receivables from customers as financial assets. Credit losses are calculated based on the matrix for expected credit losses and are applied collectively to all claims included in the calculation. Stage 3 represents receivables for which, after the analysis, it was concluded that they will not be collectible, and their value is individually adjusted to the expected collectible amount. At the end of each year, the Inventory Committee reviews the recoverability of receivables and adjustments are made according to the information gathered from the sales and legal departments, depending on the maturity of the receivables.

In 2024, the Company released the previously recognised credit losses under the simplified IFRS 9 model for trade receivables whose total net effect amounted to EUR 66 thousand (2023: EUR 77 thousand of reversal of impairment of the previously recognised credit losses).
In 2024, the Group released the previously recognised credit losses under the simplified IFRS 9 model for trade receivables whose total net effect amounted to EUR 81 thousand (2023: EUR 73 thousand of reversal of impairment of the previously recognised credit losses).

4. Financial instruments

Capital risk management

The Company and the Group manage its capital to ensure that they will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's and the Group's capital structure consists of share capital, capital reserves, retained earnings / (accumulated loss) and profit for the year.

Classes of financial instruments

Company	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Financial assets		
Trade receivables	428	477
Receivables from related parties	72	65
Cash and cash equivalents	1,023	1,897
Loans receivable	474	1,940
Total	**1,997**	**4,379**
Financial liabilities		
Liabilities to banks	27,314	30,465
Trade payables	1,035	1,411
Lease liabilities	11,452	11,143
Total	**39,801**	**43,019**

Group	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Financial assets		
Non – current financial assets	130	130
Trade receivables	457	494
Cash and cash equivalents	1,769	2,698
Total	**2,356**	**3,322**
Financial liabilities		
Liabilities to banks	51,672	53,225
Trade payables	2,629	1,467
Lease liabilities	11,682	11,359
Total	**65,983**	**66,051**

Financial risk factors

The Company's and the Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company and Group do not have a formal risk management programme in place, and the overall risk management is carried out by the Company's and the Group's Management Board and the Company's and the Group's management.

4. Financial instruments (continued)

Market risk
The Company's and the Group's activities primarily expose the Company and the Group to the financial risks of changes in interest rates (see below). Market risk exposures are supplemented by the sensitivity analysis. There has been no change to the Company's and the Group's exposure to market risks or the way it manages and measures the risk.

Currency risk management
The Company and the Group undertake certain transactions denominated in foreign currencies, resulting in exposures to exchange rate fluctuations.

Analysis of foreign currency sensitivity
The Company and the Group were exposed to foreign currency risk in the event of a change in the euro (EUR) exchange rate until the adoption of euro. The Company and the Group may be exposed to currency transaction risk if they enter transactions using a currency that is different from the national currency (euro). At the Company and the Group level, transactions in other currencies do not make up a material part of the total turnover. After the introduction of the euro as the domestic currency as of 1 January 2023, the Company and the Group have not been significantly exposed to currency risk.

Interest rate risk management
The Company and Group are exposed to interest rate risk as they enter into loan agreements with variable interest rates. The Company's and the Group's exposure to interest rates based on financial assets and liabilities is detailed under *Liquidity risk management*. The Company and the Group manage this risk by maintaining an appropriate ratio of loans with fixed and variable interest rates in its loan portfolio.

Interest rate sensitivity analysis
Cash flow interest rate risk is the risk that the cost of interest for the instrument will fluctuate over time. Most financial liabilities are contracted at fixed interest rates and the sensitivity analysis of interest rate changes to financial liabilities contracted at a variable interest rate is shown in the following table:

Company	**2023**	**2024**
	EUR '000	***EUR '000***
Interest rate change by +100 bp		
(Increase in loss) / (Decrease in profit)	111	97
Interest rate change by -100 bp		
Decrease in loss / increase in profit	(111)	(97)

Group	**2023**	**2024**
	EUR '000	***EUR '000***
Interest rate change by +100 bp		
(Increase in loss) / (Decrease in profit)	351	322
Interest rate change by -100 bp		
Decrease in loss / increase in profit	(351)	(322)

Credit risk management
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss for the Company and the Group. The Company and the Group constantly monitor their exposure to the parties they conducts business with and their credit ratings and allocate the total value of transactions among acceptable customers.
The carrying amount of financial assets recorded in the financial statements, net of impairment losses, represents the Company's and the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

4. Financial instruments (continued)

Inflation risk (increase in consumer prices)

Inflation risk is present in contractual relationships where the price of a service or product is indexed. As this is an external risk, the ability to eliminate it is minimal. The Company and the Group note trends of increasing inflation rates primarily measured through the consumer price index, as a result of extremely expansive monetary policies of central banks and for the purpose of minimising inflation risk, the Company and Group insist on negotiating fixed terms of supply with all suppliers where possible. Suppliers of energy are an exception – their prices are subject to market variations.

Liquidity risk management

The ultimate responsibility for liquidity risk management rests with the Company's Management Board which has built an appropriate liquidity risk management framework for the management of the Company's and Group's short, medium and long-term funding and liquidity management requirements. The Company and the Group manage liquidity risk by maintaining adequate reserves, bank borrowings and other sources of financing, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below details the remaining contractual maturities for the Company and Group for non-derivative financial liabilities. The table has been prepared on the basis of undiscounted cash flows of financial liabilities based on the earliest date on which the Company and the Group may be required to settle the liabilities.

Maturities of non-derivative financial liabilities

Company	Weighted average interest method	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
EUR '000							
2023							
Interest-free		964	71	-	-	-	1,035
Lease liabilities		30	37	1,339	5,943	6,247	13,596
Fixed interest rate	2.7%	112	227	5,234	7,171	4,428	17,172
Variable interest rate	2.1%	-	511	1,523	7,295	4,874	14,203
Financial guarantee (nominal amount)		1,500	-	-	22,500	-	24,000
Total		**2,606**	**846**	**8,096**	**42,909**	**15,549**	**70,006**

4. Financial instruments (continued)

Maturities of non-derivative financial liabilities (continued)

Company	Weighted average interest method	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
EUR '000							
2024							
Interest-free		1,338	72	1	-	-	1,411
Lease liabilities		42	62	1,570	6,105	5,115	12,894
Fixed interest rate	2.7%	145	216	3,017	8,978	11,187	23,543
Variable interest rate	2.1%	-	475	1,446	6,938	3,274	12,133
Financial guarantee (nominal amount)		-	-	-	22,500	-	22,500
Total		**1,525**	**825**	**6,034**	**44,521**	**19,576**	**72,481**

Based on the contract with Gorenjska banka, the Company acted as a financial guarantor for the credit obligation of the subsidiary in the total nominal amount of EUR 24 million. The fair value of the financial guarantee is not significant and therefore not recorded in the Company's separate financial statements, and the loan matures in 2036 (over 5 years).

Group	Weighted average interest method	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
EUR '000							
2023							
Interest-free		2,558	71	-	-	-	2,629
Lease liabilities		30	37	1,365	6,028	6,407	13,867
Fixed interest rate	2.7%	112	227	5,234	7,171	4,428	17,172
Variable interest rate	2.1%	-	511	3,256	17,408	31,375	52,550
Total		**2,700**	**846**	**9,855**	**30,607**	**42,210**	**86,218**
2024							
Interest-free		1,394	72	1	-	-	1,467
Lease liabilities		42	62	1,596	6,188	5,259	13,147
Fixed interest rate	2.7%	145	216	3,017	8,978	11,187	23,543
Variable interest rate	2.1%	-	475	3,517	17,740	27,014	48,746
Total		**1,581**	**825**	**8,131**	**32,906**	**43,460**	**86,903**

5. Segment information

Operating segments are presented in accordance with the internal procedure of reporting to the Company's Management Board, the chief operating decision-maker, which is responsible for allocating resources to the reportable segments and assessing their performance.

Management defined Hotels & Apartments, Campsites and Other (beach buffet Kačjak, Inter café bar, Katarina swimming pools etc.) as its reportable segments. Management allocates indirect income and indirect costs to accommodation units, according to the key. The key to allocation is the share of the operating income of an individual accommodation unit in the total operating income of the Company. The Company and the Group include non-boarding facilities and a facility that is rented and used for non-commercial purposes for employee accommodation in other business segments.

The segment information for the reportable segments for the year ended 31 December 2024 is as follows:

EUR '000

Company

	Hotels and apartments	Campsites	Other business segments	Total
Segment income	21,561	2,727	1,096	25,384
Inter-segment income	-	-	-	-
Sales income	**21,561**	**2,727**	**1,096**	**25,384**
Cost of raw materials and supplies	(4,442)	(421)	(294)	(5,157)
Cost of services	(3,415)	(482)	(33)	(3,930)
Staff costs	(6,633)	(526)	(499)	(7,658)
Other operating expenses by segments	(917)	(292)	(45)	(1,254)
EBITDA of segment	**6,154**	**1,006**	**225**	**7,385**
Amortisation	(3,867)	(638)	(136)	(4,641)
Finance income	-	-	-	-
Finance costs	-	-	-	-
Gain / loss before tax	**2,287**	**368**	**89**	**2,744**

EUR '000

Group

	Hotels and apartments	Campsites	Other business segments	Total
Segment income	27,578	2,727	1,127	31,432
Inter-segment income	(512)	-	(4)	(516)
Sales income	**27,066**	**2,727**	**1,123**	**30,916**
Cost of raw materials and supplies	(5,415)	(421)	(299)	(6,135)
Cost of services	(4,167)	(482)	(51)	(4,700)
Staff costs	(8,125)	(526)	(501)	(9,152)
Other operating expenses by segments	(1,142)	(292)	(55)	(1,489)
EBITDA of segment	**8,217**	**1,006**	**217**	**9,440**
Amortisation	(7,478)	(638)	(143)	(8,259)
Finance income	-	-	-	-
Finance costs	-	-	-	-
Gain / loss before tax	**739**	**368**	**74**	**1,181**

5. Segment information (continued)

The segment information for the reportable segments for the year ended 31 December 2023 is as follows:

EUR '000

Company

	Hotels and apartments	Campsites	Other business segments	Total
Segment income	23,656	3,052	1,103	27,811
Inter-segment income	-	-	-	-
Sales income	**23,656**	**3,052**	**1,103**	**27,811**
Cost of raw materials and supplies	(4,179)	(420)	(285)	(4,884)
Cost of services	(2,587)	(384)	(46)	(3,017)
Staff costs	(5,224)	(370)	(389)	(5,983)
Other operating expenses by segments	(5,197)	(162)	(46)	(5,405)
EBITDA of segment	**6,469**	**1,716**	**337**	**8,522**
Amortisation	(4,494)	(733)	(205)	(5,432)
Finance income	-	-	-	-
Finance costs	-	-	-	-
Gain / loss before tax	**1,975**	**983**	**132**	**3,090**

EUR '000

Group

	Hotels and apartments	Campsites	Other business segments	Total
Segment income	28,705	3,052	8,653	40,410
Inter-segment income	(471)	-	(7,515)	(7,986)
Sales income	**28,234**	**3,052**	**1,138**	**32,424**
Cost of raw materials and supplies	(5,124)	(420)	(295)	(5,839)
Cost of services	(3,270)	(381)	(151)	(3,802)
Staff costs	(6,261)	(370)	(395)	(7,026)
Other operating expenses by segments	(2,391)	(165)	(59)	(2,615)
EBITDA of segment	**11,188**	**1,716**	**238**	**13,142**
Amortisation	(7,843)	(713)	(212)	(8,788)
Finance income	-	-	-	-
Finance costs	-	-	-	-
Gain / loss before tax	**3,345**	**983**	**26**	**(4,354)**

The Company does not monitor assets and liabilities by segments and therefore, this information has not been disclosed. The hotels, apartments and campsites (operating assets) are located in the Republic of Croatia.
The Company provides its hotel/hospitality services and sales activities in Croatia to domestic and foreign customers.

5. Segment information (continued)

A reconciliation of the result by reportable segments and net loss for the period is provided as follows:

Company	**31 December 2023**	**31 December 2024**
	EUR '000	*EUR '000*
Item		
Result by reportable segment	3,090	2,744
Unallocated operating income	7,510	745
Unallocated finance income	12	39
Unallocated operating costs:	(5,630)	(4,617)
Cost of raw materials and supplies	(55)	(106)
Cost of services	(2,606)	(1,514)
Staff costs	(2,349)	(2,209)
Depreciation and amortisation	(268)	(303)
Impairment	-	-
Other operating expenses	(352)	(485)
Unallocated finance costs	(1,567)	(1,620)
Profit for the year before tax	**3,415**	**(2,709)**

Group	**31 December 2023**	**31 December 2024**
	EUR '000	*EUR '000*
Item		
Result by reportable segment	4,354	1,181
Unallocated operating income	-	745
Unallocated finance income	4	1
Unallocated operating costs:	(5,613)	(4,597)
Cost of raw materials and supplies	(50)	(106)
Cost of services	(2,630)	(1,514)
Staff costs	(2,349)	(2,209)
Depreciation and amortisation	(268)	(303)
Impairment	76	-
Other operating expenses	(392)	(465)
Unallocated finance costs	(2,978)	(3,337)
Profit for the year from discontinued operations	1,373	-
Income tax	(530)	193
Loss for the period	**(3,390)**	**(5,814)**

6. Revenue from sales of goods and providing services on the market

Company	**2023**	**2024**
	EUR '000	*EUR '000*
Accommodation	17,017	17,113
Food and beverages	6,017	6,463
Other hotel services	498	646
Trade goods	68	70
Total	**23,600**	**24,292**

Group	**2023**	**2024**
	EUR '000	*EUR '000*
Accommodation	20,647	21,572
Food and beverages	7,291	7,815
Other hotel services	630	821
Trade goods	74	83
Total	**28,642**	**30,291**

The Company and the Group provide their hotel / hospitality services and sales activities in Croatia to domestic and foreign customers. The Company's and the Group's revenues are classified according to the customers' origin.

Company	**2023**	**2024**
	EUR '000	*EUR '000*
Sales – domestic customers	4,228	4,686
Sales – foreign customers	16,733	16,321
Other /i/	2,639	3,285
Total	**23,600**	**24,292**

Group	**2023**	**2024**
	EUR '000	*EUR '000*
Sales – domestic customers	4,829	5,559
Sales – foreign customers	20,548	20,654
Other /i/	3,265	4,078
Total	**28,642**	**30,291**

/i/ Other includes revenues from the sale of trade goods, alcoholic and non-alcoholic beverages, food, parking services, wellness and other similar services, where it is not possible to determine whether revenue was earned from the sale to foreign or domestic customers.

7. Other income and gains

Company	2023	2024
	EUR '000	*EUR '000*
Net gains on disposal of subsidiary /i/	7,510	-
Net gains on termination of lease contract /ii/	2,156	-
Rental income	529	480
Recharged costs of lessees	180	168
Insurance reimbursements	81	87
Income from marketing and other services	122	135
Direct aid	101	79
Reversal of provisions	80	-
Disposal of non-current assets	2	36
Collection of amounts due as per judgement and out-of-court settlement	-	1
Other recharged costs	327	351
Income from management	272	202
Other operating income	361	298
Total	**11,721**	**1,837**

Group	2023	2024
	EUR '000	*EUR '000*
Net gains on termination of lease contract /ii/	2,156	-
Rental income	529	483
Recharged costs of lessees	180	168
Insurance reimbursements	91	91
Income from marketing and other services	128	147
Direct aid	101	82
Reversal of provisions	80	-
Disposal of non-current assets	2	2
Collection of amounts due as per judgement and out-of-court settlement	-	1
Other recharged costs	20	32
Income from management	272	202
Other operating income	223	162
Total	**3,782**	**1,370**

/i/ Net gains on the disposal of the subsidiary refers to the difference between the investment in the former subsidiary Club Adriatic d.o.o. which the Company held at acquisition cost (in the amount of EUR 15,609 thousand) and the realised transaction price, as described in Notes 21 and 37.

/ii/ Net gains on the termination of the lease contract in 2023 refer to the termination of the contract for the Grand hotel View, which was terminated on 6 February 2023, when the Company purchased Adria coast turizam d.o.o.

8. Cost of raw materials and supplies

Company	2023	2024
	EUR '000	*EUR '000*
Groceries consumed	2,075	2,173
Electricity	1,635	1,750
Consumables and cleaning supplies	379	379
Water consumed	300	298
Heating oil and gas	173	197
Write-off of small inventory	86	104
Alcoholic and soft drinks consumed	190	242
Fuel for passenger and freight vehicles	50	56
Office supplies	11	12
Packaging	12	13
Overheads – leased properties	5	6
Other costs	23	33
Total	**4,939**	**5,263**

Group	2023	2024
	EUR '000	*EUR '000*
Groceries consumed	2,563	2,651
Electricity	1,885	2,026
Consumables and cleaning supplies	459	448
Water consumed	351	327
Heating oil and gas	176	200
Write-off of small inventory	108	156
Alcoholic and soft drinks consumed	238	306
Fuel for passenger and freight vehicles	54	58
Office supplies	13	14
Packaging	13	15
Overheads – leased properties	5	6
Other costs	24	34
Total	**5,889**	**6,241**

9. Cost of services

Company	2023	2024
	EUR '000	*EUR '000*
Commissions and banking services	1,778	1,473
Contractor services /i/	1,083	987
Investment and current maintenance	500	826
Utilities	277	273
Intellectual services	765	359
Student employment agency services	164	119
Telephone, Internet and mail	252	278
Gross temporary service contract cost	157	201
Advertising services	185	367
Rentals	208	305
Music and ZAMP fees	34	48
Transport services (road and maritime transport)	16	22
Other services	204	186
Total	**5,623**	**5,444**

Group	2023	2024
	EUR '000	*EUR '000*
Commissions and banking services	2,189	1.934
Contractor services /i/	1,170	988
Investment and current maintenance	568	903
Utilities	313	305
Intellectual services	784	379
Student employment agency services	267	196
Telephone, Internet and mail	257	281
Gross temporary service contract cost	175	215
Advertising services	186	375
Rentals	247	367
Music and ZAMP fees	38	53
Transport services (road and maritime transport)	21	23
Other services	217	195
Total	**6,432**	**6,214**

/i/ Contractor services refer to services of washing, dry cleaning and ironing of hotel bed linen and services of protection of property and persons.

Auditors' fee

The costs of audit services amounted to EUR 70 thousand (2023: EUR 57 thousand) for the Company and EUR 87 thousand (2023: EUR 72 thousand) for the Group. Additionally, a company from the network to which the audit firm belongs provided non-audit services worth EUR 17 thousand in 2023 for the Company and the Group in connection with consulting regarding EU funds, contracted in 2022.

10. Staff costs

Company	2023	2024
	EUR '000	*EUR '000*
Net salaries	4,270	5,366
Contributions from salaries	1,216	1,470
Contributions on salaries	1,000	1,250
Performance bonus and holiday pay	662	296
Taxes and surtaxes	524	657
Transportation to and from work	180	221
Meal	222	260
Children's gifts, Christmas bonus, non-taxable voucher	141	153
Accruals for unused vacation days	58	50
Termination benefits and jubilee awards	27	61
Unused hours off – redistribution	(40)	28
Non-current provisions for termination benefits and jubilee awards	15	(9)
Other	57	64
Total	**8,332**	**9,867**

Group	2023	2024
	EUR '000	*EUR '000*
Net salaries	4,814	6.188
Contributions from salaries	1,368	1.691
Contributions on salaries	1,126	1.438
Performance bonus and holiday pay	719	365
Taxes and surtaxes	589	751
Transportation to and from work	190	239
Meal	267	317
Children's gifts, Christmas bonus, non-taxable voucher	155	171
Accruals for unused vacation days	67	54
Termination benefits and jubilee awards	27	61
Unused hours off – redistribution	(27)	22
Non-current provisions for termination benefits and jubilee awards	16	(9)
Other	64	73
Total	**9,375**	**11.361**

10. Staff costs (continued)

Remuneration for the members of the Company's key management personnel and Supervisory Board:

Company	**2023**	**2024**
	EUR '000	*EUR '000*
Key personnel	329	446
of which benefits in kind	*3*	*32*
Supervisory Board	93	137
Total	**422**	**583**

Remuneration for the members of the Group's key personnel and Supervisory Board:

Group	**2023**	**2024**
	EUR '000	*EUR '000*
Key personnel	329	446
of which benefits in kind	*3*	*32*
Supervisory Board	95	137
Total	**424**	**583**

11. (Impairment) / reversal of impairment of non-current financial assets

Company	**2023**	**2024**
	EUR '000	*EUR '000*
Impairment of right-of-use assets (Note 34)	(3,205)	-
Impairment of property, plant and equipment (Note 17)	(46)	(140)
Total	**(3,251)**	**(140)**

Group	**2023**	**2024**
	EUR '000	*EUR '000*
Reversal of impairment of right-of-use assets (Note 34)	322	-
Impairment of property, plant and equipment (Note 17)	(46)	(140)
Total	**276**	**(140)**

12. Net gains / (losses) on value adjustments of financial assets

Company	2023	2024
	EUR '000	*EUR '000*
Impairment of trade receivables	(30)	(60)
Release of impairment of expected credit losses / (expected credit losses) – trade receivables	77	(66)
Expected credit losses – loans	(17)	(56)
Total	**30**	**(182)**

Group	2023	2024
	EUR '000	*EUR '000*
Write-off of trade receivables	(126)	-
Impairment of trade receivables	(30)	(60)
Release of impairment of expected credit losses / (expected credit losses) – trade receivables	73	(81)
Total	**(83)**	**(141)**

13. Other operating expenses

Company	2023	2024
	EUR '000	*EUR '000*
Expenses from unrealised investments /i/	975	-
Municipal charges and concessions	330	309
Employee accommodation	260	204
Fees paid to Hrvatske vode	148	143
Insurance premiums	177	202
Animation and entertainment	36	44
Reimbursement to students in practice and scholarships	53	50
Aid to employees	10	22
Taxes and contributions irrespective of business result	74	57
Subscriptions and memberships	67	67
Entertainment	34	50
Net book amount of disposed assets	31	29
Travel expenses, per diems, accommodation and field bonus	20	24
Professional training of employees	23	36
Disability benefits	10	6
Other operating expenses	252	152
Total	**2,500**	**1,395**

13. Other operating expenses (continued)

Group	**2023**	**2024**
	EUR '000	*EUR '000*
Expenses from unrealised investments /i/	975	-
Municipal charges and concessions	381	365
Employee accommodation	385	315
Fees paid to Hrvatske vode	148	143
Insurance premiums	218	246
Animation and entertainment	55	86
Reimbursement to students in practice and scholarships	54	54
Aid to employees	11	23
Taxes and contributions irrespective of business result	82	66
Subscriptions and memberships	74	75
Entertainment	42	52
Net book amount of disposed assets	34	31
Travel expenses, per diems, accommodation and field bonus	21	26
Professional training of employees	24	42
Disability benefits	10	7
Other operating expenses	573	130
Total	**3,087**	**1,661**

/i/ Expenses from unrealised investments refers to assets under construction for which the Company decided to discontinue further investments, which is why it will not be possible to capitalise the mentioned amounts. The largest portion of the amount refers to the project International.

14. Finance income and costs

Company	**2023**	**2024**
	EUR '000	*EUR '000*
Finance income		
Interest income	12	39
	12	**39**

	2023	**2024**
	EUR '000	*EUR '000*
Finance costs		
Interest expense	(1,054)	(1,244)
Interest expense on lease	(513)	(376)
	(1,567)	**(1,620)**
Net finance (costs)	**(1,555)**	**(1,581)**

Group	**2023**	**2024**
	EUR '000	*EUR '000*
Finance income		
Interest income	4	1
	4	**1**

	2023	**2024**
	EUR '000	*EUR '000*
Finance costs		
Interest expense	(2,453)	(2,954)
Interest expense on lease	(525)	(383)
	(2,978)	**(3,337)**
Net finance (costs)	**(2,974)**	**(3,336)**

15. Income tax and deferred tax assets and liabilities

Income tax

Company	**2023**	**2024**
	EUR '000	*EUR '000*
Current tax	-	-
Deferred tax	686	(30)
Income tax in statement of profit or loss	**686**	**(30)**

Group	**2023**	**2024**
	EUR '000	*EUR '000*
Current tax	-	-
Deferred tax	530	(193)
Income tax in statement of profit or loss	**530**	**(193)**

The Company is liable for income tax under the laws and regulations of the Republic of Croatia. The tax base is determined as the difference between income and expenses for the period plus and net of income and expenses having a different tax treatment according to the tax regulations concerning the taxation of income. The income tax rate was 18% in all presented periods.

Company	**2023**	**2024**
	EUR '000	*EUR '000*
Accounting profit / (loss) before tax	3,415	(2,709)
Income tax calculated at the rate of 18%	615	(488)
Effects of expenses not recognised for tax purposes /i/	774	81
Effects of income not recognised for tax purposes /ii/	(397)	(323)
Effects of unrecognised deferred tax assets	-	730
Effects of unrecognised deferred tax assets utilization	(306)	(30)
Income tax / (tax credit)	**686**	**(30)**

/i/ The effects of expenses not recognised for tax purposes mainly include depreciation above the prescribed rates, provisions and value adjustments of financial assets and receivables.

/ii/ The effects of income not recognised for tax purposes include depreciation expenses that were not previously recognized and state grants for education.

15. Income tax and deferred tax assets and liabilities (continued)

Group	**2023**	**2024**
	EUR '000	*EUR '000*
Accounting loss before tax	(4,233)	(6,007)
Income tax calculated at the rate of 18%	(762)	(1,081)
Effects of expenses not recognised for tax purposes /i/	960	86
Effects of income not recognised for tax purposes /ii/	(397)	(488)
Effects of unrecognised deferred tax assets		1,320
Effects of deferred tax assets utilization	729	-
Effects of unrecognised deferred tax assets utilization		(30)
Income tax	**530**	**(193)**

/i/ The effects of expenses not recognised for tax purposes mainly include depreciation above the prescribed rates, provisions and value adjustments of financial assets and receivables.
/ii/ The effects of income not recognised for tax purposes include depreciation expenses that were not previously recognized and state grants for education.

The Tax Administration has not conducted any audits of the Company's income tax returns in the past several years. According to the relevant tax regulations, the Tax Administration may inspect the Company's books and records at any time within three years of the end of the year in which the relevant tax liability is presented and may impose additional tax liabilities and penalties. The Management Board is not aware of any circumstances that may give rise to a potential material liability in this respect.

Deferred tax assets

Deferred tax assets were created as a temporary difference between the book value of assets and liabilities determined for financial reporting purposes and the legally prescribed tax base.

The Company has available gross tax losses, as stated below:

Year incurred	**Amount**	**Year of expiry**
Company Jadran		
	EUR '000	
2021	(3,187)	2026
2024	(4,054)	2029
Total	**(7,241)**	

15. Income tax and deferred tax assets and liabilities (continued)

Movement of deferred tax assets and deferred tax liabilities of the Company is shown below:

Company *EUR '000*	**Available tax losses**	**Amortisation**	**Lease liabilities / Right-of-use assets**	**Total**
Balance at 1 January 2023	**1,565**	**944**	**377**	**2,886**
Release of deferred tax assets	(992)	-	(4,608)	(5,600)
Less release of deferred tax liability	-	-	4,914	4,914
(Charged to) / recognised in profit and loss	(992)	-	306	(686)
Balance at 31 December 2023	**573**	**944**	**683**	**2,200**
Release of deferred tax assets	-	-	(56)	(56)
Less release of deferred tax liability	-	-	86	86
Recognised in profit and loss	-	-	*30*	*30*
Balance at 31 December 2024	**573**	**944**	**713**	**2,230**

Based on deductible temporary tax differences related to the depreciation of property, plant and equipment, the Company has EUR 682 thousand available for which no deferred tax assets have been recognised. Additionally, based on available gross tax losses, the Company has an additional EUR 730 thousand available for which no deferred tax asset has been recognized.

Gross amount of deferred tax assets and liabilities of the Company is shown in the following table:

Company	**2024**			**2023**		
EUR '000	**Deferred tax assets**	**Deferred tax liabilities**	**Net**	**Deferred tax assets**	**Deferred tax liabilities**	**Net**
Gross balance at 1 January	3,579	(1,379)	2,200	9,179	(6,293)	2,886
Increase/(decrease) during the year	(56)	86	30	(5,600)	4,914	(686)
Gross balance at **31 December**	**3,523**	**(1,293)**	**2,230**	**3,579**	**(1,379)**	**2,200**

15. Income tax and deferred tax assets and liabilities (continued)

The Group has available gross tax losses, as stated below:

Year incurred	**Amount**	**Year of expiry**
Group Jadran		
	EUR '000	
2020	(481)	2025
2021	(3,308)	2026
2022	(1,882)	2027
2023	(2,800)	2028
2024	(6,506)	2029
Total	**(14,977)**	

Movement of deferred tax assets and deferred tax liabilities of the Group is shown below:

Group *EUR '000*	**Available tax losses**	**Amortisation**	**Lease liabilities / Right-of-use assets**	**Total deferred tax assets**	**Revaluation of property, plant and equipment**
Balance at 1 January 2023	**1,565**	**944**	**377**	**2,886**	**(2,509)**
Release of deferred tax assets	(992)	-	(4,608)	(5,600)	-
Less the release/(creation) of deferred tax liability	-	-	4,914	4,914	(2,267)
(Charged to) / recognised in profit and loss	(992)	-	306	(686)	156
Balance at 31 December 2023	**573**	**944**	**683**	**2,200**	**(2,111)**
Release of deferred tax assets	-	-	(56)	(56)	**-**
Less release of deferred tax liability	-	-	86	86	163
Recognised in profit and loss	-	-	*30*	*30*	*163*
Balance at 31 December 2024	**573**	**944**	**713**	**2,230**	**(1,948)**

15. Income tax and deferred tax assets and liabilities (continued)

Gross amount of deferred tax assets and liabilities of the Group is shown in the following table:

Group	**2024**			**2023**		
EUR '000	**Deferred tax assets**	**Deferred tax liabilities**	**Net**	**Deferred tax assets**	**Deferred tax liabilities**	**Net**
Gross balance at 1 January	**3,620**	**(3,531)**	**89**	9,179	(8,802)	377
Increase/(decrease) during the year	(56)	249	(193)	(5,559)	5,271	(288)
Gross balance at **31 December**	**3,564**	**(3,282)**	**(104)**	**3,620**	**(3,531)**	**89**
Offsetting	(1,334)	(1,334)		(1,420)	(1,420)	
Net balance in statement of financial position	**2,230**	**(1,948)**		**2,200**	**(2,111)**	

16. Earnings / (loss) per share

Company	**2023**	**2024**
	EUR '000	*EUR '000*
Earnings / (loss) attributable to shareholders of the Company	**2,729**	**(2.679)**
Weighted average number of ordinary shares used to calculate basic/diluted earnings per share	27,970,832	27,970,832
	EUR	*EUR*
Basic and diluted earnings / (loss) per share	**0.10**	**(0.10)**

Group	**2023**	**2024**
	EUR '000	*EUR '000*
Weighted average number of ordinary shares used to calculate basic/diluted earnings per share	27,970,832	27,970,832
Loss from continuing operations	(4,763)	(5,814)
	EUR	*EUR*
Basic and diluted loss per share from continuing operations attributable to shareholders of the Group	**(0.17)**	**(0.21)**
Gain from discontinued operations	1,373	**-**
	EUR	*EUR*
Basic and diluted gain per share from discontinued operations	**0.05**	**-**
Loss attributable to shareholders of the Group	(3,390)	(5,814)
	EUR	*EUR*
Basic and diluted loss per share with discontinued operations	**(0.12)**	**(0.21)**

17. Property, plant and equipment

Company	Land	Buildings	Plant and equipment	Other assets	Tangible assets under construction	Total
EUR '000						
Cost						
At 1 January 2023	**35,240**	**99,207**	**21,530**	**264**	**2,256**	**158,497**
Additions	-	1,451	1,186	31	(2,668)	-
Direct additions	-	-	-	-	1,486	1,486
Disposals	(114)	-	(418)	-	(975)	(1,507)
At 31 December 2023	**35,126**	**100,658**	**22,298**	**295**	**99**	**158,476**
Additions	-	13	398	5	(416)	-
Direct additions	-	-	-	-	768	768
Disposals	-	-	(287)	-	-	(287)
At 31 December 2024	**35,126**	**100,671**	**22,409**	**300**	**451**	**158,957**
Accumulated depreciation						
At 1 January 2023	**3,388**	**66,324**	**9,813**	**98**	**-**	**79,623**
Depreciation charge	-	1,311	2,639	30	-	3,980
Disposals	-	-	(330)	-	-	(330)
Impairment of non-current assets	-	-	46	-	-	46
At 31 December 2023	**3,388**	**67,635**	**12,168**	**128**	**-**	**83,319**
Depreciation charge	-	1,263	2,399	32	-	3,694
Disposals	-	-	(205)	-	-	(205)
Impairment of non-current assets	-	-	140	-	-	140
At 31 December 2024	**3,388**	**68,898**	**14,502**	**160**	**-**	**86,948**
Net book amount						
At 31 December 2023	**31,738**	**33,023**	**10,130**	**167**	**99**	**75,157**
At 31 December 2024	**31,738**	**31,773**	**7,907**	**140**	**451**	**72,009**

17. Property, plant and equipment (continued)

Additions to tangible assets in 2024: buildings in the amount of EUR 13 thousand relate to investments in hotel facilities (upgrading the classification of hotels, developing campsites and other construction works), equipment in the amount of EUR 398 thousand relates to the purchase of equipment necessary for operations in hotels and campsites, investment in other assets in the amount of EUR 5 thousand, additions to tangible assets under construction in the amount of EUR 768 thousand relate to investments in hotel facilities and campsite development, which were not put into use during 2024.

Additions to tangible assets in 2023: buildings in the amount of EUR 1,451 thousand relate to investments in hotel facilities (upgrading the classification of hotels, developing campsites and other construction works), equipment in the amount of EUR 1,186 thousand relates to the purchase of equipment necessary for operations in hotels and campsites, additions to tangible assets under construction in the amount of EUR 1,486 thousand relate to investments in hotel facilities and campsite development, which were not put into use during 2023. The disposals in land in the amount of EUR 114 thousand relate to the divestment in 2023 (sale of own property). The write-off in the amount of EUR 975 thousand refers to assets under construction for which the Company decided to discontinue further investments, which is why it will not be possible to capitalise the stated amounts. The majority of the amount refers to the project International.

As at 31 December 2024, the carrying amount of mortgaged properties (hotels Omorika, Ad Turres, Esplanade, Katarina, International, Slaven resort, pavilions, swimming pool and central restaurant within the Ad Turres, Kačjak and Kaštel resorts) amounts to a total of EUR 47,911 thousand (31 December 2023: EUR 44,463 thousand).

The total value of tangible assets that are fully depreciated, and which are still in use as of 31 December 2024 amounts to EUR 19,035 thousand (31 December 2023: EUR 15,469 thousand).

Proceeds from the sale of property, plant and equipment in 2024 amounted to EUR 100 thousand (in 2023: EUR 95 thousand without discontinued operations).

The book value of assets where the Company is not listed as the owner or in respect of which there is a legal dispute regarding ownership as of 31 December 2024, amounts to EUR 287 thousand (31 December 2023: EUR 279 thousand).

17. Property, plant and equipment (continued)

Group	Land	Buildings	Plant and equipment	Other assets	Tangible assets under construction	Total
EUR '000						
Cost						
At 1 January 2023	**35,240**	**99,207**	**21,540**	**264**	**2,256**	**158,507**
Acquisition of subsidiary (Note 38)	3,990	32,674	11,592	314	64	48,634
Transfer to use	-	1,451	1,186	31	(2,668)	-
Direct additions	-	1,296	274	14	1,422	3,006
Disposals	(114)	(1)	(427)	-	(975)	(1,517)
At 31 December 2023	**39,116**	**134,627**	**34,165**	**623**	**99**	**208,630**
Transfer to use	-	13	520	5	(538)	-
Direct additions	-	-	-	-	910	910
Disposals	-	-	(296)	-	-	(296)
At 31 December 2024	**39,116**	**134,640**	**34,389**	**628**	**471**	**209,244**
Accumulated depreciation						
At 1 January 2023	**3,388**	**66,324**	**9,823**	**98**	**-**	**79,633**
Acquisition of subsidiary (Note 38)	-	634	833	27	-	1,494
Depreciation charge	-	2,747	4,462	92	-	7,301
Disposals	-	(1)	(335)	-	-	(336)
Impairment of non-current assets	-	-	46	-	-	46
At 31 December 2023	**3,388**	**69,704**	**14,829**	**217**	**-**	**88,138**
Depreciation charge	-	2,878	4,311	100	**-**	7,289
Disposals	-	-	(209)	-	-	(209)
Impairment of non-current assets	-	-	140	-	-	140
At 31 December 2024	**3,388**	**72,582**	**19,071**	**317**	-	**95,358**
Net book amount						
At 31 December 2023	**35,728**	**64,923**	**19,336**	**406**	**99**	**120,492**
At 31 December 2024	**35,728**	**62,058**	**15,318**	**311**	**471**	**113,886**

17. Property, plant and equipment (continued)

Additions to tangible assets in 2024: buildings in the amount of EUR 13 thousand relate to investments in hotel facilities (upgrading the classification of hotels, developing campsites and other construction works), equipment in the amount of EUR 520 thousand relates to the purchase of equipment necessary for operations in hotels and campsites, investment in other assets in the amount of EUR 5 thousand, additions to tangible assets under construction in the amount of EUR 910 thousand relate to investments in hotel facilities and campsite development, which were not put into use during 2024.

Additions to tangible assets in 2023: buildings in the amount of EUR 1,451 thousand relate to investments in hotel facilities (upgrading the classification of hotels, developing campsites and other construction works), equipment in the amount of EUR 1,186 thousand relates to the purchase of equipment necessary for operations in hotels and campsites, additions to tangible assets under construction in the amount of EUR 1,422 thousand relate to investments in hotel facilities and campsite development, which were not put into use during 2023. The disposals in land in the amount of EUR 114 relate to the divestment in 2023 (sale of own property). The write-off in the amount of EUR 975 thousand refers to assets in preparation for which the Company decided to discontinue further investments, which is why it will not be possible to capitalise the stated amounts. The majority of the amount refers to the project International. Other direct additions to assets refer to the assets that the Group acquired with the purchase of the subsidiary Adria coast turizam.

As at 31 December 2024, the carrying amount of mortgaged properties (hotels Omorika, Ad Turres, Esplanade, Katarina, International, Slaven resort, pavilions, swimming pool and central restaurant within the Ad Turres, Kačjak, Kaštel resorts and Grand hotel View) amounts to a total of EUR 73,309 thousand (31 December 2023: EUR 71,078 thousand).

The total value of tangible assets that are fully depreciated, and which are still in use as of 31 December 2024 amounts to EUR 19,409 thousand (31 December 2023: EUR 15,469 thousand).

Proceeds from the sale of property, plant and equipment in 2024 amounted to EUR 101 thousand (in 2023: EUR 95 thousand without discontinued operations).

The book value of assets where the Company is not listed as the owner or in respect of which there is a legal dispute regarding ownership as of 31 December 2024, amounts to EUR 287 thousand (31 December 2023: EUR 279 thousand).

18. Intangible assets

Company	**Licences, software and other rights**	**Total**
EUR '000		
Cost		
At 1 January 2023	**557**	**557**
Direct additions	44	44
Disposals	(26)	(26)
At 31 December 2023	**575**	**575**
Direct additions	90	90
Disposals	(44)	(44)
At 31 December 2024	**621**	**621**
Accumulated amortisation		
At 1 January 2023	**289**	**289**
Amortisation charge	99	99
Disposals	(20)	(20)
At 31 December 2023	**368**	**368**
Amortisation charge	95	95
Disposals	(23)	(23)
At 31 December 2023	**440**	**440**
Net book amount		
At 31 December 2023	**207**	**207**
At 31 December 2024	**181**	**181**

18. Intangible assets (continued)

Group	Licences, software and other rights	Total
EUR '000		
Cost		
At 1 January 2023	**557**	**557**
Direct additions	44	44
Disposals	(26)	(26)
At 31 December 2023	**575**	**575**
Direct additions	105	105
Disposals	(44)	(44)
At 31 December 2024	**636**	**636**
Accumulated amortisation		
At 1 January 2023	**289**	**289**
Amortisation charge	99	99
Disposals	(20)	(20)
At 31 December 2023	**368**	**368**
Amortisation charge	96	96
Disposals	(23)	(23)
At 31 December 2023	**441**	**441**
Net book amount		
At 31 December 2023	**207**	**207**
At 31 December 2024	**195**	**195**

19. Investment property

Company and Group	Land and buildings	Total
EUR '000		
Cost		
At 1 January 2023	**4,664**	**4,664**
Write off	**-**	**-**
At 31 December 2023	**4,664**	**4,664**
Write off	(1)	(1)
At 31 December 2023	**4,663**	**4,663**
Accumulated depreciation		
At 1 January 2023	**253**	**253**
Depreciation charge	9	9
At 31 December 2023	**262**	**262**
Depreciation charge	9	9
At 31 December 2024	**271**	**271**
Net book amount		
At 31 December 2023	**4,402**	**4,402**
At 31 December 2024	**4,392**	**4,392**

Investment property relates to land and buildings that are leased or held for future realisation through renting or selling.

The fair value of investment properties based on external valuation by independent appraisers or internal valuation does not deviate significantly from their carrying value at the reporting date. Estimates of the fair value of investment property are categorised as level 3 in the fair value hierarchy.

20. Financial assets

Company	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Hoteli Novi d.d. in bankruptcy	582	582
Impairment of shares	(582)	(582)
Total	**-**	**-**

Group	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Hoteli Novi d.d. in bankruptcy	582	582
Impairment of shares	(582)	(582)
Loans given	130	130
Total	**130**	**130**

21. Investments in subsidiaries

As at 31 December, the Company holds shares in the following subsidiaries:

Investments in subsidiaries

	Country	Ownership share	31 December 2023	31 December 2024
			EUR '000	*EUR '000*
Adria coast turizam /i/	Republic of Croatia	100%	22,942	22,942
Stolist /ii/	Republic of Croatia	100%	129	129
Total			**23,071**	**23,071**

/i/ Adria coast turizam and Club Adriatic

On 6 February 2023, Jadran d.d. successfully fulfilled all the prerequisites established by the concluded agreements on the purchase of business shares in the company Adria coast turizam d.o.o., which provided for the acquisition of 100% of the shares in that company by Jadran d.d., as well as the agreement on the sale of business shares in the company Club Adriatic d.o.o., by which Jadran sold and transferred 100% of the shares in that company to Adria Grupa Baško Polje d.o.o. (Note 38).

With the agreement on the transfer of business shares in the company Club Adriatic d.o.o., by which Jadran transferred 100% of the shares in that company to Adria Grupa Baško Polje d.o.o. the conditions to classify this business segment as discontinued operations as at 31 December 2022 were met.

/ii/ Stolist

As at 18 June 2019, the Company entered into a Sale and Purchase Agreement for the acquisition of Stolist d.o.o. Pursuant to this Agreement, the Company acquired 100% of the shares in the said company. The Company paid EUR 129 thousand to acquire Stolist d.o.o.

22. Inventories

Company	**31 December 2023**	**31 December 2024**
	EUR '000	*EUR '000*
Raw materials and supplies on stock	75	112
Cost of small inventory and tyres	1,219	1,271
Impairment of small inventory and tyres	(1,219)	(1,271)
Trade goods	2	4
Packaging	4	10
Total	**81**	**126**

Group	**31 December 2023**	**31 December 2024**
	EUR '000	*EUR '000*
Raw materials and supplies on stock	110	137
Cost of small inventory and tyres	1,481	1,568
Impairment of small inventory and tyres	(1,481)	(1,568)
Trade goods	3	4
Packaging	5	11
Total	**118**	**152**

23. Trade receivables and related party receivables

Company	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Domestic trade receivables	1,086	1,157
Foreign trade receivables	14	100
Impairment of trade receivables – individual adjustments	(660)	(702)
Impairment of receivables – expected credit losses (IFRS 9)	(12)	(78)
Receivables from related parties	73	66
Impairment of trade receivables from related parties	(1)	(1)
Total	**500**	**542**

Group	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Domestic trade receivables	1,109	1,184
Foreign trade receivables	24	109
Impairment of trade receivables – individual adjustments	(660)	(702)
Impairment of receivables – expected credit losses (IFRS 9)	(16)	(97)
Total	**457**	**494**

Maturity structure of total trade receivables:

Company	Gross trade receivables		Impairment		Net trade receivables	
	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024
	EUR '000	*EUR '000*	*EUR '000*	*EUR '000*	*EUR '000*	*EUR '000*
Not past due	443	237	(5)	-	438	237
Up to 30 days	38	50	(1)	(1)	37	49
31-60 days	2	35	(2)	(9)	-	26
61-90 days	14	39	-	(12)	14	27
91-180 days	33	171	(22)	(77)	11	94
181-365 days	7	142	(7)	(33)	-	109
365 days and more	636	649	(636)	(649)	-	-
Total	**1,173**	**1, 323**	**(673)**	**(781)**	**500**	**542**

23. Trade receivables and related party receivables (continued)

Group 31 December 2024	Not past due	Past due up to 30 days	Past due from 31–90 days	Past due from 91–180 days	Past due from 181–270 days	Past due beyond 270 days	TOTAL
Expected loss rate	0.46%	5.01%	27.91%	46.38%	27.46%	100%	61.79%
Gross book amount – trade receivables	196	40	80	184	144	649	1.293
Loss allowance	-	(2)	(23)	(85)	(40)	(649)	(799)
Trade receivables – net of impairment	**196**	**38**	**57**	**99**	**104**	**-**	**494**

Group 31 December 2023	Not past due	Past due up to 30 days	Past due from 31–90 days	Past due from 91–180 days	Past due from 181–270 days	Past due beyond 270 days	TOTAL
Expected loss rate	1.35%	1.79%	17.24%	63.64%	87.50%	100%	77.85%
Gross book amount – trade receivables	370	56	29	33	8	637	1,133
Loss allowance	(5)	(1)	(5)	(21)	(7)	(637)	(676)
Trade receivables – net of impairment	**365**	**55**	**24**	**12**	**1**	**-**	**457**

Changes in the impairment allowance on trade receivables for expected credit losses and individual adjustments were as follows:

Company	**2023**	**2024**
	EUR '000	*EUR '000*
At 1 January	**1,657**	**673**
(Decrease) / increase in expected credit losses in the current period	(77)	66
Impairment in the current period	30	60
Total changes in expected credit loss through profit or loss	*(47)*	*126*
Write-off of previously impaired receivables	(937)	(18)
At 31 December	**673**	**781**

Group	**2023**	**2024**
	EUR '000	*EUR '000*
At 1 January	**189**	**676**
(Decrease) / increase in expected credit losses in the current period	(73)	81
Impairment in the current period	30	60
Total changes in expected credit loss through profit or loss	*(43)*	*141*
Write-off of previously impaired receivables	(8)	(18)
Transfer of impaired receivables from a subsidiary sold /i/	538	-
At 31 December	**676**	**799**

/i/ The item refers to impaired receivables from Club Adriatic, which was previously a subsidiary, so this category did not exist at the Group level.

24. Receivables from the government and other receivables

Company	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Prepaid VAT receivable	148	106
Other receivables from the government	80	63
Suspense accounts for services accounted for /i/	141	291
Banking charges for loans	13	6
Receivables for advances given /ii/	177	363
Prepayments – other costs	9	1
Total	**568**	**830**

/i/ Suspense accounts for services accounted for refer to the balance of transition accounts that are uploaded from the reception software.
/ii/ Receivables arising from advances given relate to advances towards Club Adriatic in the amount of EUR 144 thousand, advances for insurance premium paid in the amount of EUR 109 thousand, the amount of EUR 59 paid to HEP and other advances given to suppliers. (31 December 2023: Receivables arising from advances for insurance premium paid in the amount of EUR 104 thousand, the amount of EUR 59 thousand paid to HEP, and other advances given to suppliers).

Group	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Prepaid VAT receivable	185	120
Other receivables from the government	120	101
Suspense accounts for services accounted for	150	275
Banking charges for loans	13	7
Receivables for advances given /i/	182	388
Prepayments – other costs	9	16
Total	**659**	**907**

/i/ Suspense accounts for services accounted for refer to the balance of transition accounts that are uploaded from the reception software.
/ii/ Receivables arising from advances given relate to advances towards Club Adriatic in the amount of EUR 144 thousand, advances for insurance premium paid in the amount of EUR 132 thousand, the amount of EUR 59 paid to HEP and other advances given to suppliers. (31 December 2023: Receivables arising from advances for insurance premium paid in the amount of EUR 129 thousand, the amount of EUR 59 thousand paid to HEP, and other advances given to suppliers).

25. Receivables for loans granted to related parties

Company	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Receivables for loans granted to related parties /i/	493	2,015
Impairment of loan receivables – IFRS 9	(19)	(75)
Total	**474**	**1,940**

/i/ Receivables from related parties relate to three loans granted to Stolist d.o.o. in the total amount of loan principal and of associated interest of EUR 45.5 thousand. The loans were granted in 2021, 2022 and 2024.
Additionally, in 2023 and 2024 the Company granted a loans in the total amount of EUR 1,928 thousand to Adria coast turizam, with EUR 41 thousand of associated interest.
The above-mentioned loans were granted at the legally prescribed intra-group interest rate (repayable at the lender's first call). The loans are classified as Stage 2.

26. Cash and cash equivalents

Company	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Bank balances – domestic currency	1,022	1,896
Cash on hand	1	1
Total	**1,023**	**1,897**

Group	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Bank balances – domestic currency	1,768	2,697
Cash on hand	1	1
Total	**1,769**	**2,698**

The Company mainly deposits cash with local banks that are members of banking groups with the following credit ratings by Standard & Poor's:

Company	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
A	15	13
BBB	986	1,864
No credit rating	21	19
Total	**1,022**	**1,896**

26. Cash and cash equivalents (continued)

Group	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
A	15	13
BBB	1,731	2,665
No credit rating	22	19
Total	**1,768**	**2,697**

27. Capital and reserves

The Company's share capital amounts to EUR 64.039.780 and is divided among 27,971,463 ordinary shares without a nominal value with the ticker symbol JDRN-R-B. The Company's ID No. (OIB) is 56994999963, while its Reg. No. (MBS) is 040000817. The share capital represents the Company's own sources of assets for its operating purposes.

Capital reserves as of 31 December 2024 as well as of 31 December 2023 amount to EUR 31.085.132 and are not available for distribution to the shareholders.

Individual major shareholders are PBZ CO OMF – CATEGORY B which holds 58.30% of shares and ERSTE PLAVI OMF CATEGORY B which holds 30.56% of the Company's shares.

Table 1: Structure of shareholders as at 31 December 2024 and 31 December 2023

	31 December 2023		31 December 2024	
Investor	**Balance**	**%**	**Balance**	**%**
Erste & Steiermarkische bank d.d./PBZ CO OMF – category B (1/1) – custodial account	16,307,401	58.30	16,307,401	58.30
OTP banka d.d. /Erste Plavi OMF category b – custodial account	8,547,346	30.56	8,547,346	30.56
Restructuring and Sale Center – CERP (0/1) Republic of Croatia (1/1) zs	673,666	2.41	673,666	2.41
Hrvatske vode, Water Management Corporation (1/1)	208,292	0.74	208,292	0.74
Town of Crikvenica (1/1)	184,056	0.66	184,056	0.66
OTP banka d.d./Erste Plavi Expert – voluntary pension fund (1/1) – custodial account	174,249	0.62	174,249	0.62
Other shareholders	1,876,453	6.71	1,876,453	6.71
TOTAL	**27,971,463**	**100.00**	**27,971,463**	**100.00**

Pursuant to the provisions of the Act on the Introduction of the Euro as the Official Currency in the Republic of Croatia and the Act on Amendments to the Companies Act, and based on the decision of the General Assembly on the adjustment of share capital dated 14 July 2023, the share capital of the Company, by applying a fixed HRK to EUR conversion rate, was converted into euros and reduced by the amount of 1.01 euros to the extent necessary for compliance with the relevant regulations in a simplified manner, and credited to capital reserves.
As of 31 December 2024, the Company holds 631 treasury shares (2023: 631), which represents 0.0023% (2023: 0.0023%) of the Company's share capital.

28. Provisions

Company	**31 December 2023**	**31 December 2024**
	EUR '000	*EUR '000*
Provisions for termination benefits	34	35
Provisions for jubilee awards	38	28
Provisions for legal disputes	80	114
Total	**152**	**177**

Group	**31 December 2023**	**31 December 2024**
	EUR '000	*EUR '000*
Provisions for termination benefits	35	35
Provisions for jubilee awards	39	29
Provisions for legal disputes	80	114
Total	**154**	**178**

Movements in provisions over the years are as follows:

Company	**Legal disputes**	**Termination benefits**	**Jubilee awards**	**Total**
EUR '000				
At 31 December 2022	**24**	**29**	**28**	**81**
Additional provisions based on estimate	56	5	10	71
At 31 December 2023	**80**	**34**	**38**	**152**
Derecognition	(16)	-	(10)	(26)
Additional provisions based on estimate	50	1	-	51
At 31 December 2024	**114**	**35**	**28**	**177**

Group	**Legal disputes**	**Termination benefits**	**Jubilee awards**	**Total**
EUR '000				
At 31 December 2022	**24**	**29**	**28**	**81**
Additional provisions based on estimate	56	6	11	73
At 31 December 2023	**80**	**35**	**39**	**154**
Derecognition	(16)	-	(10)	(26)
Additional provisions based on estimate	50	-	-	50
At 31 December 2024	**114**	**35**	**29**	**178**

29. Liabilities to banks

Company	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Long-term loans-HBOR – DT-1/16 /i/	1,075	795
Long-term loans-HBOR – DT-10/16 /ii/	626	463
Long-term loans-PBZ – 2016 -5110217867-5110217867 /iii/	2,448	1,224
Long-term loans-PBZ – 2019 -5110228722-5110228722 /iv/	9,380	8,321
Long-term loans-ERSTE – 2019 -5117407680/15 /v/	11,089	9,745
Long-term loans-ZAGREBAČKA BANKA 3306504306 /vi/	-	1,700
Long-term loans-ZAGREBAČKA BANKA 3311031850 /vii/	-	8,000
Short-term loans – OTP 2023-3825/23 /viii/	2,000	-
Short-term loans – ZABA 5702182152 /ix/	500	-
Interest	196	217
Total liabilities	**27,314**	**30,465**
Current maturities of long-term loans in the current year	(4,071)	(4,373)
Short-term loans – OTP 2023-3825/23 /ix/	(2,000)	-
Short-term loans – ZABA 5702182152 /x/	(500)	-
Interest	(196)	(217)
Current liabilities	**(6,767)**	**(4,590)**
Non-current liabilities	**20,547**	**25,875**

Group	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Long-term loans-HBOR – DT-1/16 /i/	1,075	795
Long-term loans-HBOR – DT-10/16 /ii/	626	463
Long-term loans-PBZ – 2016 -5110217867-5110217867 /iii/	2,448	1,224
Long-term loans-PBZ – 2019 -5110228722-5110228722 /iv/	9,380	8,321
Long-term loans-ERSTE – 2019 -5117407680/15 /v/	11,089	9,745
Long-term loans-ZAGREBAČKA BANKA 3306504306 /vi/	-	1,700
Long-term loans-ZAGREBAČKA BANKA 3311031850 /vii/	-	8,000
Long-term loans-Gorenjska banka /viii/	24,000	22,500
Short-term loans – OTP 2023-3825/23 /ix/	2,000	-
Short-term loans – ZABA 5702182152 /x/	500	-
Interest	554	477
Total liabilities	**51,672**	**53,225**
Current maturities of long-term loans in the current year	(5,571)	(4,741)
Short-term loans – OTP 2023-3825/23 /ix/	(2,000)	-
Short-term loans – ZABA 5702182152 /x/	(500)	-
Interest	(554)	(477)
Current liabilities	**(8,625)**	**(5,218)**
Non-current liabilities	**43,047**	**48,007**

29. Liabilities to banks (continued)

/i/ In 2016, the Company entered into a long-term loan agreement with the Croatian Bank for Reconstruction and Development for a loan of EUR 2,309 thousands, repayable over 8 years, with a 1-year and 10 months grace period and 3% interest rate, for the renovation of facilities and upgrading the classification of Hotel Omorika and Hotel Varaždin (Katarina).

/ii/ In 2016, the Company entered into a long-term loan agreement with the Croatian Bank for Reconstruction and Development for a loan of EUR 1,327 thousands, repayable over 8 years, with a 1-year and 3 months grace period and 3% interest rate, for the renovation of facilities and upgrading the classification of Hotel Varaždin (Katarina).

/iii/ In 2016, the Company entered into a long-term loan agreement with Privredna banka Zagreb d.d. for a loan of EUR 7.4 million, repayable over 6 years, with a 1-year and 6 months grace period and 2.6% interest rate, for the renovation of facilities and upgrading the classification of Hotel Varaždin (Katarina) and Hotel Esplanade and to purchase the receivables from Veneto banka d.d. This Agreement was entered into in December of 2016. The amount of EUR 7,343,852 was drawn under the loan, and the loan commencement date was 20 July 2019.

/iv/ In 2019, the Company entered into a long-term loan agreement with Privredna banka Zagreb d.d. for a loan of EUR 12,25 million, repayable over 12 years, with a 2.05% interest rate, for the renovation of facilities and upgrading the classification of the Ad Turres resort, Selce Campsite – swimming pool and allotment, Hotel Katarina, Hotel Omorika, Kačjak resort, Slaven pavilions and Hotel Esplanade.

/v/ In 2019, the Company entered into a long-term loan agreement with Erste&Steiermärkische Bank d.d. for a loan of EUR 13.441 million, repayable over 10 years, with a 2.1% + 3M Euribor interest rate, to be used for investments – purchasing and other costs of acquiring Club Adriatic d.o.o. Zagreb.

/vi/ In 2024, the Company entered into a long-term loan agreement with Zagrebačka banka d.d. in the amount of EUR 1.7 million, with a repayment period of 5 years, at an interest rate of 6.15%, for working capital needs.

/vii/ In 2024, the Company entered into a long-term loan agreement with Zagrebačka banka d.d. in the amount of EUR 8 million, with a grace period of one year and a repayment period of 10 years, with an interest rate of 5.48%, for the purposes of refinancing existing short-term loans and investments in several different facilities.

/viii/ In 2022, Adria coast turizam, Company's subsidiary, entered into an agreement with Gorenjska banka on a long-term loan in the amount of EUR 27.5 million, with a repayment period of 15 years, and an interest rate of 3.5% + 3M Euribor, for the construction of the Grand Hotel View.

/ix/ In 2023, the Company entered into a short-term loan agreement with OTP Bank d.d. for a loan of EUR 2 million, repayable until 31 October 2024, with a 6% interest rate, to be used for current liquidity financing.

/x/ In 2023, the Company entered into a short-term revolving loan agreement with Zagrebačka banka d.d. for a loan of EUR 3 million, repayable until 30 November 2024, with a 4,4% interest rate, to be used for current liquidity financing. From the stated amount by the end of the year, EUR 500 thousand had been withdrawn.

Covenant for the above loans of the Company and the Group include the obligation to perform a certain % of payment transactions through specific bank, the obligation to maintain the agreed interest coverage ratio, the need to notify banks in cases of major new loans of the Company and the Group, and the need to notify banks in cases of granting loans to subsidiary. Additionally, the contractual provisions for the subsidiary's loan imply the need to maintain a minimum debt repayment coverage ratio. The Company and the Group have fulfilled all contractual obligations except for the subsidiary's loan from Gorenjska banka, from which they received written confirmation that the bank has no intention of cancelling the contract or requesting early repayment of the loan.

All loans of the Company and the Group are denominated in local currency. Credit collateral are promissory notes, debentures and property, plant and equipment of the Company and Group, as disclosed in note 17.

30. Other non-current liabilities

Company and Group	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Bankruptcy Plan /i/	8	7
Total	**8**	**7**

/i/ The liabilities under the Bankruptcy Plan of EUR 7 thousand (31 December 2023: EUR 8 thousand) relate to liabilities to secured creditors of the 2nd rank in the amount of EUR 3 thousand and liabilities intended to be included in the share capital in the amount of EUR 4 thousand. The Bankruptcy Plan does not infringe on the secured creditors' right to be paid from items subject to separate satisfaction.

31. Trade payables

Company	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Domestic trade payables	1,019	1,387
Foreign trade payables	16	24
Total	**1,035**	**1,411**

Group	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Domestic trade payables	2,604	1,430
Foreign trade payables	25	37
Total	**2,629**	**1,467**

32. Liabilities for advances, deposits and guarantees

Company	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Advances received	424	462
Security and other deposits	58	52
Total	**482**	**514**

Group	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Advances received	441	534
Security and other deposits	58	52
Total	**499**	**586**

33. Other current liabilities

Company	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Net salaries payable	285	373
Unused vacation days	242	292
Liabilities to employees – bonuses	276	50
Liabilities to employees – redistribution of working hours	56	84
Other liabilities to employees	11	22
Contributions from and on salaries	151	192
Taxes and surtaxes payable	33	43
Other liabilities to the government	124	96
Accrual of received capital grants /i/	94	84
Fees based on temporary service agreements	10	19
Scholarships	-	3
Other liabilities – unpaid to bankruptcy creditors	1	1
Obligations for additional payments /ii/	1,500	-
Deferred income	12	-
Total	**2,795**	**1,259**

Group	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Net salaries payable	316	412
Unused vacation days	250	304
Liabilities to employees – bonuses	284	50
Liabilities to employees – redistribution of working hours	69	91
Other liabilities to employees	12	23
Contributions from and on salaries	166	211
Taxes and surtaxes payable	36	48
Other liabilities to the government	144	102
Accrual of received capital grants /i/	94	84
Fees based on temporary service agreements	10	19
Scholarships	-	3
Other liabilities – unpaid to bankruptcy creditors	1	1
Deferred income	12	-
Total	**1,394**	**1,348**

/i/ The capital grants remitted by the Energy Efficiency and Environmental Protection Fund relate to the reconstruction of the heating system at Hotel Katarina in 2016 and are prorated to revenue on an annual basis.

/ii/ Obligations for additional payments refer to the obligation of the company Jadran to pay into the capital reserves of the subsidiary Adria coast turizam in the amount of EUR 1,500 thousand.

34. Lease liabilities and right-of-use assets

The cost of interest on lease liabilities is included in *Finance costs* – *Interest expense* on lease (Note 14).

The method of recognition and measurement is set out in Note 2.20.

Lease liabilities

Company	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Non-current lease liabilities	10,499	9,835
Current lease liabilities	953	1,308
Total	**11,452**	**11,143**

Group	31 December 2023	31 December 2024
	EUR '000	*EUR '000*
Non-current lease liabilities	10,709	10,030
Current lease liabilities	973	1,329
Total	**11,682**	**11,359**

Right-of-use assets

Company	Vehicles	Real estate	Beach concession	Total
EUR '000				
Net book amount at 31 December 2022	**109**	**34,796**	**55**	**34,960**
Initial recognition as per new contracts /i/	234	7,730	-	7,964
Depreciation for the year	(87)	(1,514)	(11)	(1,612)
Termination of existing contracts /ii/	(87)	(30,361)	-	(30,448)
Impairment /iii/	-	(3,205)	-	(3,205)
Net book amount at 31 December 2023	**169**	**7,446**	**44**	**7,659**
Initial recognition as per new contracts	99	607	20	726
Depreciation for the year	(107)	(1,027)	(12)	(1,146)
Termination of existing contracts	(26)	(30)	-	(56)
Impairment	-	-	-	-
Net book amount at 31 December 2024	**135**	**6,996**	**52**	**7,183**

/i/ It refers to the initial recognition of the lease contracts for hotel Noemia, that was transferred on 1 January 2023 from Club Adriatic and the contract for the office in Zagreb, signed in June 2023.
/ii/ It refers to the lease contract for Grand hotel View, that was terminated on 6 February 2023, with the purchase of Adria coast turizam.
/iii/ It refers to the impairment recognised at initial recognition of the lease contract for the Noemia hotel.

34. Lease liabilities and right-of-use assets (continued)

Group EUR '000	Vehicles	Real estate	Beach concession	Total
Net book amount at 31 December 2022	**109**	**39,398**	**72**	**39,579**
Initial recognition as per new contracts /i/	234	146	247	627
Depreciation for the year	(87)	(1,514)	(46)	(1,647)
Termination of existing contracts /ii/	(87)	(30,906)	-	(30,993)
Impairment /iii/	-	322	-	322
Net book amount at 31 December 2023	**169**	**7,446**	**273**	**7,888**
Initial recognition as per new contracts	99	607	23	729
Depreciation for the year	(107)	(1.027)	(34)	(1.168)
Termination of existing contracts	(26)	(30)		(56)
Impairment	**-**	**-**	-	**-**
Net book amount at 31 December 2024	**135**	**6.996**	**262**	**7.393**

/i/ It refers to the initial recognition of the lease contracts for the Noemia hotel, that was transferred on 1 January 2023 from Club Adriatic and the contract for the office in Zagreb, signed in June 2023.
/ii/ It refers to the lease contracts for Grand hotel View, that was terminated on February 6, 2023, with purchase of Adria coast turizam.
/iii/ It refers to the net result of the termination of the lease agreement for the Noemia hotel (by exiting the portfolio of the then subsidiary Club Adriatic) and the impairment recognised upon the initial recognition of the lease agreement for the Noemia hotel by the parent company Jadran.

As stated in Note 2.20, the Company and the Group use the exemption expedient for short-term leases and low-value leases.
In 2024, short-term leases and low-value leases of the Company amounted to EUR 305 thousand (Note 9).
In 2023, short-term leases and low-value leases of the Group amounted to EUR 367 thousand (Note 9).

35. Related party transactions

The main related party transactions during 2024 and 2023 were as follows:

31 December 2024

Subsidiary	**Revenue**	**Expenses**	**Receivables and loans**	**Liabilities**
EUR '000				
Stolist	4	(1)	39	-
Club Adriatic	510	(5)	1,965	-
Total	**514**	**(6)**	**2,004**	**-**

31 December 2023

Subsidiary	**Revenue**	**Expenses**	**Receivables and loans**	**Liabilities**
EUR '000				
Stolist	5	-	16	-
Adria coast turizam	575	(104)	551	(1,500)
Total	**580**	**(104)**	**567**	**(1,500)**

Receivables based on approved loans as well as a description of the contractual conditions are set out in Note 25.

36. Net debt

Company	**Cash**	**Liabilities to banks**	**Lease liabilities**	**Total**
EUR '000				
Net debt at 1 January 2023	**795**	**(29,581)**	**(37,056)**	**(65,842)**
Cash flow	228	2,333	1,385	3,946
Increase arising from new lease agreements and modifications	-	-	(7,964)	(7,964)
Termination of existing contracts	-	-	32,604	32,604
Interest expense	-	*(1,054)*	*(513)*	*(1,567)*
Interest paid	-	*986*	*513*	*1,499*
Non-cash movements	-	2	(421)	(419)
Net debt at 31 December 2023	**1,023**	**(27,314)**	**(11,452)**	**(37,743)**
Cash flow	874	(3,129)	1,290	(965)
Increase arising from new lease agreements and modifications	-	-	(726)	(726)
Termination of existing contracts	-	-	56	56
Interest expense	-	*(1,244)*	*(376)*	*(1,620)*
Interest paid	-	*1,217*	*376*	*1,593*
Non-cash movements	-	5	(311)	(306)
Net debt at 31 December 2024	**1,897**	**(30,465)**	**(11,143)**	**(39,711)**

Group	**Cash**	**Liabilities to banks**	**Lease liabilities**	**Total**
EUR '000				
Net debt at 1 January 2023	**806**	**(29,581)**	**(45,060)**	**(73,835)**
Cash flow	954	2,333	1,411	4,698
Acquisition of subsidiary (Note 38)	9	(24,163)	-	(24,154)
Increase arising from new lease agreements and modifications	-	-	(627)	(627)
Termination of existing contracts	-	-	33,149	33,149
Interest expense	-	*(2,453)*	*(525)*	*(2,978)*
Interest paid	-	*2,234*	*525*	*2,759*
Non-cash movements	-	(42)	(555)	(597)
Net debt at 31 December 2023	**1,769**	**(51,672)**	**(11,682)**	**(61,585)**
Cash flow	929	(1,629)	1,316	616
Increase arising from new lease agreements and modifications	-	-	(729)	(729)
Termination of existing contracts	-	-	56	56
Interest expense	-	*(2,954)*	*(383)*	*(3,337)*
Interest paid	-	*3,024*	*383*	*3,407*
Non-cash movements	-	6	(320)	(314)
Net debt at 31 December 2024	**2,698**	**(53,225)**	**(11,359)**	**(61,886)**

37. Discontinued operations

On 6 February 2023, Jadran d.d. successfully fulfilled all the prerequisites established by the concluded agreements on the purchase of business shares in the company Adria coast turizam d.o.o., which provided for the acquisition of 100% of the shares in that company by Jadran d.d., as well as the agreement on the sale of business shares in the company Club Adriatic d.o.o., by which Jadran sold and transferred 100% of the shares in that company to Adria Grupa Baško Polje d.o.o.

With the agreement on the transfer of business shares in the company Club Adriatic d.o.o., by which Jadran transferred 100% of the shares in that company to Adria Grupa Baško Polje d.o.o. the conditions have been met for this business segment to be classified as discontinued operations on December 31, 2022.

As stated above, Club Adriatic was sold on 6 February 2023 (effective from 31 January 2023) and presented as discontinued operations. Financial information relating to the discontinued operations until the date of sale are shown below.

The impact of discontinued operations and assets held for sale on the statement of comprehensive income, statement of financial position and statement of cash flows is presented below.

	Discontinued operations	
	January 2023	**December 2024**
	EUR '000	*EUR '000*
Revenue	-	-
Other income	33	-
Total operating income	**33**	**-**
Cost of raw materials and supplies	(27)	-
Cost of services	(13)	-
Staff costs	(35)	-
Depreciation and amortisation	(32)	-
Losses on impairment of non-financial assets	-	-
Other operating expenses	(14)	-
Total operating expenses	**(121)**	**-**
Operating profit	**(88)**	**-**
Finance income	-	-
Finance costs	-	-
Net loss from financing activities	**-**	**-**
Profit before tax	**(88)**	-
Income tax	-	-
Gain/(loss) from discontinued operations	**(88)**	-
Gain on sale of subsidiary, after tax	**1,461**	-
Total gain from discontinued operations	**1,373**	-

37. Discontinued operations (continued)

Details on the sale of the subsidiary:

	2023
	EUR '000
Consideration received	
Cash	1,676
Consideration defined by the Sales Contract and Annexes to the Contract For the acquisition of a 100% share in Adria coast tourism	21,442
Total disposal consideration	**23,118**
Carrying amount of net assets sold	**(21,657)**
Gain on sale of subsidiary	**1,461**

The carrying amounts of assets and liabilities at the date of sale (31 January 2023) were as follows:

	31 January 2023
	EUR '000
Assets	
Property, plant and equipment	23,035
Intangible assets	2
Financial assets	120
Inventory	14
Trade receivables	122
Receivables from the government and other receivables	43
Tax receivables	123
Cash and cash equivalents	879
Total assets	**24,338**
Liabilities	
Deferred tax liability	2,509
Trade payables	76
Liability for advances, deposits and guarantees	41
Other short-term liabilities	55
Total liabilities	**2,681**
Net assets	**21,657**

38. Acquisition of Adria coast turizam d.o.o.

After Jadran d.d. has successfully fulfilled all the prerequisites established by the concluded agreements on the purchase of business shares in the company Adria coast turizam d.o.o., which foresees the acquisition of 100% of the shares in that company by Jadran d.d., as well as the agreement on the sale of business shares in the Club Adriatic d.o.o., by which Jadran sells and transfers 100% of the shares in that company to Adria Grupa Baško Polje d.o.o., on February 6, 2023, the following contracts were concluded:

- agreement on the transfer of business shares in the company Adria coast turizam d.o.o., by which Jadran d.d. acquired 100% of the shares in that company;
- agreement on the transfer of business shares in the company Club Adriatic d.o.o., by which Jadran transferred 100% of the shares in that company to Adria Grupa Baško Polje d.o.o. ("AGBP").

On 6 February 2023, the Group acquired 100% ownership of Adria Coast Turizam d.o.o. for the agreed amount of EUR 47 million, net of the amount of the loan obligations to Gorenjska banka (in the amount of EUR 24,245 thousand), the value of the investment in the beach (EUR 1,611 thousand) adjusted for the items of the financial position as of 31 January 2023, which Jadran d.d. and Adria Grupa Baško Polje d.o.o. used for the purposes of concluding the transaction: short-term receivables and financial assets in the amount of EUR 358 thousand, cash in the amount of EUR 9 thousand of money and short-term liabilities.in the amount of EUR 69 thousand.

The fair value of the compensation transferred in the business transaction of the acquisition of Adria coast turizam d.o.o. was determined based on the assessment of the fair value of non-current tangible assets in the amount of EUR 22 million and current assets in the amount of EUR 1.1 million of the company Club Adriatic d.o.o. net of the amount paid by the owner of AGBP totalling EUR 1.7 million.

The amounts were calculated in accordance with Jadran's accounting policies.

The acquired net asset value and the determined goodwill are presented as follows:

	2023
	EUR '000
Acquisition cost	**21,442**
Compensation defined by the Sales Contract and the Annexes to the Contract for the acquisition of 100% shares in Club Adriatic d.o.o.	21,442
Fair value of acquired assets of Adria Coast Turizam d.o.o.	(20,953)
Goodwill	**489**

38. Acquisition of Adria coast turizam d.o.o. (continued)

The fair value of acquired assets at the acquisition date is as follows:

	2023
	EUR '000
Land (Note 17)	3,990
Buildings (Note 17)	32,040
Plant and equipment (Note 17)	10,759
Other equipment (Note 17)	287
Tangible assets under construction (Note 17)	64
Trade and other receivables	287
Cash	9
Deposits	130
Trade and other payables	(183)
Deferred tax liability	(2,267)
Loans from banks (Note 36)	(24,163)
Net assets acquired	**20,953**

As stated above, for the acquisition of shares in Adria coast turizam d.o.o. the shares of Club Adriatic d.o.o. were transferred, with an adjustment for financial position items, and there was no outflow of cash, while the account balance of Adria coast turizam at the time of acquisition is not material.
With the acquisition of Adria coast turizam d.o.o. ends the lease of the View Hotel, described in Note 34.

39. Contingent liabilities and assets

After the bankruptcy proceedings were completed in 2014, the Company continued to conduct all legal disputes initiated at the time of bankruptcy of Jadran d.d., as well as those that the stated company did not manage to resolve during the bankruptcy period.

The process of the Company's transformation and the Property Statement Resolution issued by the Croatian Privatisation Fund resulted in unresolved proprietary matters. For the purpose of resolving such proprietary matters regarding the Company's properties, the Company initiated individual corrective processes to align the land registry status with the actual status of the properties, as well as processes to establish title.

Modular structures owned by third parties were illegally mounted on a part of assets owned by the Company, namely at the Selce campsite. As the owners of such modular structures refuse to remove them and surrender the plots, the Company took legal action for the purpose of repossessing the land/plots as well as action for damages for the unauthorised use of land owned by the Company.
The Company is involved in property disputes for determining the title over a part of land surrounding the Slaven hotel and annex buildings.

The book value of assets in respect of which Jadran is not listed as the owner or in respect of which there is a legal dispute regarding ownership as of 31 December 2024, amounts to EUR 287 thousand.

Also, the Company is a party to several ongoing proceedings against the Town of Crikvenica, related to property issues.

As regards other legal proceedings, the Company is a party to proceedings for the restitution of and compensation for property seized and enforcement proceedings to collect debt owed to it by third parties.

In 2024, Adria coast turizam and Stolist were not involved in any proprietary or other legal disputes and the above-mentioned disputes are also relevant for the Group.

40. Events after the balance sheet date

After 31 December 2024, no business events or transactions have occurred or are expected to have a significant impact on the financial statements as of or for the period ending on 31 December 2024 or that they are of such importance for the operations of the Company and the Group that they should be disclosed in the notes to the financial statements.

Member of the Management Board, Ms. Irina Tomić, resigned from her position as a member of the Management Board as of February 1, 2025.

The General Assembly of the Company was held on March 10, 2025, and decisions were made to increase the share capital and issue ordinary shares through a public offering with cash contributions, to amend the Company's Articles of Association, to issue new shares on a regulated market, and grant approval for the acquisition of shares without the obligation to publish a takeover bid.

MANAGEMENT REPORT

1. Key operating information

Key operating indicators for the Company

	2023	2024	2024/2023
Number of accommodation units (capacity)	2,101	1,810	(13.9%)
Number of bed-places	4,954	4,201	(15.2%)
Full occupancy days	100	103	3.0%
Annual occupancy rate	28%	28%	0.0%
Number of accommodation units sold	210,921	186,365	(11.6%)
Number of overnights	504,232	440,297	(12.7%)
Average daily rate ADR (in EUR)	82	93	13.7%
Revenue Per Available Room RevPar (in EUR)	10,092	11,760	16.5%

Key financial indicators for the Company

	2023	2024	2024/2023
EUR '000			
Total revenue	**35,333**	**26,168**	**(25.9%)**
Sales revenue	23,600	24,292	2.9%
Other operating income	11,721	1,837	(84.4%)
Total costs	**31,918**	**28,877**	**(9.5%)**
Operating expenses	30,351	27,257	(10.2%)
Material costs	10,598	10,745	1.4%
Staff costs	8,332	9,867	18.4%
Depreciation and amortisation	5,700	4,944	(13.3%)
Impairment of non-current non-financial assets	3,251	140	(95.7%)
Value adjustment	(30)	182	(699.9%)
Other costs	2,500	1,379	(44.8%)
Finance income	12	39	227.3%
Finance costs	1,567	1,620	3.4%
EBITDA	**10,670**	**3,816**	**(64.2%)**
EBITDA margin	30%	15%	(51.7%)
Normalised EBITDA[1]	**5,199**	**4,138**	**(20.4%)**
Normalised EBITDA margin	15%	16%	7.6%
EBIT	**4,971**	**1,128**	**(122.7%)**
Normalised EBIT[2]	(501)	806	60.8%
Net profit	**2,729**	**2,709**	**(199.3)%**

[1] EBITDA was normalised for one-time costs non-recurring income (net gains on termination of lease contract, net gains on disposal of subsidiary Club Adriatic) and expenses (value adjustments, impairment of long-term non-financial assets, expenses from unrealized investments).
[2] EBIT was normalised for one-time costs.

1. Key operating information (continued)

Key operating indicators for the Group

	2023	2024	2024/2023
Number of accommodation units (capacity)	2,331	2,040	(12.5%)
Number of bed-places	5,414	4,661	(13.9%)
Full occupancy days	86	103	3.0%
Annual occupancy rate	27%	27%	0.0%
Number of accommodation units sold	233,759	209,660	(10.3%)
Number of overnights	561,072	497,204	(11.4%)
Average daily rate ADR (in EUR)	90	105	17.3%
Revenue Per Available Room RevPar (in EUR)	11,007	13,020	18.3%

Key financial indicators for the Company

	2023	2024	2024/2023
EUR '000			
Total revenue	**32,428**	**31,662**	**(2.4%)**
Sales revenue	28,642	30,291	5.8%
Other operating income	3,782	1,370	(63.8%)
Total costs	**36,661**	**37,669**	**27%**
Operating expenses	33,683	34,332	1.9%
Material costs	12,358	12,467	0.9%
Staff costs	9,375	11,361	21.2%
Depreciation and amortisation	9,056	8,562	(5.5%)
Impairment of non-current non-financial assets	-276	140	(150.7%)
Value adjustment	83	141	69.9%
Other costs	3,087	1,661	(46.2%)
Finance income	4	1	(75.0%)
Finance costs	2,978	3,337	12.1%
EBITDA	**7,797**	**5,891**	**(22.6%)**
EBITDA margin	24.05%	18.61%	(20.8%)
Normalised EBITDA[1]	**7,.604**	**6,172**	**(18.8%)**
Normalised EBITDA margin	23.45%	19.49%	(16.9%)
EBIT	**-1,259**	**(2,671)**	**112.2%**
Normalised EBIT[2]	-1,452	(2,390)	64.6%
Gain from discontinued business	1,373	-	(100.0%)
Net loss	**-3,390**	**6,007**	**(277.2%)**

2. General Company and Group information

Name and company
Jadran, joint stock company for hotel management and tourism, entity registration number (MBS): 040000817, Company ID No. (OIB): 56994999963. The abbreviated name of the company is Jadran d.d.

Registered office and legal form
Jadran d.d. is a joint stock company. Its registered office is in Crikvenica, Bana Jelačića 16, Republic of Croatia.

Securities
The Company's share capital amounts to EUR 64,039,780 and is divided among 27,971,463 ordinary shares without a nominal value. The shares were issued in dematerialized form, ticker symbol JDRN-R-B, ISIN code HRJDRNB0002 and are kept in the SKDD depository.
Based on the decision of the General Assembly on the adjustment of share capital dated 14 July 2023, pursuant to the provisions of the Act on Amendments to the Companies Act, the share capital of the Company, was reduced by the amount of 1.01 euros, from the amount of EUR 64,039,781.01 to the amount of EUR 64,039,780.00. The difference of EUR 1.01 was allocated to capital reserves.

In 2024, the **Supervisory Board** comprised the following members:

- Goran Hanžek, Chairman of the Supervisory Board
- Karlo Došen, Deputy Chairman of the Supervisory Board
- Mirko Herceg, Member of the Supervisory Board
- Sandra Janković, Member of the Supervisory Board
- Adrian Čajić, Member of the Supervisory Board

In 2024, the **Management Board** comprised the following members:

- from 1 January 2024 to 31 May 2024:
    - Irina Tomić, President of the Management Board
    - Ivan Safundžić, Member of the Management Board
    - Miroslav Pelko, Member of the Management Board
- from 1 June 2024 to 8 October 2024:
    - Irina Tomić, President of the Management Board
    - Miroslav Pelko, Member of the Management Board
- from 8 October 2024 to 31 October 2024:
    - Irina Tomić, Member of the Management Board
    - Miroslav Pelko, Member of the Management Board
- from 1 November 2024 to 31 October 2024:
    - Vladimir Bunić, President of the Management Board
    - Irina Tomić, Member of the Management Board
    - Miroslav Pelko, Member of the Management Board.

The members of the Company's Management Board are authorised to represent the Company together with another member of the Management Board, based on the amendment to the provisions of the Articles of Association adopted at the General Assembly as at 31 August 2020.

2. General Company and Group information (continued)

Based on the contracts as of 6 February 2023, Jadran group consists of Jadran d.d. and its subsidiaries:

- Adria coast turizam d.o.o., in which Jadran d.d. has 20 business shares with a total value of EUR 13,200, the individual nominal value of the business share in the amount of EUR 660, which constitutes 100% of the shares and voting rights and
- Stolist d.o.o. in which Jadran d.d. has 100% business shares.

The list of the Company's shareholders with a 5% share or more in the share capital of Jadran d.d. (balance at 31 December 2024) is as follows:

- Erste & Steiermarkische bank d.d../PBZ CO OMF - CATEGORY B holds 16,307,401 shares, representing a 58.30% share in the Company's share capital;
- OTP banka d.d./ERSTE PLAVI OMF CATEGORY B holds 8,547,346 shares, representing a 30.56% share in the Company's share capital.

3. Realised overnights

In 2024, the Republic of Croatia saw a 1% increase in overnight stays compared to the previous year. In analysing the company's business for the reporting period, it is important to highlight the influence of economic factors on the tourism industry. Prices in tourism increased significantly above the inflation rate. As widely known, economic conditions play a crucial role in consumers' decisions about travel and spending during these travels. For this reason, the year 2024 started with bookings relatively late, with a majority of last-minute bookings.

If we focus on campsites, in 2024 they did not record the expected number of overnight stays. The camping sector ends in 2024. with 1% fewer overnights stays than in 2023., but with higher revenues thanks to rising prices. Their attractiveness stems from a combination of comfort, hotel-like infrastructure, additional privacy, proximity to nature, and freedom of movement.

The lack of the expected number of overnight stays in campsites in 2024 can be attributed to various factors, including changes in tourist preferences, competition from other types of accommodation, as well as economic and political influences on the tourism industry as a whole.

In hotel accommodation, a decrease in commercial overnight stays of 4% was recorded compared to 2023, while campsites at the Company level recorded a decrease of 26% compared to the previous year. It should be noted that the Company did not operate with the same capacities in 2024 and 2023, so when comparing commercial overnight stays at the same capacities in 2024, almost the same number of overnight stays were recorded in hotel accommodation, a decrease of 7% was recorded compared to the previous year in campsites, while total commercial overnight stays in 2024 were 2% lower compared to 2023.

The share of the group channel of sales, observed in the same capacities, increased by 11% compared to 2023, the share of the allotments channel decreased by 2%, but the share of fixed lease in allotment increased by 43%, the share of the online channel decreased by 21%, and the share of the individual channel increased by 4% compared to the year before.

Jadran d.d. achieved 83% of overnight stays from foreign guests in 2024, with 17% of overnight stays from domestic guests in hotel capacities. In 2024, foreign guests mostly came from the source markets of Germany, Slovenia, Hungary and Austria.

Looking at the data for the Group, there was a 4% decrease in hotel accommodation compared to 2023, while campsites within the Company recorded decrease of 26% compared to the previous year. It should be noted here that the Group did not operate with the same capacities in 2024 and 2023, so when comparing overnight stays in the same commercial capacities in 2024, almost the same number of commercial overnight stays were achieved in hotel accommodation, 26% fewer overnight stays were achieved in campsites, while 7% fewer overnight stays were achieved in total compared to 2023.

For the Group, the share of the group channel of sales, observed in the same capacities, increased by 5% compared to 2023, the share of the allotment channel decreased by 5%, but the share of fixed lease in allotment increased by 43%, the share of the online channel decreased by 20%, and the share of the individual channel increased by 8% compared to the year before.

In 2024, the Group achieved 83% of overnight stays from foreign guests, with 17% of overnight stays from domestic guests in hotel capacities. Foreign guests mostly came from the source markets of Germany, Slovenia, Austria and Hungary in 2024.

4. Company and Group business performance

4.1. Overview of the Company's operations in 2024

Jadran d.d. achieved a total of 424,125 commercial overnight stays in 2024, while 10% more was achieved in 2023. During the month of March, the lease agreement for the Uvala Slana campsite was terminated, and the Kaštel and Zagreb hotels were used to accommodate seasonal workers in 2024. When comparing overnight stays in the same capacities, 2% fewer commercial overnight stays were achieved in 2024 compared to the commercial overnight stays achieved in 2023.

In 2024, the Company achieved total revenues of EUR 26,168 thousand, which is 26% less than the total revenues achieved in 2023. It should be emphasized that the Company achieved one-off revenues and operated commercially in the Kaštel and Zagreb hotels in 2023. If total revenues were normalized for one-off revenues and observed in same capacities, then revenues in 2024 were 7% higher than total revenues achieved in 2023.

Operating revenues in 2024 amounted to EUR 26,129 thousand, which is 26% less than total revenues achieved in 2023. If operating revenues were normalized for one-off revenues and observed in same capacities, then operating revenues in 2024 were 7% higher than operating revenues achieved in 2023.

Financial revenues in 2024 amounted to EUR 39 thousand, which is EUR 27 thousand higher than those achieved in 2023.

In 2024, the Company achieved a total of EUR 28,877 thousand in expenses, which is 10% less than the expenses achieved in the previous year. Material costs amounted to EUR 10,745 thousand and are 1% higher than the costs incurred in 2023. Personnel costs amounted to EUR 9,867 thousand and are 18% higher than the costs incurred in 2023. Depreciation in 2024 amounted to EUR 4,944 thousand, which is 13% lower than that incurred in 2023. Other operating expenses amounted to EUR 1,379 thousand and are 45% lower than the costs incurred in the previous year. Impairments of non-current non-financial assets amounted to EUR 140 thousand and are EUR 3,111 thousand lower than those incurred in 2023. Net losses from the adjustment of the value of financial assets amounted to EUR 182 thousand in 2024, while net gains on the same basis of EUR 30 thousand were realized in 2023.

The Company made a loss of EUR 2,709 thousand in the period from January to December 2024, while in 2023 it made a profit before tax of EUR 3,415 thousand.

In 2024, the Company made EBITDA of EUR 3,816 thousand, while in 2023 EBITDA amounted to EUR 10,670 thousand. If EBITDA were normalized for adjustments / impairments of financial and non-financial assets, it would amount to EUR 4,138 thousand.

4.2 Overview of the Group's operations in 2024

In the period from January to December 2024, the Group achieved a total of 480,351 commercial overnight stays, which is 9% less than the overnight stays achieved in 2023. When comparing the Group's commercial overnight stays in the same capacities, they are 2% less than the commercial overnight stays achieved in 2023.

4. Company and Group business performance (continued)

4.2 Overview of the Group's operations in 2024 (continued)

In 2024, the Group generated EUR 31,662 thousand in total revenue, which is 2% less than the total revenue generated in 2023. If total revenue were normalized for one-off revenues and observed in the same capacities, then total revenue in 2024 would be 9% higher than that generated in 2023.

Operating revenue amounted to EUR 31,661 thousand, which is 2% lower than the revenue generated in 2023. If operating revenue were normalized for one-off revenues and observed in the same capacities, then in 2024 it would be 9% higher than the revenue generated in 2023.

Financial revenue amounted to EUR 1 thousand, which is EUR 3 thousand lower than the revenue generated in 2023.

In 2024, the Group incurred total expenses of EUR 37,669 thousand, which is 3% more than the expenses incurred in 2023. Material expenses amounted to EUR 12,467 thousand, which is 1% more than the expenses incurred in 2023. Personnel costs amounted to EUR 11,361 thousand and are 21% higher than the expenses incurred in 2023. Depreciation amounted to EUR 8,562 thousand, which is 5% less than the depreciation incurred in 2023. Other operating expenses amounted to EUR 1,661 thousand, which is EUR 1,426 thousand less than the expenses incurred in 2023. Impairment losses on non-current non-financial assets amounted to EUR 140 thousand, while in 2023, there was a reversal of impairment loss on non-current non-financial assets in the amount of EUR 83 thousand. Net losses from the adjustment of the value of financial assets amounted to EUR 141 thousand in 2024, while in 2023 they amounted to EUR 58 thousand less.

In the period from January to December 2024, the Group realized a loss before tax in the amount of EUR 6,007 thousand, while in 2023 the loss before tax amounted to EUR 4,233 thousand.
EBITDA in 2024 amounted to EUR 5,891 thousand, while in 2023 it amounted to EUR 7,797 thousand. If EBITDA were normalized for adjustments / impairments of financial and non-financial assets, it would amount to EUR 6,172 thousand.

5. Asset management

5.1. Management of Company and Group assets

Jadran d.d. manages owned properties and properties for which it has entered into lease agreements for a period longer than 1 year.

On March 19, 2024, the Lease Agreement for the Uvala Slana campsite was terminated and Jadran d.d. returned the campsite to the lessor.

5.2. Company and Group disputes

After the bankruptcy proceedings were completed in 2014, the Company continued to conduct all legal disputes initiated at the time of bankruptcy of Jadran d.d., as well as those that the Company did not manage to resolve during the bankruptcy period.

The process of the Company's transformation and the Property Statement Resolution issued by the Croatian Privatisation Fund resulted in unresolved proprietary matters. For the purpose of resolving such proprietary matters regarding the Company's properties, the Company initiated individual corrective processes to align the land registry status with the actual status of the properties, as well as processes to establish title.

Modular structures owned by third parties were illegally mounted on a part of assets owned by the Company, namely at the Selce campsite. As the owners of such modular structures refuse to remove them and surrender the plots, the company took legal action for the purpose of repossessing the land/plots.

The Company is involved in property disputes for determining the title over a part of land surrounding the Slaven hotel and annex buildings.

Also, the Company has several disputes with the Town of Crikvenica, related to property issues.

As regards other legal proceedings, the Company is a party to proceedings for the restitution of and compensation for property seized and enforcement proceedings to collect debt owed to it by third parties.

In 2024, Adria coast turizam and Stolist were not involved in any proprietary or other legal disputes and the above-mentioned disputes are also relevant for the Group.

6. Group and Company risk exposure

The most significant risks faced by the Company and the Group are as follows:

Competition risk
Competition risk in the tourism market is very high because other similar tourism destinations have invested substantial funds to further improve and develop their capacities, as well as in other marketing activities focusing on the arrival of tourists. Among other things, competition is based on the prices, quality and substance of tourism offers on the Crikvenica Riviera, Makarska Riviera, Riviera of Brač island and other domestic and foreign tourism destinations. In order to increase its market competitiveness, the Company and the Group are in the period from 2018-2023 launched an investment cycle that does not only involve investing in accommodation facilities with the aim of increasing the number of units and raising the quality of accommodation, but also investing in the destination through active involvement in all existing events, as well as thinking about new attractions in the area of all the Rivieras where the Company and the Group operate.

Currency risk
The official currency of the Company and the Group is EUR, which reduced the currency risk to a minimum. The Company and the Group realise most of their sales with guests whose official currency is the euro, therefore no significant disruptions are expected that could affect the Company's and the Group's operations.

Interest rate risk
The Company and the Group are exposed to interest rate risk because they enter into loan agreements with banks at variable interest rates, which exposes the Company and the Group to higher risk. The inflation rate trends and the levels of interest rates on foreign and domestic financial markets are actively monitored, enabling the Company and the Group to react in a timely manner in the event of expected changes in interest rates on the domestic money market. In particular, announcements by central banks that create monetary policy are actively followed, and accordingly the Company and the Group plan to align their credit arrangements.

Settlement risk
Settlement risk is present in all bilateral transactions. Given that settling financial obligations to issuers is one of the key elements necessary for smooth business operations, the Company and the Group consider this risk to be highly important. The Company and Group have established stringent procedures to minimise collection risks. In times of pandemic diseases, armed conflicts in the immediate or distant environment, individual partners may be additionally exposed to the risk of reduced liquidity, which may lead to an increase in the risk of settlement from the other contracting party. In addition, settlement risk arising from executed contracts may be significantly increased if there is an option of terminating them on grounds of force majeure if the free movement of people and goods is disrupted during a pandemic or armed conflicts in the immediate or distant environment.

Inflation risk (increase in consumer prices)
Pandemics, wars and disruptions in supply chains can result in an increase in energy prices, but also in the prices of other goods and services. Inflation and an increase in the purchase prices of goods and services can have an impact on the purchasing power of guests, but also on the selling prices in the Company's and Group's facilities.
The Company and the Group achieve a large share of overnight stays through direct channels, thus achieving flexibility when forming final prices.

6. Group and company risk exposure (continued)

Liquidity risk
The Company and the Group manage liquidity risk by maintaining adequate reserves, bank borrowings and other sources of financing, by continuously monitoring planned and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company and the Group pay special attention to this risk in order to determine possible factors and negative effects that may affect the free movement of guests, the reduction of guests' purchasing power and the fulfilment of contractual obligations by business partners.
Liquidity risk management includes maintaining sufficient cash and working capital.

Risk of changes in tax and concession regulations
The risk of changes in tax and concession regulations is the likelihood that legislative authorities will amend tax regulations in a way that they adversely impact the Company’s and the Group’s profitability. This risk is reflected in potential changes in tax rates and taxable assets, as well as changes in regulations concerning concessions and concessional authorisations. The right to use maritime domain is one of the significant conditions for the Company’s further operations, and the Company has actively endeavoured to establish new bases for cooperation with the local community in this segment.

Tourism industry risk
The wider political situation, the rise of terrorism, the global financial crisis and pandemic diseases have a significant impact on tourism trends. Tourism as a branch is very sensitive to the security situation in the destination and surroundings. Through the previously indicated investment cycle, the Company and the Group will try to minimize the impact of "negative" market trends and risks on this basis.
The global financial crisis can significantly reduce the purchasing power of the population that is inclined to travel, while pandemic diseases and war can also significantly reduce or completely or partially eliminate the effect of tourists arriving at the Company's and Group's destination.

Environmental risk
Environmental risk may significantly affect the Company’s performance, notably through the quality of the sea and coast where guests stay. Climate changes may directly affect the length of stay in the Company’s accommodation facilities. This risk also includes various other natural disasters.

7. Employees

As at 31 December 2024, Jadran d.d., under employment contracts, was 341 workers.
As at 31 December 2024, Adria coast turizam d.o.o., under employment contracts was 39 workers.
As at 31 December 2024, Stolist d.o.o. had no employees.
As at 31 December 2024, the Group had a total of 380 employees.

8. Research and development activities

The Company and the Group constantly monitor development in its environment and invests in market research, identification of new business opportunities and new acquisitions. The Company directs and supports the activities of its related parties.

9. Treasury share redemption

As at 31 December 2024, the share capital of Jadran d.d. amounted to EUR 64,039,780, divided into 27,971,463 regular dematerialised shares with no nominal value and the Company held 631 treasury shares, which accounted for 0,0023% of the Company's share capital.
As at 31 December 2024, the share capital of Adria coast turizam d.o.o. amounted to EUR 13,200.
As at 31 December 2024, the share capital of Stolist d.o.o. amounted to EUR 2,654.46.

10. Significant events after the reporting period

After 31 December 2024, no business events or transactions have occurred or are expected to have a significant impact on the financial statements as of or for the period ending on 31 December 2024 or that they are of such importance for the operations of the Company and the Group that they should be disclosed in the notes to the financial statements.

Member of the Management Board, Ms. Irina Tomić, resigned from her position as a member of the Management Board as of February 1, 2025.

The General Assembly of the Company was held on March 10, 2025, and decisions were made to increase the share capital and issue ordinary shares through a public offering with cash contributions, to amend the Company's Articles of Association, to issue new shares on a regulated market, and grant approval for the acquisition of shares without the obligation to publish a takeover bid.

11. Related party transactions

Related party transactions take place under normal commercial conditions and terms and with the application of market prices, as disclosed in Note 35.

Corporate Governance Statement

Jadran d.d. (hereinafter Jadran d.d. or the Company), in accordance with Article 250.b. paragraphs 4 and 5 and Article 272.p of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 52/00 - Decision of the Constitutional Court of the Republic of Croatia, 118/03, 107/07, 146/08, 137/09,152/11 - consolidated text, 111/12, 68/13, 110/15, 40/19 34/22, 114/22 and 18/23), hereby issues this Corporate Governance Statement.

In 2024, Jadran d.d., whose shares are listed on the ZSE Official Market, applied the Code of Corporate Governance adopted by the Croatian Financial Services Supervisory Agency (HANFA) and the Zagreb Stock Exchange, Inc. Zagreb. This Code has been in force since 1 January 2020, and has been published on the website of the Stock Exchange (www.zse.hr) and on the website of the Croatian Financial Services Supervisory Agency (www.hanfa.hr). The Company's application of the Zagreb Stock Exchange's Code is reflected in an annual questionnaire which is publicly disclosed in accordance with the applicable regulations. The answers in the questionnaire clearly show which provisions of the Code are complied with by the Company and which are not, and the Questionnaire is publicly available on the official website of the Zagreb Stock Exchange (www.zse.hr).
The Company's shares were listed on the official market of the Zagreb Stock Exchange in January 2018, and the shareholding report is an integral part of the Annual Report. As of the date its shares were first quoted on the stock exchange, the Company has not distributed dividend.
The Company's share capital is EUR 64,039,780, divided and contained in 27,971,463 registered common dematerialised shares without nominal value, each entitling its holder to one vote. There are no holders of securities in the Company that entail special control rights or voting limitations to a specific percentage or number of votes. As at 31 December 2024, the Company held 631 treasury shares.

Information about significant shareholders is available on a daily basis on the official website of the Central Depositary and Clearing Company (www.skdd.hr). The corporate bodies of the Company consist of the General Assembly, the Supervisory Board and the Company's Management Board. The members of the corporate bodies of the Company have the duty and obligation to act in accordance with the best interest of the Company in their work. The Company applied the principle of equal treatment of all shareholders. The shareholders exercised their primary control rights by deciding on matters within their scope of responsibility via the General Assembly. The operation of the General Assembly, its powers, the rights of shareholders and the manner of their realisation are prescribed by the Company's Articles of Association, which are publicly available on the Company's website (www.jadran-crikvenica.hr).
The General Assembly is responsible for deciding on the following matters: election and removal of Supervisory Board members, allocation of profits, granting discharge to Management Board members, appointment of auditors, amendments to the Articles of Association, increasing and decreasing of share capital and any other matters placed under its responsibility under the law. The shareholders exercise their rights via the General Assembly .
In 2024, the General Assembly was convened and held in accordance with the provisions of the Companies Act and the Company's Articles of Association. The General Assembly notice, the motions made to, and resolutions passed by the General Assembly are publicly disclosed in accordance with the Companies Act, the Capital Market Act, the Zagreb Stock Exchange Rules and the Company's Articles of Association. Registrations for the General Assembly are limited insomuch as each shareholder is required to notify his/her their participation in accordance with the Companies Act.
At the session held on 8 July 2024, decisions, as mentioned below, were adopted: on granting discharge to the members of the Management Board and the Supervisory Board, the decision on the use of profit, the Report on the Remuneration of Members of the Management Board and the Supervisory Board was approved, and an auditor was appointed to audit the financial statements for the year 2024.
The Extraordinary General Assembly of the Company convened for December 2, 2024, was not held due to lack of quorum, and was held on December 9, 2024. At the Extraordinary General Assembly of the Company, the announced agenda items were not adopted, namely the decision to reduce the share capital, the decision to amend the Company's Statute and the decision to increase the share capital.

All decisions from the sessions of the General Assembly were published in accordance with legal regulations on the websites of the Company (www.jadran-crikvenica.hr), the Zagreb Stock Exchange and HANFA.
In accordance with the Corporate Governance Code of the Zagreb Stock Exchange and HANFA in force since 1 January 2020, the Supervisory Board is mainly composed of independent members who do not have business, family or other relations with the Company, the majority shareholder or a group of majority shareholders or members of the Management Board or the Supervisory Board of the Company or the majority shareholder. The Supervisory Board has five members, four of whom are elected and relieved of duty by the General Assembly, and one representative is elected by the employees in accordance with the provisions of the Labour Act. In accordance with the amendment of the Articles of Association adopted at the General Assembly on 31 August 2020, the term of office of the Supervisory Board members was 2 years. In accordance with the amendment of Article 19. para. 4. of the Articles of Association adopted at the General Assembly held on 14 July 2023, the term of office of members of the Supervisory Board is 4 years.
The rules for appointing and removing members of the Management Board and the Supervisory Board are defined by the Articles of Association and the Companies Act.

No restrictions as regards gender, age, education, profession or other similar restrictions apply in any executive, managing or supervisory bodies or at any other level.
Pursuant to the Companies Act and the Company's Articles of Association, the Supervisory Board renders decisions at its meetings. In 2024, the Supervisory Board supervised the management of the Company's affairs in accordance with the Companies Act, the Articles of Association and other internal corporate documents. The Supervisory Board held a total of 14 meetings, which is consistent with good corporate practices.
During 2024, the Supervisory Board was assisted in its work by two Committees, namely the Audit and Remuneration Committee and the Appointment Committee.
As at 31 December 2024, the Supervisory Board comprised the following persons:
- Goran Hanžek, Chairman of the Supervisory Board
- Karlo Došen, Deputy Chairman of the Supervisory Board
- Mirko Herceg, Supervisory Board Member
- Sandra Janković, Supervisory Board Member
- Adrian Čajić - Supervisory Board Member (employee representative).

In 2024, the Management Board managed the Company's affairs in accordance with the Companies Act, the Articles of Association and other internal corporate documents, and fully complied with the provisions of the Code.
The member of the Management Board of the Company, Mr. Ivan Safundžić, submitted to the Supervisory Board of the Company his resignation from the position of member of the Management Board of the Company Jadran d.d. with effect from May 31, 2024.
The President of the Management Board, Ms. Irina Tomić, at the 17th meeting of the Supervisory Board held on October 8, 2024, based on the Decision of that board, was recalled from the position of President of the Management Board and the Supervisory Board appointed her as a member of the Management Board of the Company.
At the 19th meeting held on October 30, 2024, the Supervisory Board appointed Mr. Vladimir Bunić as President of the Management Board of the Company, whose term of office begins on November 1, 2024 and lasts until April 30, 2025.
On January 8, 2025, the member of the Management Board, Ms. Irina Tomić, submitted her resignation from the position of member of the Management Board with effect from February 1, 2025.
In 2024, the Company's Management Board comprised the following persons:

- from 1 January 2024 to 31 May 2024:
    - Irina Tomić, President of the Management Board
    - Ivan Safundžić, Member of the Management Board
    - Miroslav Pelko, Member of the Management Board
- from 1 June 2024 to 8 October 2024:
    - Irina Tomić, President of the Management Board
    - Miroslav Pelko, Member of the Management Board

- from 8 October 2024 to 31 October 2024:
    - Irina Tomić, Member of the Management Board
    - Miroslav Pelko, Member of the Management Board
- from 1 November 2024 to 31 October 2024:
    - Vladimir Bunić, President of the Management Board
    - Irina Tomić, Member of the Management Board
    - Miroslav Pelko, Member of the Management Board.

At the sessions held on June 24, 2024 and October 30, 2024, the Supervisory Board adopted a Decision on amending the Management Board's Rules of Procedure.
Members of the Company's Management Board are authorised to represent the Company together with another member of the Management Board, based on the amendment of the Articles of Association adopted at the General Assembly on 31 August 2020.

In 2020, the Company established the Internal Audit Department, and in June 2020, the Internal Audit Charter was adopted, which defines the operational framework and the main principles used in the Company's internal audits.
The Internal Audit Department is responsible for assessing the level of risk management in business processes, auditing the effectiveness of internal control systems, in order to improve risk management and compliance with procedures, examining and analysing compliance of existing business systems with adopted policies, plans, procedures, laws and rules that may have a significant impact on business reports. It is charged with recommending preventive measures in the areas of financial reporting, compliance, operations and control in order to eliminate risks and possible deficiencies that could lead to the inefficiency of processes or fraudulent procedures. Internal audit informs the Management Board, the Audit and Remuneration Committee and the Supervisory Board about its activities and audit plan.
The Company complies with the provisions of the Code, except for those provisions that cannot be implemented at a given time. Such exceptions are as follows:

- The Company will not provide a proxy holder for shareholders who are unable to vote personally at the General Assembly for any reason. The Company has not received such requests from its shareholders to date but does provide its shareholders with a proxy form to help them authorise a person of their choice as their proxy;
- The Company does not maintain a long-term succession plan within the meaning of the Code but has a general plan for the replacement of key function holders through ongoing training programs;
- The remuneration paid to the Supervisory Board Members was not determined based on their contribution to the Company's performance but equals a fixed amount in line with the decision of the General Assembly. In order to maintain the independence and objectivity of the Supervisory Board members, the remuneration of the members of the Supervisory Board does not depend on the results of the Company and does not contain a variable part of the remuneration. In addition, it is not possible to evaluate each Supervisory Board Member's contribution to the Company's performance, especially since the Supervisory Board Members are not actively involved in the management of Company's business;
- The Audit and Remuneration Committee is not mostly comprised of independent Supervisory Board Members. It was decided to implement an alternative solution offered by Article 65 of the Audit Act, so the Supervisory Board appointed all three Members of the Audit Committee from among Supervisory Board Members. Of these three Audit and Remuneration Committee members, one is an independent Supervisory Board member and his membership in this Committee reflects the relevant proportion of independent members in the Supervisory Board. All three Audit Committee members are financial experts;
- The Supervisory Board did not prepare an evaluation of its activities in the past period, except for the review contained in the 2024 Supervision Report and the results of examining reports relevant to the closing of the fiscal year 2024;
- No transactions were conducted that involved any Supervisory Board Members or their related parties and the Company or its related parties, which is why they were not specified in the Company's reports. This also pertains to transactions involving Management Board members or Executive Directors or their related parties and the Company or its related parties;

- No contracts or agreements were entered into in 2024 between Supervisory Board Members or Management Board Members and the Company;

In accordance with the provisions of the Corporate Governance Code, the Company adopted the Code of Conduct, the Policy on Reporting Irregularities and the Conflict of Interest Management Policy, which acts are also published on the Company's official website.
The Audit and Remuneration Committee adopted the Policy on Prohibited Audit Services.
As part of its organisational model that encompasses all business operations and processes, the Company maintains developed internal control systems on all relevant levels which, inter alia, provide a true and fair view of the financial statements and business reports
Pursuant to the Capital Market Act, the Zagreb Stock Exchange Rules and other applicable regulations, Jadran d.d. discloses the required inside information and any changes thereto as soon as such changes occur within the required deadlines.
The Audit and Receipts Committee adopted the Policy on Unauthorized Audit Services.

Jadran d.d. za hotelijerstvo i turizam
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www.jadran-crikvenica.hr
OIB: 56994999963

SUPERVISORY BOARD

Crikvenica, April 10, 2025

Pursuant to Article 300.d, subject to the provision of Article 300.c of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13, 110/15, 40/19, 34/22), and Article 34 of the Articles of Association of JADRAN d.d., the Supervisory Board of JADRAN d.d., having its registered office in Crikvenica, Bana Jelačića 16, at its 24th meeting held on April 10, 2025 brings the following

Resolution on the Validation of Annual Financial Statements

I

The 2024 Annual Financial Statements for the Company are hereby approved, including as follows:

- Balance Sheet with assets equal to the liabilities in the amount of EUR 114,400,873
- Profit and Loss Statement with an operating loss in the amount of EUR -2,678,614
- Cash Flow Statement – Indirect Method- showing an increase in cash and cash equivalents in the amount of EUR 874,061 in 2024
- Statement of Changes in Capital and Reserves amounting as of December 31, 2024, to a total of EUR 69,425,357
- Notes to the Annual Financial Statements
- Management Board's Annual Financial Condition Report

The 2024 Consolidated Annual Financial Statements for the Group are hereby approved.

The Auditor's Report for the Company and the Group prepared by PricewaterhouseCoopers d.o.o., Heinzelova 70, 10000 Zagreb, PIN: 81744835353, is hereby also approved.

II

In accordance with the provision of Article 300.d of the Companies Act, based on the approval referred to in Section I of this Resolution, the 2024 Annual Financial Statements for Jadran d.d are hereby validated by the Management Board and the Supervisory Board.

Goran Hanžek
Chairman of the Supervisory Board

This is to certify that this Decision is Identical as the signed original thereof

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SUPERVISORY BOARD

Crikvenica, April 10, 2025

Pursuant to Article 300.d, subject to the provision of Article 300.c of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13, 110/15, 40/19, 34/22), and Article 34 of the Articles of Association of JADRAN d.d., the Supervisory Board of JADRAN d.d., having its registered office in Crikvenica, Bana Jelačića 16, at its 24th meeting held on April 10, 2025 brings the following

DRAFT RESOLUTION ON LOSS COVERAGE FOR THE YEAR 2024

I

It is established that in the business year that ended on December 31, 2024, JADRAN d.d. made an operating loss in the amount of **EUR -2,678,614** and it is hereby proposed that the said loss is to be covered using the expected future profits.

II

It is hereby further proposed that the General Meeting accept the joint proposal of the Management Board and the Supervisory Board, as determined in Section I of this Resolution.

Goran Hanžek
Chairman of the Supervisory Board

This is to certify that this Decision is identical as the signed original thereof